



**AUDIT REPORT
ON
THE ACCOUNTS OF
GOVERNMENT OF SINDH
AUDIT YEAR 2014-15**

AUDITOR GENERAL OF PAKISTAN

TABLE OF CONTENTS

	Page No.
ABBREVIATIONS & ACRONYMS	i
PREFACE	iii
EXECUTIVE SUMMARY	v
SUMMARY TABLES & CHARTS	xiii
I Audit Work Statistics	xiii
II Audit observations regarding financial management	xiv
III Outcome Statistics	xv
IV Irregularities pointed out	xvi
CHAPTER - 1	1
PUBLIC FINANCIAL MANAGEMENT ISSUES	1
1.1.1 Assessment of Budget and budgeting process	1
1.1.2 Physical Assets not taken in Assets Register - Rs 2.44 billion	7
1.1.3 State trading stock capitalized in long term assets	10
1.1.4 Opening and closing balances of long term assets not object-wise	12
1.1.5 Contribution to funds wrongly classified as investments	13
1.1.6 Long outstanding loans and advances - Rs 24.80 billion	15
1.1.7 Negative balances appearing in permanent debt - Rs1,096.83 million	17
1.1.8 Recoveries of overpayments (sampling error-non projectable)	17
1.1.9 Less recovery of taxes and other revenues - Rs37.42 million	18
1.1.10 Revenue not recovered and expenditure excess paid – Rs6.49 million	19
1.1.11 Wrong balances carried forward in subsidiary ledgers	19
1.1.12 Non-reporting of correct amount of Pension Fund	20
1.1.13 Expenditure in excess of budget allocation - Rs14,742.67 million	21
1.1.14 Savings not surrendered in time - Rs1,721.03 million	22
1.1.15 Misreporting of development expenditure – Rs120,917.45 million	23
1.1.16 Excess payment against employee related expenses – Rs136.15 million	24
1.1.17 Un-reconciled old difference between book and bank balances– Rs827.14 million	25
1.1.18 Reconciliation process not carried out - Rs10,149.52 million	29
CHAPTER-2	31
AGRICULTURE, SUPPLY AND PRICES DEPARTMENT	31

2.1	Introduction	31
2.2	Comments on the Budget and Accounts (Variance Analysis)	32
2.3	Brief comments on the compliance of PAC directives	32
2.4	AUDIT PARAS	33
2.4.1	Non-production of record – Rs133.07 million	33
2.4.2	Un-authorized working of employees without sanctioned strength – Rs2.64 million	33
2.4.3	Un-authorized retention of government money – Rs17.72 million	34
2.4.4	Expenditure through cash payment – Rs3.40 million	35
2.4.5	Missing funds from Revolving Fund (RF) Account – Rs55.17 million	36
2.4.6	Revolving Fund payment without post-dated cheques – Rs75.08 million	36
2.4.7	Irregular expenditure on procurement of material – Rs5.40 million	37
2.4.8	Irregular expenditure without inviting tender – Rs7.33 million	38
2.4.9	Short-achievement of revenue targets - Rs3.73 million	38
2.4.10	Un-authorized handing over of vehicles to Secretary Agriculture – Rs3.50 million	39
2.4.11	Non-establishment of Revolving Funds – Rs902.52 million	40
2.4.12	Loan funds expended without observing proper checks - Rs75.08 million	40
2.4.13	Non-achievement of targeted project development activities - Rs13.290 million	41
2.4.14	Irregular appointments in various project components - Rs13.29 million	42
2.4.15	Non-recovery of government dues – Rs108.70 million	44
	CHAPTER-3	46
	AUQAF, RELIGIOUS AFFAIRS & ZAKAT & USHR DEPARTMENT	46
3.1	Introduction	46
3.2	Comments on the Budget and Accounts (Variance Analysis)	46
3.3	Brief comments on the compliance of PAC directives	47
3.4	AUDIT PARAS	48
3.4.1	Unjustified accumulation of liability - Rs147.98 million	48
3.4.2	Irregular expenditure on construction/repair of building - Rs3.70 million	48
3.4.3	Non-production of record for expenditure on Hajj duty - Rs3.96 million	49
3.4.4	Non-recovery of outstanding dues - Rs1.26 million	50
	CHAPTER – 4	51
	BOARD OF REVENUE	51
4.1	Introduction	51
4.2	Comments on the Budget and Accounts (Variance Analysis)	51
4.3	Brief comments on the compliance of PAC directives	51

4.4	AUDIT PARAS	53
4.4.1	Non-production of record - Rs3,374.75million	53
4.4.2	Expenditure without inviting tenders - Rs1,847.87 million	53
4.4.3	Irregular payment through DDO instead of vendors- Rs1,888.37 million	54
4.4.4	Irregular drawl of pay and allowances through manual bills - Rs29.17 million	55
4.4.5	Irregular payment without supporting vouchers - Rs30.16 million	55
4.4.6	Non-receipt of ammunition from Wah Factory - Rs15.00 million	56
4.4.7	Un-authorized drawl of cash - Rs9.48 million	57
4.4.8	Un-justified procurement of vehicle - Rs3.50 million	58
4.4.9	Double payment on death compensation - Rs1.80 million	58
4.4.10	Irregular payment to work charge/daily wages establishment - Rs3.25 million	59
4.4.11	Irregular acquisition of land and building - Rs75.39 million	60
4.4.12	Non-regularization of outside Budget - Rs80.54 million	61
4.4.13	Irregular expenditure on miscellaneous purchases - Rs100.73 million	61
4.4.14	Non-deduction of taxes and duties - Rs203.84 million	62
4.4.15	Non-realization of revenue - Rs96.52 million	64
	CHAPTER - 5	65
	CHIEF MINISTER'S SECRETARIAT	65
5.1	Introduction	65
5.2	Comments on the Budget and Accounts (Variance Analysis)	65
5.3	Brief comments on the compliance of PAC directives	66
5.4	AUDIT PARAS	67
5.4.1	Non-production of record - Rs712.81 million	67
5.4.2	Unauthorized transfer of funds – Rs718.64million	67
5.4.3	Expenditure without inviting open tender – Rs140.89 million	68
5.4.4	Irregular award of contract – Rs381.39 million	69
5.4.5	Irregular payment on account of secured advance - Rs4.95 million	70
5.4.6	Misclassification of expenditure – Rs23.08 million	71
5.4.7	Non-adjustment of advances – Rs70.53 million	72
5.4.8	Non-deposit of cheques in bank account – Rs12.59 million	72
5.4.9	Irregular purchase of vehicles beyond entitlement – Rs3.21 million	74
5.4.10	Encroachment over university land	74
5.4.11	Irregular award of Health Insurance to employees - Rs41.47 million	75
5.4.12	Improper maintenance of Provident fund record - Rs67.34 million	76
5.4.13	Non-achievement of targets - Rs235.80 million	77
5.4.14	Wasteful expenditure over consultancy charges - Rs10.28 million	77
5.4.15	Non-reconciliation of deposited Income Tax – Rs13.01 million	78

5.4.16	Non-recovery of Professional Tax – Rs1.47 million	79
5.4.17	Excess payment due to appointment in higher grade - Rs1.75 million	79
5.4.18	Non-recovery of outstanding dues – Rs298.37 million	80
5.4.19	Non-deduction of income tax– Rs11.01 million	81
5.4.20	Non-deduction of 20% of GST – Rs15.26million	82
5.4.21	Unjustified payment of qualification allowance - Rs16.31 million	83
5.4.22	Unauthorized payment of computer allowance – Rs17.64million	84
5.4.23	Unauthorized payment of house rent – Rs61.16 million	84
5.4.24	Excess payment of conveyance allowance – Rs69.69 million	86
5.4.25	Irregular payment of post-graduate teaching allowance – Rs3.76 million	86
5.4.26	Non-deposit of realized revenue - Rs24.76 million	87
5.4.27	Non-recovery of stamp duty – Rs22.73 million	88
5.4.28	Non-recovery of water/electricity charges from the contractors – Rs4.50 million	89
5.4.29	Irregular expenditure incurred on salaries – Rs54.16 million	90
5.4.30	Loss due to less recovery of utilities charges – Rs168.46 million	91
CHAPTER – 6		93
CULTURE, TOURISM & ANTIQUITIES DEPARTMENT		93
6.1	Introduction	93
6.2	Comments on the Budget and Accounts (Variance Analysis)	93
6.3	Brief comments on the compliance of PAC directives	94
6.4	AUDIT PARAS	95
6.4.1	Non-production of record - Rs45.28 million	95
6.4.2	Approval of estimates without detail - Rs425.56 million	95
6.4.3	Irregular payment without pre-audit - Rs130.41 million	96
6.4.4	Performance guarantees of insurance companies unverified - Rs80.50 million	97
6.4.5	Un-authorized drawl without supporting vouchers - Rs66.50 million	97
6.4.6	Un-authorized payment of grant-in aid - Rs41.94 million	98
6.4.7	Non-crediting of government revenue - Rs32.87 million	99
6.4.8	Irregular payments on invoices of other firms - Rs31.00 million	99
6.4.9	Irregular payment of consultation charges -Rs11.06 million	100
6.4.10	Un-authorized signing of MOU - Rs9.06 million	101
6.4.11	Irregular payment of salary through manual bills - Rs8.36 million	102
6.4.12	Drawl of cash from bank through open cheque - Rs4.20 million	102
6.4.13	Irregular expenditure on dismantling - Rs3.68 million	103
6.4.14	Non-deduction of income tax -Rs3.05 million	103
6.4.15	Irregular payment of premium on non-schedule item - Rs2.460 million	104
6.4.16	Non-realization of stamp duty - Rs1.76 million	105

6.4.17	Irregular premium on new schedule of rates - Rs13.17 million	106
CHAPTER – 7		108
EDUCATION DEPARTMENT		108
7.1	Introduction	108
7.2	Comments on the Budget and Accounts (Variance Analysis)	109
7.3	Brief comments on the compliance of PAC directives	109
7.4	AUDIT PARAS	110
7.4.1	Non-production of record – Rs2,657.96 million	110
7.4.2	Non-achievement of DLIs – Rs1,294.19 million	110
7.4.3	Wasteful expenditure on preparation of school specific budget – Rs13.70 million	111
7.4.4	Fraudulent double payment to employees - Rs5.81 million	112
7.4.5	Irregular recruitment of employees - Rs3.34 million	113
7.4.6	Failure to obtain Grant from European Union – Rs1,440.00 million	114
7.4.7	Non-recovery of outstanding dues – Rs56.57 million	114
7.4.8	Less deposit of collected revenue – Rs1.00 million	115
7.4.9	Short distribution of 6.35 million Free Text Books	115
7.4.10	Delayed withdrawal of funds for Stipend to Girls – Rs1,200.00 million	116
7.4.11	Excess expenditure on Public Private Partnership – Rs38.00 million	116
7.4.12	Non-release of funds to Schools Management Committee - Rs543.22 million	117
7.4.13	Non-utilization of funds due to release on year end - Rs674.96 million	117
7.4.14	Expenditure on salary in excess of sanctioned strength – Rs 13.49 million	118
7.4.15	Irregular expenditure by splitting up to avoid tender– Rs55.70 million	119
7.4.16	Un-authorized expenditure under various heads – Rs4.74 million	119
7.4.17	Irregular payment on account of rent of building – Rs3.47 million	120
7.4.18	Depriving children from education by closure of 6,207 schools	121
7.4.19	Loss due to non-functioning of closed schools – Rs11.00 million	121
7.4.20	Missing basic facilities for students owing to inadequate schools’ infrastructure	122
7.4.21	Wastage of public money under “School Specific Budget” – Rs15.60 million	123
7.4.22	Non-adjustment of advances – Rs16.27 million	124
7.4.23	Misuse of government money on SMC - Rs18.74 million	125
7.4.24	Irregular drawl of Funds – Rs8.01 million	126
CHAPTER - 8		127
ENERGY DEPARTMENT		127
8.1	Introduction	127
8.2	Comments on the Budget and Accounts (Variance Analysis)	127
8.3	Brief comments on the compliance of PAC directives	127

8.4	AUDIT PARAS	128
8.4.1	Non-production of record - Rs251.51 million	128
8.4.2	Non-recovery of electricity duty - Rs1,751.89 million	129
8.4.3	Non-deduction of Income Tax - Rs1.20 million	129
	CHAPTER – 9	131
	EXCISE & TAXATION DEPARTMENT	131
9.1	Introduction	131
9.2	Comments on the Budget and Accounts (Variance Analysis)	131
9.3	Brief comments on the compliance of PAC directives	131
9.4	AUDIT PARAS	133
9.4.1	Short realization against revenue targets - Rs1,318.76 million	133
9.4.2	Bank guarantees cleared without cash realization – Rs2,553.61 million	133
9.4.3	Variation of figures of vehicles tax receipts - Rs520.73 million	134
9.4.4	Non-realization of Property Tax – Rs112.43 million	135
9.4.5	Non-recovery of establishment charges – Rs96.90 million	136
9.4.6	Non-realization of professional tax – Rs13.87 million	136
9.4.7	Non-realization of infrastructure cess – Rs5.15 million	137
9.4.8	Non-realization of motor vehicle tax – Rs4.47 million	137
9.4.9	Non-realization of cotton fee – Rs3.46 million	138
9.4.10	Less recovery of provincial excise duty – Rs2.95 million	139
9.4.11	Non-realization of entertainment duty – Rs1.03 million	139
	CHAPTER – 10	141
	FINANCE DEPARTMENT	141
10.1	Introduction	141
10.2	Comments on the Budget and Accounts (Variance Analysis)	141
10.3	Brief comments on the compliance of PAC directives	141
10.4	AUDIT PARAS	143
10.4.1	Non-production of record – Rs1,367.86 million	143
10.4.2	Payment without detail - Rs191.33 million	143
10.4.3	Irregular payment without tenders on authority’s website - Rs177.26 million	144
10.4.4	Payment to DDO instead of payee - Rs946.16 million	145
10.4.5	Irregular payment due to non-conducting inspection - Rs1,517.10 million	146
10.4.6	Irregular Expenditure on POL - Rs437.92 million	146
10.4.7	Irregularities in payments of GP Fund Advance	147
10.4.8	Excess appointments of employees without sanctioned posts - Rs18.20 million	148

10.4.9	Non-remittance of income tax - Rs767.34 million	148
10.4.10	Payment of salaries through manual bills - Rs491.80 million	149
10.4.11	Misclassification of expenditure - Rs6.10 million	150
10.4.12	Irregular expenditure on account of grant in aid - Rs17.00 million	150
10.4.13	Irregular purchase of vehicles - Rs6.43 million	151
10.4.14	Non-adjustment of advances – Rs16.00 million	152
10.4.15	Irregular payment on work charge establishment - Rs1.11 million	152
10.4.16	Un-authorized payment of withheld amount - Rs19.11 million	153
10.4.17	Unjustified increase in medical allowance to pensioners - Rs377.98 million	153
10.4.18	Irregular payment of GP fund - Rs6.68 million	154
10.4.19	Difference in payment of GP Fund - Rs10.13 million	155
10.4.20	Un-justified payment on National Celebrations - Rs2.50 million	156
10.4.21	Irregular expenditure without tender - Rs4.49 million	156
10.4.22	Irregular payment of cash reward – Rs3.00 million	157
10.4.23	Irregular expenditure without hoisting bid evaluation report - Rs3.59 million	157
10.4.24	Purchase of medicines without drug test laboratory report - Rs8.41million	158
10.4.25	Appointment of staff without approval of Finance Department - Rs3.41 million	159
10.4.26	Same Assignment Account operated by two different entities	159
10.4.27	One Assignment Account for Several Projects	160
10.4.28	Authorization of funds to Treasury Officer instead of entity	161
10.4.29	Payment on unapproved pre-receipt bill of land compensation - Rs33.00 million	161
10.4.30	Non-deduction of taxes – Rs8.90 million	162
10.4.31	Irregular expenditure on fake employees - Rs186.91 million	163
10.4.32	Unauthorized payment of salaries to non-sanctioned employees	163
10.4.33	Fraudulent creation of 2,490 posts by EDO Education	164
10.4.34	Excess in pension payment - Rs221.71 million	165
	CHAPTER – 11	167
	FOOD DEPARTMENT	167
11.1	Introduction	167
11.2	Comments on the Budget and Accounts (Variance Analysis)	167
11.3	Brief comments on the compliance of PAC directives	168
11.4	AUDIT PARAS	169
11.4.1	Non-production of paid-up challans - Rs2,336.09 million	169
11.4.2	Non-disposal of damaged <i>bardana</i> – Rs4.47 million	170
11.4.3	Loss to government due to acceptance of disputed stock – Rs294.33 million	170
11.4.4	Non-finalisation of disputed cases of wheat – Rs2.12 million	171
11.4.5	Improper storage of wheat – Rs7,195.09 million	171

11.4.6	Loss to government due to negligence -Rs206.18 million	172
11.4.7	Irregular & non-transparent appointments during ban period - Rs15.79 million	173
11.4.8	Un-authorized payment of forfeited security deposit - Rs15.00 million	174
11.4.9	Irregular award of tender on account of transportation services - Rs72.64 million	175
11.4.10	Unjustified payment of transportation charges - Rs83.81 million	176
11.4.11	Award of work without obtaining personal Surety Bond -Rs25.00 million	177
11.4.12	Irregular award of wheat transportation contracts - Rs822.56 million	178
11.4.13	Non-crediting of call deposit into government treasury – Rs40.00 million	179
11.4.14	Doubtful payment on account of fumigation charges - Rs5.84 million	180
11.4.15	Non-crediting of government Revenue – Rs3.86 million	181
11.4.16	Mis-procurement on account of shifting of wheat - Rs124.77 million	182
11.4.17	Irregular shifting of wheat without valid allocation - Rs7.08 million	183
11.4.18	Irregular award of contract for shifting of wheat - Rs77.98 million	184
11.4.19	Non-recovery of outstanding <i>bardana</i> - Rs53.81 million	184
11.4.20	Shortage of wheat bags – Rs2,391.58 million	185
11.4.21	Non-recovery of wheat shortages – Rs941.56 million	186
11.4.22	Non-deduction of taxes – Rs165.98 million	187
CHAPTER – 12		189
FOREST & WILD LIFE DEPARTMENT		189
12.1	Introduction	189
12.2	Comments on the Budget and Accounts (Variance Analysis)	189
12.3	Brief comments on the compliance of PAC directives	190
12.4	AUDIT PARAS	191
12.4.1	Non-production of record - Rs36.13 million	191
CHAPTER-13		192
HEALTH DEPARTMENT		192
13.1	Introduction	192
13.2	Comments on the Budget and Accounts (Variance Analysis)	192
13.3	Brief comments on the compliance of PAC directives	193
13.4	AUDIT PARAS	194
13.4.1	Execution of same item of work on different rates at same site - Rs88.08 million	194
13.4.2	Non-production of Record – Rs1,298.36 million	194
13.4.3	Un-authorized transfer of funds - Rs3,426.64 million	195
13.4.4	Irregular expenditure on purchase of medicine – Rs710.01 million	195
13.4.5	Irregular procurement without inviting open tenders – Rs543.00 million	196

13.4.6	Excess drawl of funds for stipend of Lady Health Workers – Rs270.17 million	197
13.4.7	Irregular award of work on non-schedule rates - Rs100.30 million	197
13.4.8	Irregular payment on account of mobilization advance - Rs74.96 million	198
13.4.9	Un-authorized payment made to DDO instead of actual payee – Rs62.33 million	199
13.4.10	Irregular appointment of consultants - Rs19.20 million	200
13.4.11	Irregular appointment of contingent paid staff - Rs18.79 million	201
13.4.12	Excess expenditure on stipend of Lady Health Workers - Rs11.17 million	202
13.4.13	Irregular payment to consultant - Rs9.36 million	202
13.4.14	Irregular purchases by ignoring lowest bidders - Rs5.15 million	203
13.4.15	Irregular payment of salary to absent doctors - Rs3.03 million	204
13.4.16	Irregular expenditure on repair of building - Rs2.74 million	204
13.4.17	Non-deposit of government money into treasury - Rs305.70 million	205
13.4.18	Non-recovery of Government dues – Rs279.55 million	206
13.4.19	Non-obtaining discount on purchase of medicines – Rs94.09 million	206
13.4.20	Non-imposition of penalty for delayed works - Rs21.50 million	207
13.4.21	Short supply of medicines due to non-utilization of budget - Rs14.21 million	207
CHAPTER – 14		209

HOME DEPARTMENT **209**

14.1	Introduction	209
14.2	Comments on the Budget and Accounts (Variance Analysis)	210
14.3	Brief comments on the compliance of PAC directives	210
14.4	AUDIT PARAS	211
14.4.1	Non-production of record	211
14.4.2	Un-authorized drawl of pay and allowances – Rs458.67 million	212
14.4.3	Irregular drawl of salary through manual pay bills – Rs1,347.01 million	212
14.4.4	Cash payment instead of cross cheques – Rs34.25 million	213
14.4.5	Un-justified expenditure on security – Rs98.50 million	213
14.4.6	Unauthorized payment of inadmissible allowances - Rs9.02 million	214
14.4.7	Un-authorized drawl of funds - Rs26.99 million	215
14.4.8	Non-recovery of outstanding dues – Rs105.15 million	216
14.4.9	Irregular expenditure without inviting tender – Rs58.68 million	216
14.4.10	Un-authorized retention of government money - Rs3.25 million	217
14.4.11	Irregular payment of POL for vehicles not in use by local office – Rs1.54 million	217
14.4.12	Irregular expenditure on feeding charges - Rs5.48 million	218
14.4.13	Irregular expenditure on cost of investigation – Rs21.95 million	219
14.4.14	Irregular expenditure on repair of building - Rs23.67 million	219
14.4.15	Non-adjustment of advances – Rs12.00 million	220

14.4.16	Irregular Payment of conveyance allowance – Rs5.00 million	221
CHAPTER – 15		222
INDUSTRIES & COMMERCE DEPARTMENT		222
15.1	Introduction	222
15.2	Comments on the Budget and Accounts (Variance Analysis)	222
15.3	Brief comments on the compliance of PAC directives	223
15.4	AUDIT PARAS	224
15.4.1	Irregular payment without compaction report - Rs16.63 million	224
15.4.2	Irregular appointment of consultants - Rs3.59 million	224
15.4.3	Irregular expenditure without provision in PC-I - Rs8.16 million	225
CHAPTER – 16		226
INFORMATION & ARCHIVES DEPARTMENT		226
16.1	Introduction	226
16.2	Comments on the Budget and Accounts (Variance Analysis)	226
16.3	Brief comments on the compliance of PAC directives	226
16.4	AUDIT PARAS	227
16.4.1	Un-justified payment to journalists - Rs10.00 million	227
CHAPTER – 17		228
IRRIGATION DEPARTMENT		228
17.1	Introduction	228
17.2	Comments on the Budget and Accounts (Variance Analysis)	229
17.3	Brief comments on the compliance of PAC directives	230
17.4	AUDIT PARAS	231
17.4.1	Irregular award of work in excess of PC-I cost - Rs78.95 million	231
17.4.2	Mis-reporting to NAB authorities regarding civil works - Rs52.42 million	231
17.4.3	Non-production of record - Rs435.40 million	232
17.4.4	Unjustified left over works by contractor - Rs735.13 million	233
17.4.5	Unjustified payment for consultancy services - Rs53.80 million	234
17.4.6	Non-adjustment of advance payment - Rs19.45 million	235
17.4.7	Un-authorized payment of income tax to contractor - Rs1.39 million	235
17.4.8	Splitting of work order to avoid tendering - Rs242.20 million	236
17.4.9	Irregular refund of security deposit - Rs3.25 million	237
17.4.10	Irregular expenditure on land acquisition – Rs9.70 million	237

17.4.11	Irregular expenditure on account of hiring charges – Rs78.48 million	238
17.4.12	Non-recovery of government dues – Rs284.14 million	239
17.4.13	Excess payment to the contractors - Rs25.20 million	239
17.4.14	Non-billing of fish farms - Rs7.58 million	240
17.4.15	Non-crediting of lapsable deposits into government account - Rs366.26 million	240
CHAPTER –18		242
LABOUR & HUMAN RESOURCES DEPARTMENT		242
18.1	Introduction	242
18.2	Comments on the Budget and Accounts (Variance Analysis)	242
18.3	Brief comments on the compliance of PAC directives	243
18.4	AUDIT PARAS	244
18.4.1	Non-production of Record - Rs17.63 million	244
18.4.2	Manual payment through DDO account - Rs2.96 million	245
CHAPTER –19		246
LAW & PARLIAMENTARY AFFAIRS & HUMAN RIGHTS DEPARTMENT		246
19.1	Introduction	246
19.2	Comments on the Budget and Accounts (Variance Analysis)	246
19.3	Brief comments on the compliance of PAC directives	247
19.4	AUDIT PARAS	248
19.4.1	Non-production of record - Rs32.80 million	248
19.4.2	Irregular expenditure through pre-receipt bills - Rs10.16 million	248
19.4.3	Payment through DDO account - Rs2.17 million	249
19.4.4	Un-justified expenditure on purchase of Software - Rs126.54 million	250
19.4.5	Unjustified increase of 200% in Basic pay - Rs15.02 million	250
19.4.6	Unjustified expenditure on Additional Pay/Allowance - Rs9.80 million	251
19.4.7	Expenditure without inviting tenders - Rs21.33 million	251
CHAPTER – 20		253
LIVESTOCK AND FISHERIES DEPARTMENT		253
20.1	Introduction	253
20.2	Comments on the Budget and Accounts (Variance Analysis)	253
20.3	Brief comments on the compliance of PAC directives	254
20.4	AUDIT PARAS	255
20.4.1	Non-production of record – Rs1.37 million	255

20.4.2	Irregular payment to employee instead of payees - Rs1.09 million	255
20.4.3	Non-transparent award of works - Rs 3,366.42 million	256
20.4.4	Doubtful payments on constructions work - Rs117.54 million	257
20.4.5	Doubtful payment of survey charges - Rs38.40 million	258
20.4.6	Expenditure without inviting tenders - Rs13.02 million	258
20.4.7	Issuance of open cheque instead of crossed cheque - Rs5.93 million	259
20.4.8	Irregular drawl by DDO instead of actual payee - Rs3.64 million	260
20.4.9	Non-deduction of sales tax - Rs2.41 million	260
20.4.10	Non-realization of annual registration/license and renewal fee - Rs2.96 million	261
20.4.11	Splitting of expenditure to avoid tender – Rs1.94 million	262
20.4.12	Non-recovery of Animal Treatment/Vaccination Fee - Rs1.66 million	262
20.4.13	Excess consumption of POL over and above the ceiling - Rs1.49 million	263
20.4.14	Mis-classification of expenditure – Rs18.44 million	264
CHAPTER –21		265
LOCAL GOVERNMENT, RURAL DEVELOPMENT, PHE & HTP DEPARTMENT		265
21.1	Introduction	265
21.2	Comments on the Budget and Accounts (Variance Analysis)	265
21.3	Brief comments on the compliance of PAC directives	266
21.4	AUDIT PARAS	267
21.4.1	Non-adjustment of miscellaneous public work advances - Rs267.28 million	267
21.4.2	Irregular payment on account of un-laid pipes - Rs54.63 million	268
21.4.3	Non-production of record– Rs538.52 million	268
21.4.4	Irregular award of work without bid evaluation report - Rs217.23 million	269
21.4.5	Non-crediting of lapsed deposit – Rs46.58 million	270
21.4.6	Non-recovery of stamp duty - Rs4.37 million	271
21.4.7	Non-recovery of rent of residential plots - Rs15,371.40 million	272
21.4.8	Non-deposit of call deposit into Bank - Rs1.41 million	273
CHAPTER –22		274
MINES & MINERALS DEPARTMENT		274
22.1	Introduction	274
22.2	Comments on the Budget and Accounts (Variance Analysis)	274
22.3	Brief comments on the compliance of PAC directives	275
22.4	AUDIT PARAS	276
22.4.1	Non-production of record – Rs325.06 million	276
22.4.2	Incomplete procurement of machinery and equipment - Rs32.17 million	277

22.4.3	Irregular payment on pre-receipted bills - Rs4.06 million	277
22.4.4	Payment in cash instead of cross cheque - Rs2.90 million	278
22.4.5	Un-authorized retention of funds into DDO account - Rs1.08 million	278
22.4.6	Non-maintenance of cashbook - Rs194.63 million	279
CHAPTER – 23		280
MINORITIES AFFAIRS DEPARTMENT		280
23.1	Introduction	280
23.2	Comments on the Budget and Accounts (Variance Analysis)	280
23.3	Brief comments on the compliance of PAC directives	280
23.4	AUDIT PARAS	281
23.4.1	Expenditure without inviting tenders - Rs43.10 million	281
23.4.2	Un-authorized retention of funds into DDO account - Rs36.05 million	281
23.4.3	Irregular withdrawal of funds - Rs120.00 million	282
23.4.4	Non-posting of bid evaluation report on SPPRA website - Rs116.92 million	282
23.4.5	Payment without re-validation of Finance Department - Rs1.40 million	283
23.4.6	Non-crediting of government revenue - Rs7.97 million	284
CHAPTER - 24		285
ORGANS OF STATE		285
24.1	Introduction	285
24.2	Comments on the Budget and Accounts (Variance Analysis)	285
24.3	Brief comments on the compliance of PAC directives	285
24.4	AUDIT PARAS	286
24.4.1	Irregular expenditure on travelling/seasonal allowance - Rs65.23 million	286
24.4.2	Irregular expenditure on account of medical charges - Rs57.49 million	286
24.4.3	Un-justified payment of honorarium - Rs55.76 million	287
24.4.4	Expenditure without inviting tender –Rs5.66 million	288
24.4.5	Un-justified extraordinary delayed work - Rs4.18 million	288
CHAPTER –25		290
PLANNING, DEVELOPMENT & SPECIAL INITIATIVES DEPARTMENT		290
25.1	Introduction	290
25.2	Comments on the Budget and Accounts (Variance Analysis)	290
25.3	Brief comments on the compliance of PAC directives	291
25.4	AUDIT PARAS	292

25.4.1	Un-authorized payment of honorarium – Rs36.89 million	292
25.4.2	Irregular payment exceeding sanctioned pay – Rs9.00 million	292
25.4.3	Unauthorized payment of allowances – Rs5.04 million	293
25.4.4	Irregular payment without sanction of estimate - Rs7,016.70 million	294
25.4.5	Stamp duty not recovered - Rs21.05 million	294
25.4.6	Non-recovery of interest on mobilization advances – Rs112.20 million	295
25.4.7	Non-deduction of income tax - Rs267.38 million	296
CHAPTER – 26		297
POPULATION WELFARE DEPARTMENT		297
26.1	Introduction	297
26.2	Comments on the Budget and Accounts (Variance Analysis)	297
26.3	Brief comments on the compliance of PAC directives	297
26.4	AUDIT PARAS	298
26.4.1	Non-production of record - Rs5.93 million	298
26.4.2	Payment in cash instead of crossed cheques – Rs7.00 million	299
CHAPTER – 27		300
REHABILITATION DEPARTMENT		300
27.1	Introduction	300
27.2	Comments on the Budget and Accounts (Variance Analysis)	301
27.3	Brief comments on the compliance of PAC directives	301
27.4	AUDIT PARAS	302
27.4.1	Irregular expenditure on purchase of tents - Rs132.28 million	302
27.4.2	Irregular payment to PHE - Rs90.41 million	303
27.4.3	Non-adjustment of advances - Rs47.29 million	303
27.4.4	Irregular expenditure on purchase of ration bags - Rs137.19 million	304
27.4.5	Un-accounted for procurement for displaced families - Rs25.51 million	305
27.4.6	Un-authorized payment of honorarium - Rs1.39 million	306
27.4.7	Non-deduction of income and sales tax - Rs1.12 million	307
CHAPTER – 28		309
SERVICES GENERAL ADMINISTRATION & COORDINATION DEPARTMENT		309
28.1	Introduction	309
28.2	Comments on the Budget and Accounts (Variance Analysis)	310
28.3	Brief comments on the compliance of PAC directives	310

28.4	AUDIT PARAS	311
28.4.1	Non-production of record – Rs45.80 million	311
28.4.2	Non-preparation & submission of budget to Governing Body - Rs634.48 million	312
28.4.3	Non-forfeiture of Bid security - Rs36.67 million	313
28.4.4	Irregular award of work - Rs8,936.97 million	314
28.4.5	Irregular payment on pre-receipted bills – Rs1.77 million	315
28.4.6	Loss due to settlement of incomplete contract – Rs3.19 million	316
28.4.7	Return of bid security without obtaining performance security-Rs150.00 million	317
28.4.8	Irregular award of Contract - Rs17.39 million	318
28.4.9	Irregular payment of mobilization advance – Rs845.67 million	318
28.4.10	Unjustified provision for price escalation & day work in PC-I - Rs335.26 million	320
28.4.11	Irregular consultancy fee in the awarded work contract - Rs110.00 million	321
28.4.12	Irregular incurrence of revenue into capital expenditure - Rs2.06 million	321
28.4.13	Irregular awards of works without approval by ECNEC- Rs5,819.60 million	322
28.4.14	Irregular award of work without Integrity Pact - Rs4,679.08 million	323
28.4.15	Undue high salary of the employees without any criteria-Rs35.80 million	323
28.4.16	Unjustified grant of loan to contract employees - Rs1.01 million	324
28.4.17	Unauthorized transfer of funds to DDO Account - Rs3.36 million	325
28.4.18	Irregular payment on recruitments and promotions- Rs14.49 million	326
28.4.19	Non-observance of functions defined in the Act	327
28.4.20	Unauthorized award of work of road - Rs4,078.00 million	329
28.4.21	Un-authorized award of work over & above PC-I - Rs1,930.42 million	330
28.4.22	Un-justified release without classifying component of PC- I - Rs445.52 million	330
28.4.23	Irregular expenditure without operating Assignment Account - Rs85.32 million	331
28.4.24	Un-authorized retention of Government funds in DDO account - Rs53.03 million	332
28.4.25	Irregular investment of savings - Rs41.27 million	333
28.4.26	Unauthorized purchase of vehicle from capital cost - Rs3.18 million	333
28.4.27	Irregular payment of honoraria - Rs3.73 million	334
28.4.28	Irregular re-appropriation of funds – Rs2.67 million	335
28.4.29	Non-recovery of government dues - Rs49.15 million	335
28.4.30	Irregular passing of candidates in Mukhtiarkar Examination	336
	CHAPTER – 29	338
	SOCIAL WELFARE DEPARTMENT	338
29.1	Introduction	338
29.2	Comments on the Budget and Accounts (Variance Analysis)	338
29.3	Brief comments on the compliance of PAC directives	338
29.4	AUDIT PARAS	339

29.4.1	Non-production of record - Rs34.38 million	339
29.4.2	Irregular expenditure on excess working strength – Rs2.83 million	339
29.4.3	Non-transparent award of contract - Rs16.12 million	340
29.4.4	Irregular expenditure without inviting tender - Rs1.58 million	341
29.4.5	Irregular expenditure on social welfare activities - Rs1.30 million	341
CHAPTER – 30		343
SPECIAL EDUCATION		343
30.1	Introduction	343
30.2	Comments on the Budget and Accounts (Variance Analysis)	343
30.3	Brief comments on the compliance of PAC directives	343
30.4	AUDIT PARA	344
30.4.1	Non-production of record - Rs45.37 million	344
30.4.2	Irregular expenditure on POL on off road vehicles - Rs1.07 million	344
30.4.3	Irregular expenditure without open tenders - Rs1.13 million	345
CHAPTER –31		346
SPORTS & YOUTH AFFAIRS DEPARTMENT		346
31.1	Introduction	346
31.2	Comments on the Budget and Accounts (Variance Analysis)	346
31.3	Brief comments on the compliance of PAC directives	346
31.4	AUDIT PARAS	347
31.4.1	Doubtful expenditure on flood lighting of a stadium – Rs40.00 million	347
31.4.2	Defective issuance of cheques from Bank – Rs40.65 million	348
31.4.3	Non-production of record - Rs131.33 million	349
31.4.4	Suspicious “transfer credit” between bank accounts - Rs3.64 million	350
31.4.5	Non-adjustment of advances - Rs21.04 million	351
31.4.6	Systemic Issue- Non-formulating of Budget by the Board – Rs19.86 million	351
31.4.7	Irregular procurement in violation of SPPR 2010 – Rs4.09 million	353
31.4.8	Un-authorized advance drawl under the head ‘Others’ - Rs10.73 million	354
31.4.9	Irregular appointment of consultants – Rs2.56 million	355
31.4.10	Difference between utilization reports and bank statements - Rs54.22 million	356
31.4.11	Excess payment from the various account - Rs7.45 million	357
31.4.12	Non-recovery of outstanding dues – Rs3.36 million	358
31.4.13	Irregular payment to Sports Associations - Rs1.67 million	359
CHAPTER – 32		360
TRANSPORT AND MASS TRANSIT DEPARTMENT		360

32.1	Introduction	360
32.2	Comments on the Budget and Accounts (Variance Analysis)	360
32.3	Brief comments on the compliance of PAC directives	360
32.4	AUDIT PARAS	361
32.4.1	Non-production of record – Rs159.64 million	361
32.4.2	Unauthorized procurement of Qinqu Rickshaws - Rs244.93 million	362
32.4.3	Irregular payments on hiring of consultant - Rs9.90 million	363
32.4.4	Irregular payments on account of hiring buses - Rs33.82 million	365
32.4.5	Un-authorized keeping of departmental vehicles - Rs1.80 million	366
32.4.6	Short delivery of rickshaws - Rs53.59 million	367
32.4.7	Un-justified drawl of cash from banks - Rs1.48 million	368
32.4.8	Non-realization of route permit fee – Rs1.44 million	368
32.4.9	Short deduction of income tax - Rs3.53 million	369
	CHAPTER – 33	371
	WOMEN DEVELOPMENT DEPARTMENT	371
33.1	Introduction	371
33.2	Comments on the Budget and Accounts (Variance Analysis)	371
33.3	Brief comments on the compliance of PAC directives	371
33.4	AUDIT PARAS	372
33.4.1	Unjustified payment on account of rent of office - Rs3.83 million	372
33.4.2	Wasteful expenditure on account of salary of project staff - Rs4.42 million	373
33.4.3	Irregular payment of salary to newly appointed officials - Rs7.80 million	373
33.4.4	Unauthorized expenditure and retention of government vehicles - Rs1.16 million	374
33.4.5	Unauthorized payment through cash instead of cheques – Rs2.06 million	375
33.4.6	Non-recovery/short deposit of government revenue – Rs1.11 million	375
	CHAPTER –34	377
	WORKS AND SERVICES DEPARTMENT	377
34.1	Introduction	377
34.2	Comments on the Budget and Accounts (Variance Analysis)	378
34.3	Brief comments on the compliance of PAC directives	379
34.4	AUDIT PARAS	380
34.4.1	Doubtful simultaneous duplication of works on same schools - Rs84.11 million	380
34.4.2	Doubtful payments to contractors without execution of work - Rs81.90 million	381
34.4.3	Payment to contractors for incomplete works – Rs20.25 million	382

34.4.4	Doubtful expenditure due to unsupported progress report - Rs10.69 million	383
34.4.5	Doubtful charging of cost of an executed work to other two schemes in subsequent year - Rs1.82 million	383
34.4.6	Unjustified allowing different rates of premium on same nature of works - Rs492.53 million	384
34.4.7	Doubtful payment to contractor for construction of road - Rs10.33 million	385
34.4.8	Irregular award of works to consultants and contractors - Rs255.28 million	385
34.4.9	Non-production of record - Rs805.47 million	387
34.4.10	Unjustified re-award/restart of works - Rs7.56 million	387
34.4.11	Unjustified provision of high premium rates in estimated cost -Rs57.13 million	388
34.4.12	Non-imposition of penalty for the delayed work - Rs838.48 million	389
34.4.13	Non-adjustment of advances - Rs187.73 million	389
34.4.14	Irregular refund of security deposits – Rs29.20 million	390
34.4.15	Irregular execution of works without approval of PC-I - Rs431.76 million	390
34.4.16	Irregular execution of works without consultation - Rs22.14 million	391
34.4.17	Irregular payment of escalation charges - Rs16.69 million	391
34.4.18	Non-competitive tendering process - Rs2,752.24 million	392
34.4.19	Award of work to the contractors not registered with PEC - Rs993.55 million	393
34.4.20	Non-deposit of government dues - Rs1,587.19 million	394
34.4.21	Irregular execution work on defective estimates - Rs43.41 million	394
34.4.22	Irregular payment on works awarded at financial year closing - Rs147.95 million	395
34.4.23	Non-recovery of government dues - Rs232.76 million	396
Annexure-1	Memorandum for DAC (MFDAC)	401
Annexures for Chapters		428

ABBREVIATIONS & ACRONYMS

ADP	Annual Development Plan
B.I.E.K.	Board of Intermediate Education Karachi
B.I.S.E.	Board of Intermediate & Secondary Education
B.S.E.K	Board of Secondary Education Karachi
C.V.	Cash Voucher
CAWB	Canal Area Water Board
D.A	Dearness Allowance
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DDO	Drawing and Disbursing Officer
DFO	Divisional Forest Officer
DLI	Disbursed Link Indicators
EDO	Executive District Officer
EEP	Eligible Expenditure Program
EMD	Earnest Money Deposit
FG	Food Grain
IRC	Institutional Reimbursement Cost
LBCAWB	Left Bank Canal Area Water Board
M&R	Maintenance and Repair
MB	Measurement Book
NIT	Notice for Invitation of Tender
NLC	National Logistic Cell
PAD	Pakistan Audit Department
PAO	Principal Accounting Officer
PC-I Form	Planning Commission-I Form
PEC	Pakistan Engineering Council
P.H.E.	Public Health Engineering
PLA	Personal Ledger Account
POL	Petrol Oil and Lubricant
PPRA Rules	Public Procurement Regularity Authority Rules
PRCs	Provincial Reserve Centres
PUA	Primary Unit of Account
QPO	Quarterly Plan of Operations
RA	Running Account
RBOD	Right Bank Outfall Drainage
RCC	Reinforced Cement Concrete

RSU/ED	Reform Support Unit/Education Department
SAP	System Application Programme
SERP	Sindh Education Reform Programme
SGA&CD	Services, General Administration and Coordination Department
SETT	Sindh Elementary Teachers Training Project
SGG	Sindh Government Godown
SIDA	Sindh Irrigation Development Authority
STEVTA	Sindh Technical Education and Vocational Training Authority
TA	Travelling Allowance
UDWP	University Development Working Party
W.O.	Work Order
WASA	Water and Sanitation Authority
WPCs	Wheat Procurement Centres
XEN	Executive Engineer

PREFACE

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

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

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

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

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

Sd/-

Muhammad Akhtar Buland Rana
Auditor General of Pakistan

Dated: 10 April 2015

EXECUTIVE SUMMARY

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

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

The revised budget of the Government of Sindh for the financial year 2013-14 was Rs694.01 billion with the segregation of non-development budget of Rs508.91 billion and development budget of Rs185.11 billion. The actual expenditure was Rs561.19 billion including Rs440.28 billion out of non-development budget and Rs120.92 billion out of development budget. The combined percentage of utilization of budget comes to 80.86 %.

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

a. Expenditure audited

During the financial year 2013-14, total expenditure under the jurisdiction of Director General Audit Sindh was Rs561.19 billion covering 36 PAOs and 8,746 formations. Out of which, an expenditure of Rs559.48 billion was audited, which in terms of percentage, is 99.69% of auditable expenditure. In addition, accounts of 9 foreign aided projects and 19 universities, educational institutions and boards of education were also audited. Results of these audits were included in this report.

b. Recoveries at the instance of audit

Recoveries of Rs29,296.81 million were pointed out, out of which Rs46.55 million was effected during the year 2013-14 at the time of compilation of report. The same recoveries included Rs0.62 million which was not in the knowledge of the concerned departments.

c. Comments on Internal Controls and Internal Audit Department

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

- a. The instances of losses to government, recoverables and violation of rules, are outcome of the laxity in exercise of internal controls and violation of authorized procedures for processing transactions.
- b. The instances of splitting the expenditure to avoid sanction of the higher authority were observed to be a common practice. This has sabotaged the whole process of delegation of financial powers as laid down in “Delegation of Financial Powers Rules 1990”.
- c. Codal requirements with regard to purchase of stores were not properly observed resulting into incurrence of expenditure in irregular and uneconomical manner in contravention of prescribed rules.
- d. Another common issue observed by Audit was non-accountal of different purchases in the stock register, which was the result of weak Internal Control System.
- e. Prescribed record was neither maintained nor produced to Audit, which was also a serious drawback in Internal Control System.

A basic component of internal control system is internal audit. Internal audit investigates and appraises the internal controls and efficiency with which various units of the organization perform their assigned functions. Independent, effective and efficient internal auditing results in improving internal controls that in turn, gives well planned evaluation and professional proficiency. A major reason for weak internal controls is the non-existence of internal audit. This wing could play an important role in addressing the following issues/areas:

d. Desk Audit

The availability of 36 updated permanent files and planning files helped the auditors in understanding the systems, procedures, environment and the audited entity before starting field activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field. This office, on its part, has arranged training of audit officers on ACL only recently, the results of which will hopefully be evident in near future.

e. The key audit findings of the report

- i. Doubtful or fraudulent payments or misappropriations identified—Rs3,390.58 million.¹
- ii. Non-maintenance of records and non-production of records – Rs10,992.87 million.²
- iii. Instances of wasteful expenditures identified – Rs8,914.94 million.³
- iv. Significant instances in which propriety principle and rules were violated – Rs38,028.30 million.⁴

¹Paras-2.4.5, 4.4.9, 7.4.4, 10.4.31, 10.4.32, 10.4.33, 10.4.34, 11.4.14, 11.4.20, 19.4.5, 20.4.4, 20.4.5, 32.4.6, 34.4.1, 34.4.2, 34.4.3, 34.4.4, 34.4.5 & 34.4.7

²Paras-2.4.1, 3.4.3, 4.4.1, 5.4.1, 6.4.1, 7.4.1, 8.4.1, 10.4.1, 12.4.1, 14.4.1, 17.4.3, 18.4.1, 19.4.1, 20.4.1, 21.4.3, 22.4.1, 26.4.1, 28.4.1, 29.4.1, 30.4.1, 31.4.3, 32.4.1 & 34.4.9

³Paras-5.4.14, 7.4.3, 7.4.21, 7.4.23, 11.4.5, 11.4.6, 14.4.5, 16.4.1, 17.4.4, 17.4.5, 19.4.4, 28.4.6, 28.4.10, 28.4.15 & 34.4.11

⁴Paras-2.4.2, 2.4.7, 2.4.8, 2.4.14, 3.4.2, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.10, 4.4.11, 4.4.13, 5.4.3, 5.4.4, 5.4.5, 5.4.9, 5.4.11, 5.4.25, 5.4.29, 6.4.3, 6.4.8, 6.4.9, 6.4.13, 6.4.15, 6.4.17, 7.4.5, 7.4.15, 7.4.17, 10.4.3, 10.4.6, 10.4.7, 10.4.8, 10.4.12, 10.4.13, 10.4.15, 10.4.18, 10.4.21, 10.4.22, 10.4.23, 10.4.25, 11.4.7, 11.4.9, 11.4.11, 11.4.12, 11.4.16, 11.4.17, 11.4.18, 13.4.4, 13.4.5, 13.4.7, 13.4.8, 13.4.10, 13.4.11, 13.4.13, 13.4.14, 13.4.16, 13.4.19, 14.4.9, 14.4.12, 14.4.13, 14.4.14, 14.4.16, 15.4.1, 15.4.2, 15.4.3, 17.4.1, 17.4.8, 17.4.9, 17.4.10, 17.4.11, 19.4.7, 20.4.3, 20.4.6, 20.4.11, 21.4.4, 23.4.1, 23.4.4, 24.4.1, 24.4.2, 24.4.3, 24.4.4, 27.4.1, 27.4.2, 27.4.4, 28.4.4, 28.4.5, 28.4.8,

- v. Weak internal control instances – Rs68,386.68 million.⁵

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

f. Recommendations

1. Principal Accounting Officers need to take necessary steps to institute, evaluate and strengthen internal controls and financial management practices in order to ensure:
 - (i). compliance with canons of financial propriety, rules and regulations, especially in autonomous institutions through training, monitoring and accountability of departmental functionaries;
 - (ii). proper maintenance of accounting records;
 - (iii). effective placement of internal controls to avoid recurrence of irregularities of similar nature; and
 - (iv). establishment of an independent internal audit mechanism.

2. The Principal Accounting Officers further need to take steps to:

28.4.9, 28.4.11, 28.4.12, 28.4.13, 28.4.14, 28.4.18, 28.4.25, 28.4.28, 29.4.2, 29.4.3, 29.4.4, 29.4.5, 30.4.2, 30.4.3, 31.4.1, 31.4.7, 31.4.9, 32.4.3, 32.4.4, 33.4.3, 34.4.8, 34.4.17, 34.4.18, 34.4.19, 34.4.21 & 34.4.22

⁵Paras-2.4.3, 2.4.4, 2.4.6, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.15, 3.4.1, 3.4.4, 4.4.6, 4.4.7, 4.4.8, 4.4.12, 4.4.14, 4.4.15, 5.4.2, 5.4.6, 5.4.7, 5.4.8, 5.4.10, 5.4.12, 5.4.13, 5.4.15, 5.4.16, 5.4.17, 5.4.18, 5.4.19, 5.4.20, 5.4.21, 5.4.22, 5.4.23, 5.4.24, 5.4.26, 5.4.27, 5.4.28, 5.4.30, 6.4.2, 6.4.4, 6.4.5, 6.5.6, 6.4.7, 6.4.10, 6.4.11, 6.4.12, 6.4.14, 6.4.16, 7.4.2, 7.4.6, 7.4.7, 7.4.8, 7.4.9, 7.4.10, 7.4.11, 7.4.12, 7.4.13, 7.4.14, 7.4.16, 7.4.18, 7.4.19, 7.4.20, 7.4.22, 7.4.24, 8.4.2, 8.4.3, 9.4.1, 9.4.2, 9.4.3, 9.4.4, 9.4.5, 9.4.6, 9.4.7, 9.4.8, 9.4.9, 9.4.10, 9.4.11, 10.4.2, 10.4.4, 10.4.5, 10.4.9, 10.4.10, 10.4.11, 10.4.14, 10.4.16, 10.4.17, 10.4.19, 10.4.20, 10.4.24, 10.4.26, 10.4.27, 10.4.28, 10.4.29, 10.4.30, 11.4.1, 11.4.2, 11.4.3, 11.4.4, 11.4.8, 11.4.10, 11.4.13, 11.4.15, 11.4.19, 11.4.21, 11.4.22, 13.4.1, 13.4.2, 13.4.3, 13.4.6, 13.4.9, 13.4.12, 13.4.15, 13.4.17, 13.4.18, 13.4.20, 13.4.21, 14.4.2, 14.4.3, 14.4.4, 14.4.6, 14.4.7, 14.4.8, 14.4.10, 14.4.11, 14.4.15, 17.4.2, 17.4.6, 17.4.7, 17.4.12, 17.4.13, 17.4.14, 17.4.15, 18.4.2, 19.4.2, 19.4.3, 19.4.6, 20.4.2, 20.4.7, 20.4.8, 20.4.9, 20.4.10, 20.4.12, 20.4.13, 20.4.14, 21.4.1, 21.4.2, 21.4.5, 21.4.6, 21.4.7, 21.4.8, 22.4.2, 22.4.3, 22.4.4, 22.4.5, 22.4.6, 23.4.2, 23.4.3, 23.4.5, 23.4.6, 24.4.5, 25.4.1, 25.4.2, 25.4.3, 25.4.4, 25.4.5, 25.4.6, 25.4.7, 26.4.2, 27.4.3, 27.4.5, 27.4.6, 27.4.7, 28.4.2, 28.4.3, 28.4.7, 28.4.16, 28.4.17, 28.4.19, 28.4.20, 28.4.22, 28.4.23, 28.4.24, 28.4.26, 28.4.27, 28.4.29, 28.4.31, 31.4.2, 31.4.4, 31.4.5, 31.4.6, 31.4.8, 31.4.10, 31.4.11, 31.4.12, 31.4.13, 32.4.2, 32.4.5, 32.4.7, 32.4.8, 32.4.9, 33.4.1, 33.4.2, 33.4.4, 33.4.5, 33.4.6, 34.4.6, 34.4.10, 34.4.12, 34.4.13, 34.4.14, 34.4.15, 34.4.16, 34.4.20 & 34.4.23

- (i). investigate cases of losses, embezzlements, unauthorized payments and non-accountal of cash and stores and take appropriate corrective action;
 - (ii). effect recovery of government dues and deposit into government treasury;
 - (iii). ensure deposit of funds irregularly kept outside government accounts by the departments;
 - (iv). ensure procurements in accordance with SPPRA Rules;
 - (v). ensure timely production of relevant record for audit in respect of cases pointed out in the report besides taking disciplinary action in terms of Section 14 (3) Auditor General's Ordinance 2001;
 - (vi). hold Departmental Accounts Committee meetings regularly and implement its recommendations;
 - (vii). ensure the compliance of the directives of Public Accounts Committee (PAC) by giving special attention and developing mechanism of monitoring of the compliance of PAC directives in their departments; and
 - (viii). address systemic issues, which include absence of management controls to prevent unauthorized practices, improper utilization of public money, absence of adequate safeguards to protect public property from theft, misuse of public funds, non-observance of codal formalities and procedures, etc.
3. Finance Department, Government of Sindh needs to build up institutional capacity in financial matters.

Summary, Tables & Charts

SUMMARY TABLES & CHARTS

Table 1:

I Audit Work Statistics

(Rupees in million)

Sr. No.	Description	Nos.	Expenditure 2013-14
1	Total Entities (PAOs) in Audit Jurisdiction	36	561,194
2	Total formations in audit jurisdiction	8,746	561,194
3	Total Entities(PAOs) Audited	35	559,482
4	Total formations Audited	1,312	559,482
5	Audit & Inspection Reports	1,312	-
6	Special Audit Reports	0	-
7	Performance Audit Report	0	-
8	Other Reports (Foreign Aided Projects)	09	-

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

(Rupees in million)

Sr. #	Description	Amount Placed under Audit Observation
1	Unsound asset management	11,905.12
2	Weak financial management	7,519.01
3	Weak Internal controls relating to financial management	52,311.04
4	Others	57,978.20
	Total	129,713.37

Table 3:
III Outcome Statistics

(Rupees in million)

Sr. #	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year	Total last year
1	Outlays Audited	2,438.01	101,401.96	(108,678.00)	455,642.03	559,482.00	454,790.12
2	Amount Placed under Audit Observation /Irregularities	920.79	44,927.60	27,458.42	56,406.56	129,713.37	23,547.67
3	Recoveries Pointed Out at the instance of Audit	-	-	23,057.68	6,239.13	29,296.81	7,979.95
4	Recoveries Accepted /Established at the instance of Audit	-	-	23,057.68	6,239.13	29,296.81	7,979.95
5	Recoveries Realized at the instance of Audit	-	-	-	0.62	0.62	212.64

Table 4:
IV Irregularities pointed out

(Rupees in million)

Sr. No	Description	Amount Placed under Audit Observation
1	Violation of rules and regulations and violation of principle of propriety and probity in public operations.	38,028.30
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	3,390.58
3	Accounting errors (accounting policy departure from NAM*, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	1,078.28
4	Weaknesses of internal control systems.	30,452.30
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public monies	29,296.81
6	Non -production of record.	10,992.87
7	Others, including cases of accidents, negligence etc.	16,474.23
Total		129,713.37

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

CHAPTER - 1 PUBLIC FINANCIAL MANAGEMENT ISSUES

1.1.1 Assessment of Budget and budgeting process

Overview

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

Original Budget to Aggregate Expenditure out-turn ratio

Particulars	<i>(Rupees in million)</i>	
	FY2013-14	FY2012-13
Budget (original)	658,624	603,567
Actual Expenditure	561,194	505,323
Difference between budget and actual expenditure (%)	14.79%	16.277%

This measure provides an assurance of whether the PFM system is delivering effective fiscal discipline and is responsive to changes in macroeconomic situations in accordance with budget intentions.

Final Budget to Actual Expenditure out-turn ratio

Particulars	<i>(Rupees in million)</i>	
	FY2013-14	FY2012-13
Budget (Final)	694,013	660,566
Actual Expenditure	561,194	505,323
Difference between budget and actual expenditure (%)	19.14%	23.50%

The deviation of actual expenditure from final budget represents the government's final effort to adjust budget variations that could not be assessed in original budget. A difference of 19.14% represents that all efforts of government to adjust budget variations from original budget were futile as the deviation rate increased at this stage and it also implicates that Mid Term Budgetary Framework of the government has remained inoperative to provide any insight to the government to manage public finances.

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

Original Budget compared with Revised Budget

Particulars	<i>(Rupees in million)</i>	
	FY2013-14	FY2012-13
Budget (original)	658,624	603,567
Budget (Final)	694,013	660,566
Difference between original budget and final budget (%)	5.37%	9.44%

There was a positive difference of original budget with actual expenditure, but despite keeping budget difference minimum, that was enhanced up to 5.37%, and more resources were engaged to keep budget at higher out-turn ratio with actual expenditure. This implies oversight of budget trends during policy decisions.

Measure of deviations in above ratios

Nature of Expenditure	Final Budget	Actual Expenditure	Difference %
Charged	79,534,909,210	68,636,607,365	13.70%
Voted	614,477,955,550	492,557,696,491	19.84%
	694,012,864,760	561,194,303,856	19.14%

Nature of Expenditure	Final Budget	Actual Expenditure	Difference %
Revenue	421,956,435,280	357,257,814,225	15.33%
Capital	272,056,429,480	203,936,489,631	25.04%
	694,012,864,760	561,194,303,856	19.14%

Nature of Expenditure	Final Budget	Actual Expenditure	Difference %
Non Development	508,907,942,190	440,276,855,898	13.49%
Development	185,104,922,570	120,917,447,958	34.68%
	694,012,864,760	561,194,303,856	19.14%

All above percentages portray a clear picture that development side of the expenditure could not be completed in fiscal year and government's estimates to

meet its long term goals were less efficient in current fiscal year. The reasons of this inefficiency could be attributed to;

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

Grant wise budget variations

The threshold set by Ministry of finance for grant wise budget variations is;

Excess expenditures:	of Rs 1 and more are explainable
Savings :	more than 5% are explainable

Only four grants out of 67 have incurred excess expenditure of around Rs 121.77 million out of total Rs 33.39 billion expenditure, i.e., approximately only 0.36%. However, 62 grants have been showing savings, not surrendered in time, and out of this figure 54 grants had savings more than 5%. All these saving grants need explanation from the management. One of these grants has incurred double savings during the current year, which shows necessary blockage of government resources, till the end of the year.

Debt Management

Increase in debt servicing principal and interest payment budget (Current Capital and Current Revenue Expenditure) is almost 10% of last year while that in actual expenditure is 11% of last year. This indicated poor debt planning.

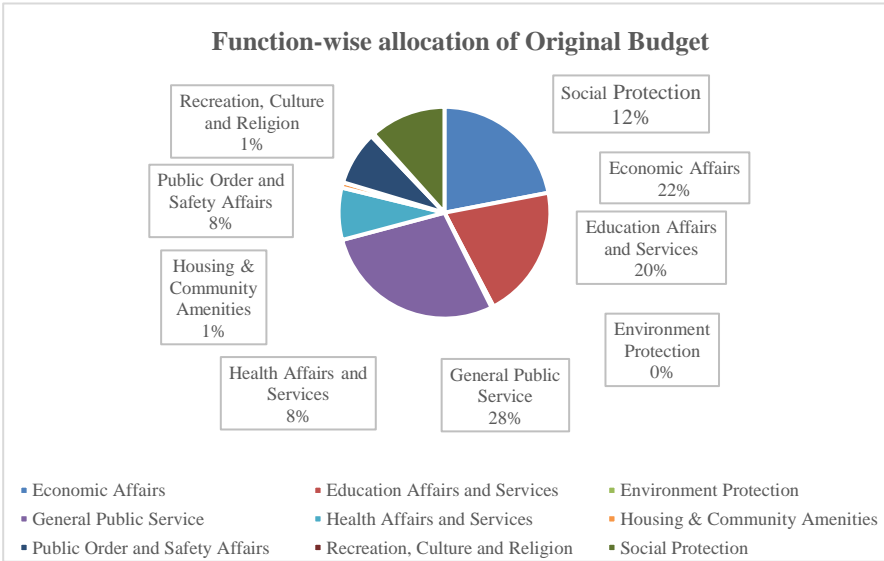
Function-wise budget and expenditure allocations with variances

Function-wise budget allocations and expenditure trends can be depicted in given pie charts. By looking at the trends of these charts, it can be seen that out of total nine functions only six functions consume almost 98% budget of the year.

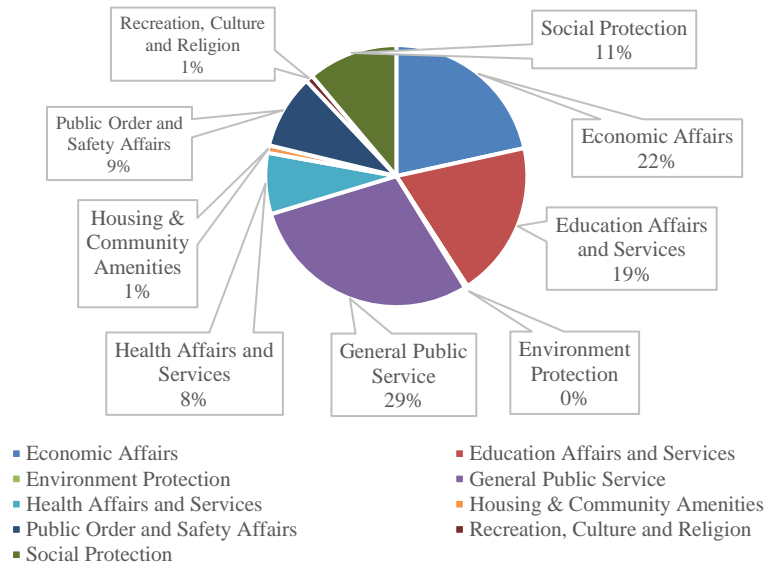
According to the report on the Status of Millennium Development Goals (MGDs) for 2015 in Sindh, published by United Nations Development Programme

(UNDP) for Pakistan in October 2012, “Efforts have so far been inadequate for the province to be able to achieve MDGs in their entirety by 2015”. Keeping in view of the set goals for the province, safe conclusions can be drawn from government’s budget and expenditure trends on various functions in the year 2013-14, such as;

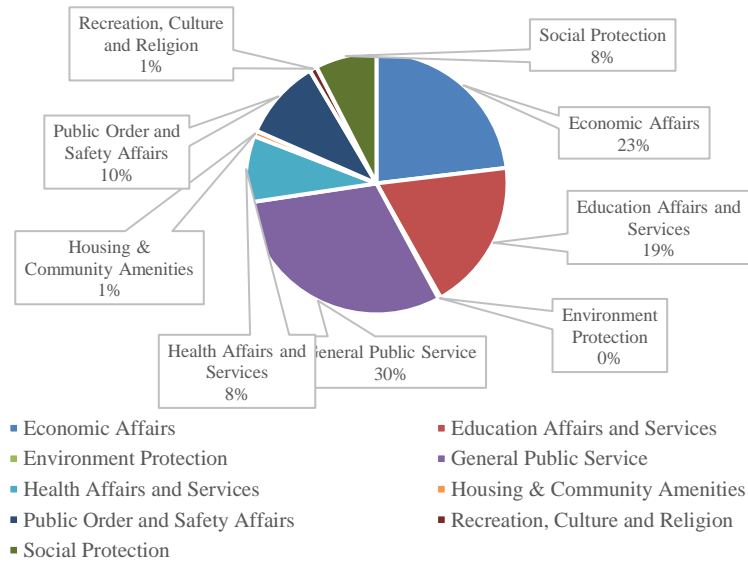
- i. 30% expenditure of Rs171 billion on general public service as the major outlay for the government indicated that government spending over general administrative overheads could not be controlled or reduced despite various austerity measures introduced through last five years. It, therefore, pointed out towards the barrier in achieving major goals of the MGDs.
- ii. Second most prominent chunk of government spending has been economic affairs comprising 23% of overall government expenditure. Comparing expenditure of Rs130 billion on economic services with receipts of Rs139 billion under this function indicated that government performance of 6.84% had not been so satisfactory on this route of economic growth. This function needed to be reviewed for updating of expenditure norms in the government budget.
- iii. Thirdly provincial government had highest spending in education sector, i.e., nearly 19%. Despite a good monetary investment of Rs105 billion in this sector, the goal of net primary enrolment ratio of 100 percent had not been achieved due to the reasons that, literacy across the province is not uniform, with significant variations across the urban/rural divide. Gender disparity is also evident across the province on literacy rates, and is more acute in rural than in urban areas.



Function-wise allocation of Revised Budget



Function-wise allocation of Actual Expenditure



Object wise Expenditure Budget Variance

Function	Budget		Actual Expenditure	Variance Original Budget	Variance Revised Budget
	Original	Revised			
Economic Affairs	144,734	149,706	129,654	10.42%	13.39%
Education Affairs and Services	134,032	134,032	105,200	21.51%	21.51%
Environment Protection	2,251	2,356	1,594	29.19%	32.34%
General Public Service	185,690	201,880	171,137	7.84%	15.23%
Health Affairs and Services	52,376	52,375	46,289	11.62%	11.62%
Housing & Community Amenities	5,499	6,418	3,978	27.66%	38.02%
Public Order and Safety Affairs	54,148	63,645	55,674	-2.82%	12.52%
Recreation, Culture and Religion	3,227	6,356	5,191	-60.86%	18.33%
Social Protection	76,667	77,245	42,477	44.60%	45.01%
Total Payments	658,624	694,013	561,194		

The largest variation was in 'social protection function' which completely pertained to Grant 59 allocated to Finance Department under Development Capital Voted Expenditure. The huge difference was questionable from Finance Department.

Object wise Revenue Budget Variance

Function	Budget		Actual Receipts	Variance Original	Variance Revised
	Original	Revised			
<u>Revenue</u>					
Taxation	431,386	404,961	388,319	9.98%	4.11%
Non-Taxation	113,224	94,578	102,860	9.15%	-8.76%
Total Revenue Receipts	544,610	499,539	491,179	9.81%	1.67%
<u>Capital</u>					
Domestic Debt	39,000	39,000	29,300	24.87%	24.87%
Foreign Debt	40,833	34,166	8,701	78.69%	74.53%
Recovery of Loans & Advances	7,063	1,186	571	91.92%	51.85%
State Trading Activities	44,965	38,073	37,942	15.62%	0.34%
Miscellaneous Recoveries	105	-	-	100.00%	-
Total Capital Receipts	131,966	112,425	76,514	42.02%	31.94%
Total Object wise Receipts	676,576	611,964	567,693	16.09%	7.23%

Based on above data a budget deficit analysis has been performed in following table;

Particulars	2013-14	2012-13
Original Budget (Deficit)	17,952	24,015
Revised Budget (Deficit)	(82,049)	(87,467)
Actual Surplus/(Deficit)	6,499	3,469
%age of original Vs. Actual variance	36%	14%
%age of revised Vs. Actual variance	-8%	-4%

Implications

Above analysis clearly indicates the;

- i. lack of reality based commitments by management;
- ii. inefficient resource utilization;
- iii. ineffective use of planning toolkit; and
- iv. waste of opportunities and loosening of strengths.

Recommendations

- i) Proper categorization of expenditures across functional classification levels in the budget document as well as on actual expenditure reporting.
- ii) Across-the-board implementation of the Project to Improve Financial Reporting and Auditing (PIFRA) which will reduce accounting classification errors.
- iii) Prudent resources allocation which should be aligned with the changing sector requirements.
- iv) Decentralization of authority to the spending units once projects cost are approved and included in the PSDP.
- v) Reducing the number and stages of approval while ensuring transparency and efficiency in service delivery.
- vi) Limiting in-year re-appropriations.

1.1.2 Physical Assets not taken in Assets Register - Rs 2.44 billion

APPM vide Paras 13.4.1.1 to 13.4.1.6 provides maintenance of fixed assets register as elaborated below:

Para 13.4.1.1

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

- land & building
- civil works
- plant and machinery
- vehicles
- furniture & fitting
- office equipment
- computer equipment

Para 13.4.1.2

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

- description
- classification of asset
- date of purchase or date of completion
- original purchase cost in Rupees
- cost in foreign currency (where applicable)
- asset identification number
- current location
- ownership of/responsibility for asset

Para 13.4.1.3

Above data is the minimum required for the proper management of fixed assets.

Para 13.4.1.4

Every fixed asset purchased or improvement/extension made above Rs 100,000 shall be recorded in the Fixed Assets Register. This threshold should be subsequently adjusted in the light of experience and better defined management information requirements.

Para 13.4.1.5

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

Para 13.4.1.6

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

During certification audit of accounts for the year 2013-14, it was observed that all Current Capital and Current Revenue Grants 2013-14 contain the account head A09 – Physical assets totaling Rs 2.44 billion (2012-13: Rs1.72 billion). These entries have been reported as revenue expenditure in the Financial Statements and neither their corresponding entry in the Asset Register nor their reporting in government assets has been made. Object codes for physical assets are:

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

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

- i. Error conditions that could occur due to non-maintenance of Fixed Asset Register above may include:
 - a. Overstatement of revenue or expenditure
 - b. Misclassification of accounting records
 - c. Doubt in existence of assets
 - d. Wrong or over/under valued of assets
 - e. Inaccuracy in account or amount of accounting records
 - f. Wrong disclosures or representations
- ii. The detail or break-up of cost is the basic cost control in asset management, it is absent in the present disclosure.
- iii. Cost of the project can be manoeuvred between different cost elements (savings in one head can be adjusted against excess expenditure in other heads) keeping in mind the budgeted total cost of the project.
- iv. Further, financial statements may lack consistency and completeness, as certain information will be presented using object-wise classification and other as function-wise classification.
- v. This is also inconsistent with the requirements of Financial Reporting Manual (FRM).

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

1.1.3 State trading stock capitalized in long term assets

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

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

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

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

During the year 2013-14, an amount of Rs 9.387 billion (2012-13: Rs 2.488 billion) relating to State Trading was capitalized to long term assets. This amount refers to the difference in total expenditure incurred, reduced by total receipts realized in the state trading account. Expenditure includes cost of purchases and other expenses incurred by the Government on purchase of different food items including establishment charges and interest expense.

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

Particular	Amount (Rs)
A01 – Pay and Allowances	687,305,905
A03 – Operating Expenses	1,597,291,499
A05 – Grants, Subsidies and Write off	3,500,000
A07 – Interest Payments (Charged)	5,180,732,877
A09 – Physical Assets	39,858,617,150
A13 – Repairs and Maintenance	2,073,449
Total expenditure	47,329,520,880

Less	
C01– Receipts and recoveries	(36,406,600,738)
C01 – Wheat Subsidies from head – 042602 (Subsidy)	(1,535,681,826)
Total Receipts	(37,942,282,564)
Net Payments	9,387,238,316

By definition, Capital Expenditure is incurred for the purpose of acquiring, constructing or enhancing physical assets or on schemes of capital outlay, as given by the object code in the Chart of Accounts. Therefore, all of the above account heads as capitalized should not be included in the cost of purchase of Wheat and Rice Stock rather they should be expensed out in the current period through revenue grant and an expense of Rs**7,470,903,730** should not be carried forward in future year which included all above expenditure items excepts cost of physical assets.

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

Further, audit observed that the stock had not been reported objective wise. The same issue was reported in all the Management Reports issued since financial year 2006-07, but no change has ever been seen in the treatment. The object code for trading stock is '**F03105**'.

Trading Stock		Amount (Rs)
F03105	Stock Closing	24,349,535,291
F03105	Stock Opening	14,962,296,975
F03105	Current Stock	9,387,238,316

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

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

1.1.4 Opening and closing balances of long term assets not object-wise

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

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

Audit observed that Long Term Assets amounting Rs 773.073 billion (2012-13: Rs 655.896 billions) are continuously being classified on functional basis rather than object wise. This represented accumulation of yearly expenditure as appeared in Capital Grants of Appropriation Account which were incurred on various schemes of the current and previous years. Object wise detail or break-up of assets in each scheme was not available.

Asset	Grant No.	2013-14	2012-13
Investments	Grant 47	44,189,177,049	37,801,177,049
State Trading	Grant 50	24,349,535,291	14,962,296,975
Finance Department	Grant 52	41,748,086	41,748,086
Board of Revenue	Grant 52	90,665,792	90,665,792
General Public Services	Grant 52	1,020,858,888	647,859,158
Other General Services	Grant 52	654,722,085	654,722,085
Administration (Works)	Grant 53	104,868,520	104,868,520
Agriculture & Food	Grant 53	8,307,969,470	7,184,212,494
Buildings & Structures	Grant 53	77,789,840,146	61,614,263,535
Fuel & Energy	Grant 53	3,855,231,812	3,855,231,812
Highways, Roads & Bridges	Grant 53	169,951,507,518	159,018,970,412
Irrigation	Grant 53	104,148,555,112	89,563,794,548
Manpower	Grant 53	296,148,342	243,953,481
Mining & Manufacturing	Grant 53	28,429,762,028	21,976,962,187
Environment Protection	Grant 54	14,862,835,781	13,370,072,311
Water Supply	Grant 55	34,314,704,893	32,727,467,146
Health	Grant 56	20,089,289,315	15,355,812,300
Cultural Services	Grant 57	4757,370,899	4,310,965,154
Education	Grant 58	49,978,991,418	45,261,108,389
Civil Defense	Grant 59	326,465,882	326,465,882
Social Protection	Grant 59	164,488,035,053	125,940,246,648
Transfers	-	757,138,886	757,138,886

Asset	Grant No.	2013-14	2012-13
Statistics	-	186,600,328	4,820,638
Planning & Development	-	192,519,071	192,519,071
Rural Development	-	18,735,322	18,735,322
Printing & Publishing	-	137,151,663	137,151,663
Urban Town Planning & Regulatory Services	-	721,557,862	721,557,862
Religious Affairs	-	79,999,768	79,999,768
Commutation of Pension	-	21,721,158	21,721,158
District Administration	-	18,909,031,647	18,909,031,647
Total:		773,072,739,085	655,895,539,979

The same audit observation was raised in all Management Reports issued to date since 2006-07 but no action was taken to comply with the requirements made in the APPM.

Audit recommends removal of classification errors on time so that a pervasive effect in the financial statements may not appear in future years.

1.1.5 Contribution to funds wrongly classified as investments

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

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

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

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

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

(Rupees in million)

Object Head	Cost Center Description and Code	2013-14
A06-Transfers	KA9993 - Sindh Govt. Employees Group Insurance Fund	500.00
A06-Transfers	KA9988 - Sindh Pension Fund	1,000.00
A06-Transfers	KA9995 - Investment Fund for HPA Advance to GoS	1,000.00
A06-Transfers	KA5827 - Viability Gap Fund	3,250.00
A06-Transfers	KA9980 - Sindh Coal Development Fund	638.00
	Total	6,388.00

However, following observations were made:

- i. All the above mentioned payments have been made for non-profit motive. The payments to these funds were booked in “A06402 - Contribution/transfer to fund” Head of Account which is Head of Account for Transfers. Thus treating such payments as investment is wrong in accounting perspective.
- ii. Further Audit observed that investments as shown in following entities in previous years were also transfers rather than investments in strict accounting sense, therefore, it was a misclassification in the financial statements.

(Rupees in million)

Object Head	Cost Center Description and Code	2013-14
A06-Transfers	Sindh Social Relief Fund (SSRF)	1,696.84
A06-Transfers	Sindh Bank	8,000.00
A06-Transfers	Secretary (Planning & Development Department)	2,358.44

A06-Transfers	Secretary (Transport Department)	204.40
A06-Transfers	Sindh Education Reform Program (SERP)	400.10
A06-Transfers	District Benevolent Fund (All Districts)	104.59
A06-Transfers	Others - G.P. Fund	5,000.00
Total		17,764.37

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

Audit recommends removal of classification errors on time so that a pervasive effect in the financial statements may not appear in future years.

1.1.6 Long outstanding loans and advances - Rs 24.80 billion

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

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

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

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

(Rupees in million)				
Institution	Opening Balance	Payments	Receipts	Closing Balance
To district government	1,479	-	-	1,479
To financial institution	28	-	-	28
To non-financial institutions	18,647	557	-	19,204
To Government Servants	333	720	31	1,022
To private sector	175	-	-	175
DERA Loans (District)	2,892	-	-	2,892
Total	23,554	1,277	31	24,800

Payments of Rs557.47 million in respect of “loans and advances transferred to Non-financial Institutions” included payments to:

(Rupees in million)

A/C	Account Head Description	DDO	Amount
A05	Grants, Subsidies and Write off	Production Bonus to district govt.	448.69
A05	Grants, Subsidies and Write off	Secretary (Cooperation Department)	52.48
A05	Grants, Subsidies and Write off	Secretary (Agriculture Department)	13.42
A05	Grants, Subsidies and Write off	Secretary (Transport Department)	5.83
A05	Grants, Subsidies and Write off	Secretary (Finance Department)	37.05
Total			557.47

Receipts included:

(Rupees in million)

Account Code	Account Head Description	Amount
E02501	House Building Advance	30.70
E02502	Motor Car Advance	-
Total		30.70

Following observations have been noted;

1. No interest has been recovered on outstanding balance of loans and advances.
2. There are various long outstanding loans balances against various institutions since transfer by AG West Pakistan after disintegration of one unit when this loans and advances balance was Rs303,345,485 appearing in the Finance Accounts of Government of Sindh. Audit observed no movement in these balances. Further, the authenticity of these loan balances could not be verified with AG Sindh record.

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

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

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

1.1.7 Negative balances appearing in permanent debt - Rs1,096.83 million

Analysis of Public Debt revealed negative balances amounting to Rs1,096.83 million as detailed below. These balances represent payments made in respect of advances and settlements but have been wrongly classified as debits in permanent debt. However, any documentation in this regard was produced to audit.

(Rupees in million)

Description	Amount
Settlement of claim of Federal Bank for co-operatives against SCS	201.19
Payment of Principal to NBP and MCB for Imported flood machinery	49.83
Redemption Of SRTC Debentures	867.70
Total Debit balances	1,118.72
Less: Loan, bearing interest:	
10.75% Sindh Loan 1988	(0.00)
10.50% Sindh Loan 2002	(4.99)
17% Sindh Loan 2007	(15.67)
	(20.66)
Less: Expired Loans:	
3% Sindh Loans 1958	(1.23)
Total Credit balances	(21.89)
Net (as appearing in balance sheet)	1,096.83

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

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

1.1.8 Recoveries of overpayments (sampling error-non projectable)

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

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

During the review of revenue receipts for the year 2013-14, it was observed that a particular account head “Recoveries of overpayments” appeared in the ledger. As the name suggests this head is allocated for recoveries of overpayments of expenditure. Presence of such recovery in Tax Receipts seemed out of question, as tax is not a payment on the part of the government; a total amount of Rs12.65 million under the head “B01184 Taxes from Other Sources of Income” was reported in the accounts. Such reporting may mislead the users of the financial statements as revenues may be overstated thereby overstating expenditures, although net surplus or deficit is not affected by such treatment.

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

1.1.9 Less recovery of taxes and other revenues - Rs37.42 million

Para 5.2.3.1 of Accounting Policies and Procedures Manual (APPM) provides that the Principal Accounting Officers of those entities responsible for administering revenue collections (such as tax authorities) must ensure that all sums due to the Government are promptly realized, banked and credited to the Consolidated Fund. The Principal Accounting Officers of these entities must also ensure that:

“Public monies credited to the Consolidated Fund as reported by the Accountant General, are reconciled / verified with their own records, at least on a monthly basis procedures for the generation, control and assessment of bills and demand notices as required under departmental regulations are followed”.

During audit of accounts for the financial year 2013-14, it was observed in various sections of AG Sindh that following taxes and deposits were less deducted by Rs37.42 million.

(Rupees in million)					
Sr. #	Tax/Duty Head	Section	Payment Due	Tax Deducted	Tax less deducted
1	Income Tax	CAA-IV, CAA-V, WAD-I, WAD-II	110.22	74.79	35.43
2	Security Deposit	WAD-I, WAD-II	27.77	25.84	1.93
3	Sales Tax	CAA-VI	0.07	0.01	0.06
Total			138.06	100.64	37.42

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

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

1.1.10 Revenue not recovered and expenditure excess paid – Rs6.49 million

As per instructions contained in the Para 5.2.2.1 of Accounting Policies and Procedures Manual (APPM), “All monies received as revenue of the Government, must be banked in the name of the Government without delay and included in the Consolidated Fund of the respective Federal or Provincial Government”.

During audit of accounts for the financial year 2013-14, it was observed in various sections of AG Sindh that revenue items were not recovered and excess payments against expenditure were made. The details are as under:

(Rupees in million)

Sr. #	Recovery of	Section	Due	Recovered	Non recovery
1	Excess LPR payment	Edu-VII	0.64	0.58	0.06
2	Stamp Duty	WAD-I	1,482.99	1,476.78	6.21
3	Salaries	WAD-IV	-	-	0.22
Total					6.49

Late or non-deposition of government revenues may instigate the penal provisions against the person at fault and recovery shall become the personal liability of the officer responsible to make such remittance.

Audit requires recovery of the due amount and deposit thereof into government treasury.

1.1.11 Wrong balances carried forward in subsidiary ledgers

Para 7.3.1.2 of APPM provides that at the close of the financial year, the balances contained in the General Ledger accounts for revenue expenditures and revenue receipts of the Consolidated Fund shall be closed to the revenue surplus/deficit account.

Any subsequent adjustments made to these accounts of that year shall also require a closing journal entry.

During audit of accounts for the financial year 2013-14, it was observed in various sections of office of the AG Sindh that adjustment in receipts by Rs16.91 million and adjustment in expenditure by Rs8.54 million were wrongly made in subsidiary ledgers as compared to the figures worked out by Audit. The details are as under:

(Rupees in million)

Sr . #	Head of A/C	Section of AG Sindh	As per A/C	As per Audit	Difference Amount
1	Deposit from contractor	WAD-I	26.130	43.039	(16.909)
2	Stamp Duty	WAD-I	1.216	1.217	(0.001)
Sub-total			27.347	44.256	(16.910)
1	Deposit from contractor	WAD-II	2.295	5.692	3.397
2	Stamp Duty	WAD-II	2.687	(0.710)	(3.397)
Sub-total			4.982	4.982	-
Total 'Receipts Adjustment'			32.329	49.238	(16.910)
1	Expenditure incurred by Upper Sindh Mechanical Division, Sukkur and security deposit's record in Form 78 matched with the record in Form 64	WAD-II	52.312	57.179	4.867
2	Expenditure incurred by Store Division, Hyderabad and income tax record in Form 78 matched with the record in Form 64	WAD-II	-	3.672	3.672
Total 'Expenditure Adjustment'			53.153	60.851	8.538

Such reporting may mislead the users of the financial statements by overstating expenditures in individual heads, although net surplus or deficit is not affected by such treatment.

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

1.1.12 Non-reporting of correct amount of Pension Fund

Para 7.4.1.4 of Accounting Policies and Procedures Manual provides that the key controls to be followed in the production of financial reports are as follows:

- proper review of financial information at DAO level must take place prior to the consolidation and reporting of monthly accounts. This includes reconciliation of accounting records with other sources (e.g. banks, DDOs) and internal verification of accounting records and totals.
- the Consolidated Monthly Accounts, Annual Accounts and the Combined Annual Accounts shall maintain a proper audit trail, in which summarized balances can be traced to general ledger and source transaction details.

During audit of accounts for the financial year 2013-14, it was observed a sum of Rs 1 billion (Grant No.47) was transferred to the Fund Management House (FMH) working under Economic Reform Unit (ERU) of Finance Department. It was further observed that an amount of 30.30 billion was transferred in all previous years since year 2002-03. But since inception of this huge transfer, no Fund has been reportedly created in this regard. Up to the end of financial year 2013-14, all transfers made to Pension Fund Account maintained at FMH were amounting to Rs30.30 billion, out of which only Rs7 billion had been reported as investments in financial statements; whereas, there was no indication of previous transfers of difference of Rs23.30 billion in the financial statements. Such disclosure in the accounts indicated that funds transferred to this account were lying out of books. This practice was a gross negligence on the part of the Finance Department and AG Sindh.

Due to this non-disclosure during the year 2013-14, the amount of assets has been understated to the extent unreported amount.

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

1.1.13 Expenditure in excess of budget allocation - Rs14,742.67 million

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

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

During certification audit of government of Sindh at office of the AG Sindh for the year 2013-14, it was observed that excess expenditure against the allocated budget and expenditure without budget allocation were incurred as detailed below:

(Rupees in million)

Sr. #	Particulars	Section	Amount
1	Excess expenditure as per Appropriation Account	-	14,147.35
2	Expenditure without budget	Education-VI	589.83
3	Expenditure without budget	CAA-VI	5.49
Total			14,742.67

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

Audit recommends exercise of proper controls to ensure that no excess expenditure is dispensed in any year and strengthening of budgetary controls to curb override of policies.

1.1.14 Savings not surrendered in time - Rs1,721.03 million

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

According to Para 95 of General Financial Rules Vol-I, all anticipated savings should be surrendered to Government immediately they are foreseen without waiting till the end of the year, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time and no savings should be held in reserve for possible future excess.

During audit of accounts for the financial year 2013-14, it was observed that funds to the extent of Rs146,965.91 million were allocated in the annual budget and placed at the disposal of departmental authorities were not fully utilized for the intended purposes. Moreover, sample cases of departments which did not surrender savings amounting to Rs1,721.03 million is illustrated as follows:

(Rupees in million)

Sr. #	Department	Amount
1	Home	1,312.16
2	Social Welfare Department	10.41
3	Education Works	54.29

Sr. #	Department	Amount
4	Local Government	8.17
5	Energy	1.04
6	Sport & Youth Affairs	0.30
7	Antiquities	1.07
8	Works & Services	333.59
Total		1,721.03

The saving would have been used in some other useful objects or functions of the government, had the same been surrendered in time. Undue detaining funds implied:

- inefficient budgeting system;
- violation of the General Financial Rules (GFRs); and
- inefficient utilization of Government funds.

Audit recommends timely surrender of funds in excess of the needs of the departments to enable diversion of resources towards other purposes, where needed.

1.1.15 Misreporting of development expenditure – Rs120,917.45 million

Para 10.2.3 of Accounting Policies and Procedures Manual (APPM) provides that each capital project should be represented by a project number as provided in the Chart of Accounts and the expenditure incurred on each development project should further be classified by detailed function and object.

Para10.4.1.2 *ibid* provides that the transactions recorded for development projects at DAO/AG level shall be coded according to the Chart of Accounts, and provide sufficient detail to allow object-wise reporting for each development project.”

Moreover, Para 4.2.2 of Hand Book of Accounting Guidelines issued by AGP provides as follows:

“Within these overall requirements, spending entities are required to prepare estimates in a prescribed format. For expenditure, separate estimates are prepared for non-development and development expenditures. This detail is provided by grant number and according to the object and functional classifications laid out in the Chart of Accounts.”

During audit of accounts for the financial year 2013-14, it was observed that all Development Grants of the budget including SC22051, SC12052, SC12053, SC12054, SC12055, SC12056, SC12057, SC12058 and SC12059 totaling Rs120,917.45 million were presented for approval in Provincial Assembly of Sindh according to NAM but the related expenditure incurred under these grants was not reported according to the requirements enumerated under New Accounting Model (NAM). Neither the project number nor the object head of the expenditure was mentioned in the Appropriation Accounts.

Non-reporting of development expenditure on object basis may impair management's ability to record transactions in correct account with correct amount because classification errors in the financial statements may not be identified on timely basis by the auditor and either he has to rely on the management's controls over correct booking with respect to account and amount or he has to work extensively to ensure himself that correct booking has been made into the subsidiary record of the entity.

Further, besides above reporting being in contravention of the provisions of APPM, non-reporting of project number will impair users' ability to relate yearly development expenditure on different projects on year to year basis.

Audit recommends reporting of all development grants on functional cum object basis in the appropriation account along with their allocated project number to enable users to comprehend the nature of development expenditure incurred under various account heads as well as to facilitate analysis of the financial information.

1.1.16 Excess payment against employee related expenses – Rs136.15 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During the certification audit of the accounts of Government of Sindh for the financial year 2013-14, it was observed that in following sections of office of the AG Sindh, employee related expenses had not been appropriately pre-audited as excess payments of Rs136.15 million were determined by audit. Details are as follows:

(Rupees in million)

Particulars	Section	Amount
Excess House Rent & Maintenance Allowance	Assign A/c, Edu-II, Health-I	127.70
Excess Project and Technical Allowance	Assign A/c, CAA-IV	5.26
Excess Conveyance Allowance	CAA-VI, Dev-I, Health-I, Police-II	1.51
Excess Judicial and Special Judicial All	CAA-V	1.00
Excess Utility Allowance	CAA-V	0.08
Excess Computer Allowance	CAA-V	0.01
Excess Other Allowances	CAA-IV	0.01
Excess payment of Ph.D. Allowance	Edu-II	0.23
Excess payment of salaries without renewal of contract	Development-I	0.25
Excess GP Fund Final Payment	PF-VII	0.10
	Total	136.15

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

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

1.1.17 Un-reconciled old difference between book and bank balances– Rs827.14 million

Bank reconciliation is an important control over the cash and bank balances maintained by an entity. The “Chapter-6: Bank Reconciliation” of Accounting Policies & Procedure Manual (APPM) in this regard provides as follows:

Para 6.1.1.5

For the purpose of this chapter branches of the National Bank are describe as follow:

- **Category A branch** - these are main branches of the NBP and are normally situated in urban areas
- **Category B & C branch** - these branches are normally situated in rural and remote areas.

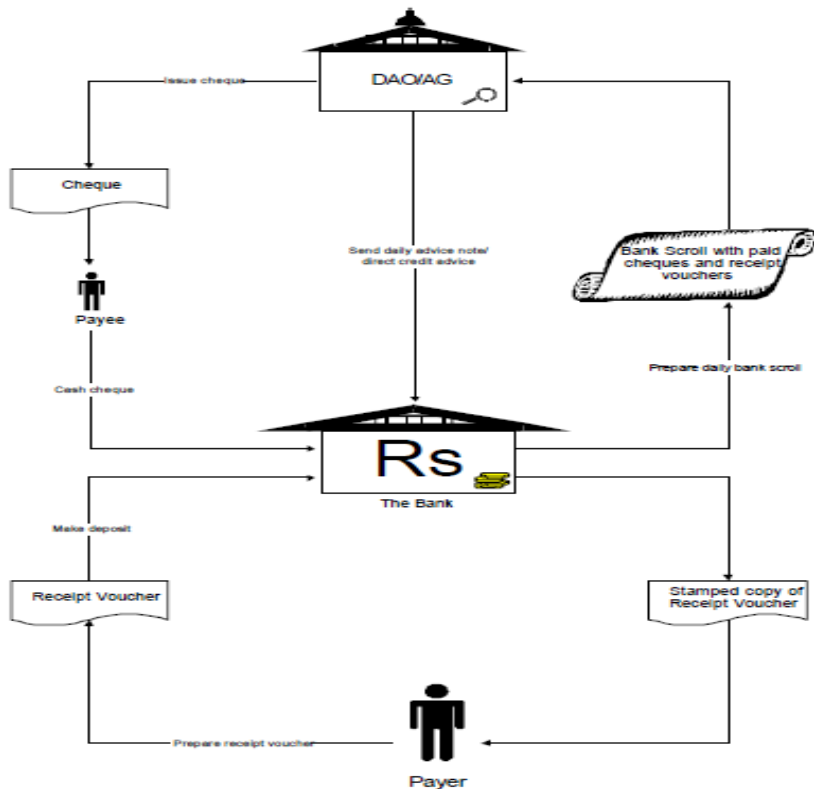
Para 6.1.1.6

The following key internal controls must be observed in the bank reconciliation processes:

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

Para 6.2

The following is a summary of the relationship between the DAO/AG/AGPR, the bank and the payee/payer:



Para 6.3.3.1

The head office of SBP shall report cash balances of each government bank account on a daily basis and in the form prescribed by the Auditor-General to the following, as applicable to each government:

- Department of Finance, Sindh.....
- AG, Sindh.....

Para 6.3.4.1

A monthly reconciliation of bank accounts is a necessary part of financial management and is also an effective measure for detecting and deterring fraud and irregularities.

Para 6.3.4.2

Every DAO shall prepare a monthly reconciliation statement for expenditures and receipts.

Para 6.4.3.1

At the end of each day the DAO/AG/AGPR office shall send payment advice notes (as laid down in Chapter 4 of APPM) to the Main Designated Branch of the bank it deals with.

Para 6.4.3.2

On receiving the daily bank returns from the Main Designated Branch, the delegated officer in the Account Section of the DAO/AG/AGPR shall carry out the following checks:

- supporting documents detail (i.e., paid cheques, receipt vouchers, transfer advice) agrees with the bank scroll
- bank scroll entry agrees with a payment advice note entry previously sent to the Main Designated Branch of the bank

Para 6.4.3.3

Where there are any discrepancies in the bank scroll, the officer shall immediately inform the Main Designated Branch and resolve any differences in writing.

Para 6.4.3.4

The delegated officer shall make note of those payments which have not yet been cleared by the bank and check these payments against the daily bank returns until they are cleared or have passed their encashment time limit.

Para 6.4.3.5

The delegated officer in the DAO/AG office shall also update the cheque register as laid down in Chapter 4 of APPM.

During the course of certification audit of CBC Section, office of the AG Sindh for the year 2013-14, it was observed that cash balance was un-reconciled for many years. Monthly bank reconciliations of Provincial A/C-I and II are carried out by the Accountant General Sindh, therefore, such differences should not arise. Further, Audit observed that in District Cell neither Bank reconciliations were performed nor bank positions were maintained. This practice was a case of non-observance of the provisions of APPM for preparation of bank reconciliation on specified formats. The un-reconciled balance accumulated each year; whereas, no reconciliation was being made for last many years. To illustrate following table is given below:

Sr. #	Pertaining to the year	Dr./Cr.	Amount
1	2013– 2014	Dr.	258,497,261
2	2012– 2013	Cr.	(386,637,777)
3	2011– 2012	Dr.	417,303,821
4	2010– 2011	Cr.	(227,203,923)
5	2009 – 2010	Dr.	309,891,101
6	2008 – 2009	Dr.	166,224,536
7	2007 – 2008	Cr.	(138,929,682)
8	2006 – 2007	Cr.	(1,550,610)
9	2005 – 2006	Cr.	(150,586,228)
10	2004 – 2005	Dr.	64,550,939
11	2003 – 2004	Dr.	488,593,225
12	2002 – 2003	Cr.	(51,295,809)
13	2001 – 2002	Cr.	(32,160,546)
14	2000 – 2001	Cr.	(38,444,004)
15	1999 – 2000	Cr.	(151,967,628)
16	1998 – 1999	Dr.	110,899,582
17	1997 – 1998	Dr.	44,279,178
18	1996 – 1997	Dr.	108,340,382
19	1995 – 1996	Dr.	22,979,751
20	1994 – 1995	Dr.	14,353,652
Net Total (Dr.)			827,137,220

The summarize position on above account is described as follows:

	(Rupees in million)
Provincial Account Current period 2013-14	258.50 Dr.
Provincial Account Previous period 1995-13	<u>568.64 Dr.</u>
Net	<u>827.14 Dr.</u>

Above difference can only be adjusted with a coordinated effort between DAOs, Bank and AG Sindh. Audit found that many middle management meetings were held between bank and AG Sindh officials but top management of all concerned showed little concern. Inadequate follow up procedures may result in long outstanding unresolved balances appearing in the financial statements and entail future complications.

Had assets of the government been taken in determining audit materiality, the accounts of government of Sindh would have been qualified on this onerous matter. The above practice raised doubt over the accuracy and reliability of the data used by the Government in preparing the Financial Statements.

Audit recommends resolving this important issue by reconciling the balances through appropriate forum.

1.1.18 Reconciliation process not carried out - Rs10,149.52 million

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

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

	(Rupees in million)			
Sr. #	Name of Department	Particulars	Financial Year	Amount
1	Agriculture, Supply & Prices	Receipts	2012-13 & 2013-14	66.04
2	Auqaf, Religious Affairs, Zakat & Ushr	Receipts	2012-13	113.13
3	Board of Revenue	Receipts	2012-13 & 2013-14	90.66
4	Energy Department	Receipts	2012-13 & 2013-14	37.36

Sr. #	Name of Department	Particulars	Financial Year	Amount
5	Excise & Taxation	Receipts	2012-13 & 2013-14	2,726.52
6	Sports & Youth Affairs	Expenditure	2013-14	1.97
7	Home Department	Expenditure	2010-11 to 2013-14	6,684.22
		Receipts	2010-11 & 2013-14	149.57
8	Livestock and Fisheries	Expenditure	2012-13	169.63
9	Social Welfare	Expenditure	2012-13	58.40
10	Transport & Mass Transit	Expenditure	2013-14	52.02
Total				10,149.52

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

CHAPTER-2

AGRICULTURE, SUPPLY AND PRICES DEPARTMENT

2.1 Introduction

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

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

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

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

Agricultural Statistics of Sindh Province

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

Agricultural Products of Sindh

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

Source: www.sindhagri.gov.pk

2.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 105 formations (DDOs), out of which 51 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
11,256.69	45.00	11,301.69	7,789.27	3,512.42

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs3,512.42 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
864.82	579.73	441.02	138.71

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs138.71 million was observed.

2.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
18	07	11	39

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 39% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

2.4 AUDIT PARAS

2.4.1 Non-production of record – Rs133.07 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the various offices of the Agriculture, Supplies and Prices Department, Government of Sindh for the years 2012-13 and 2013-14, it was observed that auditable record of Rs133.07 million was not produced to audit for audit scrutiny. Details are at Annexure-1 of Chapter-02.

The matter was reported to the department during January 2013 to October 2014. The management at Sr.No.9 of the Annexure (Director, Agriculture Training Agriculture Extension, Hyderabad) responded by furnishing un-authenticated copies of appointment order, CNIC and acknowledgment receipt of the payment in respect of the audit observation on appointment of contingent paid staff but the requisite procedure of appointment and personal files were not made available. No reply was received from remaining offices.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

2.4.2 Un-authorized working of employees without sanctioned strength – Rs2.64 million

According to Para 11 of the GFR volume-I "Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers."

During audit of the following offices of the Agriculture, Supply & Prices Department Government of Sindh for the year 2013-14, it was observed that an expenditure of Rs2.64 million was incurred on the salaries of the employees working in excess of the sanctioned strength. Details are as follows:

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Deputy Director Agriculture Extension, Umerkot	2013-14	4	1.67
2	Deputy Director Agriculture Extension, Mirpurkhas	2013-14	5	0.97
Total				2.64

The matter was reported to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

2.4.3 Un-authorized retention of government money – Rs17.72 million

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

During audit of the following offices of the Agriculture, Supply & Prices Department Government of Sindh for the years 2012-13 and 2013-14, it was observed that an amount of Rs17.72 million was drawn from government treasury and kept into DDO bank account till close of the financial years, which resulted in blockage of government money. Details are as under:

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Project Director, Crop Maximization Project II	2012-13	4.4.26	10.02
2	Horticulturist Date Palm Research Station Kotdigi	2012-13	2	2.52
3	Add. Director Agriculture Extension Jacobabad	2012-13	4	1.92
4	Agriculture Plant Pathologist Tando jam	2012-13	5	1.56
5	Deputy Director Rice Research Station Thatta	2012-13	1	1.46
6	Oil Seed Botanists Agri. Research Ins, Tando jam	2013-14	5	0.24
Total				17.72

The matter was reported to the department during January 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

2.4.4 Expenditure through cash payment – Rs3.40 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc. which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of the following offices of the Agriculture, Supply and Prices Department Government of Sindh for the year 2013-14, it was observed that an amount of Rs3.40 million was drawn from two Bank Accounts of National Bank of Pakistan by presenting open cheques instead of crossed cheques. Following irregularities were also noticed:

- i. The audit could not authenticate the payment in absence of payee’s acknowledgment.
- ii. Fidelity bond of person drawn money from bank account was not shown to audit.
- iii. Payment was made to the supplier through open cheque instead of cross cheque.

(Rupees in million)				
Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Director Agriculture Training Agriculture Extension, Hyderabad	2013-14	02	3.05
2	Additional Director Agriculture, Tando Mohammad Khan	2012-13	05	0.35
Total				3.40

The matter was reported to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

2.4.5 Missing funds from Revolving Fund (RF) Account – Rs55.17 million

As per paragraph B (vii) of PC-I “Crop Maximization Project-II”, the Revolving Fund is required to pay back after the harvesting of their crops.

During audit of the Project Director Crop Maximization Project-II for the year 2012-13, it was observed that revolving fund (RF) of Rs75.07 million was provided to 67 VOs for further disbursement to farmers on seasonal basis on 10 percent handling charges but the same was found missing from bank accounts of village organization. At end of the financial year 2011-12, it was reduced to Rs19.90 million, resultantly Rs55.17 million was found short in the bank accounts of VOs due to the misuse and non-recovery. Furthermore, the details of account were not produced to audit for verification. Details are as under:

(Rupees in million)

Sr. #	District	RF received	No of VOs	Balance available as on 30-06-2012	Missing Amount
1	Khairpur	13.83	12	7.34	6.49
2	Naushahro Feroze	10.08	10	2.08	8.00
3	Larkana	9.44	9	2.29	7.15
4	Mirpurkhas	17.55	14	4.52	13.03
5	Shaheed Benazirabad	10.79	12	2.48	8.31
6	Sanghar	13.38	10	1.19	12.19
Total		75.07	67	19.90	55.17

The matter was reported to the department in April 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.1.3)

2.4.6 Revolving Fund payment without post-dated cheques – Rs75.08 million

As per paragraph B (xii)(a), beneficiary farmers will provide a post-dated cheque to VO of the amount equivalent to his CMP loan at the time of receiving the

loan. If this cheque is bounced on the due date of loan return, legal action can be initiated against the beneficiary farmer.

During audit of the Project Director Crop Maximization Project-II for the year 2012-13, it was observed that an amount of Rs75.08 million was drawn on account of Revolving Fund (RF) but the post-dated cheque to VO of the amount equivalent to his CMP loan at the time of receiving the loan were not obtained and authorities did not initiate an appropriate legal action against the defaulter. This resulted into non-safeguarding of interest of government.

The matter was reported to the department in April 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter and initiation of legal action against defaulter(s) besides fixing responsibility on the person(s) at fault in project management.

(SAR # 4.4.14)

2.4.7 Irregular expenditure on procurement of material – Rs5.40 million

According to Rule-96 of General Financial Rules, Volume-I, “no amount should be spent hastily in the feg-end of the financial year just to avoid the lapse of budget grant”.

During audit of the Director, Agriculture Training Agriculture Extension Hyderabad, for the year 2013-14, it was observed that an expenditure of Rs5.40 million was incurred on procurement of plant and machinery, furniture and various materials, in which following irregularities were noticed:

- i. The items were procured in advance to avoid lapse of budget as plant and machinery was not installed and the building work is still in process.
- ii. Handing over of material to quarters concerned was not provided to audit.
- iii. Inspection of the items delivered was not carried out.
- iv. Suppliers did not deposit security deposit.

The matter was reported to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4)

2.4.8 Irregular expenditure without inviting tender – Rs7.33 million

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

During audit of the office of PD Crop Maximization Project II, Sindh, Hyderabad, for the year 2012-13, it was observed that an expenditure of Rs7.33 million was incurred without inviting tender.

The matter was reported to the department in during January 2013 to August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.2.6)

2.4.9 Short-achievement of revenue targets - Rs3.73 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of the Agriculture Chemist (SF), Agriculture Research Institute Tando Jam, for the year 2013-14, it was observed that the budgeted receipts targets were short achieved by Rs3.73 million. The yearly targets of receipts were fixed at Rs.3.83 million by the government. The detail of revenue targets and actual receipts for the year 2013-14 are as under:

(Rupees in million)

Sr. #	Particulars	Receipt Targets	Actual receipt	Variation
1	C03119 Receipts from District Farms	0.30	0.00	0.30
2	C03122 Receipts from Research operation	0.28	0.00	0.28
3	C03123 Receipts from Plant protection operation	2.00	0.00	2.00

Sr. #	Particulars	Receipt Targets	Actual receipt	Variation
4	C03124 Receipts from soil conservation and operation	0.50	0.10	0.40
5	C03126 Fee other than cotton fee under cotton control ord:	0.35	0.00	0.35
6	C03134 Agriculture-Recoveries of overpayments	0.40	0.00	0.40
Total		3.83	0.10	3.73

The matter was reported to the department in July 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

2.4.10 Un-authorized handing over of vehicles to Secretary Agriculture – Rs3.50 million

As per approved PC-I of development scheme “Crop Maximization Project-II”, there was no provision for supply of vehicle to the Secretary Agriculture Department.

During audit of the Project Director, Crop Maximization Project-II for the year 2012-13, it was observed that three vehicles of value Rs3.50 million was handed over to Secretary Agriculture without any justification. Details are as follows:

(Rupees in million)

Station	Vehicle Type	Vehicle. No.	Total No.	Amount
PMCU, Hyderabad	Toyota Corolla	GP-0120	01	1.40
	Cultus	GP-0153	01	1.05
	Cultus	GP-0154	01	1.05
Total				3.50

The matter was reported to the department in April 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.3.11)

2.4.11 Non-establishment of Revolving Funds – Rs902.52 million

As per paragraph B (xii) (a) Revolving Funds (RF) of Rs2.00 million to Rs4.00 million will be established in each project village to sustain the project activities after termination of the project. Seed money will be provided for RF through provincial and District Governments. The year wise provisions of seed money as per PC-I are as under:

Components	Financial Requirements (Rupees in million)					
	Year-1	Year-2	Year-3	Year-4	Year-5	Total
Sindh	285.00	346.12	207.80	63.60	0	902.52

During audit of the Project Director, Crop Maximization Project-II for the year 2012-13, it was observed that Revolving Fund of Rs75.08 million was provided to 67 VOs instead of Rs902.52 million for 230 VOs. Thus non-establishment of RF resulted into non-sustaining of the project activities after termination of the project.

The matter was reported to the department in April 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.2.4)

2.4.12 Loan funds expended without observing proper checks - Rs75.08 million

As per paragraph B (xii) (a) of development scheme “Crop Maximization Project-II”, VOs will operate the RF through multiple signatory system where one of the signatory will be the concerned Agriculture Officer of Agriculture Extension Department. The VOs will have control over loan disbursement, utilization and recovery process. Personal guarantee will be the social collateral. In-addition, to further secure the loan and ensure recovery from the beneficiaries, the member farmers will provide an undertaking on legal papers for not selling of his property without obtaining NOC of no outstanding dues from CMP. These papers will be registered with provincial Revenue Department. The beneficiary farmers will also provide a post-dated cheque to VO of the amount equivalent to his CMP loan at the time of receiving the loan. If this cheque is bounced on the due date of loan return, legal action can be initiated against the beneficiary farmer.

During audit of the Project Director, Crop Maximization Project-II for the year 2012-13, it was observed that an amount of Rs75.08 million was drawn on account of RF but the following checks were not observed before issuance of cheques.

- i. The cheques were not issued through multiple signatory system as no any documentary evidence was provided for verification.
- ii. No documentary evidence regarding disbursement, utilization and recovery process was provided to audit for verification.
- iii. No undertaking on the legal paper regarding non-selling of property was obtained.
- iv. The above legal paper was not registered with the Revenue Department to pre-empt the sale of property of the beneficiary farmers.
- v. The NOCs issued regarding no dues was not provided to audit for verification.
- vi. The post-dated cheques equivalent to the loans amount were not obtained from the farmers to ensure timely recovery and room for any legal action in case of non-payment or clearance of cheques.

The matter was reported to the department in April 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.4.4)

2.4.13 Non-achievement of targeted project development activities - Rs13.290 million

As per paragraph B (xviii) of PC-I of development scheme “Crop Maximization Project-II”, Market Linkages Development, the project will facilitate formation of horizontal and vertical linkages between small farmer groups. To achieve this, the project will undertake following activities:

- i. Formation of Commodity Specific Groups/Clusters (CSGs/CSCs),
- ii. Linking producers with market functionaries/value chains,
- iii. Linking producers with financial institutions,
- iv. Facilitating technical support,
- v. Facilitating capacity building and training; and

vi. Building physical sale and marketing points.

Further as per paragraph B (xviii) of PC-I, Business Development Expert of the Provincial PMCU in each province will work with the VO's and provide support in linking with wholesalers, processors, and exporters; access technical support from Pakistan Agribusiness Development Project (PADP); and iii) access credit guarantees and credit facilities from nominated financial institutions extending small enterprise loans, such as SME Bank, Khushhali Bank, and other commercial banks, and v) facilitate tripartite arrangements and replication Idar-e-Kissan model in the case of milk and dairy products. The planned cost of the activity is as under:

(Rupees in million)

Items	Year-1	Year-2	Year -3	Year-4	Year-5	Total
Market linkage dev. Project	2.80	7.00	3.49	00	00	13.29

During audit of the Project Director, Crop Maximization Project-II, Hyderabad for the year 2012-13, it was observed that an amount of Rs13.29 million was kept for market linkage development but the above activities were neither executed nor were the details of same provided to audit for verification. This resulted into non-establishment of groups for farmers for market linkage development activities.

In addition, technical and expert support was not provided to the village organization for business development activities. This resulted into low business activities.

The matter was reported to the department in April 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.4.12 & 4.4.13)

2.4.14 Irregular appointments in various project components - Rs13.29 million

As per paragraph B (xix) of PC-I of development scheme "Crop Maximization Project-II", Appointment will be whole time employees of the project.

They will be hired from market at market based salary or can be taken from the line department on full time basis on deputation and other such arrangements. In case of need more staff will be hired on contingent/DPL basis. The details of various selection committees as per PC-I are as under:

- i. The provincial PDs will be selected by a Committee headed by Secretary, MINFAL having members of respective Provincial Secretary (Agriculture), and the National PD.
- ii. The high ranking staff (officer grade) of FMCUs will be selected/ hired by a committee headed by Secretary MINFAL and having members of Additional Secretary/ADC, National PD.
- iii. The support staff of FMCU will be selected/ hired by a committee headed by ADC and having members of the National PD and JS (Plan), MINFAL.
- iv. The officer grade staff of Provincial MCUs will be selected/ hired by a committee headed by Provincial Secretary (Agriculture) and having members of respective Provincial PD and National PD.
- v. The supporting staff of PMCUs will be selected/ hired by a committee headed by respective Provincial PD and having members of provincial DG (Ext.) and provincial DG (Livestock).
- vi. The officer's grade staff of District Units will be selected/ hired by a committee headed by the respective Provincial PD and having members of respective, EDO and District Officer.
- vii. The support staff of District Units will be selected/ hired by a committee headed by EDO/Director (Agriculture Extension)

During audit of the Project Director, Crop Maximization Project-II, Hyderabad for the year 2012-13, it was observed that various officers and officials were appointed in the project but the selection committees were not properly formed for appointment of various categories of employees nor were the documents of the appointment process provided to audit for verification. This resulted into irregular appointments under market linkage development activities of Rs13.29 million. Details are at Annexure-2 of Chapter-02.

The matter was reported to the department in April 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.4.25)

2.4.15 Non-recovery of government dues – Rs108.70 million

As per paragraph B (vii) of PC-I of development scheme “Crop Maximization Project-II”, Project will provide production loan for the purchase of inputs through provincial/District Governments from RF established at village level under the project. Farmers will pay back this amount along with 10 percent annual handling charges on the total amount after the harvesting of their crops.

As per paragraph B (xxi) of PC-I, motorcycles will be provided to Field Assistants, Stock Assistants, Agriculture Officers, and other project staff on hire purchase basis. Deductions of cost of motorcycles will be made at source in 48 equal instalments from the salary of beneficiary staff and deposited in appropriate head of federal treasury. These motorcycles will be registered in project name till the last quarter of completion of project. Thereafter, these will be transferred to name of the person who has made all the payment.

As per Cooperative Village Organization For Productivity Enhancement & Food Security Ltd by laws as stated in article 4.2 Conditions for membership, “All those farmers of a village are entitled to become member of this organization who do not have ownership of land more than 25 acres & who have deposited their money share at the rate of Rs250 per acre and 50 rupees as registration fee”.

During audit of the various offices of the Agriculture, Supply & Prices Department, Government of Sindh for the year 2012-13 and 2013-14, it was observed that an amount of Rs108.70 million was not deducted/less deducted and not recovered under various head of accounts.

(Rupees in million)

Sr. #	Name of Office	Description	Financial Year	AIR Para #	Amount
1	Project Director, Crop Maximization Project II, Hyderabad	Handling charges, Principal amount of Revolving Fund, cost of Motorcycle, Per acre share money & Registration fee	2012-13	4.1.11, 4.1.12, 4.1.15, 4.4.1 & 4.4.2	108.32
2	Director, Wheat Research Institute Sindh at Sakrand	Less yield of wheat	2012-13	05	0.27
3	Assistant Director, Crop Reporting Service Center, District Sanghar	Outstanding dues	2012-13	06	0.11
Total					108.70

The matter was reported to the department during January 2013 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

CHAPTER-3

AUQAF, RELIGIOUS AFFAIRS & ZAKAT & USHR DEPARTMENT

3.1 Introduction

The department was created to perform the following functions:

- To maintain and regulate prominent shrines, mosques and other waqf properties and to provide maximum facilities to zaireen, who pay visits to various shrines, dargahs, etc.
- To construct musafirkhanas, langarkhanas, lavatories, etc. at the shrines/dargahs.
- To extend welfare/financial assistance out of its self-generated funds to orphans, destitute and disabled persons, on yearly basis.
- To generate revenue from the waqf properties, contracts, rents and lease etc. so that the same amount be utilized on maintenance and reconstruction of old shrines, dargahs and mosques.
- To assist and coordinate Hajj trainings to group leaders and the intending pilgrims, district wise.
- Further, department has following functions under Sindh Rules of Business, 1986;
 - Zakat and Ushr and allied matters.
 - Services matters except those entrusted to the Services, General Administration and Coordination Department.
 - Islamic studies, moral standards and research, including holding of seminars, conferences and meetings on related Subjects.
 - Printing and publication of the Holy Quran.
 - Training and education of ulema and khatibs, Tabligh and Nazim-e-salat.

3.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 26 formations (DDOs), out of which 01 formation was selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
571.92	-	571.92	452.09	119.83

The department was unable to spend the allocated budget. As a result, savings of an amount Rs119.83 million was observed which was not surrendered in time.

3.3 Brief comments on the compliance of PAC directives

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years, but no para pertaining to this department was included in previous audit reports. No PAC Meeting was held during the year 2013-14.

3.4 AUDIT PARAS

3.4.1 Unjustified accumulation of liability - Rs147.98 million

According to Rule-134 of Sindh Budget Manual, all charges must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the grants of another year.

During audit of office of Chief Administrator Auqaf, Hyderabad for the Financial Year 2012-13, it was observed that liability of Rs147.98 million was created by the department as on 30th June 2013 on account of pension, commutation, gratuity, utility charges, etc. The released funds were not sufficient to pay off the liabilities, which resulted into unjustified accumulation of liabilities of Rs147.98 million.

The irregularity was pointed out to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with concerned Principal Accounting Officer till finalization of this report.

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

(AIR # 2)

3.4.2 Irregular expenditure on construction/repair of building - Rs3.70 million

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

During audit of office of Chief Administrator Auqaf, Hyderabad for the Financial Year 2012-13, it was observed that an expenditure of Rs3.70 million was incurred on account of construction/repair of buildings/dargah wherein following irregularities were noticed:

- (i) The contractor ledger, Measurement Book, Administrative approval, Tender files and sanctioned estimates were not produced for the work Construction of Makhdoom Muhammad Hashim Thatvi Academy at Makli, Thatta.

- (ii) The mobilization advance of Rs700,000 was paid without obtaining bank guarantee for Reconstruction of Takhtgah at Shah Abdul Latif Bhittai Dargah.
- (iii) The 10 percent interest of Rs70,000 over mobilization advance was not obtained from the contractor for Reconstruction of Takhtgah at Shah Abdul Latif Bhittai Dargah.
- (iv) The security deposit of Rs567,698 was deducted but the same was not credited into proper head of the Government account.
- (v) Income tax of Rs425,773 was not deposited in Government Account.
- (vi) The professional tax of Rs35,000 was not obtained from the contractors.
- (vii) The record of tender fee was not produced to audit.
- (viii) The record of Rs50,000 paid to M/s Tarique Associates was not produced to audit.
- (ix) The payee acknowledgement was also not available on record.
- (x) The bills paid were not on approved format.

The irregularity was pointed out to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with concerned Principal Accounting Officer till finalization of this report.

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

(AIR # 18)

3.4.3 Non-production of record for expenditure on Hajj duty - Rs3.96 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of office of the Secretary Auqaf, Zakat & Ushr Department for the Financial Years 2012-13 & 2013-14, it was observed that an amount of Rs3.96

million was paid on account of performance of Hajj duty to the Ministry of Religious Affairs for which details of record and selection criteria of employees for employees for Hajj were not produced to audit.

The irregularity was pointed out to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with concerned Principal Accounting Officer till finalization of this report.

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

(AIR # 5)

3.4.4 Non-recovery of outstanding dues - Rs1.26 million

According to Rule 41 of Sindh Financial Rules, Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of office of the Chief Administrator Auqaf, Hyderabad for the financial year 2012-13, it was observed that an amount of Rs1.26 million was not recovered on account of rent from various parties at Dargah Syed Moosani.

The irregularity was pointed out to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with concerned Principal Accounting Officer till finalization of this report.

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

(AIR # 14)

CHAPTER – 4
BOARD OF REVENUE

4.1 Introduction

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

4.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 76 formations (DDOs), out of which 44 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget / Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
2,911.82	709.16	3,620.98	2,303.63	1,317.35

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs1,317.35 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
16,790.67	12,122.07	8,832.74	3,289.33

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs3,289.33 million was observed.

4.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
22	0	22	0

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in any of the previous years.

4.4 AUDIT PARAS

4.4.1 Non-production of record - Rs3,374.75million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various offices of the Board of Revenue, Government of Sindh, for the years 2012-13 and 2013-14, the auditable record of Rs3,374.75 million was not produced to audit. Details are at Annexure-1 of Chapter-4.

The matter was reported to the department during October 2013 to June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

4.4.2 Expenditure without inviting tenders - Rs1,847.87 million

According to rule 12.1 of Public Procurement Rules, 2004, "Procurements over one hundred thousand rupees and up to the limit of two million rupees shall be advertised on the Authority's website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency".

During audit of various offices of the Board of Revenue, Government of Sindh, for the year 2012-13, it was observed that an expenditure of Rs1,847.87 million was incurred on purchase of various materials without inviting tenders. Details are as follows:

(Rupees in millions)

Sr. #	Name of Office	AIR Para #	Amount
1	Additional Relief Commissioner, Hyderabad	22	1,762.97
2	Deputy Commissioner, Badin	03	70.81
3	Deputy Commissioner, Tando Muhammad Khan	02	6.84
4	Deputy Commissioner, Sanghar	04	3.28
5	Deputy Commissioner, Hyderabad	18 ,19 & 20	1.77
6	Deputy Commissioner, Dadu Rain, Rescue and Relief Fund	20, 21, 22, 25	1.53
7	Deputy Commissioner, Malir, Karachi	02	0.40
8	Deputy Commissioner, Dadu	02	0.27
Total			1,847.87

The irregularity was pointed out to the Department in September 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

4.4.3 Irregular payment through DDO instead of vendors- Rs1,888.37 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc. which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of following offices of the Board of Revenue, Government of Sindh, for the year 2012-13, it was observed that payments of Rs1,888.37 million on account of purchase of various items from suppliers were made through cheques from DDO bank account instead of direct payment from concerned Districts Accounts Office. Details are as under:

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Amount
1	Additional Relief Commissioner, Hyderabad	01	1,872.71
2	DC, Tando Muhammad Khan	01	8.12
3	DC, Rain, Rescue & Relief Fund, Hyderabad	04	4.00
4	DC, Rain, Rescue & Relief Fund, Jamshoro	09	1.75
5	DC, Rain, Rescue and Relief Fund, Dadu	04	1.53
6	Commissioner, Rain, Rescue & Relief Fund, Larkana	06	0.26
Total			1,888.37

The irregularity was pointed out to the department in September 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

4.4.4 Irregular draw of pay and allowances through manual bills - Rs29.17 million

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

During audit of the office of Inspector General of Registration, Hyderabad, for the year 2012-13, it was observed that an amount of Rs29.17 million was drawn manually on account of pay and allowance instead of direct crediting it to the bank account of concerned employees. Details are as under:

(Rupees in million)

Sr. #	Fund Center	Amount
1	HD-4014	23.08
2	HD-4014	6.09
Total		29.17

The irregularity was pointed out to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 13)

4.4.5 Irregular payment without supporting vouchers - Rs30.16 million

According to Rule-23 of Sindh Financial Rules, Volume-I, “as a general rule every payment including repayment of money previously logged with Government for whatever purpose must be supported by the voucher setting forth full and clear particular of claim.”

During audit of following offices of the Board of Revenue, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that the drawing and Disbursing officers drew cash Rs30.16 million on account of repair of machinery and equipment including hire vehicle/generator without supporting vouchers. Details are as follows:

(Rupees in millions)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	Additional Relief Commissioner Hyderabad	2012-13	11, 12	20.45
2	DCRain, Rescue & Relief Fund, Hyderabad	2012-13	1,2,3,5,6,11, 13,14	4.10
3	DC, Rain, Rescue & Relief Fund, Dadu	2012-13	07, 11, 12, 13, 14 & 23	2.29
4	Deputy Commissioner Ghotki	2012-13	01	1.75
5	Deputy Commissioner Sukkur	2013-14	09	1.22
6	Deputy Commissioner Mirpurkhas	2012-13	04	0.20
7	Deputy Commissioner Larkana	2012-13	06	0.15
Total				30.16

The irregularity was pointed out to the department during November to April 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires the reasons of cash drawl in absence of required vouchers besides fixing responsibility on the person(s) at fault.

4.4.6 Non-receipt of ammunition from Wah Factory - Rs15.00 million

As per letter N0.B-I/7-1/98-99, dated 13th July 1998 and letter No.FD/B&E-1/4-1/88/2006(P), dated 30-10-2006 and 26-04-2007, no advance would be drawn on abstract bill without prior approval of Finance Department.

During audit of the office of Director, Anti Encroachment Force, Karachi, for the year 2012-13, it was observed that an amount of Rs15.00 million was incurred on account of purchase of ammunition from Pakistan Wah Factory through pre receipt bill in June but stock ammunition was not received till audit was conducted.

The irregularity was pointed out to the department in April 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires that steps should be taken to receive the ammunition and its proper accountal be assured.

(AIR # 1)

4.4.7 Un-authorized drawl of cash - Rs9.48 million

According to Rule-290 of Central Treasury Rules, Volume-I, no money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand, or to prevent lapses of budget grant.

During audit of following offices of the Board of Revenue, Government of Sindh, for the year 2012-13, it was observed that the DDOs un-authorizedly withdrew the cash Rs9.48 million. Details are as follows:

(Rupees in millions)

Sr. #	Name of office	AIR Para #	Amount
1	Inspection General of Registration, Hyderabad	2, 5	4.16
2	Regional Revenue Officer Directorate of Inspection & Evaluation, Larkana	1, 3	2.24
3	Director Evaluation and Inspection, Mirpurkhas	1	3.08
Total			9.48

Moreover, in following offices of the Board of Revenue, Government of Sindh, it was observed that an amount of Rs6.11 million was retained un-authorizedly by the DDO during the year 2012-13. Details are as follows:

(Rupees in millions)

Sr. #	Name of office	AIR Para #	Amount
1	Inspector General of Registration, Hyderabad	2	3.94
2	Director Evaluation & Inspection, Hyderabad	4	0.36
3	Deputy Commissioner, Mirpurkhas	3	1.81
Total			6.11

The irregularity was pointed out to the department during January to June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires the reasons of cash drawl, besides fixing responsibility against the person(s) at fault.

4.4.8 Un-justified procurement of vehicle - Rs3.50 million

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

During audit of the office of RS&EP for the year 2012-13, it was observed that an amount of Rs3.50 million was incurred on account of procurement of new vehicle. Furthermore, almost all POL for vehicle was procured from Karachi, despite of fact that the office of project is located in Hyderabad. Audit apprehended that the vehicle and was being used by member RS&EP Board of Revenue instead of project activities as the vehicle was not physical available in Hyderabad and also the handing over /taking over of vehicle was also not available on record.

The irregularity was pointed out to the department in April 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

4.4.9 Double payment on death compensation - Rs1.80 million

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

During audit of office of the Additional Relief Commissioner Hyderabad Sindh, for the year 2012-13, it was observed that an amount of Rs1.80 million was paid to DC Sanghar through open Cheque No.4691316 dated 12-02-2013 encashed at bank on 4-04-2013 on account of payment of death compensation to legal heirs of nine deceased of Jamshoro Canal incident. Moreover, nine other cheques were also individually issued to nine legal heirs of same deceased in October 2013 which were neither cancelled nor in lieu thereof fresh cheque were issued. Details are as under:

(Rupees in millions)

Sr.#	Particulars		Cheque	Date	Amount
1	ARC For Adviser	Death Comp: Sanghar	4691316	12-02-2013	0.90
2	ARC For Adviser	Punhoon (death Comp)	4686709	09-10-2012	0.10
3	ARC For Adviser	Polo (death Comp)	4686710	09-10-2012	0.10

(Rupees in millions)

Sr.#	Particulars		Cheque	Date	Amount
4	ARC For Adviser	Punhoon (death Comp)	4686711	09-10-2012	0.10
5	ARC For Adviser	Punhoon (death Comp)	4686712	09-10-2012	0.10
6	ARC For Adviser	Punhoon (death Comp)	4686713	09-10-2012	0.10
7	ARC For Adviser	Chetan (death Comp)	4686714	09-10-2012	0.10
8	ARC For Adviser	Devan (death Comp)	4686715	09-10-2012	0.10
9	ARC For Adviser	Devan (death Comp)	4686716	09-10-2012	0.10
10	ARC For Adviser	Ramesh Kumar (death Comp)	4686717	09-10-2012	0.10
Total					1.80

The irregularity was pointed out to the department in October 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires enquiry in the matter besides fixing responsibility against the person(s) at fault.

(AIR # 23)

4.4.10 Irregular payment to work charge/daily wages establishment - Rs3.25 million

As per Finance Department, Karachi letter No.FD(Exp:IX)/767/91(B)/Prov dated 23rd April, 1996, "No appointment of work charged establishment/ contingent paid staff be made without prior approval of Finance Department".

During audit of following offices of the Board of Revenue, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that an expenditure Rs3.25 million was incurred on salaries of work charged/Daily wages contingent paid staff without the approval of the Finance Department for appointing such staff.

(Rupees in millions)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	Deputy Commissioner Sukkur	2013-14	18	1.75
2	Deputy Commissioner TM Khan	2012-13	11	1.50
Total				3.25

The irregularity was pointed out to the department in September 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

4.4.11 Irregular acquisition of land and building - Rs75.39 million

According to Rule-110 (iii) of Sindh Financial Rules, volume-I, “(Land Acquired by Negotiation), the officer who settles the price should draw up Form-A in Appendix 5 prescribed for use in the case of an award and this should be made the basis of the subsequent payment”.

During audit of the office of Secretary/Senior Member Board of Revenue Hyderabad, for the year 2013-14, it was observed that an amount of Rs75.39 million was transferred to different Assistant Commissioners/Land acquisition officer for disbursement of same to land owners from whom properties were purchased for Pakistan Telecommunication Company Limited on behalf of Privatization Commission of Pakistan, Islamabad. The following irregularities were noticed:

- i. The land and building were purchased for PTCL by Land Acquisition Officers on undervalued rates. Assessment of rates of the properties was not carefully made. Almost all properties were located at downtown and were in commercial use. Audit is of the view that property of billions of rupees was sold to PTCL at millions of rupees which caused a huge loss to Government.
- ii. Record of transfer of property and payment details to land owners by land acquisition officers was not provided to audit for verification
- iii. Most of the cheques which were not delivered to property owners by land acquisition officers were not returned to office of Senior Member BOR and reasons for non-utilization of cheques were not given to audit.
- iv. Revenue record of the properties was not shown to audit for verification
- v. Acknowledgment of payment to land owners was not provided to audit in order to ensure authentication of payment to genuine property owners.

The irregularity was pointed out to the department in July 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 9)

4.4.12 Non-regularization of outside Budget - Rs80.54 million

As per Finance Department letter No.B-2(63)/78(PT-11) dated 30-11-1981, fund allocated for one unit of appropriation cannot be utilized for another head of accounts without prior approval of the Finance Department”.

During audit of office of the Additional Relief Commissioner, Hyderabad for the year 2013-14, it was observed that the Government of Sindh released an amount of Rs80.54 million outside the budget to meet the expenditure on account of clearance of liability of purchase of tents from M/s Paramount Company, and other international and Multi-national Companies in 2012 by the relief commissioner. The expenditure involved was sanctioned in anticipation of provision of fund which ought to be meet out by way of re-appropriation of fund or by obtaining supplementary grant, during current financial year 2013-14 but the same was not regularized either by way of re-appropriation of funds or obtaining supplementary grant during the year in question. Details are as follows:

(Rupees in million)

Office Order No.	Particulars	Amount
B&E-VII(3)(558)RC/2013 (1764) dated 05-06-2014	Outstanding dues of company for cost of tents 2012	50.94
B&E-VII(3)(558)RC/2013 (1765) dated 05-06-2014	Outstanding dues of supplier inter nation and multinational co. for cost of tents	29.60
	Total	80.54

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 15)

4.4.13 Irregular expenditure on miscellaneous purchases - Rs100.73 million

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

During audit of following offices of the Board of Revenue, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that an amount of

Rs100.73 million was paid to various suppliers on account of purchase of tents, machinery and mosquito nets. The following irregularities were noticed:

- i. Most of expenditure was incurred without preparation and sanctioning of comparative statement.
- ii. Supply was made without necessary accessories, i.e., rube hammer, pages and metal poles.
- iii. Tents were neither accounted for nor were shown distributed
- iv. Satisfactory utilization report was also not prepared
- v. Details of the total number of affectees to whom tents & mosquito nets were distributed were not available.
- vi. Daily consumption/distribution report of tents& mosquito nets were not communicated to the relief authorities.
- vii. Mode of payment was not known i-e cash payment or cross cheque.

Details are as under:

(Rupees in millions)				
Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	Additional Relief Commissioner, Hyderabad	2013-14	3	31.60
2	Deputy Commissioner, Sukkur	2012-13 & 2013-14	23	68.82
3	DC, Tando Muhammad Khan	2012-13 & 2013-14	7	0.31
Total				100.73

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

4.4.14 Non-deduction of taxes and duties - Rs203.84 million

According to the section 153 (1) (a) of the Income Tax Ordinance 2001, 6 % income tax is required to be deducted at source while making payment to suppliers / contractors.

According to Section-11 of the Sindh Finance Act, 1964, read with Seventh Schedule to the Sindh Finance Ordinance 2000 and Rules 7 and 15 of the Sindh Professions, Trades Callings and Employment Tax Rules 1976, "Professional Tax on professions trades callings and employment is recoverable from all person/ establishment / companies engaged in activities and mentioned in schedule thereof.

According to para-22-A of Stamp Act, "It is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost".

During audit of following offices of the Board of Revenue, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that amount of Rs203.84 million was not deducted on account of income Tax, professional tax and stamp duty resulting in loss of revenue to the Government. Details are as follows:

(Rupees in millions)				
Sr . #	Name of office	Financial Year	AIR Para #	Amount
Income Tax from artists/artisans/singers/comparers etc. on account of performance fee & various head of accounts				
1	Additional Relief Commissioner, Hyderabad	2012-13	16	105.78
2	PD, Project Management Unit, BOR Sindh, Karachi	2013-14	01	7.10
3	Deputy Commissioner, Jamshoro	2013-14	05	1.04
4	Deputy Commissioner, Sukkur	2013-14	07	0.28
5	Deputy Commissioner, Dadu	2012-13	17,18	0.26
6	Additional Relief Commissioner, Hyderabad	2013-14	07	0.26
7	Deputy Commissioner, Jamshoro	2012-13	6, 8, 12	0.15
8	Deputy Commissioner, Hyderabad	2012-13	15	0.14
Sub-Total				115.01
Professional tax from the suppliers				
1	Additional Relief Commissioner, Hyderabad	2012-13	04, 14, 16, 21	36.84
2	Chief Inspector of Stamps, District, Sanghar	2012-13	01	30.00
3	Chief Inspector of Stamps, Mirpurkhas	2012-13	01	20.00
4	Deputy Commissioner, Badin	2012-13	12, 13	0.52
5	Deputy Commissioner, Tando Muhammad Khan	2012-13	17	0.15
6	Deputy Commissioner, Sukkur	2013-14	12	0.21
Sub-Total				87.72

Stamp duty from contractors/ consultants				
	Deputy Commissioner, Matiari	2013-14	19	0.99
	PD, Project Management Unit, BOR Sindh, Karachi	2013-14	03	0.12
Sub-Total				1.11
Grand Total				203.84

The irregularity was pointed out to the department during January 2013 to November 2013 and March 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

4.4.15 Non-realization of revenue - Rs96.52 million

As per Para 28 of General Financial Rules, “no amount due to Government needs to be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought”.

During audit of office of the Deputy Commissioner, Shaheed Benazirabad, for the year 2012-13, it was observed that an amount of Rs96.52 million was not recovered on account of miscellaneous Land Revenue. Furthermore, no steps were taken by the local office to recover the said taxes and duties.

The matter was pointed out to the department in January 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 12, 14, 15, 16 & 17)

CHAPTER - 5

CHIEF MINISTER'S SECRETARIAT

5.1 Introduction

The province has a Governor, a council of ministers headed by a Chief Minister appointed by the Governor, and a provincial assembly. Members of the provincial assembly are elected by the public in an electoral polling process. Chief Minister is the head of provincial government.

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

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

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

5.2 Comments on the Budget and Accounts (Variance Analysis)

The CM's Secretariat consists of 29 formations (DDOs), all the formations were selected and audited during the Audit Year 2014-15. The accounts for the financial year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
2,596.50	543.29	3,139.79	2,439.90	699.89

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs699.89 million was observed which was not surrendered in time.

5.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
7	0	7	0

Audit Report for the year 2009-10 was discussed in the Public Accounts Committee (PAC) meetings and total 7 paras were discussed cumulatively in respect of Universities under Chief Minister's Secretariat. The Universities did not report compliance of PAC directives during the year 2013-14.

5.4 AUDIT PARAS

5.4.1 Non-production of record - Rs712.81 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various institutions under administrative control of Secretary, Universities / Boards, it was observed that auditable record of Rs713.81 million was not produced to the audit. The details are at Annexure-1 of Chapter-5.

The matter was reported to the department during June 2013 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.2 Unauthorized transfer of funds – Rs718.64million

As per Rule 13 of General Financial Rules, volume-I, "Every controlling officer must satisfy himself not only that adequate provisions exist within the Departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores but also that the prescribed checks are effectively applied.

During audit of following institutions under administrative control of Secretary, Universities / Boards, it was observed that an amount of Rs718.64 million was transferred from one account to another without any justification. The details are at Annexure-2 of Chapter-5.

The matter was reported to the management during May 2014 to December 2014. The management at Sr. No.2 above (Shaheed Benazir Bhutto University, Shaheed Benazirabad) replied that funds are provided by HEC in shape of grant for the development, civil work and other activities; therefore, received funds from HEC were transferred to three accounts as maintained for the respective purposes. However, the management did not offer comment over the audit observation that approval of the competent authority (Vice Chancellor) was not obtained before the transfer of funds. Reply from remaining institutions was not received.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.3 Expenditure without inviting open tender – Rs140.89 million

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

During audit of various institutions under administrative control of Secretary, Universities / Boards, it was observed that expenditure was incurred on account of purchase of various articles of Rs140.89 million but the purchase was made by avoiding open tenders as required under the rules of SPPRA. The details are at Annexure-3 of Chapter-5.

The matter was pointed out to the department during January to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana (Sr. No.1 of the Annexure-2) replied that no procurement was made above two million rupees and repair work was made by CMC Larkana. The work orders were attached with reply. All work orders costs reflect the tender amount. The reply was not satisfactory as the tender documents, advertisement in newspapers (NIT), SPPRA web site uploading code, etc., was not furnished in support of reply. Further, the management of Sindh Madrsat-ul-Islam University, Karachi (Sr. No.5 of the Annexure-2) replied that tenders were floated in newspapers. The reply was not tenable as the management in support of reply produced evidence of other advertised

works which had no relevance with the work, “construction of underground tank”. No reply was received from other institutions.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.4 Irregular award of contract – Rs381.39 million

Rule 17 (1) of Sindh Public Procurement Rules, 2010 states that procurement over one hundred thousand rupees and up to one million rupees shall be advertised on the Authority’s websites and in print media.

Rule 46 (1) (a) (iii) of Sindh Public Procurement Rules, 2010 states that registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable);

Rule 39 (1) of Sindh Public Procurement Rules, 2010 states that Procuring Agency shall require security in the form of bank guarantee up to 10% of contract price.

According to Term No.3.8 of guidelines on Selection and Employment of Consultants by World Bank, it is Bank’s responsibility to ensure economy and efficiency and provide equal opportunity to all qualified consultants.

As per (American Society for Testing and Materials) A615 / A615M - 12, the steel bars used in the reinforcement of concrete have to be tested and should be up to the standards.

During audit of various institutions under administrative control of Secretary, Universities / Boards, it was observed that various works for Rs381.39 million were awarded to the contractors but regulations related to such works were ignored. Consequently, contractors were benefited at the expense of public money. The details are at Annexure-4 of chapter 5.

The matter was reported to the department during May 2014 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.5 Irregular payment on account of secured advance - Rs4.95 million

According to Para-228(a) of Central Public Works Accounts Code, “Advances to contractors are as a rule prohibited and every endeavour should be made to maintain a system under which no payments are made except for work actually done. Cases in which a contractor whose contract, if for finished work requires an advance on the security of materials brought to site, Divisional Officer may, in such cases, sanction advances up to an amount not exceeding 75 percent, of the value (as assessed by themselves) of such materials, provided that they are of an imperishable nature and that a formal agreement is drawn up with the contractors under which Government secures a lien on the materials and is safeguarded against losses due to the contractor postponing the execution of work or to the shortage or misuse of the materials, and against the expense entailed for their proper watch and safe custody”.

During audit of Shaheed Benazir Bhutto University, Shaheed Benazirabad for the years 2012-13 to 2013-14, the secured advances of Rs4.95 million was paid to M/s. Aarson & Co. and M/s. Bell force contractors on works “Construction of precast boundary wall and Admin Block. The quantity and rate, gate pas and weight bridge receipts, vehicle number on which they are loaded were not mentioned on the body of the bill. Furthermore, site account, prior approval of Senate / Syndicate and sanction by standing rate committee was also not available.

The matter was reported to the department during May 2014 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

5.4.6 Misclassification of expenditure – Rs23.08 million

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

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that expenditure of one head of account was charged to another head of account resulting into misclassification of expenditure of Rs23.08 million.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Year	Nature of irregularity	Amount
1	Mehran University of Engineering & Technology, Jamshoro	20	2012-13	Drawl of funds out of assignment account	7.84
		31	2012-13	Purchase of furniture out of recurring budget instead of assignment account	5.04
		33	2012-13	Civil work out of “immediate needs” instead of development of infrastructure -ADP-267	0.58
2	Liaquat University of Medical & Health Sciences, Jamshoro	20	2012-13	Repair of machinery (Air Conditioners) charged under the head ‘Repair of Building Structure’	0.53
		17	2012-13	Capital expenditure, i.e., construction of 2 nd floor of the building charged as revenue expenditure, i.e., ‘Repair of Building’	4.13
		10	2013-14	Expenditure for inauguration ceremony of a department charged under the head ‘Furniture & Other Misc.’	0.57
3	Centre of Excellence in Art & Design, Jamshoro	03	2013-14	Purchase of furniture charged to ‘Purchase of Misc. Items’	0.13
4	BISE, Sukkur	08	2013-14	Contribution towards Provident Fund charged under the head ‘Pension Contribution’	4.26
Total					23.08

The matter was reported to the department during August 2014 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.7 Non-adjustment of advances – Rs70.53 million

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

During audit of various institutions under administrative control of Secretary, Universities / Boards, it was revealed that advances of Rs70.53 million (details are at Annexure-5 of chapter 5) were granted for various purposes but the same were not adjusted.

The matter was pointed out to the department during June 2014 to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana replied that adjusted advances will be shown to audit. The reply was not appropriate and no evidence in support of reply was attached. No reply was received from other institutions.

DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.8 Non-deposit of cheques in bank account – Rs12.59 million

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

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that the cheques pertaining to call

deposit & Tender fees for Rs12.59 million was retained and not deposited timely into bank. Details are as follows:

(Rupees in million)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Amount
1	Shaheed Benazir Bhutto University, Shaheed Benazirabad	48	2012-13 to 2013-14	Non-deposit of call deposit into bank	7.74
2	Government Polytechnic Institute, Matiari	02	2012-13	Un-authorized custody of security deposit	0.16
3	Principal, Petroleum Technical Training Institute Khairpur	04	2012-13	Non-deposit of call deposits	2.28
4	Shah Abdul Latif University, Khairpur	24	2012-13	Non-deposit of call deposit	1.50
5	Mehran University of Engineering & Technology Jamshoro	43	2012-13	Non-deposit of call deposit	0.30
6	BISE, Sukkur	10	2013-14	Undue retention of security deposits	0.22
		09	2012-13	Non-deposit of Tender Fee	0.11
7	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	05	2013-14	Non-deposit of tender fee / revenue	0.28
Total					12.59

The matter was pointed out to the department during January 2014 to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana replied that separate bank account will be opened for retention of tender fee. The reply was not satisfactory as the tender fee was required to be deposited immediately in the bank; whereas, the same was still retained for opening a separate bank account. No reply was received from other institutions.

DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.9 Irregular purchase of vehicles beyond entitlement – Rs3.21 million

As per Notification No.RO(R & C)/Vehicle/6(46)/05 dated 05-12-2005 issued by Local Government, Katchi Abadi and Special Development Department, Government of Sindh provides that all officers in BS-21 and BS-20 are entitled to use 1300cc locally manufactured cars. All officers in BS-19 are entitled to use 1000cc locally manufactured cars and all officers in BS-18 and BS-17 are entitled to use 800cc cars / Suzuki Jeeps locally manufactured.

During audit of following institutions under administrative control of Secretary, Universities / Boards, it was observed that an expenditure of Rs3.21 million was incurred on purchase of vehicles as detailed below. However, the record pertaining to eligibility of the officer for the procured vehicles was not produced to audit.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Year	Type of vehicle	Amount
1	Liaquat University of Medical & Health Sciences, Jamshoro	8	2012-13	Toyota Corolla GLi 1300cc ceiling	1.67
2	Provincial Coordinator, Technical Education and Research & School Education BBSYDP, Karachi	5	2012-13	Toyota Corolla XLI 1.3	1.54
Total					3.21

The matter was reported to the department during January 2014 and August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.10 Encroachment over university land

According to Rule 23 of General Financial Rule Volume-1, “Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from

fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit of Liaquat University of Medical & Health Sciences Jamshoro for the financial year 2012-13, it was observed that thousands acres of land of the university worth billions of rupees was encroached by land grabbers. In this regard, following information came to the knowledge of audit:

- i. The land was grabbed by influential persons of the area.
- ii. The un-authorized occupied land was being used for commercial purposes as residential societies have been formed thereupon.
- iii. The grabbed land has substantial market value as the un-authorized housing societies had been selling plots and bungalows.
- iv. Audit came to know that 200 sq. yd. plot in the societies on the grabbed land had worth around Rs3.5 million.

Audit requisitioned the record of land including Assets Register from the management but no record was produced to audit for scrutiny.

The matter was reported to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires production of land record besides inquiry in the matter for fixing responsibility on the person(s) at fault.

(AIR # 7)

5.4.11 Irregular award of Health Insurance to employees - Rs41.47 million

As per FD (SR-1)1(32)/2008-2011 Government of Sindh Finance Department Karachi, dated 12th July, 2011, Part-1 Para 8 (i) “Medical Allowance admissible to Civil Servants in BPS-16 to BPS-22 @ 15% of existing basic pay in Basic Pay Scales-2008 shall continue to be admissible at the frozen level of its admissibility as on 30-06-2011.

During audit of Liaquat University of Medical & Health Sciences Jamshoro, for the years 2012-13 & 2013-14, it was noticed that an expenditure of Rs41.47 million was incurred on account of health insurance of employees. This was an extraordinary facility provided to the employees of the university because health

insurance facility has not been provided to federal and provincial government employees.

The matter was reported to the department in August 2014 and November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4 & 30)

5.4.12 Improper maintenance of Provident fund record - Rs67.34 million

Para-7 of General Provident Fund Manual states that, “the account number should be allotted under dated initial of the superintendent and the name of the subscriber be entered in the index register. Under Rule 81 of the said manual read with Para 209 of Audit manual, as soon as government servant starts subscribing to a fund, Accounts Officer should endeavour to secure that the subscriber furnishes a nomination”. Para-66 of above Manual states that “a note should be taken on the register of close accounts as well as in the index register under the initial of superintendent”.

Para No.238 of Audit Manual states that the posting of General Provident Fund schedule should be carried in the relevant para of the subscriber accounts.

The NED University Karachi has not properly maintained GPF record for Rs67.34 million as per above rules for the period starting from July 2011 to March 2013 and in previous years as well. Following omissions were observed in this regard.

- i. Cutting, overwriting was frequently made in GP Fund cash book.
- ii. Transaction recorded was neither initialled by concerned person nor were balances certified by the officer concerned.
- iii. Various entries of investment, TDR profits etc., were incomplete in cash book, which do not present complete picture.
- iv. Supporting vouchers are not enclosed in various vouchers passed (for example voucher No 155 Dated 30.6.12 an amount of Rs7,315,000 was received from M/s Askari Bank Ltd against TDR Profit, in which neither detail of TDR number, amount of profit for the period, amount of investment,

date of investment and date of maturity were mentioned in voucher nor any supporting documents, i.e., copy of pay order, copy of TDR, copy of approval, etc., were enclosed).

The matter was reported to the department during May 2014 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 27)

5.4.13 Non-achievement of targets - Rs235.80 million

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

During audit of the Provincial Coordinator, Benazir Bhutto Shaheed Youth Development Program (BBSYDP) C.M Secretariat, Government of Sindh, Karachi, Technical Education and Research & School Education Department, for the financial year 2012-13, it was noticed that an amount of Rs664.00 million was allocated for training of 15,000 youth for the year under audit but management of the project failed to achieve the desired targets and an amount of Rs235.80 million was found unutilized/lapsed. This resulted into non-achievement of targets.

The matter was reported to the department in January 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 19)

5.4.14 Wasteful expenditure over consultancy charges - Rs10.28 million

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

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that an amount of Rs10.28 million

was paid on account of consultancy charges, but Audit could not find any evidence of performance carried out in shape of deliverables by the consultants.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Amount
1	Shah Abdul Latif University, Khairpur	31	2013-14	4.80
2	Shaheed Mohtarma Benazir Bhutto University, Benazirabad	33	2012-13 & 2013-14	5.48
Total				10.28

The matter was reported to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.15 Non-reconciliation of deposited Income Tax – Rs13.01 million

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

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that authorities had deducted and deposited the Income Tax of Rs13.01 million but did not reconcile the amount with the treasury. Due to non-reconciliation of Income Tax it was not clear whether the amount actually reached the treasury or not.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Amount
1	Sindh Agriculture University, Tando Jam	12	2013-14	11.74
2	BISE, Mirpurkhas	13	2013-14	1.27
Total				13.01

The matter was reported to the department during September 2014 and December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.16 Non-recovery of Professional Tax – Rs1.47 million

According to Rule 28 of General Financial Rule Volume-I, “no amount due to Government should be left outstanding without sufficient reasons, where any dues appear to be irrecoverable; the orders of competent authority for their adjustment must be sought”.

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that professional tax of Rs1.47 million was lying outstanding against various contractors / suppliers which need to be recovered. Details as follows:

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Amount
1	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	20	2013-14	0.14
		19	2013-14	0.37
2	LUMHS, Jamshoro	28	2013-14	0.26
3	Mehran University of Engineering & Technology, Jamshoro	14	2013-14	0.25
4	SBB University, Benazirabad	22	2012-13 & 2013-14	0.45
Total				1.47

The matter was pointed out to the department during May 2014 to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana replied that all taxes were deducted and deposited in FBR account. The reply was not satisfactory as the evidence of recovery or deposit in Government treasury was not furnished in support of reply. No reply was received from other institutions.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.17 Excess payment due to appointment in higher grade - Rs1.75 million

The Government of Sindh Finance Department Karachi Vide his letter No.FD(SR-IV)2-70/2007(Prov.) dated. 22-12-2009 has clarified that the new recruitment on the posts in BPS-01 to 04 after 01-07-2007 would be made in its

original pay scale as employees in BPS-01 to 04. Only employees who were in service on or before 01-07-2007 were allowed to move one scale up in their respective pay scales w.e.f. 01-07-2007.

During audit of Sindh Madarsat-ul-Islam University, Karachi for the years 2012-13 & 2013-14, it was observed that 41 officials (Drivers, Security Supervisors, Naib Qasids, Security Guards and Sweepers) were appointed by the University in higher scale instead of original scale. This resulted in an over payment of Rs.1.75 million per annum.

The matter was reported to the department in December 2014. The management in reply stated that the University is an autonomous institution. Finance & Planning Committee of the University had approved the working strength of the officials in higher scale which was endorsed by the Syndicate of the University in its meeting held on 28-06-2014. The reply was not tenable as the guidelines by the Finance Department in financial matters are to be observed by the University as pay structure of the employees is regulated under Basic Pay Scale Schemes.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

5.4.18 Non-recovery of outstanding dues – Rs298.37 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, “the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury”.

During audit of various institutions under administrative control of Secretary, Universities/Boards, it was observed that an amount of Rs298.37 million (details are at Annexure-6 of Chapter-5) on various accounts was lying outstanding which needs to be recovered.

The matter was pointed out to the department during May 2014 to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana (Sr. No.2 of the Annexure-6) replied that 98% students’ fee had been recovered and remaining was under recovery process; whereas the hostel fee was obtained in Annual academic fee. Further, the management of Sindh Madarst-ul-

Islam University, Karachi (Sr. No.3 of the Annexure-6) in reply stated that Rs0.054 million had been recovered as against the total outstanding amount of Rs0.808 million pointed out by Audit. The response of both Universities was not convincing as full recovery has not been made. The management of remaining 8 institutions did not reply.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.19 Non-deduction of income tax– Rs11.01 million

According to Section 153(a) & (b) of the Income Tax ordinance, 2001, “Income Tax @ 6% for rendering professional Services is required to be deducted at source and deposited into Government account”.

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that the expenditure on various heads of accounts was incurred but the income tax of Rs11.01 million was not deducted & deposited. Details are as follows:

(Rupees in millions)				
Sr. #	Name of Institution	AIR Para #	Financial Year	Amount
1	Shah Abdul Latif University, Khairpur	08	2012-13	0.45
		06	2012-13	4.68
		21	2012-13	0.68
2	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	22	2013-14	2.17
3	LUMHS, Jamshoro	29	2013-14	0.69
4	Mehran University of Engineering & Technology, Jamshoro	01	2013-14	1.58
5	Quaid-e-Awam University of Engineering & Technology, Nawabshah	10	2013-14	0.76
Total				11.01

The matter was pointed out to the department during June 2013 to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana replied that 6.5% income tax was recovered by the Directorate of Finance

from each bill. The reply was not satisfactory as the evidence was not furnished in support of reply. No reply was received from other institutions.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.20 Non-deduction of 20% of GST – Rs15.26million

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

During audit of following institutions under administrative control of Secretary, Universities / Boards, it was observed that an expenditure of Rs15.26 million was incurred on purchase of various items on which sales tax @ 1/5th of the amount was required to be deducted from the payments. Non recovery of 1/5th of the sales tax stands unauthorized and should be recovered either from the supplier or from the person at fault.

(Rupees in millions)

Sr. #	Name of Institutions	AIR Para #	Financial Year	Amount
1	Shaheed Benazir Bhutto University, Shaheed Benazirabad	35	2012-13 & 2013-14	1.84
		1		0.93
2	Shaheed Mohtarma Benazir Bhutto Medical University Larkana	37	2013-14	2.20
		1	2013-14	1.82
3	Shah Abdul Latif University, Khairpur	25	2013-14	0.77
4	Liaquat University of Medical & Health Sciences, Jamshoro	3	2013-14	0.17
5	BISE, Mirpurkhas	20	2013-14	5.38
6	Mehran University of Engineering & Technology Jamshoro	2	2013-14	1.46
		24	2013-14	0.58
		29	2012-13	0.11
Total				15.26

The matter was pointed out to the department during August 2014 to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana replied that the tax was paid by the consultant and only service tax is applicable. The reply was not satisfactory as the evidence of recovery/paid challan of taxes was not produced for verification. No reply was received from other institutions.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.21 Unjustified payment of qualification allowance - Rs16.31 million

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

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that an amount of Rs16.31 million was paid to the officers/ faculty members as Qualification/Education/Ph.D. allowance but the copy of relevant degrees/ qualifications were not produced to verify the authenticity of the payment of the subject allowance. Details are as follows:

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Amount
1	Quaid-e-Awam University of Engineering Science & Technology, Nawabshah	13	2013-14	Qualification allowance	6.61
2	Sindh Agriculture University, Tando Jam	04	2013-14	Ph.D. allowance	6.93
3	Mehran University of Engineering & Technology, Jamshoro	15	2012-13	Qualification allowance	1.44
4	BISE, Sukkur	14	2013-14	Education allowance	1.33
Total					16.31

The matter was reported to the department during August 2014 to December 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.22 Unauthorized payment of computer allowance – Rs17.64million

According to Finance Division (Regulation Wing) Office Memo No.F-3(b)R.1/35 dated 26th June, 1985, computer allowance is required to be paid to those employees who possess degree in Computer Science, fulfil terms & conditions and also get appointed for particular post.

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that computer allowance of Rs17.64 million was paid to various officers/officials who were not eligible for computer allowance.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Amount
1	Quaid-e-Awam University of Engineering Science & Technology, Nawabshah	3	2013-14	5.96
2	Shah Abdul Latif University, Khairpur	2	2012-13	1.48
3	Mehran University of Engineering & Technology, Jamshoro	17	2012-13	10.20
Total				17.64

The matter was reported to the department during April 2014 to September 2014but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.23 Unauthorized payment of house rent – Rs61.16 million

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

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that House rent allowance of Rs61.16million was paid @ 45% instead of admissible @ 30% per month.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Amount
1	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	32	2013-14	Excess Payment of house rent allowance as well as non-recovery of 5% maintenance charges	11.30
2	Quaid-e-Awam, University of Engineering Science & Technology, Nawabshah	14	2013-14	Non-deduction of house rent allowance	0.98
		1	2013-14	Excess payment of house rent allowance	9.04
3	Sindh Agriculture University, Tando Jam	3	2013-14	Non-deduction of HR allowance from employees having university accommodation	2.63
		2	2013-14	Excess payment of HR allowance	7.08
4	Shah Abdul Latif University, Khairpur	4	2012-13	Payment of excess House rent	11.13
5	Mehran University of Engineering & Technology Jamshoro	16	2012-13		19.00
Total					61.16

The matter was reported to the department during April to December 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.24 Excess payment of conveyance allowance – Rs69.69 million

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

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that an amount of Rs69.69 million was paid in excess on account of conveyance allowance to those officers/officials who have been provided Government accommodation and residing within work premises or on leave or have been provided facility of transport. As such they were not entitled to draw the conveyance allowance.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Amount
1	Sindh Agriculture University Tando Jam	5	2013-14	1.62
2	Liaquat University of Medical & Health Sciences, Jamshoro	40	2013-14	64.64
3	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	33	2013-14	3.20
4	Shaheed Benazir Bhutto University, Benazirabad	8	2012-13 & 2013-14	0.23
Total				69.69

The matter was reported to the department during July to December 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.25 Irregular payment of post-graduate teaching allowance – Rs3.76 million

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its

judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that teaching allowance of Rs3.76 million was allowed without any government notification regarding admissibility of such as allowance to university teachers.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financia l Year	Nature of irregularity	Amount
1	Quaid-e-Awam University of Engineering Science & Technology, Nawabshah	05	2013-14	Unjustified payment of teaching allowance	3.76
2	Liaquat University of Medical & Health Sciences, Jamshoro	12	2012-13	Irregular payment of post-graduation teaching allowance	-
Total					3.76

The matter was reported to the department during August 2014 to September 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.26 Non-deposit of realized revenue - Rs24.76 million

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

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that an amount of Rs24.76 million was collected from different sources but the same was not deposited into bank account.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Amount
1	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	6	2013-14	Non-deposit of recovered amount of Income Tax, GST, Security Deposit & recovery of advance	22.67
2	BISE, Larkana	5	2012-13	Non-deposit of tuition & admission fee	0.26
3	BISE, Sukkur	3	2012-13	Non deposit of scout fee	1.69
4	Monotechnic Institute, Tando Jam	1	2012-13	Non-deposit of fee	0.14
Total					24.76

The matter was reported to the department during January 2014 to October 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.27 Non-recovery of stamp duty – Rs22.73 million

According to Para-22-A of Stamp Act, “it is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost.”

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that stamp duty of Rs22.73 million was not recovered from the contractor for fixing of stamps on contract agreement in violation of above rule.

(Rupees in millions)

Sr.#	Name of Institution	AIR Para #	Financial Year	Amount
1	Liaquat University of Medical & Health Sciences, Jamshoro	15	2012-13	0.15
		35	2013-14	18.30
2	Shaheed Benazir Bhutto University, Benazirabad	32	2012-13	0.21
		06	& 2013-14	0.66

Sr.#	Name of Institution	AIR Para #	Financial Year	Amount
3	BISE Mirpurkhas	46	2013-14	0.21
4	Quaid-e-Awam University of Engineering Science & Technology, Nawabshah	12	20113-14	0.20
5	Sukkur IBA, Sukkur	05	2013-14	0.76
6	Shah Abdul Latif University, Khairpur	12	2013-14	0.62
7	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	15	2013-14	1.62
Total				22.73

The matter was pointed out to the department during January 2014 to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana replied that stamp duty is taken @ 0.3% as mentioned in contract agreement. The reply was not satisfactory as not a single agreement with stamp duty recovered or stamps affixed produced to audit to verify the claim. No reply was received from other institutions.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.28 Non-recovery of water/electricity charges from the contractors – Rs4.50 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that expenditure was incurred on account of civil works, but the water/electricity charges of Rs4.50 million was not recovered from the contractors.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of Charges	Amount
1	Mehran University of Engineering & Technology, Jamshoro	21	2012-13	Water Charges	0.90
		07	2013-14	Water Charges	0.39
2	Liaquat University of Medical & Health Sciences, Jamshoro	18	2013-14	Water Charges	0.13
		17	2013-14	Electricity Charges	0.16
3	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	4	2013-14	Water Charges	1.21
		3	2013-14	Electricity Charges	0.15
4	Centre of excellence in Arts & Design, Jamshoro	8	2009-10 to 2013-14	Water & Electricity Charges	0.15
5	Shah Abdul Latif University, Khairpur	17	2012-13	-do-	0.41
		22	2013-14	-do-	1.00
Total					4.50

The matter was pointed out to the department during April 2014 to December 2014. The management of Shaheed Mohtarma Benazir Bhutto Medical University Larkana replied that the contractors used their own resources and recovery of such charges was not applicable. However, it was admitted that some electricity was utilized for FM radio and lighting purposes for security issues at site. The reply was not satisfactory as neither the dues were recovered nor was the evidence produced in support of reply. No reply was received from other institutions.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.29 Irregular expenditure incurred on salaries – Rs54.16 million

According to instruction contained in letter No.SO-1(S & GAD) 92 dated 26-03-1992 of Services, General Administration & Coordination Department, Government of Sindh, the staff should only be posted at places for which posts have been sanctioned and in no case one be allowed to work on detailment basis to places other than their original place of posting.

During audit of following institutions under administrative control of Secretary, Universities/Boards, it was observed that an expenditure of Rs54.16 million was incurred on account of payment of pay and allowances to employees appointed/working against the various posts on detailment basis to other offices in violation of orders of the Supreme Court/Government instructions.

(Rupees in millions)

Sr. #	Name of Institution	AIR Para #	Financial Year	Amount
1	Shah Abdul Latif University, Khairpur	26	2013-14	26.91
2	Liaquat University of Medical & Health Sciences, Jamshoro	36	2013-14	13.10
3	Polytechnic Institute (Women), Latifabad-9, Hyderabad	03	2012-13	1.14
4	Vocational Training Institute, Kotri	03	2012-13	2.96
5	Vocational Training Institute (Women), Latifabad, Hyderabad	01	2012-13	1.14
6	College of Technology (Girls), Karimabad, Karachi	03	2012-13	5.16
7	Monotechnic Institute, Shahdadkot	02	2011-12 & 2012-13	1.78
8	Vocational School for Girls, Naushahro Feroze	01	-do-	0.43
9	Monotechnic Institute, Padidan	01	-do-	1.54
			Total	54.16

The matter was reported to the department during January 2014 to December 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

5.4.30 Loss due to less recovery of utilities charges – Rs168.46 million

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During audit of University of Karachi, Karachi for the years 2012-13 and 2013-14, it was observed that separate KESC's meters were not installed in the

houses of residential colony. The electricity was being provided to the residential colony through two main meters from which KESC billed to the University in bulk. Whereas, recovery of the electricity charges from occupants of the houses are being billed @ Rs6 per unit by the University authorities on basis of sub-meters installed in the houses. The rate of recovery as fixed by the University authorities is very low due to which a vast difference was observed between the actual electricity charges being paid to KESC and the amount recovered from occupant of the houses. Resultantly, the University of Karachi suffered a loss of Rs168.46 million as detailed follows:

(Rupees in million)

Electricity Meter Nos.	Actual amount paid to KESC during 2012-13 & 2013-14	Recovery from Residential Colony			Loss (Rs)
		Total houses in Residential Colony (Nos.)	Rate of Recovery	Total Recovery (Rs)	
BL-000796 BL-000797	181.61	413	@ Rs6 per unit	13.15	168.46

The matter was reported to the department during in December 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires fixing of responsibility on the person(s) at fault besides effecting recovery from the date of allotment of accommodation.

(AIR # 4)

CHAPTER – 6 CULTURE, TOURISM & ANTIQUITIES DEPARTMENT

6.1 Introduction

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

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

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

6.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 56 formations (DDOs), out of which 36 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
1,347.60	15.00	1,362.59	574.05	788.55

The department was unable to spend the allocated budget in time. As a result, of savings of Rs788.55 million was observed, which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
478.72	204.18	46.14	158.04

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

6.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
18	18	0	100

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 100% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

6.4 AUDIT PARAS

6.4.1 Non-production of record - Rs45.28 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

Following offices of Culture, Tourism & Antiquities Department Government of Sindh, did not produce the auditable record of Rs45.28 million to audit for examination.

(Rupees in million)

Sr.#	Name of Office	Year	AIR Para #	Amount
1	Secretary Culture, Karachi	2012-13	9	10.00
2	Secretary Antiquities Department, Karachi	2012-13	14	0.29
3	Director Planning, Implementation, Monitoring & Evaluation Cell, Karachi	2013-14	16	34.99
Total				45.28

The matter was pointed out to the department in January 2014 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

6.4.2 Approval of estimates without detail - Rs425.56 million

According to Para-766 of P.W.D Manual, Volume-I, "Technical Sanction amounts to nothing more than a guarantee that the proposals are structurally sounds, and meet the requirements of indenting department and that the estimate are accurately calculated and based on adequate data".

During audit of office of the Secretary Culture Department (Sindh Festival), Karachi for the year 2013-14, it was observed that expenditure of Rs425.56 million was incurred on various activities of “Sindh Festival”. However, the incurrence of expenditure was based on estimates which neither contain any detail/specification nor based on approved rates. The estimates were got approved from Chief Minister, Sindh later on. The expenditure was also required to be approved by the Management Committee. Thus incurrence of expenditure without sound basis/approved rates and without management committee approval stands unauthorized.

The matter was pointed out to the department in August 2014. The management replied that incurred expenditure was approved/regularized by the management committee constituted by Government of Sindh. Reply was not tenable because no any documentary evidence in support of reply was provided.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4)

6.4.3 Irregular payment without pre-audit - Rs130.41 million

As per Para 2.2.2.9 of Accounting Policies & Procedures Manual (APPM), the DAOs have been authorized to pre-audit bills, issue payments and record government transactions at a district level.

During audit of office of the Director Conservation Karachi for the year 2013-14, it was observed that an expenditure of Rs130.41 million was paid to contractors against various works executed without pre-audit of bills.

The matter was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 8)

6.4.4 Performance guarantees of insurance companies unverified - Rs80.50 million

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

During audit of office of the Secretary Culture Department (Sindh Festival), Karachi, for the year 2013-14, it was observed that expenditure of Rs80.50 million was incurred for which the contractors/suppliers provided performance guarantees from insurance company. However, these performance guarantees were not got verified from the concerned insurance company to avoid any chance of fake guarantees.

The matter was pointed out to the department in August 2014. The management replied that the performance guarantee was obtained and verified from the concerned insurance company. Reply was not tenable because no any documentary evidence in support of reply was provided.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires strengthening internal controls, besides fixing responsibility on the person(s) at fault.

(AIR # 9)

6.4.5 Un-authorized drawl without supporting vouchers - Rs66.50 million

According to Para No.6(a) of notification No.FD(B&E-XIII)7(3)/2009-10 dated 11-07-2009 issued by Finance Department, Government of Sindh, “No advance would be drawn on abstract bill without prior approval of Finance Department, as per restrictions imposed under letter No.B-I/7-I/98-99 dated 13-07-98, letter No FD/B&E-I/4-I/88/2006(P) dated 30-10-2006 as well as letter of even number dated 26-04-2007”.

During audit of office of the Secretary Culture Department Karachi for the Financial Year 2012-13, it was observed that an amount of Rs66.50 million was drawn from Accountant General Sindh through Abstract bill without presentation of

vouchers/ contingent bill. Further it has been observed that amount was drawn and kept in DDO account then issued DDO Cheque without obtaining any record and same was not produced to audit for further verification. Moreover non-specified grant was drawn from Accountant General Office without showing any head of account.

The matter was pointed out to the department in January 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

6.4.6 Un-authorized payment of grant-in aid - Rs41.94 million

According to Para No.6(a) of notification No.FD(B&E-XIII)7(3)/2009-10 dated 11-07-2009 issued by Finance Department, Government of Sindh, "No advance would be drawn on abstract bill without prior approval of Finance Department, as per restrictions imposed under letter No.B-I/7-I/98-99 dated 13-07-98, letter No FD/B&E-I/4-I/88/2006(P) dated 30-10-2006 as well as letter of even number dated 26-04-2007".

During audit of office of the Secretary Culture Karachi for the Financial Year2012-13, it was observed that an amount of Rs41.94 million was paid to non-financial institutions from head grant-in-aid some short comings were noticed that amount was drawn from Accountant General through abstract bill, payment was made from DDO account without observing codal formalities, such as tender/quotation, contingent bill along with detail was not produced to audit. Moreover deduction of income tax/sales tax could not be ascertained by the audit because of direct payment from DDO account.

The matter was pointed out to the department in January 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

6.4.7 Non-crediting of government revenue - Rs32.87 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of office of the Director, Conservation Karachi for the Financial Year 2013-14, it was observed that an amount of Rs32.87 million was realized during the year on account of income tax and withholding tax, but kept under deposit vide Form-78 of June 2014 and the same was not deposited into the government treasury.

The matter was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 12)

6.4.8 Irregular payments on invoices of other firms - Rs31.00 million

According to Rule-23 of Sindh Financial Rules Volume-I, “Every payment including repayment of money previously logged with Government for whatever purpose must be supported by the vouchers setting forth full and clear particulars of the claim”.

During audit of office of the Secretary Culture Department (Sindh Festival), Karachi for the Financial Year 2013-14, it was observed that expenditure of Rs31.00 million was incurred by inviting tenders. However, it was noted that the payments were made to the winning bidders for the works, but the invoices were attached of the different firms. The contractors should have provided invoices of their own. In view of above situation, the payments stand irregular.

The matter was pointed out to the department in August 2014. The management replied that the work was awarded to the winning bidder after, the invoices of the other firms was clerical mistake which has now been removed. Reply was not tenable because no any documentary evidence in support of reply was provided.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 7)

6.4.9 Irregular payment of consultation charges -Rs11.06 million

As per “Rule 61; Selection of Consultancy Services”, of SPPR 2010, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

During audit of office of the Director Planning, Implementation, Monitoring & Evaluation Cell, Culture Department Karachi during the Financial Year 2013-14, it was observed that an expenditure of Rs11.06 million was incurred on account of consultancy charges on preparation of PC-I/PC-II and topographies in which following irregularities were noticed:

- (i) Despite staff of office, outsourcing consultants for feasibility, PC-II/PC-I found irregular/ un-justified.
- (ii) The tender documents along with comparative statement were not provided.
- (iii) The details of necessary technical expertise and proficiency in designing and developing creative models of architectural, legal structure and having sound financial capabilities, relevant proven experience needs to be provided.

The matter was pointed out to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

6.4.10 Un-authorized signing of MOU - Rs9.06 million

According to Part-X Miscellaneous Provision ii) of Sindh Government Rules of Business, 1986, correspondence with the government of foreign country, a Pakistan Diplomat Mission abroad, a foreign mission in Pakistan or an international organization, shall normally be conducted through the Foreign Affairs Division of the Federal Government or in accordance with general or special orders issued by that Division.

Further as per Para 3 of the Schedule-VI see Rule-8 (i) *ibid*, all cases which may have a bearing on relation with a foreign government required to be submitted to the Chief Minister for his orders.

During audit of office of the Assistant Director Shams-ul-Ulema Daudpota Library Hyderabad for the Financial Year 2012-13, it was observed that the Department of Culture signed an MOU which was not routed, as per above rule, through Foreign Affairs Division and Ministry of National Heritage & Integration. The MOU did not fulfil the codal formalities; hence, it stands null and void. Audit further observed that the MOU signed with US Consulate was unjust as the department spent more in four years than it gained, i.e., Rs2.22 million against Rs9.06 million.

The matter was pointed out to the department in February 2014. The management replied that US consulate equipment was installed in Lincoln Corner which was provided by US consulate as per their agreement. Reply was not tenable as the same was not relevant to the audit observation which were pertained to signing of MOU without fulfil the codal formalities and unjust more expenditure than it gained under MOU.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 10 & 8)

6.4.11 Irregular payment of salary through manual bills - Rs8.36 million

Para 4.6.3.1 of Accounting Policies and Procedures Manual (APPM) provide that the normal method of payment of monthly salaries of all government employees shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment, and it automatically ensures that recipients have access to their salary on the due date. Moreover, direct credit has tangible advantages, over payment by cheque or cash, against risks of theft or fraud.

During audit of various offices of Culture, Tourism & Antiquities Department Government of Sindh, for the years 2011-12 and 2012-13, it was observed that an expenditure of Rs8.36 million was incurred on account of pay & allowance through manual bills instead of computerized payroll. Details are as follows:

(Rupees in millions)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Deputy Director Culture, Hyderabad	2011-12	4 &6	0.33
2	Secretary Antiquities Department	2012-13	4	8.03
Total				8.36

The matter was pointed out to the department in June 2013 & May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires strengthening internal controls, besides fixing responsibility on the person(s) at fault.

6.4.12 Drawl of cash from bank through open cheque - Rs4.20 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of office of the Secretary Antiquities Department for the Financial Year 2012-13, it was observed that an amount of Rs4.20 million was drawn from bank in cash through open cheque instead of issuing crossed cheques.

The irregularity was pointed out to the department in May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires that that utilization of funds for payment to various suppliers withdrawn through open cheques needs to be justified, besides fixing of responsibility on the person(s) at fault.

(AIR # 5)

6.4.13 Irregular expenditure on dismantling - Rs3.68 million

According to Para-72 (Paragraph-2) of CPW-D Code, when the vouchers exists any expenditure from which revenue may prima facie by expected to occur as, for instance, when payment appear in bill removing material from a building or after work or clearing jungle or cutting trees in the compound of building or canal bank, a note should be recorded to indicate how the old materials removed or trees cut etc.

During audit of office of the Director Conservation Karachi for the Financial Year2013-14, it was observed that an expenditure of Rs3.68 million was paid to contractors for dismantling of various items, in which following irregularities were noticed:

- i. Sale proceed of these above items was not made.
- ii. Record of auction was not available.
- iii. Site account of the works was not maintained.

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 9)

6.4.14 Non-deduction of income tax -Rs3.05 million

According to section 153 (1) of Income Tax Ordinance 2001, Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person, shall deduct income tax at source on supplies of goods and services at the rate of 4% and 6.5% respectively.

During audit of various offices of Culture, Tourism & Antiquities Department Government of Sindh, for the years 2012-13 and 2013-14, it was observed that an amount of Rs3.05 million on account of income tax was not deducted at the time of making payments resulting in loss of revenue to the government.

(Rupees in millions)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Secretary Antiquities Department, Karachi	2012-13	3	0.85
2	DG, Gorakh Hill Development Authority, Karachi	2012-13	10	0.11
3	Secretary Culture Department (Sindh Festival), Karachi	2013-14	1	2.09
Total				3.05

The matter was pointed out to the department in February 2014 to August 2014. The management at serial No.4 above replied that income tax of Rs2.089 million had been deposited into government treasury through challan. The reply was not tenable because documentary evidence (paid treasury challan) in support of reply was not produced. The management at serial No.3 above replied that payment of income was the responsibility of shop keeper. The reply was not tenable because withholding income tax was not deducted by the office concerned. No reply was received from other offices till finalization of this report.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

6.4.15 Irregular payment of premium on non-schedule item - Rs2.460 million

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

During audit of office of the Director General, Gorakh Hill Development Authority, Karachi for the year 2012-13, it was observed that an amount of Rs2.460 million was paid on account of premium on non-schedule item. Details are as under:

(Rupees in million)

Sr.#	Name of work	Item of work	Qty	Rate	Amount	Premium
1	Establishment of Summer Resort at Gorakh, Construction of Canteen & Tuck Shop at Gorakh, W/O 878 dated 18-05-2012, 6 th R.A, cheque No.055145 dated 14-05-2013	P/L tiles mat: & glazed of double glazed wall	4878 SFT	$\frac{242}{200}$	0.98	2.33 (239%)
2	Establishment of Summer Resort at Gorakh, Construction of Tourists Huts at Gorakh, W/O 1251 dated 08-06-2010, 3 rd R.A, M/s. Ali Akbar Janwari	P/L tiles glazed 6X6X1/4"	621 SFT	13,663.33 PSFT	0.08	0.13 (151%)
					Total	2.46

The matter was pointed out to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

6.4.16 Non-realization of stamp duty - Rs1.76 million

According to Section-2 of Stamp Act, "It is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost."

During audit of following offices of Culture, Tourism & Antiquities Department Government of Sindh, for the financial years 2012-13 and 2013-14, it was observed that various contract were awarded to contractors and executed without affixing the stamps on contract agreement of Rs1.76 million. This government sustained financial loss due to non-realization of stamp duty. Details are as follows:

(Rupees in millions)

Sr.#	Name of Office	Financial Year	AIR Para #	Amount
1	Director General, Gorakh Hill Development Authority, Karachi	2012-13	6	0.33
2	Director Conservation, Karachi	2013-14	11	0.97

(Rupees in millions)

Sr.#	Name of Office	Financial Year	AIR Para #	Amount
3	Secretary Culture department (Sindh Festival), Karachi	2012-14	2	0.32
4	Director Planning, Implementation, Monitoring & Evaluation Cell, Culture Department, Karachi	2013-14	3	0.14
Total				1.76

The matter was pointed out to the department in February 2014 to December 2014. The management at serial No.3 above replied that stamp duty of Rs318,110 had been recovered from contractor. The reply was not tenable because documentary evidence in support of reply was not produced. No reply was received from other offices till finalization of this report.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

6.4.17 Irregular premium on new schedule of rates - Rs13.17 million

SPPRA Works Guideline 11.3.3 provides that in case tenders are invited on the items of Composite Schedule of Rates, where contractor has to quote the premium on schedule B, then its premium shall not to exceed the Engineer's Estimate by 20%.

During audit of office of the Director General, Gorakh Hill Development Authority, Karachi, for the year 2012-13, it was observed that an amount of Rs13.17 million was paid on works awarded on revised Sindh Composite Schedule of Rates 2012 by violation of premium ceiling. Thus government sustained loss of Rs13.17 million due to allowing above premium. Details are as follows:

(Rupees in million)

Sr.#	Name of Work	Work done	Premium % allowed	Amount
1	Rehabilitation/Reconstruction of Retaining Wall Structure Long Gorakh Road (in portion) (37.0 to 40.0 km), W/O 196 dated 28-08-2012, 4 th R.A., M/s. Ali Akbar Janwari, cheque No.055148 dated 14-05-2013	15.54	28.50%	4.43

(Rupees in million)

Sr. #	Name of Work	Work done	Premium % allowed	Amount
2	Gorakh Hill Development Project Phase-I “Construction of RCC Road (Gorakh Road to Hangan) 010-015 (0.8 km), W/O 337 dated 15-02-2013, M/s. Roshan Ali Laghari, cheque No.055183 dated 13-06-2013	3.54	93.95%	3.32
3	Construction of Gorakh Road CC Block C Top (in portion) 37.0 to 40.0 km), W/O 195 dated 28-08-2012, 4 th R.A, M/s. Khan Construction Co, cheque No.055149 dated 14-05-2013	13.26	40.90%	5.42
			Total	13.17

The matter was pointed out to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires recovery, besides fixing responsibility on the person(s) at fault.
(AIR # 1)

CHAPTER – 7

EDUCATION DEPARTMENT

7.1 Introduction

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

Core functions of the department include:

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

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

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

7.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 520 formations (DDOs), out of which 300 formations were selected and audited during Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in millions)

Original Budget / Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
131,146.82	10.00	131,156.82	102,473.32	28,683.50

The department was unable to spend the allocated budget in time, as a result, savings of Rs.28,683.50 million was observed which was not surrendered in time.

(Rupees in millions)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
477.02	300.49	275.80	24.70

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs24.70 million was observed.

7.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
46	33	13	72

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 72% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

7.4 AUDIT PARAS

7.4.1 Non-production of record – Rs2,657.96 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the various offices of the Education & Literacy Department Government of Sindh for the year 2012-13, it was observed that auditable record involving expenditure of Rs2,605.43 million was not produced to audit for scrutiny. Details are at Annexure-1(i) of Chapter-07.

Moreover, an amount Rs52.53 million was allocated in the year 2012-13 by Government of Sindh for Primary/Middle Schools and Government Girls Lower Secondary Schools (GGLSS) of Union Councils under the jurisdiction of Assistant District Officer Education Elementary Male and Female. But the management of concerned offices did not produce auditable record to scrutinize the proper utilization of the same allocated fund. Details are at Annexure-1(ii) of Chapter-07.

The matter was reported to the department during November 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.2 Non-achievement of DLIs – Rs1,294.19 million

According to section 27 Result-based component of Project Appraisal Document: Under the results-based component, credit disbursements will reimburse expenditures incurred by Sindh government in selected key education budget line items referred to as Eligible Expenditure Programs (EEPs). The event and amount of project disbursements will be contingent on the satisfactory achievement of

Disbursement Link Indicators (DLIs). There are 10 DLIs for each fiscal year, and each DLI in the fiscal year is priced equally. The verification of the achievement of the DLIs in a given fiscal year will be conducted by May in that fiscal year.

During audit of Second Sindh Education Sector Project (SERP II) for the year 2013-14 it was observed that (1.42) Disbursement Link Indicators (DLIs) were not met. Due to this, World Bank reduced the funds to extent of Rs1,294.19 million. Details are as under:

No. of DLIs not met	Amount per DLIs in million (\$) USD	Amount in million Rs (conversion @ Rs98)
1.42	9.30	1,294.19

The matter was reported to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit recommends that non-achieving of DLIs may be justified and responsibility may be fixed against the person(s) at fault.

(ML # 4.5.1)

7.4.3 Wasteful expenditure on preparation of school specific budget – Rs13.70 million

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

During the course of audit of the accounts of Second Sindh Education Sector Project (SERP II) for the financial year 2013-14, it has been observed that exercise of preparation of school specific budget was done by M/s Deloitte Pakistan and the firm was paid Rs13.70 million, but plan of releasing school specific budget was postponed by government which caused loss of Rs13.70 million as the purpose of the expenditure was not served, which was wastage of public money. Details are as follows:

(Rupees in million)

Sr. #	Object	Cheque	Date	Amount
1	A03983	078969	04/12/2013	1.82
2	A03983	078976	020/1/2014	0.90
3	A03983	101811	17/03/2014	3.66
4	A03983	101894	12/06/2014	7.32
Total				13.70

The matter was reported to the department in November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(ML # 4.2.1)

7.4.4 Fraudulent double payment to employees - Rs5.81 million

According to para-23 of General Financial Rules, volume-I, “Every government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit of following offices of the Education & Literacy Department Government of Sindh for year 2013-14, it was observed that double payment of Rs5.81 million on account of GP Fund/Pension/Commutation were made to various officials/officers through bank account as well as through DDO account. In most of the cases, the payment was made into two bank accounts of same employee opened in one bank. Details are as under:

(Rupees in million)

Sr. #	Name of Office	Particular	AIR Para #	Amount
1	ADOE (Male), Jamshoro	Pension/Commutation	05	2.72
2	ADOE (Male), Warah	GP Fund	03	1.51
3	ADOE (Male), Matli	GP Fund	09	0.65
4	ADOE (Male), Badin	GP Fund	02	0.50
5	ADOE (Male), Johi	Salary to under age employees	08	0.43
Total				5.81

The matter was reported to the department in November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.5 Irregular recruitment of employees - Rs3.34 million

As per Services, General Administration and Coordination Department, Government of Sindh, Karachi Notification No.SOV(S&GAD) X-15/90-98 dated 12-02-2008, "Advertisement should be given for all vacant posts".

As per Chief Minister Sindh, Karachi letter No.DS(COORD)/CMS/8-4/2008/845 dated 12-02-2008, "All vacant posts shall be filled after completing codal formalities and written test for the posts from BPS-5 and above shall be got conducted through third party and for BPS-4 and below through Departmental Selection Committee".

During audit of various offices of the Education & Literacy Department Government of Sindh for the years 2010-11 & 2012-13, it was observed that various officials were appointed and paid Rs3.34 million on account of pay and allowances (details are at Annexure-2 of Chapter-07). Following irregularities were observed:

- i. The orders regarding constitution of selection committee were not produced to audit.
- ii. Application of candidates, list of short listed candidate, results of written and viva voice and copy of final approved merit list of candidates from the competent forum were not produced to audit.
- iii. Posting order of the appointing authority along with prescribed criteria for posting of the Director, Bureau of Curriculum & Extension Wing Sindh was not produced to audit.
- iv. The medical certificates of the various candidates as required before joining service were not obtained from the Civil Surgeon concerned.
- v. Degrees/certificates were not got verified from relevant education institutions.

The matter was reported to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.6 Failure to obtain Grant from European Union – Rs1,440.00 million

Under Second Sindh Education Sector Project, European Union (EU) has committed to provide grant of 30.00 million Euros for the Project, contingent upon triggers set by it.

During audit of the accounts of Second Sindh Education Sector Project(SERP II) for the financial year 2013-14 it has been observed that an amount of 30.00 million Euros for three year was set aside by European Union to support Government of Sindh to improve management and service delivery in the primary (including pre-primary) education sector. Thus, 10.00 million Euros (Rs1,440.00 million) during the year 2013-14 as a grant was not obtained by the management.

The matter was reported to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit recommends that reasons for failing to obtain grant from European Union may be provided and responsibility may be fixed against the person(s) at fault.

(ML # 4.5.3)

7.4.7 Non-recovery of outstanding dues – Rs56.57 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of various offices of the Education & Literacy Department Government of Sindh for the year 2012-13 & 2013-14, it was observed that an amount Rs56.57 million was not recovered on account of in admissible pay and allowances. Details are at Annexure-3 of Chapter-7.

The matter was reported to the department during October 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.8 Less deposit of collected revenue – Rs1.00 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of various offices of the Education & Literacy Department Government of Sindh, it was observed that an amount of Rs1.00 million on account of student tuition and admission fee was less deposited into Government account. Details are as follows:

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Govt. Jinnah Degree College, Karachi	2012-13	8	0.51
2	Govt. Girls Degree College 11-B North Karachi	2012-13	3	0.40
3	Govt. Boys Deg. College Gulzar-e-Hijri, Karachi	2012-13	11	0.09
Total				1.00

The matter was reported to the department during March to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires remittance into government account, besides fixing responsibility on the person(s) at fault.

7.4.9 Short distribution of 6.35 million Free Text Books

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

During audit of Second Sindh Education Reform Project (SERP II) for the financial year 2013-14, it was observed that 6.346 million books were purchased but documentary evidence of the distribution of these books to students was not provided to audit during the academic year 2014-15. This resulted into suspected non distribution of free text books during the process of distribution depriving students of the facility. Details are at Annexure-4 of Chapter-07.

The matter was reported to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(ML # 4.2.2)

7.4.10 Delayed withdrawal of funds for Stipend to Girls – Rs1,200.00 million

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

During audit of the Sindh Education reform Project (SERP II) for the year 2013-14, it was observed that an amount of Rs1,200.00 million was drawn from treasury on account of stipend to girls on 24-06-2014, i.e., on close of the financial year. Whereas, the funds were required to be disbursed during the academic year 2013-14. As a result, the late withdrawal of funds deprived the girl students of stipends for the relevant academic year.

The matter was reported to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(ML # 5.1)

7.4.11 Excess expenditure on Public Private Partnership – Rs38.00 million

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

During audit of the Sindh Education reform Project (SERP II), for the year 2013-14, it was observed that the released amount under Public Private Partnership scheme was Rs800.00 million; whereas, an expenditure of Rs838.00 million was incurred. Thus, excess expenditure of Rs38.00 million was incurred.

The matter was reported to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(ML # 4.1.1)

7.4.12 Non-release of funds to Schools Management Committee - Rs543.22 million

“As per policy of the project, SMC funds are required to be released for the all 41,502 functional schools in Sindh Province.

During audit of Second Sindh Education Sector Project (SERP II) for the financial year 2013-14, it was observed that an amount of Rs543.22 million was not released on account of School Management Committee Funds to schools. Management released SMC funds to only 22,995 schools. Thus, 18,507 schools and 1.61 million students were deprived of benefits due to non-release of SMC funds during the year 2013-14. Details are as under:

(Rupees in million)

Total Main & Functional Schools (No.)	No. of Schools to SMCs fund released	Amount of SMCs fund released (Rs)	No. of Schools to SMCs fund not released	Average Amount of SMC fund/School (Rs)	Estimated amount of SMC not released (Rs)
41,502	22,995	674.96	18,507	29,352	543.22

The matter was reported to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit recommends that SMC funds may be released to all main and functional schools in time besides fixing on the person(s) at fault.

(ML # 4.4.2)

7.4.13 Non-utilization of funds due to release on year end - Rs674.96 million

“As per policy of the project, SMC funds are required to be released for the all 41,502 functional schools in Sindh Province.

During audit of Second Sindh Education Sector Project (SERP II) for the financial year 2013-14 it was observed that an amount of Rs674.96 million was drawn from government treasury on account of School Management Committee Funds in June, 2014 for 22,995 schools. The funds were required to be spent in financial year 2013-14 but same was not done. This resulted into non-utilization of funds for the welfare of students.

The matter was reported to the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(ML # 4.4.1)

7.4.14 Expenditure on salary in excess of sanctioned strength – Rs 13.49 million

According to Services and General Administration Department letter No.SO-1/S&GAD/92 dated 26th May 1992, “the staff should be posted at the places for which the post were sanctioned, and in no any circumstances any officer/official may be allowed to work on detailment basis on any other place other than their original place of posting”.

During audit of following offices of the Education & Literacy Department Government, it was observed that an expenditure of Rs13.49 million was incurred on account of pay & allowance to Assistant Professors/Associate Professors & Lecturers which were in excess of sanctioned strength. Details are as follows:

(Rupees in million)				
Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	Principal Government College for Women, Block M, North Nazimabad, Karachi	03	2011-12 & 2012-13	10.00
2	Principal Govt: Degree College, Paretabad, Hyderabad	01	2012-13	3.02
3	ADOE (Male), Matli	04	2013-14	0.47
Total				13.49

The matter was reported to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.15 Irregular expenditure by splitting up to avoid tender– Rs55.70 million

Rule 12 (1) of SPPR 2010 provides that all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan;

Rule 17 (1) *ibid* provides that Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in the rules.

During audit of various offices of the Education & Literacy Department Government of Sindh for the year 2012-13, it was observed that an expenditure of Rs55.70 million was incurred on supply of various items without inviting open tenders and whole procurement was done through splitting of the sanction orders to avoid open tenders. Details are at Annexure-5 of Chapter-07.

The matter was reported to the department during January 2013 to June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.16 Un-authorized expenditure under various heads – Rs4.74 million

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

During audit of the District Education Officer Khairpur, it was observed that an expenditure of Rs4.74 million was incurred on account of various head of accounts from Development fund (ADP/SERP). Details are as follows:

(Rupees in million)

Sr. #	Name of office	AIR Para #	Financial Year	Particulars	Amount
1	DEO, Khairpur	1	2012-13	Purchase of furniture	2.37
2	DEO, Khairpur	2	2012-13	Purchase of Scientific Material	1.50
3	DEO, Khairpur	3	2012-13	Purchase of Books	0.62
4	DEO, Khairpur	4	2012-13	Purchase of Books	0.25
Total					4.74

Following irregularities were noticed:

- i. Indent/requisition from school libraries was not produced.
- ii. PC-I not provided, Bid Doc/Tender/Contractor file were not produced.
- iii. NTN and STN of suppliers were not produced.
- iv. Report of technical committee regarding assurance of specification was not available.
- v. Supply orders/Acknowledgment was not produced.
- vi. Dead stock register were not produced.

The matter was reported to the department during April 2014 to June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.17 Irregular payment on account of rent of building – Rs3.47 million

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

During audit of the following offices of the Education & Literacy Department Government of Sindh, it was observed that an amount Rs3.47 million was paid to owner on account of rent of building.

(Rupees in million)

Sr. #	Name of office	AIR Para #	Financial Year	Amount
1	Executive Director Sindh Teachers Education Development Authority, Karachi	05	2012-13	2.64
2	Government College Shah Abdul Latif, Mirpurkhas	03	2012-13	0.83
Total				3.47

Following irregularities were noticed:

- i. Rent agreement with owner was not available on record
- ii. Acknowledgment receipt from owner was not obtained
- iii. 5% income tax was not deducted on bills
- iv. Rent was not collected in time

The matter was reported to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.18 Depriving children from education by closure of 6,207 schools

The mission statement of Education Department, Government of Sindh provides as under:

"Government of Sindh stands committed to universalize education, unfold strong policy actions for raising literacy to hundred percent and reform education in Sindh with the help of Democratic Government and elected representatives to secure gradual, but visible and sustainable improvement to access quality education easily".

During audit of Second Sindh Education Sector Project (SERP-II) for the financial year 2013-14, it was observed while analyzing Annual School Census 2013-14 that there were 6,207 closed schools in province of Sindh. As provided in the same census, the ratio of students per school was 87; therefore, 540,000 students were deprived of education due to closure of schools.

The matter was taken up with the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires taking effective steps for opening closed schools besides fixing responsibility on the persons(s) at fault.

(ML # 4.3.2)

7.4.19 Loss due to non-functioning of closed schools – Rs11.00 million

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

During audit of the various offices of the Education & Literacy Department Government of Sindh, it was observed that an amount Rs11.00 million was incurred for construction of primary schools buildings during year 2012-13 but the same schools were closed and remained non-functional. Details are as follows:

(Rupees in million)

Sr. #	Name of Office	Closed schools (No.)	AIR Para #	Amount
1	ADOE (Male), Khairpur Nathan Shah	12	09	6.00
2	ADOE (Female), Khairpur Nathan Shah	05	05	5.00
3	ADOE (Male), Thari Mirwah	20	07	--
4	ADOE (Female), Mithi	62	04	--
5	ADOE (Male), Sakrand	20	05	--
6	ADOE (Male), Mithi	78	05	--
7	ADOE (Female), Nawabshah	14	06	--
			Total	11.00

The matter was reported to the department during October 2013 to April 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.20 Missing basic facilities for students owing to inadequate schools' infrastructure

The mission statement of Education Department, Government of Sindh provides as under:

"Government of Sindh stands committed to universalize education, unfold strong policy actions for raising literacy to hundred percent and reform education in Sindh with the help of Democratic Government and elected representatives to secure gradual, but visible and sustainable improvement to access quality education easily".

During audit of the of Second Sindh Education Sector Project(SERP II) for the financial year 2013-14 it was observed while analyzing Annual School Census 2013-14 that the basic facilities were not made available to millions of students in the

province of Sindh due to inadequate infrastructure of schools run by Education Department Government of Sindh. Details are as follows:

Sr. #	Without Facility of	Number of Schools
1	Toilets	20,212
2	Drinking Water	23,047
3	Electricity	23,242
4	Boundary Wall	18,938
5	Building	7,461

On the other hand, audit observed that the management failed to utilize funds of Rs10,750.00 million released under the project, Second Sindh Education Sector Project (SERP II) during the financial year 2013-14.

The matter was taken up with the department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires taking effective steps for providing basic facilities in schools besides fixing responsibility on the person(s) at fault.

(ML # 4.6.1 to 5 & 4.5.2)

7.4.21 Wastage of public money under “School Specific Budget” – Rs15.60 million

According to Para 23 of the GFR volume-I “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit of the various offices of the Education & Literacy Department Government of Sindh, it was observed that an expenditure of Rs15.60 million was incurred under “School Specific Budget” as details below.

(Rupees in million)

Sr. #	Name of office	AIR Para #	Financial Year	No. of Primary Schools	Amount
1	ADOE (Male), Hala	07	2012-13	18	5.18

Sr. #	Name of office	AIR Para #	Financial Year	No. of Primary Schools	Amount
2	ADOE (Male), Matiari	09	2012-13	15	3.21
3	ADOE (Male), Thatta	07	2012-13	11	3.01
4	ADOE (Male), Hala	08	2012-13	53	1.81
5	ADOE (Female), Thatta	08	2012-13	11	1.12
6	ADOE (Male), Matiari	10	2012-13	15	0.67
7	ADOE (Male), Thatta	08	2012-13	11	0.34
8	ADOE (Female), Thatta	09	2012-13	11	0.26
Total					15.60

Following irregularities were noticed:

- i. Sanction and working strength not produced. Furthermore, Class wise enrolment was not produced.
- ii. Details of class rooms/structure were not produced for which expenditure was incurred.
- iii. There were transfers/postings of teachers without justification.
- iv. Acknowledgment receipt of payment, were not produced.

The matter was pointed out to the department in October 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.22 Non-adjustment of advances – Rs16.27 million

According to Para-668 of Federal Treasury Rules Volume-I, advances granted under special orders of the competent authority to officers/officials for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary.

During audit of the various offices of the Education & Literacy Department Government of Sindh for the year 2012-13, it was observed that an amount Rs16.27 million was drawn as advance payment to officials and concerned electricity company. Audit observed that the advance was drawn only to avoid lapse of budget grant. Details are as follows:

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Amount
1	Principal Cadet College, Petaro	16	15.17
2	ADOE (Female), Latifabad, Hyderabad	01	0.70
3	Principal Government Boys College, Thari Mirwah	05	0.30
4	Principal Government Sardar Syed Muhammad Ali Shah Jamote Girls Degree College, Matiari	03	0.10
Total			16.27

The matter was reported to the department during October 2013 to April 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.23 Misuse of government money on SMC - Rs18.74 million

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

During audit of the various offices of the Education & Literacy Department Government of Sindh, it was observed that an amount Rs18.74 million was shown allocated and spent on primary schools from School Management Committee (SMC) funds. No such committee's along with the names of its members working their duties as assigned by Government of Sindh were observed on records of working produced to audit by ADOEs at request. Details are as follows:

(Rupees in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	ADOE (Male), Thatta	2012-13	10	11.07
2	ADOE (Male), Hala	2012-13	09	4.47
3	ADOE (Female), Thatta	2012-13	11	1.97
4	ADOE (Male), Matiari	2012-13	11	1.23
Total				18.74

The matter was reported to the department during October 2013 to April 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

7.4.24 Irregular drawl of Funds – Rs8.01 million

As per Rule 303 of Central Treasury Rules “a contingent bill for payment to suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of the various offices of the Education & Literacy Department Government of Sindh for the year 2012-13, it was observed that an amount Rs8.01 million was drawn in the name of different officials instead of actual payee. Details are as under:

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	AD Teachers Resource Centre, Shaheed Benazirabad	01	4.10
2	ADOE (Male), New Taluka Sukkur	10	1.65
3	DO (Elementary), Kotri	02	0.79
4	ADOE (Male), Kingri	04	0.69
5	ADOE (Male), Sukkur City	03	0.32
6	DO (SEMIS), Khairpur	01	0.17
7	DO (Academic & Training), Naushahro Feroze	08	0.16
8	ADOE (Female), New Taluka Sukkur	07	0.13
Total			8.01

The matter was pointed out to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

CHAPTER - 8 ENERGY DEPARTMENT

8.1 Introduction

Energy Department deals with strategic management of coal & energy sector, determining policies in respect of exploration and development of coal and lignite reserves, sanctioning of important projects and deciding all related issues in Sindh.

8.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 09 formations (DDOs), out of which 04 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget / Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
22,854.47	-	22,854.47	7,302.09	15,552.38

The department was unable to spend the allocated budget in time. As a result, of savings of Rs15,552.38 million was observed, which was not surrendered in time.

8.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
8	1	7	14

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 14% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

8.4 AUDIT PARAS

8.4.1 Non-production of record - Rs251.51 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the office of Director General Sindh Coal Authority, Karachi, for the year 2013-14, it was observed that an amount of Rs251.51 million was paid to various departments of Sindh and Federal Government, but the supporting documents, i.e., detailed vouchers, sanction orders, acknowledgement receipt and electric bills, etc., were not produced to audit. In the absence of required document the audit could not authenticate the expenditure. Details are as under:

(Rupees in million)

Sr. #	Cheque No./Date	Particulars	To whom paid	Amount
1	110623/08.05.2014	Water carrier from Nabisar to Islam Kot for the coal field	Chief Engineer Irrigation Govt. of Sindh	250.00
2	120823/12.06.2014	Electric Bills	M/s H.E.S.C.O.	0.62
3	120823/12.06.2014	Electric Bills	-do-	0.89
Total				251.51

The matter was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

8.4.2 Non-recovery of electricity duty - Rs1,751.89 million

According to Rule-5(i) of West Pakistan Electricity Duty Rules, 1964, “the amount of electricity duty due from a licensee for a certain month is to be paid within sixty (60) days of the expiry of that month to which the duty release. In case of failure to pay the duty within the prescribed period a penalty is due to equal the defaulting assesses/licensee in terms of provision of Rule-11 ibid”.

During audit of the following offices of Energy Department, Government of Sindh for the year 2013-14, it was observed that the electricity duty Rs1,751.89 million from different entities was not realized which could a loss to the government. The details are as follows.

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particular	Amount
1	Electric Inspector Region-I, Karachi	2	Electricity Duty not recovered from Licensee by M/s K-Electric, Karachi	1,724.87
2	Electric Inspector, Hyderabad	1	Electricity Duty not recovered from Licensee by HESCO (WAPDA), Hyderabad	27.02
Total				1,751.89

The matter was pointed out to the department during August 2014 to September-2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

8.4.3 Non-deduction of Income Tax - Rs1.20 million

According to the section 153 (1) (a) of the Income Tax Ordinance 2001, 6 % income tax is required to be deducted at source while making payment to suppliers / contractors.

During audit of the office of Director General, Sindh Coal Authority, Karachi for the year 2013-14, it was observed that an amount of Rs20.00 million was paid to a contractor as an advance, but the income tax @ 6% amounting Rs1.20 million was not deducted at the time of making payments resulting in loss of revenue to government. Details are as follows:

(Rupees in million)

Cheque No.	Particulars	Contractor's name	Bill Amount	Due income tax
084905/ 29.09.2013	Injection of 40% Share of Govt. of Sindh	M/s Sindh Engro Coal Mining Company	20.00	1.20

The matter was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

CHAPTER – 9
EXCISE & TAXATION DEPARTMENT

9.1 Introduction

Excise and Taxation Department is the main tax collecting organ of the Provincial Government. The core business of the department is to levy and collect Infrastructure Cess, Motor Vehicle Tax, Excise Duty, Professional Tax, Hotel Tax, Cotton Fee, Property Tax and Entertainment Duty.

9.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 50 formations (DDOs), out of which 35 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget / Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
1,185.73	270.59	1,456.32	1,231.66	224.66

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs224.66 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
41,752.24	36,153.03	32,572.99	3,580.04

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs3,580.04 million was observed.

9.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
25	4	21	16

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 16% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

9.4 AUDIT PARAS

9.4.1 Short realization against revenue targets - Rs1,318.76 million

The target of Property Tax, Cotton fee, Provincial Excise, Motor vehicle tax and Professional Tax for Excise and Taxation officers was fixed by the Excise & Taxation department during the financial year 2012-13 & 2013-14.

During audit of various offices of the Excise, Taxation and Narcotics Department Government of Sindh for the years 2012-13 & 2013-14, it was observed that an amount of Rs1,318.76 million was short realized against targeted revenue of Rs6,258.65 million. The various offices only realized an amount Rs4,939.89 million on account of revenue. Thus government was deprived of its due revenue of Rs1,318.76 million due to non-achievement of revenue target of taxes. Details are at Annexure-1 of Chapter-9.

The matter was reported to the department during November 2013 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit emphasizes appropriate measure be taken in order to achieve revenue targets to safeguard the interests of national exchequer.

9.4.2 Bank guarantees cleared without cash realization – Rs2,553.61 million

Cess for special maintenance and development of infrastructure @ 0.8% is levied and collected under Section-9 of Sindh Finance Act 1994 on all imported goods except those which have been exempted under Rule-14 of Sindh Development & Maintenance of Infrastructure Cess Rules, 1994.

During audit of the Excise & Taxation Officer (CMDI) Infrastructure Cess, Port Qasim, Karachi for the years 2011-12 & 2012-13, it was observed that various importer were getting their goods cleared against furnishing 100% bank guarantee in respect of infrastructure cess. However, Sindh High Court in its decision dated 31-05-2011 in Misc No.7732/2011 had directed that goods will be cleared by E.T.O on cash payment of 50% of the disputed amount and furnishing bank guarantee/security for balance 50% of the amount. However it was observed that goods were cleared on furnishing bank guarantee of 50% disputed amount of infrastructure cess, but recovery of remaining 50% payment in cash of Rs2,553.61 million was not verified

from the record. This resulted into loss of revenue to the government to the stated extent.

The matter was pointed out to the department in May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit emphasizes recovery besides fixing responsibility.

(AIR # 3)

9.4.3 Variation of figures of vehicles tax receipts - Rs520.73 million

According to Rule-77 of Sub-Rule (IV) of Treasury Rule volume-I, “at the end of each month, the head of the office should verify the cash balance in the cash book and record a signed and dated certificate. The certificate should also be recorded on the monthly cash account, primary abstract or account current, where such account, abstract or account current is required to be submitted to the Accountant General such certificate must be signed by the head of the office who should invariably date the signature.”

During audit of office of the Deputy Director/Sr. Excise Taxation Officer (MRA) Karachi, for the year 2013-14, it was observed that Rs3,607.39 million were shown recovered on account of motor vehicle tax as per reconciled figure duly verified by the Accountant General Sindh Karachi, but as per annual statement provided by the National Bank of Pakistan K.D.A branch Karachi, amount recovered was shown as Rs4,128.12 million which was much more than the actual amount recovered/reconciled by the Department/A.G Sindh. This omission resulted into variation of figures of receipts of Rs520.73 million.

The matter was reported to the department in November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 18)

9.4.4 Non-realization of Property Tax – Rs112.43 million

According to Section-16 of the Sindh Urban Immovable Property Tax Act.1958 “ if property Tax is not paid within the time fixed for its payment, the same is required to be recovered after giving the defaulter an opportunity of being heard, by distress and sale of movable property or attachment or sale of immovable property belonging to the defaulter”.

During audit of following offices of the Excise, Taxation and Narcotics Department Government of Sindh for the years 2012-13 & 2013-14, it was observed that property tax of Rs112.43 million was not recovered from certain assesseees, which resulted into loss of revenue to the government:

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Amount
1	ETO B Div., Karachi	2012-13	3 & 4	52.46
2	ETO, Tando Allahyar	2012-13	1	25.28
3	ETO N Div., Karachi	2012-13	1 & 2	6.54
4	ETO C Div., Karachi	2012-13	3 & 4	5.43
5	ETO Property Tax K-I,II Div., Karachi	2012-13	2,3,4,5&6	5.11
6	ETO H-II Div., Karachi	2012-13	3& 4	3.24
7	ETO R Div., Karachi	2012-13	1 & 2	1.35
8	ETO M Div., Karachi	2013-14	3 & 4	7.25
9	ETO H-I Div., Karachi	2013-14	3 & 4	5.27
10	ETO, Shaheed Benazirabad	2013-14	3	0.27
11	ETO, Matiari	2013-14	4 & 5	0.13
12	ETO, Sanghar	2013-14	2 & 5	0.10
Total				112.43

The matter was reported to the department during November 2013 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

9.4.5 Non-recovery of establishment charges – Rs96.90 million

As per Rule 15-D of Sindh Abkari Act 1876, “Establishment charges of excise staff posted private bonded ware houses are required to be recovered from the management of such bonded ware houses”.

During audit of the Deputy Director/Sr. Excise and Taxation Officer Provincial West, Karachi for the year 2012-13, it was observed that establishment charges of Rs96.90 million was not recovered from the management of private bonded warehouses. This resulted into loss of revenue to the government to the stated extent.

The matter was reported to the department in May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 8 & 12)

9.4.6 Non-realization of professional tax – Rs13.87 million

According to Section-11 of the Sindh Finance Act, 1964, read with Seventh Schedule to the Sindh Finance Ordinance 2000 and Rules 7 and 15 of the Sindh Professions, Trades Callings and Employment Tax Rules 1976, “Professional Tax on professions trades callings and employment is recoverable from all person/ establishment/companies engaged in activities and mentioned in schedule thereof”.

During audit of following offices of the Excise, Taxation and Narcotics Department Government of Sindh for the year 2012-13 & 2013-14, it was observed that Professional Tax amounting to Rs13.87 million was not recovered from certain assesseees, which resulted into loss of revenue to the government.

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Amount
1	ETO, P-I,II,III,IV, Karachi	2012-13	1,2,3,4,5,7 & 9	11.60
2	ETO, (Professional Tax), Hyderabad	2013-14	3 to 11	2.27
Total				13.87

The matter was pointed out to the department during March 2014 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

9.4.7 Non-realization of infrastructure cess – Rs5.15 million

Under Section-9 of Sindh Finance Act 1994 as amended by Sindh Finance Act 1996, and Sindh Finance Second Amendment Ordinance 2001, Infrastructure Cess is levied and collected @ 0.80% to 0.86% on C&F Value of a consignment on the movement of goods entering the Province from outside the country through Air or Sea.

During audit of office of the Deputy Director (CMDI), Port Qasim, Karachi for the year 2012-13, it was observed that goods were allowed to enter in the province via airport and were also cleared through bill of entry, but infrastructure cess @ 0.8% amounting to Rs5.15 million was not realized. This resulted into loss of revenue to the government to the stated extent.

The matter was reported to the department in May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1 & 2)

9.4.8 Non-realization of motor vehicle tax – Rs4.47 million

According to Section 3 of the West Pakistan Motor Vehicles Taxation Act 1958, a Token Tax as specified in the schedule to the Act is levied and recoverable from registered owners of motor vehicles in four equal instalments.

During audit of following offices of the Excise, Taxation and Narcotics Department Government of Sindh for the year 2013-14, it was observed that Motor Vehicle Tax amounting to Rs4.47 million was not recovered, which resulted in loss of revenue to the government.

(Rupees in million)

Sr. #	Name Of Office	AIR Para #	Amount
1	Deputy Director /Sr. ETO (MRA), Karachi	22, 23 & 24	4.34
2	ETO/Dy. Director (MR), Hyderabad	3, 4 & 5	0.13
Total			4.47

The matter was reported to the department in September 2014 and November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

9.4.9 Non-realization of cotton fee – Rs3.46 million

According to Rule 12 (1) read with Rule-25 of the Sindh Cotton Control Rules, 1966 as amended vide Notification No.8(202) So (E&T)/91 dated 17-02-1991, Cotton Fee is to be realized at the rate of rupees 10 per hundred kilograms of cotton ginned in a cotton ginning factory. Moreover, as per Sub-section (I) of Section-15 of the Cotton Standardization Ordinance, 2002 (LXIV of 2002) Cotton standardization fee was to be realized from cotton ginning Factories at the rate of Rupees five per pressed bale at the ginning stage vide SRO 1013(I)/2006 dated 29.09.2006.

During audit of following offices of the Excise, Taxation and Narcotics Department Government of Sindh for the year 2012-13 & 2013-14, it was observed that Cotton Fee/ Cotton standardization fee amounting to Rs3.46 million was not recovered from certain assesseees, which resulted into loss of revenue to the government:

(Rupees in million)

Sr. #	Name of Office	Particulars	Year	AIR Para #	Amount
1	ETO-I, Sukkur	Cotton Standardization Fee	2012-13	3	2.98
2	ETO, Sanghar	Cotton Fee	2012-13 & 2013-14	2 & 4	0.35
3	ETO, Mirpurkhas	Cotton Fee	2012-13	6	0.13
Total					3.46

The matter was reported to the department during November 2013 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

9.4.10 Less recovery of provincial excise duty – Rs2.95 million

As per Schedule of Rate provided in the Budget Book 2009-10 (Page-295), “The Provincial Excise Duty rate was fixed at Rs2,160 per LPG (London Proof Gallon)” and formula for LPG calculation is “LPG=Imperial/Bulk Gallon*Strength of rectified spirit*2 .

During audit of office of the Deputy Director/Sr. Excise and Taxation Officer Provincial, West Karachi for the year 2012-13, it was observed that the LPG (London Proof Gallon) was wrongly calculated while ascertaining the excise duty on medicated product and PMFL; thus an amount Rs2.95 million was less recovered due to flawed calculation of provincial excise duty, which was a loss of revenue to the Government.

The matter was reported to the department in May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 6)

9.4.11 Non-realization of entertainment duty – Rs1.03 million

As per Section 6-A of Sindh Entertainment Duty Act, 1958 read with Sindh Government Notification No.1(64)80-Tax dated 1st July 1980, “In pursuance of the provision contained in second provision to sub-section (1) of section 3 of the Sindh Entertainment Duty Act, 1958, the Government of Sindh are pleased to direct that the rate of entertainments duty for the class of entertainment mentioned in column 2 of the table below shall be as specified there against in column 3, provided that the gross rate of admission to any such entertainment which may be hold for a period not less than 30 days shall be fixed with the approval of the Government or any officers authorized by Government”.

During audit of Deputy Director/Sr. Excise and Taxation Officer (Entertainment and Casual Performance) Karachi for the year 2012-13, it was observed that entertainment duty of Rs1.03 million was not recovered from certain assesseees. This resulted into loss of revenue to the government to the stated extent.

(Rupees in million)

Sr. #	Office	Venders	AIR Para #	Amount
1	Deputy Director/Sr. Excise and Taxation Officer (Entertainment and Casual Performance), Karachi	M/s Jabees Funland	03	0.10
2	Deputy Director/Sr. Excise and Taxation Officer (Entertainment Duty) Karachi	M/s AA Joyland	04	0.20
		M/s Wonderland	05	0.23
		M/s AA Joyland	06	0.50
Total				1.03

The matter was pointed out to the department in March 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3, 4, 5, 6 & 7)

CHAPTER – 10 FINANCE DEPARTMENT

10.1 Introduction

The Finance Department is responsible for the overall financial discipline of the Province. Preparation of annual provincial budget, formulation of financial rules and maintenance of an effective and efficient financial reporting system are the major assignments of Finance Department.

10.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 31 formations (DDOs), out of which 27 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
209,818.21	18,981.57	228,799.78	135,137.43	93,662.35

The department was unable to spend the allocated budget in time, as a result of, saving Rs93,662.35 million was observed, which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
408,986.29	369,259.22	328,781.02	40,478.20

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs40,478.00 million was observed.

10.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
4	4	4	100

Audit Reports for the year 2007-08 was discussed in the Public Accounts Committee (PAC) meetings and total 4 paras were discussed cumulatively in respect of Finance Department. The department made compliance of 4 PAC directives. The percentage of compliance made by the department is 100.

10.4 AUDIT PARAS

10.4.1 Non-production of record – Rs1,367.86 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various offices of the Finance Department, Government of Sindh for the financial years 2012-13 & 2013-14, the auditable record of Rs1,367.86 million was not produced to audit. Details are at Annexure-1 of Chapter-10.

The matter was pointed out to the Department during October 2013 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.2 Payment without detail - Rs191.33 million

According to Rule 23 of General Financial Rule Volume-1, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of following District Accounts Offices for the financial year 2013-14, it was observed that an amount of Rs191.33 million was paid to following offices but details of expenditure were not attached with the bills. Details are as follows:

(Rupees in million)

Sr. #	Name of Office	Paid to	AIR Para #	Amount
1	DAO, Matiari	DC, Matiari	6	11.90
2	DAO, Sanghar	Institute of Medical Science, Shahdadpur	5	175.00
3	DAO, Mirpurkhas	DC, Mirpurkhas for National Mango Festival	3	2.00
4	DAO, Badin	Assistant Commissioner Land, Badin	6	2.43
Total				191.33

The matter was pointed out to the Department during September to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.3 Irregular payment without tenders on authority's website - Rs177.26 million

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

During audit of the following offices of Finance Department, Government of Sindh for the financial years 2012-13 & 2013-14, it was observed that various bills amounting to Rs177.26 million were presented in District Accounts Offices for payment but tenders were not hoisted on authority's website as per DAOs record. The tenders were required to be invited as per rules but same were to be attached with the bill. Neither the objection was raised nor was it entered in objection register. Details are at Annexure-2 of Chapter-10.

The matter was pointed out to the Department during June 2014 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.4 Payment to DDO instead of payee - Rs946.16 million

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

During audit of the offices of Finance Department, Government of Sindh, for the financial years 2012-13 & 2013-14, it was observed that various bills were passed by District Accounts Offices of Rs946.16million but cheques were issued to DDOs instead of concerned receivers/payees. Thus, the chances of misappropriation cannot be ruled out. Details are as under:

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Paid to	Amount
1	DAO, Badin	2012-13	4	SSP Badin	3.68
		2013-14	7	SSP Badin	9.07
				DDOs	416.85
2	DAO, Thatta	2012-13	4	SSP Thatta	22.15
				SSP Thatta	25.69
3	DAO, Sanghar	2013-14	4	DDOs	98.71
4	DAO, Jamshoro	2013-14	6	DDOs	180.07
5	DAO, Sukkur	2013-14	2	DDOs	57.85
6	DAO, Mirpurkhas	2013-14	8	DDOs	115.56
7	DAO, Ghotki	2013-14	10	THO, Obaro (Medicines)	5.01
8	DAO, Ghotki	2012-13	1	Various	11.52
Total					946.16

The matter was pointed out to the Department during September 2013 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.5 Irregular payment due to non-conducting inspection - Rs1,517.10 million

According to Sindh Public Procurement Rules 57 (1) 'Except for defect liability or maintenance by supplier, consultant for contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of overall delivery certificate, certificate of completion of deliverables, or taking over certificate which shall be issued within thirty days of final taking over of goods or receiving the deliverables or completion of works enabling the supplier or contractor to submit final bill and the procuring agency to carry out any inspection of goods, works or services related thereto, as provided in the contract agreement and auditors to do substantial audit'

During audit of various offices of Finance Department, Government of Sindh for the financial years 2012-13 & 2013-14, it was observed that bills of medicines valuing Rs1,517.10 million were presented and passed in District Account Offices for payment but inspection reports by procuring agencies were not attached with the bills. Thus, the delivery of medicines cannot be authenticated. Details are at Annexure-3 of Chapter-10.

The matter was pointed out to the Department during September 2013 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.6 Irregular Expenditure on POL - Rs437.92 million

As per Government of Sindh Notification No.FD-B1/16(15)/99-2000(POL), POL ceiling of POL for officers of Government has been fixed. The maximum limit of the officer of head of attached department is 180 litres per month.

During audit of various offices of Finance Department, Government of Sindh for the financial years 2012-13 & 2013-14, it was observed that various bills were passed by District Accounts Offices on account of POL Rs437.92 million without observing ceiling of officers. Details are at Annexure-4 of Chapter-10.

The matter was pointed out to the Department during September 2013 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.7 Irregularities in payments of GP Fund Advance

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

Following District Accounts Offices, Finance Department, Sindh, during financial years 2012-13 & 2013-14 made payment of non-refundable GP Fund advances;

Sr. #	Name of Office	Year	AIR Para #
1	DAO, Badin	2012-13	11
2	DAO, Kamber-Shahdaskot	2012-13	09
3	DAO, Khairpur	2012-13	11
4	DAO, Mirpurkhas	2012-13	08
5	DAO, Sanghar	2012-13 & 2013-14	07 10
6	DAO, Sukkur	2012-13	03

The payment was without observing following requirements:

- i. Missing Credit Statements was not attached.
- ii. Computer difference detail not attached.
- iii. Computer sheet was not attached.
- iv. Copy of CNIC were not attached
- v. Zakat was not deducted or Zakat declaration form was not attached.
- vi. Application of the incumbents were not available
- vii. Service Book/ Service Statement was not attached
- viii. Non-drawl of Advance Certificate was not attached
- ix. Broad Sheet not maintained

The matter was pointed out to the Department during September 2013 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.8 Excess appointments of employees without sanctioned posts - Rs18.20 million

According to Rule 23 of General Financial Rule Volume-1, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of District Accounts Office, Kamber-Shahdadkot for the financial year 2012-13, it was observed that appointment of 94 employees excess than sanctioned posts was made by Deputy Commissioner Kamber-Shahdadkot that causes loss to government every year for Rs 18.20 million. DAO Kamber-Shahdadkot allowed salary payment to hired employees without observing the position of vacant posts. The details are at Annexure-5 of Chapter-10.

The matter was pointed out to the Department in April 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

10.4.9 Non-remittance of income tax - Rs767.34 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of following District Accounts offices for the financial years 2012-13 & 2013-14, it was observed that income tax was deducted from

contractors/suppliers amounting Rs923.49 million but only Rs156.15 million was remitted to Government treasury through tax department. The remaining amount Rs767.34 million was not remitted to relevant government treasury which deprived Government from revenue. Details are as follows:

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Income Tax Deducted from Contractors/ Suppliers	Income Tax Remitted	Income Tax not remitted
1	DAO, Jacobabad	2012-13	6	56.07	17.19	38.88
2	DAO, Hyderabad	2013-14	1	867.42	138.96	728.46
Total						767.34

The matter was pointed out to the Department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires remittance of tax in relevant government account besides fixing responsibility on the person(s) at fault.

10.4.10 Payment of salaries through manual bills - Rs491.80 million

According to Para-23 of G.F.R Vol-I, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also responsible for any loss arising from fraud or negligence on the part of any other Government office to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of the following offices of Finance Department, Government of Sindh for the financial year 2012-13, it was observed that an amount of Rs491.80 million was allowed to employees through manual bills instead of computerized payroll. Thus, the chances of misappropriation cannot be rules out. Details are as under:

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Amount
1	DAO, Jacobabad	2012-13	8	311.92
2	DAO, Kamber-Shahdadkot	2012-13	3	179.88
Total				491.80

The matter was pointed out to the Department during April 2014 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.11 Misclassification of expenditure - Rs6.10 million

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

During audit of various offices of Finance Department, Government of Sindh for the financial years 2012-13 & 2013-14, it was observed that District Accounts offices passed various bills amounting Rs6.10 million without observing the details in the bills because expenditure was incurred from others head of account without re-appropriation. Details are at Annexure-6 of Chapter-10.

The matter was pointed out to the Department during September 2013 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.12 Irregular expenditure on account of grant in aid - Rs17.00 million

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

During audit of District Accounts Office, Khairpur for the financial year 2012-13, it was observed that Deputy Commissioner Khairpur presented bills of grant in aid, i.e., Rs15.00 million for Indus Resource Centre Khairpur on account of transfer of management of six Higher Secondary Schools in Khairpur; and Rs2.00 million for IBA Community College Khairpur. DAO passed the bills but following irregularities were noticed:

- (i) Agreement with Government was not attached with the bill.
- (ii) Detail of payment was not attached with the bill.

- (iii) Tender was not called for outsourcing.
- (iv) It was misuse of public money because education department can manage the schools and government already pay salaries to officers/officials itself.
- (v) Performance report of the management was not attached with the bill.
- (vi) Purpose of utilization of funds was not mentioned with the bills.
- (vii) Income tax was not deducted at the time of payment.

The irregularity was pointed out to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3 & 5)

10.4.13 Irregular purchase of vehicles - Rs6.43 million

As per Notification No.RO(R&C)/vehicle/6(46)/05 dated 05-12-2005 issued by Local Government, Katchi Abadi and Spatial Development Department, Government of Sindh, "All officers in BS-21 and BS-20 are entitled to use 1300cc locally manufactured cars, All officers in BS-19 are entitled to use 1000cc locally manufactured cars and All officers in BS-18 and BS-17 are entitled to use 800cc cars/Suzuki Jeeps locally manufactured".

During audit of District Accounts Office, Mirpurkhas for the financial years 2012-13 & 2013-14, it was observed that bill of purchase of vehicle amounting Rs6.43 million of Deputy Commissioner Mirpurkhas was presented and DAO passed the bill without observing entitlement of vehicle for officers. Moreover, list of vehicles already in possession of DC was not attached with the bill. Details are as under:

(Rupees in million)

Sr. #	Cost Centre	Cost Centre description	Year	AIR Para #	Document No.	Document Date	Amount
1	MS4728	DC, Mirpurkhas	2012-13	1	5100022130	04.02.2013	3.25
2	MS4728	DC, Mirpurkhas	2013-14	1	5100032551	16.05.2014	1.04
3					5100033276	22.05.2014	2.14
Total							6.43

The irregularity was pointed out to the department during May 2014 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires strict observance of entitlement of officers for vehicle besides fixing responsibility on the person(s) at fault.

10.4.14 Non-adjustment of advances – Rs16.00 million

As per para-668 of Federal Treasury Rules, volume-I, “advances granted under special orders of the competent authority to officers/officials for Departmental or allied purposes may be drawn on the responsibility and receipt of the Officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary”,

During audit of District Accounts Office, Ghotki at Mirpur Mathelo for the year 2012-13, it was observed that an amount of Rs16.00 million was paid in advances to SEPCO and contractors through hand receipts, but the adjustment of same was not made.

The irregularity was pointed out to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

10.4.15 Irregular payment on work charge establishment - Rs1.11 million

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

During audit of District Accounts Office, Ghotki - Mirpur Mathelo for the year 2012-13, it was observed that payment of Rs1.11 million was passed for work charged establishment debited to schemes unnecessarily. The following irregularities were noticed.

- (i) No applications of employees were found on record.
- (ii) No office orders were issued for appointment.
- (iii) NIC of employees was not found.
- (iv) Attendance of employees was not attached with bills.

The irregularity was pointed out to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 6)

10.4.16 Un-authorized payment of withheld amount - Rs19.11 million

According to Para 96 of GFR Volume-I “it is contrary to the interest of the State that money should not be spent hastily or in as ill-considered manner merely because it is available or that the lapse of the grant could be avoided. In the public interest, grants that cannot be predictably be utilized should be surrendered.”

During audit of District Accounts Office, Ghotki at Mirpur Mathelo for the year 2012-13, it was observed that withheld amount of Rs19.11 million was authorized to various offices without clarification only to avoid the lapse of budget.

The irregularity was pointed out to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 7)

10.4.17 Unjustified increase in medical allowance to pensioners - Rs377.98 million

According to Rule 23 of General Financial Rule Volume-1, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of District Accounts Office, Jamshoro for the financial year 2013-14, it was observed that medical allowance to pensioners was increased 243.62% higher than previous year amounting Rs174.88 million which was unusual and doubtful.

Moreover, pension was increased during the year 2011-12 to the tune of Rs237.06 million, whereas, maximum 25% increase as compared to the preceding year was worked out as Rs33.96 million only. Thus, the unusual extra increase in pension by Rs203.10 million was doubtful.

(Rupees in million)			
Head of Account	G/L	Year	Amount
Medical Allowance to Civil Pensioners	A04117	2013-14	246.67
Medical Allowance to Civil Pensioners	A04117	2012-13	71.79
Increase			174.88
Increase in percentage			243.62%
Pension	A04101	2011-12	372.90
Pension	A04101	2010-11	135.84
Increase			237.06
Increase			174.51%
Pension should have been increased to 25% maximum			33.96
Verification required for the year 2011-12			203.10
Grand Total			377.98

Detailed record of pension and medical allowance to pensioners was not produced to audit for verification.

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2 & 3)

10.4.18 Irregular payment of GP fund - Rs6.68 million

According to Para-23 of G.F.R Vol-I, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss

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

During audit of District Accounts Office, Hyderabad for the financial year 2013-14 it, was observed an amount of Rs6.68 million was paid on account of GP Fund manually instead of off-cycle payroll which stands irregular.

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

10.4.19 Difference in payment of GP Fund - Rs10.13 million

According to Para-23 of G.F.R. Vol-I, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also responsible for any loss arising from fraud or negligence on the part of any other Government office to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of District Accounts Office, Hyderabad for the financial year 2013-14, it was observed that there was difference of Rs10.13 million on account of GP Fund payment between records provided by DAO, i.e., Rs461.69 million and SAP/3 data, i.e., Rs451.56 million. Thus, the chances of misappropriation could not be ruled out.

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

10.4.20 Un-justified payment on National Celebrations - Rs2.50 million

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

During audit of District Accounts Office, Badin for the financial year 2013-14, it was observed that bills amounting to Rs2.50 million of Deputy Commissioner Badin on account of exhibition, fairs and other national celebrations were presented and passed on 30-04-2014 without any detail and justification. Moreover, following observations were pointed out:

- (i) Payment was unjustified because no detail of national celebration was attached.
- (ii) There was no national celebration in April 2014.
- (iii) Public money was spent on decoration and food charges without detail of expenditure provided with the bills

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4)

10.4.21 Irregular expenditure without tender - Rs4.49 million

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

During audit of office of the Secretary Finance Department, Government of Sindh for the financial year 2013-14 it has been observed that hardware of Rs4.49 million was purchased but the tenders were not called for. Further, no purchase committee was formed for this purpose.

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

10.4.22 Irregular payment of cash reward – Rs3.00 million

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

During audit of office of the Secretary Finance Department, Government of Sindh for the financial year 2013-14 it was observed that an amount of Rs3.00 million was paid to officers and officials on account of cash reward but in this regard no evidence of extraordinary performance was produced for verification.

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

10.4.23 Irregular expenditure without hoisting bid evaluation report - Rs3.59 million

Rule 45 of SPPR 2010 “Announcement of evaluation reports” provides that procuring agencies shall announce the results of bid evaluation in the form of a report giving reasons for acceptance or rejection of bids. The report shall be hoisted on website of the Authority and that of the procuring agency if its website exists and intimated to all the bidders at least seven (07) days prior to the award of contract.

During audit of office of the District Accounts Officer, Ghotki - Mirpur Mathelo for the year 2013-14, it was observed that payment of Rs3.59 million was made for purchase of medicine without hoisting bid evaluation report on the SPPRA website. Details are as follows:

(Rupees in million)

Sr. #	Cheque #	Date	DDO/Office	Amount
1	1483381	20/01/2014	MS Taluka Hospital, Obaro	0.83
2	1483382	20/01/2014	MS Taluka Hospital, Obaro	1.52
3	1641589	19/05/2014	DHQ Hospital Mirpur Mathelo	1.24
Total				3.59

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 9)

10.4.24 Purchase of medicines without drug test laboratory report - Rs8.41million

As per Sindh Drug Act, “Supplier of Medicines are required to pay the fees at the rate of Rs1,000/- per batch for the drugs to be tested at P.D.L. and pay directly to C.D.L. as per their schedule and are also required to supply an additional quantity of the supplier required for analytical test.”

During audit of District Accounts Office, Naushahro Feroze for the year 2013-14, it was observed that an amount of Rs8.41 million was allowed for payment on purchase of medicines but the same were accepted in absence of Drug Testing Laboratory Report. In absence of said test report, quality and potency of drugs could not be established.

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4)

10.4.25 Appointment of staff without approval of Finance Department - Rs3.41 million

As per Finance Department, Karachi letter No.FD(Exp:IX)/767/91(B)/Prov dated 23rd April, 1996, “No appointment of work charged establishment/ contingent paid staff be made without prior approval of Finance Department”.

During audit of office of the Director General, Sindh Board of Investment, Karachi for the year 2012-13, it was observed that staff in various cadres was appointed on contingent and contract basis without the approval of Finance Department, which resulted in irregular expenditure of Rs3.41 million on payment of salaries.

The matter was reported to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1 & 12)

10.4.26 Same Assignment Account operated by two different entities

As per Revised Procedure for Operation of Assignment Account vide letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008 “A separate Assignment Account would be opened for each project”.

During special audit of Assignment Account, Finance Department Government of Sindh at Assignment Account Cell, office of the Accountant General Sindh for the period 2009-10 to 2011-12, it was observed that single Assignment A/C No.1238-4 at NBP, Income Tax Building Branch is shown maintained for two Entities namely (i) Sindh Small Industries Corporation and (ii) SGA&CD, but during the review of opening file and reconciliation statement of assignment account of Sindh Small Industries Corporation, it was further revealed that Sindh small Industries Corporation operates its Assignment Account No.1239-3 NBP, I.T Build Branch, whereas the funds amounting to RS 41.170 million of Sindh small Industries Corporation were released in SGA&CD Assignment A/C No.1238-4 NBP, I.T Build Branch instead of Assignment A/C No.1239-3 NBP, I.T Build Branch, Karachi of Sindh Small Industries Corporation. The above situation arise the questions of releasing of funds of one account to other and fulfilment of formalities of funds drawl whereas the signatories of the account were different.

The matter was reported to the management in July 2013. The management replied that corrigendum was issued by the Finance Department, Govt. of Sindh vide letter No.FD/SO (RES-V)-AA-5(44)/2011-12, dated 13th September, 2012 and assignment account no.1239-3 is opened in the name of Managing Director Sindh Small Industries Corporation. However, no evidence was produced regarding operation of separate accounts for SGA&CD.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires evidence of operation of a separate account of SGA&CD.

(SAR # 1)

10.4.27 One Assignment Account for Several Projects

As per Revised Procedure for Operation of Assignment Account vide letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008 “A separate Assignment Account would be opened for each project”.

During special audit of Assignment Account, Finance Department Government of Sindh at Assignment Account Cell section of office of the Accountant General Sindh for the period 2009-10 to 2011-12, it was observed that one Assignment accounts A/C No.A-64 at NBP, Main Branch I.I. Chandrigar Road, Karachi was being operated for the several projects with Project IDs (i)AAAKA00144 (ii) AAKA00145 (iii) AAKA00146 (iv) AAKA00147 (v) AAKA00148 and (vi) AAKA00149 and with different cost centres. Furthermore, the Finance department released the funds on dated 06-06-12 in Assignment accounts A/C No.A-64 for the same projects but on 07-06-12 the Finance department forwarded the request for change of signatories for the assignment Account No.90049-6 at NBP, Main Branch I.I. Chandigarh Road, Karachi showing the same project purpose (Rehabilitation of DHQ/THQ Hospitals in Sindh), same co-signatories and same bank branch.

The matter was reported to the management in July 2013. The management replied that earlier A/c No.A-64 was allowed to be operated by Mr. Srichand Ocagni, Project Director of Scheme DHQs/THQs in Sindh on 17-05-2012 but due to six weeks Medical Leaves, Mr. Abdul Rasheed Shaikh was granted permission to operate Assignment Account. However, no reply was received in respect of audit observation regarding operation of one Assignment Account No.A-64 for several projects with different IDs and Cost centres.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 3)

10.4.28 Authorization of funds to Treasury Officer instead of entity

As per Revised Procedure for Operation of Assignment Account vide letter No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008 “A separate Assignment Account would be opened for each project”.

During special audit of Assignment Account, Finance Department Government of Sindh at Assignment Account Cell, office of the Accountant General Sindh for the period 2009-10 to 2011-12, it was observed that authorization of funds by AG Sindh was made to Treasury Officer Karachi instead of Benazir Bhutto University, Lyari, Karachi under Assignment Account No.1470-7 at NBP, Sindh Secretariat Branch, Karachi.

The matter was reported to the management in July 2013. The management replied that A.G Sindh issued the authority to the Treasury Officer Karachi. However, funds of Rs39.60 million were transferred by the Department in Assignment Account of Project Manager, Benazir Bhutto University, Lyari. However, evidence in support of reply was not furnished.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR #5)

10.4.29 Payment on unapproved pre-receipt bill of land compensation - Rs33.00 million

According to Rule-669 of Central Treasury Rules, Volume-I, “Advances granted under the special orders of the competent authority to officers/officials for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary”.

During audit of the District Accounts Office, Tando Muhammad Khan for the year 2013-14, it was observed that the Deputy Commissioner TM Khan requested the DAO T.M. Khan to release the amount on account of land compensation regarding land to be acquired for Jhirk Mulakatiar Bridge Project vide letter No.DC/P&D/TMK/ 303/2014TMK dated 16-06-2014. The amount was released vide cheque No.1587066 and the amount as per the letter mentioned above was deposited into Meezan Bank Ltd: TMK Account No.0101029814. But neither was permission from Finance department nor the DC office presented any adjustment for the compensation/ disbursement made to the land owners and the current status of the amount with interest rate was shown.

The matter was reported to the Department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 18)

10.4.30 Non-deduction of taxes – Rs8.90 million

As per Section 3(1) of the Sales Tax Act, 1990, “There shall be charged, levied and paid a tax known as sales tax @ 16% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”. Further Section 3(1A) ibid “Taxable supplies are made by a person other than a registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3(1).

As per notification of CBR as amended up to July 2012, Income Tax on Salary ranged between 0.75% to 18.50% on Taxable Income ranging from Rs350,000 to Rs2,250,000, respectively.

During audit of various offices of Finance Department, Government of Sindh, for the financial years 2012-13 & 2013-14, it was observed that sales tax and income tax was not deducted causing loss of Rs8.90 million to government. Sales tax invoices were not available. Details are at Annexure-7 of Chapter-10.

The matter was pointed out to the Department during September 2013 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

10.4.31 Irregular expenditure on fake employees - Rs186.91 million

According to Rule 23 of General Financial Rule Volume-1, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of District Accounts Office, Jacobabad for the financial year 2012-13, it was observed that District Accounts Officer closed 708 IDs of employees of education department in allegation of fake employees who were appointed by education department and shown hired by DAO Jacobabad. Moreover, all the appointment was made without any advertisement and without any examination. The employees and DDOs drew salaries from government treasury for two years approximately amounting Rs186.91 million which caused loss to government. Details are as under:

(Rupees in million)

Sr. #	Year	No. of Closed fake IDs	Average Salary Per Month	No. of Months	Non-recovery
1	2009-10	708	10,000	12	84.96
2	2010-11	708	12,000	12	101.95
Total					186.91

The matter was pointed out to the Department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

10.4.32 Unauthorized payment of salaries to non-sanctioned employees

According to Rule 23 of General Financial Rule Volume-1, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to

which it may be shown that he contributed to the loss by his own action or negligence.

During audit of District Accounts Office (DAO), Jacobabad for the financial year 2012-13, it was observed that in Education Department, recruitment was made in excess of sanctioned strength as per budget book. Therefore, payment of salaries to the excess recruited officials was un-authorized and loss to the government. The record of same unauthorized payments was not produced to Audit. However, the year wise working strength compared with sanctioned strength for the period 2010-11 to 2012-13 was worked out as under:

Sr. #	Year	Sanctioned Strength as per Budget Book	Working Strength	Excess
1	2012-13	3,023	4,565	1,542
2	2011-12	2,879	4,565	1,686
3	2010-11	2,879	4,565	1,686

The matter was reported to the Department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

10.4.33 Fraudulent creation of 2,490 posts by EDO Education

According to Rule 23 of General Financial Rule Volume-1, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of District Accounts Office, Jacobabad for the financial year 2012-13, it was observed that 2,490 new appointments were made by Executive District Officer, Education Jacobabad in the year 2009 without Sanction of New Expenditure (SNE). Further, it was observed that during the year 2011-12, 708 fake

IDs of employees were closed by DAO and 212 employees were retired from service and their seats were also filled illegally resulting in a loss to government. Details are as under:

Sanctioned strength as per Budget Book 2011-12	Working Strength	Closed IDs by DAO	Retired/ Death Cases	Total strength (b+c+d)	Excess strength (a-e)
a	b	c	d	e	f
6,297	7,867	708	212	8,787	(2,490)

The irregularity was pointed out to the Department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

10.4.34 Excess in pension payment - Rs221.71 million

According to Rule 23 of General Financial Rule Volume-1, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit and analysis of data of District Accounts Office, Jamshoro for the financial year 2013-14, it was observed that pension expenditure was increased to Rs341.13 million which was 71.41% higher than the previous year; whereas, it should have been increased maximum by 25%. Details are as under:

(Rupees in million)

Particulars	G/L	Amount
Pension payment 2013-14	A04101	818.82
Pension payment 2012-13	A04101	477.70
Increased amount		341.12
Percentage of increase		71.41%
Amount of 25% maximum increase		119.42
Excess during the year 2013-14		221.70

The irregularity was pointed out to the Department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires that responsibility should be fixed against the person(s) who committed fraud and their accomplice as well. A further detailed inquiry may be conducted to calculate the actual size of fraud because fraudulent payment could be more than this.

(AIR # 1)

CHAPTER – 11 FOOD DEPARTMENT

11.1 Introduction

The objective of the department is to run Wheat (Procurement and Sale) State Trading Scheme in a manner that food security is provided to common man. The Food Department's activities are mainly focused on:

- a) Procurement of wheat from growers during harvesting period at supporting price fixed by the Provincial Government.
- b) Opening of wheat procurement centres throughout the province at the provincial reserves centres/places with establishment of temporary bank booth to make payment to the growers on the spot.
- c) Handling and transportation of surplus wheat to the wheat deficit areas/non-procurement areas.
- d) Safe storage of wheat in covered godowns and to maintain revolving / strategic reserves of wheat in order to meet out shortage at the time of emergency.
- e) Release of wheat to flour mills and chakkies at the subsidized rate in order to trickle down the benefit to general public at an affordable/ reasonable price.
- f) Stabilise the wheat market price by directly intervening in the commercial market to mitigate the risk of hoarding by maintaining equilibrium.

11.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 26 formations (DDOs), out of which 02 formations were selected for audit during Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/Savings
45,363.12	1,489.37	46,852.49	43,897.65	2,954.84

The department was unable to spend the allocated budget in time, as a result, saving of an amount of Rs2,954.84 million was observed, which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
83,966.86	77,073.58	67,242.74	9,830.84

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs9,830.84 million was observed.

11.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
9	6	3	67

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 67% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

11.4 AUDIT PARAS

11.4.1 Non-production of paid-up challans - Rs2,336.09 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of following offices of Food Department, Government of Sindh for the years 2011-12, 2012-13 and 2013-14, the auditable record of Rs2,336.09 million was not produced to audit. Details are as under:

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
1	DFC, Shaheed Benazirabad	2012-13	7	Paid up challans of amount credited into treasury duly reconciled with treasury	0.69
2	Deputy Director Food, Karachi	2011-12	35	Record pertaining to the expenditure on gunny bags and Tarpaulin Sheets as per SAP including reconciliation statement with the AG Sindh, Karachi.	1,254.13
3	Secretary Food Department, Karachi	2013-14	9	Record pertaining to the delivery and consumption of stationery articles	0.59
4	DFC, Mirpurkhas	2013-14	6	Physical verification of report of 35,000 tons	1,080.68
Total					2,336.09

The matter was pointed out to the department during June 2013 to August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

11.4.2 Non-disposal of damaged *bardana* – Rs4.47 million

According to Para 167 of General Financial Rules, volume-I, “Stores which are reported to be obsolete, surplus or unserviceable may be disposed of by sale or otherwise under the orders of the authority competent to sanction the writing off of a loss caused by deficiencies and depreciation equivalent to their values”.

During audit of following offices of Food Department, Government of Sindh, it was revealed that damaged *bardana* of Rs4.47 million were lying in various procurement centres but the same were not disposed of in time. Details are as under:

(Rupees in million)

Sr. #	Name of office	Year(s)	AIR Para #	Amount
1	District Food Controller, Sanghar	2012-13	04	3.54
2	District Food Controller, Jacobabad	2011-12 to 2012-13	05	0.55
3	District Food Controller, Hyderabad	2013-14	03	0.38
Total				4.47

The irregularity was pointed out to the department during December 2013 to July 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

11.4.3 Loss to government due to acceptance of disputed stock – Rs294.33 million

According to Para-23 of General Financial Rules, volume-I, “every government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part, and that he will also be held responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit of office of the District Food Controller, Malir, Karachi for the year 2012-13, it was observed that 105,118 dusty & dirty bags of wheat stock costing Rs294.33 million @ Rs2,800 per bag were accepted by the local office which resulted in loss government.

The irregularity was pointed out to the department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

11.4.4 Non-finalisation of disputed cases of wheat – Rs2.12 million

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

During audit of office of the District Food Controller, Shaheed Benazirabad, for the year 2013-14, it was observed through physical verification report that disputed cases of wheat involving an amount of Rs2.12 million were required to be settled within given period of time, but same were not settled till the date of audit.

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

11.4.5 Improper storage of wheat – Rs7,195.09 million

As per Para-07 & 09 of Policy Guide Line for wheat procurement campaign 2011 issued by the Section officer (Wheat) Food Department, Government of Sindh vide No.SO(W)7 (18)2011 dated 22-03-2011, “No wheat stocks should be kept in the premises of any private/ flour mills/other private place without approval of the Government and procured wheat shall be stored properly, keeping in view the safety and security of wheat stocks.”

During audit of various offices of Food Department, Government of Sindh, for the year 2012-13 and 2013-14, it was revealed that wheat stock amounting Rs7,195.09 million were lying at various godowns in open sky without any safety

and precautionary measures. In addition thereto, some stocks were kept in private flour mills without the approval/permission of competent authority. The details are at Annexure-1 of Chapter-11.

The irregularity was pointed out to the department during December 2013 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

11.4.6 Loss to government due to negligence -Rs206.18 million

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

During audit of various offices of Food Department, Government of Sindh, for the year 2011-12 and 2012-13, it was observed that wheat bags of Rs206.18 million were damaged. Resultantly, government sustained heavy loss due to negligence and carelessness of the departmental officials. No efforts were made by the higher authorities for proper preservation of wheat to avoid such damage/ loss, which show improper internal control system of the department. Details are as follows:

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particulars	Amount
1	DFC, Shaheed Benazirabad	03	32,714 number of wheat bags costing Rs83.00 million were damaged in various PRCs during the year 2009 and 2010. Reasons of damage were not known.	83.00
2	DFC, Sukkur	04	7,220 wheat bags of Rs3,324 each costing Rs23.40 million were damaged at PRC-Danam-II. Reasons of damage were not known.	23.40

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particulars	Amount
3	DFC, Jacobabad	03	6,549 wheat bags crop 2009-10 & 2011-12 were damaged during 2012-13. Reasons of damage were not known.	20.96
4	DFC, Sanghar	02	8,330 wheat bags for the Crop 2009-2010 & 2010-11 were damaged at various PRCs due to heavy rain.	78.82
Total				206.18

The irregularity was pointed out to the department during December 2013 to January 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

11.4.7 Irregular & non-transparent appointments during ban period - Rs15.79 million

The Election Commission of Pakistan through letter No.F-08(12)/2012-Cord., dated 22-01-2013, in terms of Article 218 of the Constitution of the Islamic Republic of directed that:

- (a) all kinds of recruitments in any Ministry, Division, Department or Institution of the Federal Government or any Department or Institution of any Provincial and Local governments is banned forthwith except recruitments by the Federal or a Provincial Public Service Commission; and
- (b) diversion of funds already allocated to various development projects in the country is banned forthwith and the spending of funds so diverted shall stand frozen forthwith.

As per notification of Services, General Administration and Cooperation Department, Government of Sindh, Karachi vide No.SOV(S&GAD)X-15/90-98 dated 12-02-2008, "Advertisement should be given for all vacant posts".

Further, as per Chief Minister Sindh, Karachi letter No.DS(COORD)/CMS/8-4/2008/845 dated 12-02-2008, “All vacant posts shall be filled after completing codal formalities and written test for the posts from BPS-5 and above shall be got conducted through third party and for BPS-4 and below through Departmental Selection Committee”.

During audit of following offices of Food Department, Government of Sindh for the year 2012-13, it was noticed an amount of Rs15.79 million was paid to the staff appointed during the period of ban imposed by the Election Commission of Pakistan without obtaining permission/ approval from competent authority. Moreover, same posts were not advertised in the leading newspapers nor were codal requirements fulfilled. Details are as follows:

(Rupees in million)

Sr. #	Name of office	AIR Para #	Amount
1	District Food Controller, Sanghar	1	6.91
2	District Food Controller, Ghotki	1	1.36
3	District Food Controller, Naushahro Feroze	1	3.03
4	District Food Controller, Dadu	1	4.49
Total			15.79

The matter was pointed out to the department during November, 2013 to January 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

11.4.8 Un-authorized payment of forfeited security deposit - Rs15.00 million

According to the G.F.R 12 “The duty of the controlling officer is not only to see that total expenditure is kept within the limits of the appropriation, but he has also to see that the funds are expended in the public interest and for these objects only for which the money was provided.”

During audit of office of Deputy Director Food, Karachi, for the year 2011-12, following irregularities were noticed;

- i. An amount of Rs15.00 million was paid to M/s Rana Rashid Ali Khan, on account of his security deposit forfeited during the financial 2010-11, under the Head of Account “Transportation Charges-SC11050/13050

(05O)-0414 STATE TRADING (WHEAT)” instead of proper Head of Account and without any authorization. The payment was made from the release of funds issued to clear the current dues of Transportation Charges (Crop-2011) for the period July 2011 to 20-08-2011.

- ii. The amount so forfeited and deposited into government account was also not reconciled/verified from Treasury Officer.

The matter was reported to the department in June 2013. In reply, the management of concerned office stated that amount in question was refunded after taking approval from government. The reply was not tenable as there was no documentary proof of approval from government.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

11.4.9 Irregular award of tender on account of transportation services - Rs72.64 million

As per Rule-4 of SPPR, 2010, “While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical.”

During audit of office of the Deputy Director Food, Karachi for the year 2011-12, it was observed that contract of Rs72.64 million was awarded for transportation services but inevitability of proper planning and execution was overlooked by the management. Following irregularities were noticed:

- i. Tenders for the financial year 2011-12 were not invited or processed well before the previous agreement expired on 28th February 2011.
- ii. Tenders opened on 29th March 2011 were cancelled by the management on the ground of higher rates than prevailing market rates. However, without advertising fresh tenders were obtained and opened on 10th May 2011. Audit observed that the same firms/transporters participated with different names.

- iii. The contract was awarded to a firm, M/s Rana Rashid Ali for the financial year 2011-12, which defaulted and security deposit was forfeited for a short period but later on refunded. Audit observed that same firm was not only allowed to participate in bidding process for the financial year 2012-13 but the contract was also awarded.
- iv. The management asked other bidders to furnish certificate from the administrator; however, same certificates were not obtained from the favourite contractors/ firm who participated in the bid with different names.
- v. The contractors were asked to furnish Rs5.00 million as bid security in violation of Rule 37 (1) of SPPR 2010 which allows maximum 5% of the tendered cost on this account.

The matter was pointed out to the department in June, 2013. The reply of the management was not tenable as same was not consistent with the issues pointed out by the audit. DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

11.4.10 Unjustified payment of transportation charges - Rs83.81 million

As per Rule23 of G.F.R Volume-I, “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that contribution to the loss by his own action or negligence”.

During audit of office of the Deputy Director Food, Karachi for the year 2011-12, it was observed that payment Rs83.81 million was made to various flour mills on account of transportation of wheat from various districts to Karachi without reconciliation of wheat account. In absence of such reconciliation, payment was unjustified.

The matter was pointed out to the department in June, 2013. In reply, the department stated that due to shifting of huge quantity of wheat, it was not possible to provide the record of each truck; however, the reconciliation is always carried out by

each contractor after completion of shifting of required wheat which was in process. The reply was not tenable as reconciliation of wheat was still incomplete till finalization of this report.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires reconciliation besides fixing responsibility against the person(s) at fault.

(AIR # 10)

11.4.11 Award of work without obtaining personal Surety Bond -Rs25.00 million

As per terms & conditions No.2 contained in Annual Tender Notice No.A/C(F-I) Annual Tender 2011-12/2011/105/720 dated 7th March 2012, “the successful bidders will have to furnish a personal Surety Bond of Rs20.00 million on Judicial Stamp Paper of Rs500/- for each District in case of transportation of wheat and Rs5.00 million in case of Labour Work.”

Rule 39 (1) of SPPR 2010 “Performance Security” provides as under;

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

During audit of office of the Deputy Director Food Karachi for the year 2011-12, it was observed that personal surety bond of Rs25.00 million on judicial stamp paper of Rs500 was not obtained from the contractors prior to award of contract of transportation of wheat and labour work in contravention of terms and conditions of tender documents in violation of above rules.

The matter was pointed out to the department in June 2013. In reply the department stated that there was no need of obtaining personal surety bond as the work was awarded to those firms which are well reputed, working with the department and participating in the bidding process every year. The reply of the

management was not tenable as it was in contravention of terms and conditions of contract and SPPR Rule.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 13)

11.4.12 Irregular award of wheat transportation contracts - Rs822.56 million

Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that contribution to the loss by his own action or negligence according to Para 23 of GFR Volume-I.

As per Rule 42 of SPPR 2010, all bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents.

During audit of office of the Deputy Director Food Karachi for the year 2011-12, it was observed that payment Rs822.56 million was made on account of various contracts awarded to different contractors under the scheme, "Transportation of Wheat from various Districts to Karachi".

Following irregularities were noticed:

- i. Evaluation criteria and scoring methods were not established before opening of bids.
- ii. Reasonability of scores awarded to the different bidders could not be ascertained in the absence of evaluation criteria.
- iii. Reasonability of rates was not established as no rate analysis was made prior to floating the tender.
- iv. Market rates were not obtained to make rate analysis.
- v. Procurement planning was not made to make rate economical and reasonable.

- vi. Procurement planning was not efficient as the tenders for the financial year 2011-12 were not invited or processed well before the termination of the agreements of the contracts of last year's by 28th February 2011 which indicated that the management did not realize its obligations of timely bidding.
- vii. Discriminatory condition was imposed to restrict all the interested bidders, i.e., bid security of Rs5.00 million was required without stating estimated cost of work for each district in the advertisement.
- viii. Copy of Pay order of bid security submitted by the participants along with bids was not produced to audit.
- ix. Economical quantity for shifting as per allocations was not considered by the management to make the rate reasonable.
- x. Some of the contracts were awarded after negotiation on exorbitant rates in respect of Larkana and Ghotki districts in defiance of SPPR2010.
- xi. At first, tenders were opened on 29-03-2011 and were cancelled on the ground that the rates received were on very high side. The tenders were re-invited on 10-05-2011 in which a firm, M/s Rana Rashid Ali offered competitive and reasonable rate and was lowest for the 3 districts. The contractor did not come back even to make agreements. His security of Rs15.00 million in respect of 3 districts was forfeited but, in a few months this security was refunded. Further, he was allowed to make transportation of wheat (Crop-2012) from district Sanghar without any tender and agreement despite he was declared black list and was debarred for the period of 3 years.

The matter was pointed out to the department in June 2013. In reply the management did not clarify the audit observation point wise. DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 17)

11.4.13 Non-crediting of call deposit into government treasury – Rs40.00 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of office of the Deputy Director Food Karachi for the year 2011-12, it was revealed that an amount of Rs40.00 million was realized on account of call deposits from eight bidders @ Rs5.00 million each but the same was not deposited into government treasury.

The irregularity was pointed out to the Department in June, 2013. In reply the department stated that earnest money was kept in safe custody of local office in shape of pay orders as it is easy to make repayment. The reply is not tenable as it in contravention of prescribed rules and procedures.

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

(AIR # 18)

11.4.14 Doubtful payment on account of fumigation charges - Rs5.84 million

Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that contribution to the loss by his own action or negligence according to Para 23 of GFR Volume-I.

During audit of office of the Deputy Director Food Karachi for the year 2011-12, it was observed that an expenditure of Rs5.84 million was incurred on account of fumigation charges. The wheat lying in Godowns SGG-I (from 18th to 19th October 2011) & SSG-III (from 16th to 18th October 2011) at District Malir to the tune of 4,561.622 MT & 64,109.64 MT was fumigated respectively.

Following irregularities were noticed:

- i. Three tablets of Aluminium Phosphide (3 grams each) was required to be used for per cubic meter as per schedule of tender but rate were allowed to the contractors on the basis weight instead of cubic meter merely to provide undue benefit to the contractors.
- ii. Specifications and manufacturer's recommendations regarding the usage of product were not obtained in order to achieve the desired results.
- iii. Purchase Invoice was not obtained in order to authenticate the registration of manufacturer/importer/distributor with Government of Pakistan to sale such highly sensitive product.

- iv. No record was produced to audit to verify the Methyl Bromide and Thermal fogging spray with Delta Methrine.
- v. Registers of daily stock position of godowns SSG-I & III District Malir were not furnished for verification.
- vi. Completion of fumigation work of two godowns within four days seemed unjustified. The details of work, i.e., total number of trained staff performed the work, was not produced to audit.
- vii. The management in response to query vide letter dated 02-04-2012 of Budget & Account Officer intimated through a letter dated 12-04-2012 that the wheat stock releases for the period 19-10-2011 to 30-11-2011 (comprising 67,805 bags) from two godowns (SGG-I & III) were not fumigated. However, audit observed that for unknown reasons, DFC Malir submitted another letter showing different reply of above query bearing same letter No. & Date informing that the releases, i.e., 03-11-2011 to 31-12-2011 were from fumigated stocks.
- viii. Snaps of Spray, coverage with polyethylene sheets and thermal fogging were not available to verify the existence and occurrence of fumigation work.
- ix. Tender documents, such as Schedule of bids submitted by the participants, Comparative Statements and bid Evaluation Report were not produced to audit.

The matter was pointed out to the management in June 2013. In reply the department stated that fumigation work was carried out by the contractor under the supervision of committee on government level and their office had no concern with the said work or the issues highlighted by audit. The reply was not tenable as the payment was made by the management; therefore, they were responsible to clarify the audit observation.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 19)

11.4.15 Non-crediting of government Revenue – Rs3.86 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of office of the Deputy Director Food, Karachi for the year 2011-12, it was observed that an amount of Rs1.680 million was recovered as income tax and stamp duty but the same was not deposited into the government treasury. The details are as under.

(Rupees in million)

Sr. #	Particulars	Year	AIR Para #	Amount
1	Income Tax	2011-12	20	1.68
2	Stamp Duty	2011-12	22	2.18
Total				3.86

The irregularity was pointed out to the Department in June 2013. In reply the management stated that amount in question was deposited into government treasury, however, the reply was not supported with evidence.

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

11.4.16 Mis-procurement on account of shifting of wheat - Rs124.77 million

As per Rule 4 of SPPR-2010 “every procuring agency shall ensure that procurement are conducted in a fair and transparent manner and object of the procurement should bring value of money to the agency and the procurement process is efficient and economical” Any single deviation from such rule tantamount to Mis-procurement in accordance with Rule 2 (x), “Mis-procurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement”.

During audit of office of the Deputy Director Food, Karachi for the year 2011-12, it was observed that an expenditure of Rs124.77 million was incurred on account of transportation charges for shifting of wheat from Bolhari and various Districts of Sindh to Karachi through flour mills. Following irregularities were noticed:

- i. Tender were not called prior to assign the work to flour mills.
- ii. The work was assigned to Flour Mills without the approval of competent authority.
- iii. The work was executed by Flour Mills without any agreements.

This was pointed out to the Department in June, 2013. In reply the management stated that, in general practice, if any contractor fails to shift the stock in time the flour mills may be engaged to shift the stock on same rates approved for the district. The reply was not tenable without production of approved procedure and policy guidelines.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 38)

11.4.17 Irregular shifting of wheat without valid allocation - Rs7.08 million

According to Para 23 of GFR Volume-I “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that contribution to the loss by his own action or negligence

During audit of office of the Deputy Director Food, Karachi for the year 2011-12, it was observed that un-authorized shifting of wheat stocks to the extent of 4,425.083 metric tons to Karachi was carried out through approved transport contractor M/s Jam Carriage relating to Crop 2010-11 and 2011-12 instead of wheat crop 2008-09 without valid allocation. The Deputy Director Food Karachi Region was requested to take legal action against the transport contractor vide letter dated 14-06-2012 of Food Department. However, instead of taking appropriate action against the contractor, the payment amounting Rs7.08 million was made by the management. The details are as follows:

(Rupees in million)

Contractor	Allocation to the contractor	Wheat shifted	Qty. of wheat	Cheque No.	Amount
M/s Jam Carriage	Crop 2008-09	Crop 2010-12	4,425.083 tons	089321 25.06.12	7.08

The irregularity was pointed out to the Department in June, 2013. In reply the management stated that there was no violations of rule as no contractor can shift the

wheat stock without prior allocation and approval of the government. The reply was not tenable without production of supporting evidence.

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

(AIR # 39)

11.4.18 Irregular award of contract for shifting of wheat - Rs77.98 million

As per Rule-52 of SPPR, 2010, “Save as otherwise provided there shall be no negotiations with the bidder having submitted the lowest evaluated bid or with any other bidder.”

During audit of office of the Deputy Director Food Karachi for the year 2011-12, it was noticed that 5 bidders submitted the bids, for Ghotki District, and quoted high rates from 47.30% to 78.40% above the previous year’s rates. The bids were cancelled as those bids were substantially irresponsive and consequently tenders were re-invited on 10th May 2011. In response of re-invitation only 2 bidders participated and again rates were found very high, i.e., 47.09% and 52.79% as compared to previous year’s rates. The contract was awarded to M/s Noonari Traders after negotiation as he offered reduced rate of Rs130 which was 18.93% greater than previous year. The award of contract after negotiation was mis-procurement.

The irregularity was pointed out to the Department in June, 2013. In reply the management stated that there was no negotiation with contractor but he voluntarily reduced the rates in public interest and due to the allowing reduced rate department saved the government money amounting to Rs9.678 million. The reply was not tenable without production supporting evidence.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 40)

11.4.19 Non-recovery of outstanding *bardana* - Rs53.81 million

As per Para 23 of General Financial Rules, Volume-I “Every government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part.

During audit of various offices of Food Department, Government of Sindh for the years 2011-12, 2012-13 and 2013-14, it was observed that government sustained loss of Rs53.81 million due to non-recovery of outstanding *bardana* issued to growers by Incharge of respective centres. Details are as under:

(Rupees in million)				
Sr. #	Name of Division	Year	AIR Para #	Amount
1	DFC, Jacobabad	2011-12 & 2012-13	04	1.96
2	DFC, Naushahro Feroze	2012-13	05	6.10
3	DFC, Dadu	2012-13	02	0.64
4	DFC, Ghotki	2012-13	04	11.81
5	DFC, Khairpur	2012-13	04	3.27
		2013-14	11	10.18
6	DFC, Mirpurkhas	2012-13	01	2.61
		2013-14	01	4.12
7	DFC, Shaheed Benazirabad	2012-13	01	12.21
8	DFC, Hyderabad	2013-14	02	0.91
Total				53.81

The matter was pointed out to the department during November 2013 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

11.4.20 Shortage of wheat bags – Rs2,391.58 million

According to Para-23 of G.F.R Vol-I, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also responsible for any loss arising from fraud or negligence on the part of any other Government office to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of various offices of Food Department, Government of Sindh for the years 2011-12, 2012-13 and 2013-14, it was observed that wheat bags valuing Rs2,391.58 million were not found available in the inventory at various wheat procurement centres. The details are at Annexure-2 of Chapter-11.

The irregularity was pointed out to the department during December 2013 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

11.4.21 Non-recovery of wheat shortages – Rs941.56 million

According to Para-23 of G.F.R Vol-I, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also responsible for any loss arising from fraud or negligence on the part of any other Government office to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of five various offices of Food Department, Government of Sindh for the year 2011-12 and 2012-13, it was observed that while transferring of wheat from WPC to PRC, shortage of quantity of Rs941.56 million wheat was occurred. The reconciliation record was also not provided to audit for verification and calculation of exact number of bags of shortage.

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Particulars	Amount
1	Deputy Director Food, Karachi	2011-12	5	Crop-2010-11 arrived at Karachi Flour Mills PRC and Landhi Godown up to 20-08-2011	939.48
2	DFC, Dadu	2012-13	9	331 bags of wheat costing Rs1,059,200 was lost in transit and short received at various godowns on account of enrout shortage of wheat.	1.06
3	DFC, Hyderabad	2013-14	1	Wheat shortages during shifting of wheat were occurred but not recovered.	0.54
4	DFC, Sukkur	2012-13	5	15.874 tons of wheat costing Rs287,565 and 135 bags of empty <i>bardana</i> costing Rs7,785 were lost in transit and short received at various godowns for the crop 2007-08.	0.29
5	DFC, Shaheed Benazirabad	2012-13	5	5.688 tons wheat costing Rs189,126 was short received in various PRCs.	0.19
Total					941.56

The irregularity was pointed out to the department during June 2013 to July 2014. In reply, the department stated that due to shifting of huge quantity of wheat, it is not possible to provide the record of each truck. However, the reconciliation is always carried out by each contractor after completion of shifting of required wheat which is in process. The reply has not been received till finalisation of this report.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

11.4.22 Non-deduction of taxes – Rs165.98 million

According to the section 153 (1) (a) of the Income Tax Ordinance 2001, 6 % income tax is required to be deducted at source while making payment to suppliers/contractors.

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011 states: “ Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable service is listed.” Further section 9 (2) chapter II states: “Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service.” And as per Second Schedule of The Sindh Sales Tax on Services Act, 2011, the rate of tax is 17% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.

During audit of offices of Deputy Director Food, Karachi for the year 2011-12, it was observed that Income Tax and Sales Tax was less/not deducted from supplier’s bills causing loss to government by Rs165.98 million. The details are as follows:

(Rupees in million)

Sr. #	Particulars	AIR Para #	Less/non-deducted Amount
1	Income Tax	2	32.98
2	Sales Tax	24	133.00
Total			165.98

The irregularity was pointed out to the Department in December 2013. In reply the management stated that payment was made after deduction of income tax and payment of sales tax was responsibility of flour mills; hence, there was no lapse on the part management. The reply was not tenable as deduction of sales tax was the responsibility of the department.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

CHAPTER – 12

FOREST & WILD LIFE DEPARTMENT

12.1 Introduction

Forest & Wildlife Department is responsible for preservation of existing forests of the province and Afforestation of forest lands for climatic, commercial and local needs. It also carries out research to develop new and improved species of plants and trees, suitable to the local climate and soil. Moreover, the Department also works for preserving endangered species of wildlife and constructing sanctuaries for them.

The forests of Sindh are being managed on the universal recognized principle of multiple land use system. The Forest Department also contributes to income generation for government. In order to fill the gap of forest cover and to increase the fuel wood/ timber, fodder and livestock, various development schemes are being implemented depending on the availability of the resources. Besides normal forestry, development operations also focus on diversified fields like coconut plantation, sericulture, apiculture etc.

Core functions of the department include:

1. To increase the forests' covered area.
2. To provide substitutes to firewood in the wooded mountains.
3. To reduce political interference in the Forestry and Wildlife Departments.
4. To provide adequate control against flooding in the riverine areas.
5. To develop Policies for fragile Eco-systems.
6. To retrieve lands under encroachment.
7. To renovate and invigorate the institutions of RNR

12.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 72 formations (DDOs), out of which 27 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget / Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
5,942.55	104.92	6,047.48	3,284.24	2,763.24

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs2,763.24 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
136.00	120.00	140.00	(20.00)

12.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
34	34	0	100

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 100% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

12.4 AUDIT PARAS

12.4.1 Non-production of record - Rs36.13 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of following offices of the Forest, Wild Life & Environment Department for the year 2012-13 & 2013-14, it was observed that auditable record of Rs36.13 million was not produced to audit for verification. Details are as under:

(Rupees in million)

Sr. #	Name of Department	Year	AIR Para #	Amount
1	Deputy Conservator Wildlife, Sukkur	2012-13	07	11.06
2	Secretary Forest & Wildlife, Karachi	2013-14	01	19.34
3	Divisional Forest Officer Coastal, Karachi	2013-14	01	5.73
Total				36.13

The matter was reported to the department in February and November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

CHAPTER-13 HEALTH DEPARTMENT

13.1 Introduction

The main functions of the department under the Sindh Government Rules of Business, 1986 are:

1. To control medical drugs and dangerous drugs (Drugs Act & Rules).
2. To manage medical education, including medical schools, colleges, institutions for dentistry and medical social welfare projects.
3. Regulation of medical and other professional qualifications and standards; medical registration, including medical council; indigenous system of medicines; medical attendance on government servants; and levy of fee.
4. Pharmacy and nursing councils.
5. Prevention and control of infectious and contagious diseases; like tuberculosis, malaria, rabies, etc., Safety from adulteration of food stuffs and acquiring nutrition; vaccination and inoculation; and maternity and child welfare and primary health.

13.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 212 formations (DDOs), out of which 119 formations were selected for audit during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget / Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
56,071.95	39.50	56,111.45	49,870.69	6,240.77

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs6,240.77 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
207.18	123.08	128.07	(4.99)

13.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
35	21	14	60

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 60% in last years' audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

13.4 AUDIT PARAS

13.4.1 Execution of same item of work on different rates at same site - Rs88.08 million

Rule 221 of Central Public Works Account Code states that: “before signing the bills, sub-divisional officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically”.

During audit of office of the Project Director, Rehabilitation DHQ/THQ Hospitals Sindh, Karachi for the year 2011-12, it was observed that same item of works were executed on same site (DHQ Hospital at Shikarpur) on different rates by M/s Mian Abdul Jabbar. Further, similar observation was made by Audit in case of works at DHQ Hospital, Badin performed by another contractor, viz., M/s Hi-Tech. Thus, the expenditure on the above works amounting to Rs88.08 million was doubtful.

The matter was reported to the department in November 2012, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 8)

13.4.2 Non-production of Record – Rs1,298.36 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various offices of Health Department, it was observed that an expenditure amounting to Rs1,298.36 million was incurred on account of various

heads but the auditable record was not produced for scrutiny. The details are at Annexure-1 of Chapter-13.

The matter was reported to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.3 Un-authorized transfer of funds - Rs3,426.64 million

Para 668 of Central Treasury Rules Volume 1 provides that advance granted under special orders of the competent authority to officers/ officials for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed accounts supported by vouchers of refund as may be necessary.

During audit of office of the Secretary, Health Department, Karachi for the year 2012-13, it was observed that an amount of Rs3,426.64 million was drawn from Accountant General Sindh on abstract bill and transferred to various institutes but detailed adjustment account duly supported with valid vouchers were not obtained before the close of financial year.

The matter was reported to the department in October 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

13.4.4 Irregular expenditure on purchase of medicine – Rs710.01 million

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

During audit of various offices of Health Department, it was observed that various medicines costing Rs710.01 million were purchased from various contractors in which several irregularities were noticed. The details are at Annexure-2 of Chapter-13.

The matter was reported to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.5 Irregular procurement without inviting open tenders – Rs543.00 million

Rule 17 of Sindh Public Procurement Rules 2010 provides as under:

- (1) Procurements over one hundred thousand rupees and up to one million rupee shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.
- (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

During audit of accounts for the years 2012-13 and 2013-14 record of the various offices of Health Department, it was observed that an expenditure amounting to Rs543.00 million was incurred on procurement of various supplies without inviting open tender. Due to non-invitation of open tender the Govt. was deprived of economic & competitive rates. The details are at Annexure-3 of Chapter-13.

The matter was reported to the department during July 2013 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.6 Excess drawl of funds for stipend of Lady Health Workers – Rs270.17 million

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

In the office of the Provincial Coordinator National Program, FP & PHC Sindh Hyderabad for the Year 2012-13, the budget under head “Stipend for LHWs” was demanded and received from the Federal Government by stating the salary of LHWs as Rs8,000 p.m. However, upon scrutiny of Payroll, Audit observed that 22,514 LHWs were paid @ Rs7,000 p.m.

The salary for 12 month @ Rs7,000 pm in respect of 22,514 LHWs comes to Rs1,891.176 million as against the demanded/released amount of Rs2,161.344 million on the basis of Rs8,000 per month. Hence, Rs270.17 million were irregularly drawn in excess from the Federal Government.

The matter was reported to the department in October 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 37)

13.4.7 Irregular award of work on non-schedule rates - Rs100.30 million

According to Sr. # 4 of Schedule of Rates (Composite) for finished items of works, 1996, “The non-schedule item costing up to Rs1,000 should be got sanctioned by the concerned Superintendent Engineer and exceeding Rs1,000 must be got approved and sanctioned by the Chief Engineer.”

During audit of following offices of Health Department for the year 2013-14, it was observed that an amount of Rs100.30 million was drawn and paid to various contractors on works on non-scheduled items without obtaining approval and

sanction of the competent authority. The rates analysis duly sanctioned by the competent authority was also not prepared.

(Rupees in million)

Sr. #	Name of office	AIR Para #	Amount
1	Ghulam Muhammad Mahar Medical College, Sukkur	1 & 2	99.25
2	Chandka Medical College Hospital, Larkana	19	1.05
Total			100.30

The matter was reported to the department in July 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.8 Irregular payment on account of mobilization advance - Rs74.96 million

Rule-20 of Sindh financial Rules, Volume-I, states “In respect of work above Rs2.5 million, the contractor may be allowed by the authority competent to accept the tender, a mobilization advance up to 15% of the tendered amount, subject to the following conditions:

- The contractor shall, before obtaining the advance, furnish a guarantee in Form 20-A.
- The contractor shall pay interest at the rate of 10% per annum on the advance”.
- The advance is required to be allowed in case of purchase of heavy machinery from abroad.

During audit of various offices of Health Department for the years 2012-13 & 2013-14, it was revealed that mobilization advance for Rs74.96 million was paid to contractor without contract agreement and bank guarantee.

(Rupees in million)

Sr. #	Name of the Offices	AIR Para #	Year	Works	Amount
1	Ghulam Muhammad Mahar Medical College, Sukkur	1	2012-13	Construction of Academic Block Part-1 at GMMC, Sukkur	32.47

Sr. #	Name of the Offices	AIR Para #	Year	Works	Amount
2	Additional Secretary (Development), Health Department Sindh, Karachi	2	2013-14	Establishment of allied facilities for Jacobabad Institute of Medical Sciences, Jacobabad.	42.49
Total					74.96

The matter was reported to the department during June 2014 and October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.9 Un-authorized payment made to DDO instead of actual payee – Rs62.33 million

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

During audit of following offices of Health Department, it was observed that cheques amounting to Rs62.33 million were issued in favour of DDO/officials instead of actual supplier.

(Rupees in million)

Sr. #	Name of Office	Financial year	AIR Para #	Amount
1	Paramedical & Health Technician School, Sukkur	2011-12	1	17.10
2	Paramedical Institute, Jamshoro	2011-12	14	0.28
3	Director Institute of Chest Diseases, Kotri	2012-13	3	37.94
4	Director, Drug Testing Laboratory Sindh, Karachi	2012-13	05	1.32
5	Police Surgeon, Hyderabad	2013-14	25 & 26	2.28
6	Taluka Hospital, Tando Bago	2013-14	03	0.51
7	Taluka Hospital, S.F.R., Golarchi	2013-14	03	2.69
8	Rural Health Centre, Talhar	2013-14	02	0.21
Total				62.33

The matter was reported to the department in October 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.10 Irregular appointment of consultants - Rs19.20 million

As per “Rule 61; Selection of Consultancy Services”, of SPPR 2010, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

During audit of development Scheme “Construction of Ghulam Muhammad Mahar Medical College (GMMMC), Sukkur”, for the year 2012-13, it was observed that an amount of Rs19.20 million was paid to M/s Zaheer-ud-din Civil Consultant on account of consultancy charges (@ 3% of cost of work) against the work, Construction of GMMMC, Sukkur. Audit observed that appointment of the consultant was without open competition in disregard of SPPR 2010. Moreover, approval of competent authority for appointment of the consultant was not available. It was also observed that the consultancy contract was started from 15-03-2007; whereas, scheme of Construction of GMMMC was started in April 2012. The non-competitive appointment of the consultant more than five years before start of the scheme and even before initiating the PC-1 was tantamount to extending undue favour to the incumbent at the cost of public exchequer.

The matter was reported to the department in March 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

13.4.11 Irregular appointment of contingent paid staff - Rs18.79 million

According to Finance Department, Karachi letter No.FD/(Exp:IX)/767/91 (B) Prov. Dated 23rd April 1996, “no appointment of work charged establishment/ contingents paid staff be made without prior approval of Finance Department”

During audit of accounts of the following offices of Health Department, it was observed that an amount of Rs18.79 million was paid to various contingent paid staff on account of salary without obtaining approval from Finance Department.

(Rupees in million)

Sr. #	Name of Office	Year	Particulars	AIR Para #	Amount
1	Paramedical & Health Technician School, Sukkur	2011-12	Contract appointment	2	6.80
2	CDF Hospital, Hyderabad	2011-12	Contract appointment	2	6.36
3	District Govt. Hospital, Paretabad, Hyderabad	2011-12	Contract appointment	8 &9	1.20
4	Sindh Govt. Hospital, Kohsar Hyderabad	2011-12	Contract appointment	10	0.60
5	Development scheme “Construction of Ghulam Muhammad Mahar Medical College, Sukkur”	2012-13	Contingent paid staff	11	0.48
6	Provincial Coordinator National Program FP&PHC Sindh, Hyderabad	2012-13	Daily wages	23	1.25
7	Ghulam Muhammad Mahar Medical College, Sukkur	2013-14	Work charged establishment	09	2.10
Total					18.79

The matter was reported to the department in March 2013 to July 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.12 Excess expenditure on stipend of Lady Health Workers - Rs11.17 million

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

During audit of following offices of Health Department, Government of Sindh, for the year 2012-13 it was observed that an amount of Rs11.17 million was allowed to lady health workers who were working against the post of staff nurse; whereas, the post did not exist in the department as per sanctioned strength.

(Rupees in million)

Sr.#	Name of Office	AIR Para #	Amount
1	Bhittai Hospital, Hyderabad	02	10.89
2	CDF Hospital, Hyderabad	09	0.28
Total			11.17

The matter was reported to the department in December 2013 and January 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.13 Irregular payment to consultant - Rs9.36 million

As per “Rule 61; Selection of Consultancy Services”, of SPPR 2010, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

During audit of following offices of Health Department, Government of Sindh, for the year 2012-13 & 2013-14, it was observed that an expenditure of Rs9.36 million was paid to consultants on account of consultancy charges. The payment mentioned above was paid to the consultants without obtaining the progress reports and other required responsibilities. It is further pointed out that case file was not produced to audit; hence, it was not clear weather tendering process was done and agreement with consultants was made or not.

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Amount
1	Project Director, Benazir Institute of Urology & Transplantation, Shaheed Benazirabad	2012-13	07	3.51
2	-do-	2013-14	08	5.85
Total				9.36

The matter was reported to the department during July 2013 and September 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.14 Irregular purchases by ignoring lowest bidders - Rs5.15 million

According to Para-181 of Sindh Financial Rules, volume-I, “Usually the lowest tender should be accepted, unless there are some objection to the capacity of the contractor, his financial status, the security offered by him, or his execution of former work.....”.

During audit of following offices of Health Department for the year 2012-13, it was observed that purchases were made from various bidders at higher rate other than the 1st lowest, which cost Rs5.157 million more to the Government.

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	Amount
1	Ghulam Muhammad Mahar Medical College Hospital, Sukkur	Purchase of medicines	3	1.55
2	District Health Officer, Mirpurkhas	-do-	6	0.54
3	District Health Officer, Thatta	-do-	2	3.06
Total				5.15

The matter was reported to the department during July 2013 to September 2013 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.15 Irregular payment of salary to absent doctors - Rs3.03 million

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

During audit of office of the District Health Officer, Hyderabad during the course of audit for the year 2012-13, it was observed that various doctors working under the control of local office were absent from Government duty for about one and half year but monthly salaries paid to them regularly since their absent period till date of audit. No effort had been made by the department to stop the salaries of the absent doctors. Moreover, any explanation/show cause notice was not issued to the absentees. This resulted in an overpayment of Rs3.03 million.

The matter was reported to the department in August 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

13.4.16 Irregular expenditure on repair of building - Rs2.74 million

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

In Sindh Government Lyari General Hospital, Karachi, during audit of accounts for the year 2012-13, it was observed that an expenditure of Rs2.74 million was incurred on repair of building. Following irregularities were noticed:

- i. The detail of work done and the name of contractor were not produced to audit.
- ii. The contractor's bills & ledger, tender files and sanctioned estimates were not produced to audit.
- iii. The expenditure was incurred just to avoid the lapse of budget in June.
- iv. The income tax of Rs164,126 @ 6% was not deducted at source.
- v. The agreement not executed to safeguard the government interests, which also resulted in loss on account of stamp duty of Rs8,206.
- vi. The work order was not issued. The work was awarded to non-professional contractors. The same could be done through XEN, Building Division, Karachi.
- vii. The payee's acknowledgement was also not available on record.
- viii. The measurement book was not produced to audit and the payment was made without proper measurement.
- ix. The evidence of deduction of 10% security deposit of Rs273,544 was not produced to audit.

The matter was reported to the department in July 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

13.4.17 Non-deposit of government money into treasury - Rs305.70 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of accounts record of various offices of Health Department, for the years 2012-13 & 2013-14, it was observed that various government receipts amounting to Rs305.70 million were not credited into treasury in violation of above rule. The details are at Annexure-4 of Chapter-13.

The matter was reported to the department during October 2013 to November 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.18 Non-recovery of Government dues – Rs279.55 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of various offices of Health Department, it was observed that due recoveries amounting to Rs279.55 million were not made from the bills of contractors/salaries of officials. The details are at Annexure-5 of Chapter-13.

The matter was reported to the department during July 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.19 Non-obtaining discount on purchase of medicines – Rs94.09 million

Instructions of Director General, Health Services, Sindh Hyderabad vide letter No.DGHS/AC-Audit/(Misc)/69/2049 dated 28-05-1992, provide that “at least 20 % discount should be allowed to government hospitals and other institutions on purchase of medicines from the suppliers”.

During audit of various offices of Health Department, it was noticed that purchase of medicines was incurred without obtaining 20% discount in violation of above instructions. Thus government sustained loss of Rs94.09 million due to non-obtaining of discount on medicines. The details are at Annexure-6 of Chapter-13.

The matter was reported to the department during July 2013 to November 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.20 Non-imposition of penalty for delayed works - Rs21.50 million

According to clause-2 of the contract agreement, “the quantity of the work is to be done within particular time as specified within the proportionate limit of time, such as 1/4th work in 1/4th of time. In the event of contractor failing to comply with this condition, he shall be liable to pay as compensation an amount equal to one percent, or such smallest amount as the Superintending Engineer (whose decision in writing shall be final) may decide of the said estimated cost of the work remains incomplete; provided that the total amount of compensation to be paid under the provisions of this clause shall not exceed 10% of the estimated cost of the work as shown in the tender”.

During audit of following offices Health Department, during the course of audit for the years 2011-12 & 2013-14, it was observed that due penalty of Rs21.50 million was not imposed on contractors whose works were not completed on the stipulated dates.

(Rupees in million)

Sr. No	Name of Office	Financial year	AIR Para #	Amount
1	Project Director, Rehabilitation DHQ/THQ Hospitals Sindh, Karachi	2011-12	12	3.48
2	Chandka Medical College Hospital, Larkana	2013-14	10	7.44
3	Project Director, Shaheed Mohtarma Benazir Bhutto Accident & Emergency Centre and Ancillary Service Complex, Civil Hospital, Karachi.	2013-14	06	10.58
Total				21.50

The matter was reported to the department during November 2012 to August 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

13.4.21 Short supply of medicines due to non-utilization of budget - Rs14.21 million

According to Rule 3.2 schedule-II(6), Appendix(m) of SLGO, 2001, Government Medical Store at each district are to ensure availability of appropriate quantity of reserves and timely distribution of routine and incidental drugs to all health care facilities.

During audit of following offices of Health Department, Sindh for the year 2012-13, it was observed that the medicine worth Rs14.21 million were not supplied by the E.D.O. Health against the budget allocation.

(Rupees in million)

Sr.#	Name of Office	AIR Para #	Amount
1	Bhittai Hospital, Hyderabad	01	10.13
2	Taluka Hospital, Diplo, Distt., Tharparkar	02	0.32
3	CDF Hospital, Hyderabad	02	3.76
Total			14.21

The matter was reported to the department during July 2013 to October 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

CHAPTER – 14

HOME DEPARTMENT

14.1 Introduction

Home Department plays a pivotal role in devising the policy leading towards the maintenance of law and order and internal security of the province.

The departments attached with the Home Department are;

- (i). Police
- (ii). Civil Defence
- (iii). Prisons

Core functions of the department include:

1. All matters relating to eradication, prevention and control of crime.
2. Administration of justice, constitution and organization of courts, except the high courts, civil courts and special tribunals.
3. Arms, ammunition and military stores.
4. All matters connected with police establishment and administration.
5. Powers and functions as provided for in the Police Order-2002.
6. Civil Defence and air raid precaution.
7. Compensation for loss of property or life due to civil commotion or while on duty.
8. Collective fines.
9. Civil security schemes.
10. Civil armed forces, including the rangers
11. Evidence and oaths.
12. Extraditing and deportation.
13. Enforcement of provision of Provincial Motor Vehicles Ordinance, 1965, and the rules there under relating to control of traffic and inspection and checking of motor vehicles for the purpose of traffic control.
14. Liaison with defence authorities.
15. Matters connected with public order and internal security.
16. Political intelligence and censorship.
17. Public amusement control over places, performances and exhibitions
18. Preventive detention and administration of press laws except regularity of publication of newspapers, periodicals and magazines.

19. Prosecution in respect of newspapers and other publications
20. Registration of foreigners
21. Recovery of missing persons.
22. Smuggling.
23. Daily situation report on crime, political and general situation.

14.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 153 formations (DDOs), out of which 103 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget / Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
42,929.91	3,702.40	46,632.31	43,370.16	3,262.14

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs3,262.15 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
1,117.00	1,177.00	1,173.00	4.00

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs4.00 million was observed.

14.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
18	9	9	50

Audit Reports for the year 2006-07, 2007-08, 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 18 paras were discussed cumulatively in respect of Home Department. The department made compliance of 9 paras and 9 paras were left unattended or compliance not made. The percentage of compliance comes to 50 %.

14.4 AUDIT PARAS

14.4.1 Non-production of record

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of accounts record of the following offices of Home Department, for the financial years 2010-11 to 2013-14, auditable record was not produced to audit for verification.

Sr. #	Name of office	AIR Para #	Year
1	SP, Crime Branch, Hyderabad	4.2.6 Spl. Audit Report	2010-11 to 2012-13
2	SP, SRP, Hyderabad		
3	SSP, Hyderabad		
4	SP, Shaheed Benazirabad		
5	DIGP, Special Branch, Sukkur		
6	SP, Sanghar		
7	DIGP, Mirpurkhas		
8	SP, Mirpurkhas		
9	SP, CID, Mirpurkhas		
10	SSP, Thatta		
11	SP, Investigation-I, East Zone, Karachi	1	2013-14
12	AIG, Security Sindh (SSU), Karachi	3	2013-14
13	SP, Thatta	23	2013-14
14	Police Recruit Training School, Khairpur	6	2012-13

The matter was reported to the department during August 2014 to September 2014, but neither was record produced nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

14.4.2 Un-authorized drawl of pay and allowances – Rs458.67 million

Under rule ‘1’ Appendix 18-A of Sindh Financial Rule Vol-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of various offices of Home Department for the years 2010-11 to 2013-14, it was observed pay and allowances amounting to Rs458.67 million were drawn without observing the necessary formalities rendering the payment doubtful and un-authorized. Details are at Annexure-1 of Chapter-14.

The irregularity was pointed out to the department during February 2014 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for un-authorized payments besides fixing responsibility on the person(s) at fault.

14.4.3 Irregular drawl of salary through manual pay bills – Rs1,347.01 million

According to standing orders of the Government, the salary of all Government employees should be drawn through computerized pay roll in the payee’s account of each official.

During audit of various offices of Home Department for the financial years 2010-11 to 2013-14, it was observed that salaries of officials amounting to Rs1,347.01 million were drawn through manual bills instead of computerized pay roll for a longer period. Details are at Annexure-2 of Chapter-14.

The irregularity was pointed out to the department during January 2014 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires stoppage of payment of salary on manual bills besides fixing responsibility on the person(s) at fault.

14.4.4 Cash payment instead of cross cheques – Rs34.25 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash”.

During audit of following offices of Home Department for the financial years 2010-11 to 2013-14, it was observed that various payments were made in cash instead of cross cheques. Thus, the chances of misappropriation could not be ruled out.

(Rupees in million)

Sr. #	Name of office	Amount
1	Superintendent of Police, Mirpurkhas	0.72
2	Superintendent of Police, Thatta	0.99
3	Superintendent of Police, CID, Mirpurkhas	32.54
Total		34.25

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.2.7)

14.4.5 Un-justified expenditure on security – Rs98.50 million

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

During special audit, “Irregularities in the non-computerized (manual payment) of employees’ salaries of Sindh Police” of for the years 2010-11 to 2012-13, it was observed that office of the SSP, Dadu posted a vast squad of security personnel on security of various MNAs/MPAs, their families and other high ranking police officers and paid out of public money which was irregular and un-justified. Details are as follows:

(Rupees in million)

Sr. #	Description	Amount
1	Posting of 121 policemen with MPAs/MNAs and their families since 2010 on government account	78.41
2	Posting of 31 policemen with police officers on government account	20.09
Total		98.50

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.2.9)

14.4.6 Unauthorized payment of inadmissible allowances - Rs9.02 million

According to rule-88 of Sindh Financial Rules, volume-I, Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit of following offices of Home Department for the financial years 2010-11 to 2013-14, it was observed an amount of Rs9.02 million was paid to the officers/officials on account of inadmissible allowances.

(Rupees in million)

Sr. #	Name of office	AIR Para #	Description	Period	Amount
1	SP, Special Branch, Sukkur	SAR 4.2.1	Un-authorized Allowances	2010-11 to 2012-13	1.10
2	SP, Thatta	13	Ration Allowance	2013-14	0.46
3	SP, Thatta	14	Other Allowance	2013-14	0.16
4	DIG, East Zone, Karachi	13	Various Allowances	2012-13	6.78
5	SP, Umerkot	4	Ration Allowance	2012-13 & 2013-14	0.52
Total					9.02

The irregularity was pointed out to the department during March 2014 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires discontinuation of un-authorized allowances along with recovery of irregular payment besides fixing responsibility on the person(s) at fault.

14.4.7 Un-authorized drawl of funds - Rs26.99 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash”.

During audit of accounts record of various offices of Home Department, for the years 2012-13 & 2013-14, it was observed that an expenditure of Rs26.99 million was incurred from various head of accounts, but the cheques were drawn in the name of DDOs instead of suppliers concerned. Details are as under:

(Rupees in million)

Sr. #	Name of Offices	Year	AIR Para #	Amount
1	SSP Investigation West Range, Karachi	2012-13	3	1.27
2	DSP, SRP, MT & Store, Saeedabad, Karachi	2012-13	3	0.34
3	Superintendent, Central Prisons, Karachi	2012-13	1	1.37
4	SP, SRP, Base-II, Qayoomabad, Karachi	2012-13	3	0.67
5	DIG, SRP, Base-II, Qayoomabad, Karachi	2012-13	3	0.30
6	SP, Thatta	2013-14	17	20.38
7	SSP Mirpurkhas	2013-14	2	0.53
8	SSP Tando Allahyar	2013-14	1	0.22
9	SSP, Tando Muhammad Khan	2013-14	1	1.91
Total				26.99

The irregularity was pointed out to the department during December 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

14.4.8 Non-recovery of outstanding dues – Rs105.15 million

As per Para 28 of General Financial Rules, “no amount due to Government needs to be left outstanding without sufficient reason and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought”.

During audit of various offices of Home Department, for the years 2010-11 to 2013-14, it was observed that an amount of Rs105.15 million was outstanding to various suppliers/ contractors/employees, which was not recovered. Details are at Annexure-3 of Chapter-14.

The irregularity was pointed out to the department during February 2014 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

14.4.9 Irregular expenditure without inviting tender – Rs58.68 million

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

During audit of various offices of Home Department for the financial years 2011-12 to 2013-14, it was observed that an expenditure of Rs58.68 million was incurred on procurement without inviting tender on the Authority’s website and in print media. Details are at Annexure-4 of Chapter-14.

The irregularity was pointed out to the department during December 2013 to October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

14.4.10 Un-authorized retention of government money - Rs3.25 million

As per rule 303 of Central Treasury Rules “a contingent bill for payment to suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of the following offices of Home Department, for the years 2011-12 & 2012-13, it was observed that an expenditure of Rs3.249 million was incurred on account of various head of accounts, but the withdrawn funds were retained in DDO’s account instead of crediting to the account of payee. The details are as below:

(Rupees in million)

Sr. #	Name of offices	AIR Para #	Year	Amount
1	Principal Police Training School, Larkana	1	2012-13	1.64
2	District Prisons Malir, Karachi	4	2011-12	0.93
3	Superintendent Central Prisons, Khairpur	2	2011-12	0.68
Total				3.25

The irregularity was pointed out to the department in April 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

14.4.11 Irregular payment of POL for vehicles not in use by local office – Rs1.54 million

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

During audit of the following offices of Home Department for the year 2012-13, it was observed that an expenditure of Rs1.54 million was incurred on account of POL for the vehicles which were not in use of local office. The details are as follows:

(Rupees in million)

Sr. #	Name of offices	AIR Para #	Amount
1	SP (SRP), Base-II, Qayoomabad, Karachi	6	0.60
2	SP (SRP), Base-II, Qayoomabad, Karachi	4	0.33
3	DIG (SRP), Base-II, Qayoomabad, Karachi	1	0.29
4	Superintendent District Prison, Mirpurkhas	5	0.32
Total			1.54

The irregularity was pointed out to the department during March 2014 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires recovery of POL charges besides fixing responsibility on the person(s) at fault

14.4.12 Irregular expenditure on feeding charges - Rs5.48 million

According to Rule 23 of Sindh Financial Rules Volume-1, as a general rule every payment including repayment of money previously logged with Government for whatever purpose must be supported by the voucher setting forth full and clear particulars of the claim.

During audit of account record of the following offices of Home Department, for the year 2012-13, it was observed that an expenditure of Rs5.48 million was incurred under the head of feeding charges without fulfilling the codal formalities. Following irregularities were also noticed:

- i. There was no list of officials available who performed emergency duties.
- ii. Deployment order was not produced.
- iii. Menu of food items was not prepared.
- iv. Acknowledgement/Receiving of the meal was not available.

(Rupees in million)

Sr. #	Name of offices	Year	AIR Para #	Amount
1	SSP Investigation South Range, Karachi	2012-13	2	0.23
2	SSP Security VVIP-II, Karachi	2012-13	3	0.33
3	DIG East Zone, Karachi	2012-13	11	1.64
4	SSP, Dadu	2012-13	3	0.15
5	SSP, Sukkur	2012-13	3	0.20

Sr. #	Name of offices	Year	AIR Para #	Amount
6	DIG Technical & Transport, Karachi	2012-13	1	0.11
7	DIG Traffic (Licensing & Training) Sindh, Karachi	2012-13	7	0.44
8	SSP, Khairpur	2012-13	10	0.30
9	SSP, Nawabshah	2013-14	2	0.20
10	SP, Tharparkar at Mithi	2013-14	4	1.27
11	SP Special Branch, Sukkur	2013-14	2	0.10
12	SSP, Kamber-Shahdadkot	2013-14	3	0.51
Total				5.48

The irregularity was pointed out to the department during December 2013 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

14.4.13 Irregular expenditure on cost of investigation – Rs21.95 million

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

During audit of various offices of Home Department, for the years 2012-13 & 2013-14, it was observed that payment of Rs21.95 million was made to various investigating police officers on account of cost of investigation, but neither copies of FIR, details of cases, investigating officer’s travelling charges were available on record nor were vouchers of stationery items for investigation purpose found attached with the claim. Details are at Annexure-5 of Chapter-14.

The irregularity was pointed out to the department during March 2014 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

14.4.14 Irregular expenditure on repair of building - Rs23.67 million

As per Rule 88 of Sindh Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money

as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit of following offices of Home Department, for the years 2012-13 & 2013-14, it was observed that an expenditure of Rs23.67 million was incurred on repair of building.

(Rupees in million)

Sr. #	Name of Offices	Year	AIR Para #	Amount
1	DIG, East Zone, Karachi	2012-13	4	3.00
2	DIG, Larkana	2013-14	7	2.50
3	SSP, Khairpur	2013-14	11	0.97
4	SSP, Kamber-Shahdadkot	2013-14	4	1.00
5	SP, Kashmore-Kandhkot	2013-14	3	1.00
6	AIG, Security Sindh (SSU), Karachi	2013-14	2	15.20
Total				23.67

Following shortcomings were noticed:

- i. Contract agreements were not executed with the contractors.
- ii. Tenders were not called.
- iii. Technical Sanctions, Measurement Books, and Estimates were not available on record.
- iv. Bills were passed without measurement by Engineer Incharge.
- v. Repair Works were to be executed by Buildings Division, Works & Services Department, Govt. of Sindh but it was carried out by local office.

The irregularity was pointed out to the department during February 2014 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

14.4.15 Non-adjustment of advances – Rs12.00 million

According to Para 668 of Federal Treasury Rule Volume-I, “advances granted under special orders of the competent authority to officers/officials for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for

whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary”.

During audit of the office of the Inspector General of Prisons Sindh, Hyderabad for the year 2012-13, it was observed that an amount of Rs12.00 million was paid to a retired judge on account of legal aid for prisoners & other victims for welfare of prisoners but adjustment account was not obtained in violation of rule.

The irregularity was pointed out to the department in June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

14.4.16 Irregular Payment of conveyance allowance – Rs5.00 million

As per Para 8 of the office Memorandum of Government of Sindh, Finance Department No.F.D(SR-IV)-1(12)/77 dated 13th May, 1977, “all employees posted at Islamabad, Karachi, Lahore and Hyderabad/Kotri Jamshoro, not residing within their work premises, shall be allowed conveyance allowance or motor cycle/car maintenance allowance”.

During special audit “Irregularities in the non-computerized (manual payment) of employees’ salaries of Sindh Police” of for the years 2010-11 to 2012-13, it was observed that several employees were allowed conveyance allowance of Rs5.00 million by SSP, Thatta who were either on training or on leave.

The matter was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(SAR # 4.2.16)

CHAPTER – 15

INDUSTRIES & COMMERCE DEPARTMENT

15.1 Introduction

The Industries and Commerce Department was created for control and monitoring of industry sector in Sindh Province. The department is responsible for issuance of trade licences, collection of fees, registration of trademarks and ancillary matters. This department is also responsible to monitor and control;

1. All cases relating to Boilers Act, Patents and Design Act, Explosives Act and Companies Ordinance, 1984.
2. Distribution of iron and steel; and also to conduct
3. Industrial researches

The functions of Industries and Commerce Department include:

1. Registration of Joint Stock Companies, Firms and Societies under their respective Ordinances and Acts.
2. Inspection and registration of Boilers under the Boiler Ordinance, 2002 and Rules, 1941 to administer and control the working of Boilers.
3. Conduction examination of Boiler Engineers and Attendants.
4. Purchase of stores for Government Printing Press and Stationery Department.
5. Provide assistance to procurement committees of various provincial Departments.
6. To collect the census of Manufacturing Industries as per instructions of Bureau of Statistics, Government of Pakistan, Islamabad.
7. To collect information from the companies/Industries as and when required by the Federal or Provincial Government.

15.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 12 formations (DDOs), out of which 04 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
1,126.47	172.54	1,299.01	982.33	316.68

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs316.68 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
11.00	7.00	11.00	(4.00)

15.3 Brief comments on the compliance of PAC directives

As no para was included in the previous audit reports, hence requires no comments.

15.4 AUDIT PARAS

15.4.1 Irregular payment without compaction report - Rs16.63 million

According to ASTM (American Society for Testing and Materials) D1557-12 Standard Test Methods for Laboratory Compaction Characteristics of Soil Using Modified Effort, the earth work made with the loose earth ought to be compacted and test should be conducted for such a compaction to measure the degree of compaction required for the work.

During audit of office of the Managing Director, SITE Karachi for the year 2013-14, it was observed that an expenditure Rs16.63 million was incurred on item of work, sub-base course, but compaction report was not found with record of payment produced to audit.

The matter was reported to the department in September 2014. The DAC meeting was held on 04-03-2015. The management informed that lab testing was carried out, which was passed on by the consultant. Audit pointed out that criteria for selection of laboratory and recommendation of consultant need to be produced along with the lab test report. The DAC directed the management to produce record to audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance of directives of the DAC.

(AIR # 1)

15.4.2 Irregular appointment of consultants - Rs3.59 million

As per “Rule 61; Selection of Consultancy Services” of SPPR 2010, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

During audit of office of the Managing Director, SITE, Karachi for the year 2013-14, it was observed that an amount of Rs3.59 million was paid to the M/s RCC Consultants, appointed without open advertisement and recommendation of proper Selection Board.

The matter was reported to the department in September 2014. The DAC meeting was held on 04-03-2015. The management informed that due to shortage of time, the consultant hired for work at Nawabshah at a consultancy fee of 2.5% of total project cost was granted additional consultancy work at SITE Karachi at reduced consultancy fee of 1.36% of the project cost. Audit pointed out that as per SPPR 2010, the repeat order cannot exceed 15% of the original contract cost. The DAC directed the management to produce a revised reply elaborating that no violation of rule had occurred. However, progress was awaited till finalization of this report.

Audit requires compliance of directives of the DAC.

(AIR # 9)

15.4.3 Irregular expenditure without provision in PC-I - Rs8.16 million

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

During audit of office of the Managing Director, SITE, Karachi, for the year 2013-14, it was observed that expenditure of Rs7.09 million was incurred on account of lifting of garbage and Rs1.07 million on account of oil paint under the project, "Re-construction of Roads and allied works at SITE, Karachi; whereas, there was no provision of the same expenditure in the PC-I of the project.

The matter was reported to the department in September 2014. The DAC meeting was held on 04-03-2015. The management clarified that the additional work was carried out with the approval of the committee constituted by Chief Minister Sindh as considerable saving was achieved after tendering process due to lesser bids than the engineer estimate. They added that the total actual cost was within the approved PC-I cost; hence, revision of PC-I was not required. The DAC directed the management to produce record for verification. However, progress was awaited till finalization of this report.

Audit requires compliance of directives of the DAC.

(AIR # 4 & 5)

CHAPTER – 16

INFORMATION & ARCHIVES DEPARTMENT

16.1 Introduction

The department of Information and Archives was created for projection of Sindh Government activities, public relation and relations with Press. The department is also responsible for checking/monitoring the regularity of publication of newspapers, periodicals, magazines and building up working relationship with television/broadcasting networks, including PTV, Private TV Channels and Radio Pakistan for publicity of Government activities in different spheres of social uplift.

16.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 12 formations (DDOs), out of which 04 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget /Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
2188.04	832.25	3020.29	2744.73	275.56

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs275.56 million was observed which was not surrendered in time.

16.3 Brief comments on the compliance of PAC directives

As no para was included in the previous audit reports, hence requires no comments.

16.4 AUDIT PARAS

16.4.1 Un-justified payment to journalists - Rs10.00 million

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

During audit of accounts of the office of the Secretary Information & Archives Department, Government of Sindh for the year 2013-14, it was observed that an amount of Rs10.00 million was paid to journalist without approval from competent authority. Reasons for the payment were also not produced to audit.

The irregularity was pointed out to the department in August 2014. The DAC meeting was held on 03-03-2015. The management informed that payment had been made to Pakistan Federal Union of Journalists (PFUJ) and Karachi Union of Journalists (KUJ) with approval of competent authority. Audit pointed out that detailed record in support of payment including summary initiated in both cases of payment needed to be produced to audit. The management stated that proposal was moved by Information Department or Finance Department and they would request to Finance Department to produce the record. The DAC directed the management to arrange production of record to audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 9)

CHAPTER – 17

IRRIGATION DEPARTMENT

17.1 Introduction

Irrigation Department came into being in 1970 with the dissolution of One Unit. Major tasks performed by the Irrigation Department are operation and maintenance of the irrigation and flood protection system, regulation of flows of River Indus and canal systems, covering Inter- Provincial and Intra-Provincial Systems. Execution of development schemes and mega projects is also one of the major responsibilities. Major objectives and functions of the department are:

- a) Operation and maintenance of the irrigation and flood protection system,
- b) Regulation of flows of River Indus and canal systems, covering Inter Provincial and Intra Provincial Systems.
- c) Execution of development schemes and mega projects
- d) Dealing with the administrative matters, financial matters, Public Accounts Committee's issues irrigation cases, court cases and assembly business etc.
- e) Operation, maintenance, development and management of irrigation network.
- f) Operation, maintenance, development and management of surface drainage system and tube-wells.
- g) Flood control along River Indus and hill torrents.

Major projects at hand are;

Revamping/Rehabilitation of Irrigation and Drainage Systems in Sindh

The main objectives of the project is to improve the operational efficiency of irrigation water ensuring the safety of the canal systems and delivering equitable assured share of water to the farmers at the tails reaches of the canal with adequate drainage cover in the order to boost up the national economy to alleviate the poverty in rural area of Sindh and ensure delivery of drinking water to urban area of the province. Works of the project are in full swing and up to date progress is 55%.

Right Bank Outfall Drain (RBOD)

The project of Right Bank Outfall Drain (RBOD) is under construction from Sehwan to sea. The project is being supported and monitored by 5 Corps Engineers. The project after completion will provide the facility to carry out

the drainage effluent of Sindh and Baluchistan Provinces from Karampur to sea at Gharo Creek. The works of the scheme are in full swing. After completion of this project pollution of Malir Lake will stop.

Lining of Distributaries and Minors

The project costing Rs12,445 million is sanctioned by the Federal Government for 514 numbers, irrigation channels having a discharge carrying capacity of 200 cusecs are to be lined in the perennial and non-perennial canal commanded areas of the Gudu, Sukkur and Kotri Barrages. About 822,876 acres more area is expected to be irrigated by saving 3491 cusecs water after lining of channels. Consultants have been engaged and execution of works has also been commenced.

Works of Chotiari Reservoir under PSDP

Following remaining works of Chotiari Reservoir are under execution through this department:

- i. Construction of 2 fall structures on Nara Canal at RD 335 and 460 re – sectioning of Ranto Canal RD 0 to 72 and strengthening of NIP of Jamrao Canal Mile 17 to 49: Rs1,086 million
- ii. Construction of Makhi Farash Link Canal Project (Chotiari Phase – II): Rs2,037 million
- iii. Installation of 100 tube wells of saline water around Chotiyaroon: Rs192 million
- iv. Recouping deficiencies along Chotiari Reservoir: Rs305 million

After the execution of above schemes the Chotiari Reservoir will be filled up to required capacity and its benefits will be accrued by providing additional water to 324,000 acres of land in districts Sanghar and Umerkot through construction of Makhi Farash Link Canal including remodelling of off taking canals from Nara Canal at Farash Regulator.

17.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 197 formations (DDOs), out of which 69 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
21,098.42	8,180.07	30,278.50	35,357.19	(5,078.69)

The department was unable to control the expenditure as per allocated budget, as a result, excess expenditure of Rs5, 078.69 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
600.00	291.00	188.00	103.00

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs103.00 million was observed.

17.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
31	18	13	58

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 58% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

17.4 AUDIT PARAS

17.4.1 Irregular award of work in excess of PC-I cost - Rs78.95 million

The PC-I cost of the procurement for of the Revamping/Rehabilitation of Irrigation & Drainage Systems in Sindh was prescribed.

During audit of the office of Secretary Irrigation Department, Government of Sindh, for the year 2012-13, it was revealed that under the Project of Revamping/Rehabilitation of Irrigation & Drainage Systems in Sindh (Store Division), tenders on account of purchase of various items worth Rs78.95 million was awarded to the single bidder in each case who were unregistered firms. The cost of tender was over and above the PC-I cost. Details are as under:

(Rupees in million)

Sr. #	Contractor	AIR Para #	Particulars	PC-I Cost	Excess Amount
1	M/s KZK Industrial	1	35 Tons Truck Mounted Telescope Crane	4,100,000	49.20
2	M/s AJS Enterprises	3	Laptop & Printers 10 Nos	60,000 Each	3.75
3	M/s KZK Industrial	5	Mobile Workshop2 Nos	6,000,000	26.00
Total					78.95

The irregularity was pointed out to the Department in January 2014. The DAC meeting was held on 02-02-2015. The DAC directed the management to produce record to Audit to verify that due diligence has been exercised in evaluation of the single bid; and record relating to registration of the firm may also be produced to Audit for verification. As regards the issue of PC-I, the DAC directed the management to get the PC-I revised and produce to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

17.4.2 Mis-reporting to NAB authorities regarding civil works - Rs52.42 million

As per Bureau letter No.195-(14) A&P/NAB/2008 dated 13th February 2012 National Accountability Bureau, all departments of Provincial and Local Government are required to furnish to NAB a copy of any agreement, contract, undertaking entered into and auction, bidding, planned to be conducted of the minimum monetary

value of fifty million (50 million) rupees or more with the fastest available means of communication.”

During audit of office of the Executive Engineer, Tube Well Division No.1, Hala for the year 2013-14, it was observed that the management awarded a work order (bearing No.SKP/TWD-I Hala/299 dated 06-02-2014) costing Rs52.42 million to a firm, M/s Khalid Masood Channa, Shaheed Benazirabad. Upon query from the Project Director SCARP Shaheed Benazirabad regarding information to be provided to the NAB for the contract valuing above Rs50.00 million, the concerned Executive Engineer wrongly informed through a letter dated 05-06-2014 that no contract had been awarded valuing more than Rs50.00 million; whereas, above contractor was working at that time and the running bill for Rs6.81 million was in process of payment in the same office.

The irregularity was pointed out to the Department in July 2014. The DAC meeting was held on 02-02-2015. The management clarified that Rs52.415 million was the cost of four different works; however, they could not produce evidence in this regard before DAC. Audit pointed out that a single work order dated 06-02-2014, as indicated in the audit observation, had been issued. The DAC decided to constitute a departmental fact finding committee to ascertain the factual position and fixing responsibility on the person(s), if found at fault. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 11)

17.4.3 Non-production of record - Rs435.40 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various offices of Irrigation Department, Government of Sindh for the years 2012-13 & 2013-14, it was noticed that auditable record of Rs435.40 million was not produced to audit. Details are at Annexure-1 of Chapter-17.

The matter was pointed out to the Department in April 2014 to November 2014. The DAC meeting was held on 02-02-2015. The management clarified that all the record was available and can be produced to Audit for verification as and when required. The DAC directed the management to produce record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

17.4.4 Unjustified left over works by contractor - Rs735.13 million

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

During audit of Secretary Irrigation Department Government of Sindh for the year 2012-13, it was revealed that under Project “Revamping/Rehabilitation of Irrigation & Drainage Systems in Sindh” that works amounting Rs735.13 million were abandoned/left over by the contractors. Audit was of the view that neither these works were re-awarded nor action was taken against defaulting contractors as per clause-3 of contract agreement. Furthermore, security deposit/call deposit was neither forfeited nor contractors have been blacklisted.

The irregularity was pointed out to the Department in January 2014. The DAC meeting was held on 02-02-2015. The management clarified that all works were currently going-on except some works, whose payment could not be made due to shortage of funds. The DAC directed the management to furnish a revised reply to Audit elaborating present status of all the works pointed out in the audit observation for verification. Further, it was informed by the management that the same Para is already printed in Audit Report 2011-12 as Para 16.4.5. The DAC decided that Audit may review the Para to avoid duplication. Upon review, it was found that Para 16.4.5 of Audit Report 2011-12 pertain to the leftover works costing Rs492.92 million;

whereas, the current observation pertained to the works costing Rs735.13 million. Moreover, the revised reply as per directive of DAC required to be furnished by the management was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 4)

17.4.5 Unjustified payment for consultancy services - Rs53.80 million

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

During audit of office of the Secretary Irrigation Department, Government of Sindh for the year 2012-13, it was revealed under Revamping and Rehabilitation Project, an amount of Rs53.80 million was paid to a consultant on account of consultancy services without observing PC-I cost. Following shortcomings were noticed:

- (i) Consultancy was paid 5% instead of 1% as per PC-1 provision.
- (ii) Cost was revised but contract agreement was not revised.
- (iii) Stamp duty was not recovered.
- (iv) Appointment of working staff was made by the consultant and payment was made under the project without obtaining codal formalities.

The irregularity was pointed out to the Department in January 2014. The DAC meeting was held on 02-02-2015. The management clarified that the payment to contractor had been made as per clauses and rates provided in the agreement with the consultant as the consultancy rates were quoted in lump sum, but not 1% of the cost. They added that appointment of working staff was made by the consultant as per relevant clause of the agreement. They further added that adhesive stamp had been pasted on the agreement and the same agreement had been enhanced due to additional work. The DAC directed the management to produce relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 8)

17.4.6 Non-adjustment of advance payment - Rs19.45 million

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

During audit of various offices of Irrigation Department, Government of Sindh for the years 2012-13 and 2013-14 it was observed that advance payments of Rs19.45 million were made to various divisions/suppliers on account of miscellaneous works, but the adjustment accounts were not obtained. Details are at Annexure-2 of Chapter-17.

The irregularity was pointed out to the Department during December 2013 to November 2014. The DAC meeting was held on 02-02-2015. The management clarified that out of 10 offices, 4 offices had adjusted the advance which can be verified by Audit. They added that in 3 offices efforts were being made to adjust the advances, while in case of remaining 3 offices the amount was against the deceased persons, therefore, write off was required, which had been moved to Finance Department. The DAC directed the management to produce record of adjusted advances to Audit for verification and to take steps for clearance of outstanding advances. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

17.4.7 Un-authorized payment of income tax to contractor - Rs1.39 million

As per rule all types of fees collect on behalf of Government must be realized and deposit the same to treasury through challans. And Rule-77 (I) of Central Treasury Rules states that a simple Cash Book should be kept in Department for recording in separate columns, all money received by Government and subsequent disbursement.

During audit of office of Secretary Irrigation for the year 2012-13, it was revealed that under revamping and rehabilitation Project amount of Rs1.39 million was paid to contractor on account of income tax instead of credit into Government treasury.

The irregularity was pointed out to the Department in January 2014. The DAC meeting was held on 02-02-2015. The DAC directed the management to furnish reply along with record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 2)

17.4.8 Splitting of work order to avoid tendering - Rs242.20 million

As per Rule 12 “Limitation on Splitting or Regrouping of Proposed Procurement” of Sindh Public Procurement Rules, 2009 “(1) Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11, all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan”.

During audit of various offices of Irrigation Department, Government of Sindh for the year 2012-13, it was revealed that an expenditure of Rs242.20 million was incurred on works awarded to various contractors by way of splitting up purchase orders to avoid sanction of competent authority and calling of tender. The details are at Annexure-3 of Chapter-17.

The department was deprived from competitive rates, due to non-calling of tenders through authority’s website or print media. The above lapse on the part of the management indicates conscious and wilful negligence with weak financial discipline.

The irregularity was pointed out to the Department in November 2013 to January 2014. The DAC meeting was held on 02-02-2015. The management clarified that no split up of work had occurred as the works were of different nature, awarded at different sites and on different dates. They further added that all the codal formalities had been observed. The DAC directed the management to produce the relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

17.4.9 Irregular refund of security deposit - Rs3.25 million

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

During audit of Executive Engineer Kandh Kot Division Kashmore, for the year 2012-13, it was observed that security deposit amounting Rs3.25 million was refunded to the contractor. Following observations were noticed.

- (i) The signature of XEN on the Hand Receipt NO. 01 Dated 28-09-12 was looking fake as signature of XEN on bill and in cashbook were different and did not tally.
- (ii) The entry was signed by the two XENs, the bill was signed by an XEN and the cashbook was signed by another XEN on same date, i.e., 28-09-2012.

The irregularity was pointed out to the Department in December 2013. The DAC meeting was held on 02-02-2015. The DAC directed the management to furnish revised reply of the Para along with supporting documents to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 9)

17.4.10 Irregular expenditure on land acquisition – Rs9.70 million

According to Para 110 (iii) of Sindh Financial Rules volume-I, states that “the office who settles the price should draw up Form-A appendix 5 prescribe for use in the case of an award and this should be made on the basis of subsequent payment”.

During audit of various offices of Irrigation Department for the year 2013-14, it was observed that an amount of Rs9.70 million was paid to Land Acquisition Officer for acquiring land under Land Acquisition Act 1894, but the Land Award Statement and disbursement account were not produced to ascertain the authority of payment. Details are as follows:

(Rupees in million)				
Sr. #	Name of Party	Year	AIR Para #	Amount
1	Executive Engineer, Drainage Division, Khairpur	2012-13	09	1.00
2	Executive Engineer, RBOD –II Division, Hyderabad	2013-14	09	8.70
Total				9.70

The matter was reported to the Department in December 2013 and November 2014. The DAC meeting was held on 02-02-2015. The DAC directed the management of both offices (Drainage Division, Khairpur and RBOD-II Division, Hyderabad) to furnish reply of the Para along with supporting record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

17.4.11 Irregular expenditure on account of hiring charges – Rs78.48 million

According to Rule 12 (1) of SPPRA 2010, “Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11 above, all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan;”

During audit of various offices of Irrigation Department, Government of Sindh, for the year 2012-13 and 2013-14, it was observed that an expenditure of Rs78.48 million was incurred on account of hire charges of various vehicles without observing following codal formalities. The details of offices are at Annexure-4 of Chapter-17.

- i. The works were split up into pieces to avoid calling of tenders and obtaining sanction of the higher authority in contravention of Clause-11 (1) of Sindh Public Procurement Rules, 2010.
- ii. Consolidated estimates were not prepared and got sanctioned by the competent authority before incurring expenditure.
- iii. Log book and petrol/diesel consumption account was not maintained to verify for what purpose vehicles were hired.
- iv. NIT was not hoisted.
- v. M.B. was not available.

The matter was reported to the Department during December 2013 to November 2014. The DAC meeting was held on 02-02-2015. The DAC directed the management of the offices at S. No.1, 2 and 3 of the annexure to this Para to furnish revised reply of the Para. The DAC also directed management of all 12 offices as indicated in the Annexure of this Para to produce record to Audit for verification of the reply. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

17.4.12 Non-recovery of government dues – Rs284.14 million

According to Rule-28 of G.F.R. Vol-I, no amount due to government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

During audit of various offices of Irrigation Department, Government of Sindh for the years 2012-13 and 2013-14 it was observed that an amount of Rs284.14 million was not recovered from various contractors/suppliers. This resulted into non-realization of Government dues. The details are at Annexure-5 of Chapter-17.

The irregularity was pointed out to the Department in November 2013 to November 2014. The DAC meeting was held on 02-02-2015. The DAC directed the management to produce record in support of reply to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

17.4.13 Excess payment to the contractors - Rs25.20 million

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

During audit of following offices of Irrigation Department, Government of Sindh, it was observed that payment was made to contractors by allowing higher rate than scheduled rate which resulted in loss to the government. Details are as follows:

(Rupees in million)

Sr. #	Name of Party	Particulars	Year	AIR Para #	Amount
1	PD Lining of Distributaries & Minors in Sindh, Hyderabad	Excess payment on earth work excavation	2012-13	6	24.89
2	XEN Northern Dadu Drainage Division, Larkana	Excess payment on supply of gunny bags	2013-14	3	0.31
Total					25.20

The matter was reported to the department in February and September 2014. The DAC meeting was held on 02-02-2015. The DAC directed the management to furnish revised reply of the Para along with supporting documents to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

17.4.14 Non-billing of fish farms - Rs7.58 million

According to Rule-28 of G.F.R. Vol-I, no amount due to government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment must be sought.

During audit of the Executive Engineer, Sakro Division, Mirpur Sakro, Thatta for the year 2012-13, it was observed that there were many fish farms within the jurisdiction of Sakro Division but the bill of water charges were not issued to the owners, which resulted in non-recovery of water charges.

Irregularity was pointed out to department in September 2013. The DAC meeting was held on 02-02-2015. The management clarified that recovery on account of fish ponds is made by Revenue Department. The DAC directed to management to furnish revised reply containing status of recovery by Revenue Department to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 4)

17.4.15 Non-crediting of lapsable deposits into government account - Rs366.26 million

According to Para-399 (iii) of Central Public Works Account Code, "The unclaimed balances of Public Works Deposits for more than three complete account years should be credited to Government as lapsed deposit."

During audit of various offices of Irrigation Department, Government of Sindh for the year 2013-14, it was observed that lapsable deposits of Rs366.26 million as per Form-78 of June 2014 was lying in Public Works Deposits since long which were required to be credited into government account being unclaimed balances. The details are at Annexure-6 of Chapter-17.

The irregularity was pointed out to the department in September 2013 to November 2014. The DAC meeting was held on 02-02-2015. Majority of the offices listed in the Annexure contended that no lapsable deposit had been retained by them. The DAC directed the management to produce the relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

CHAPTER –18 LABOUR & HUMAN RESOURCES DEPARTMENT

18.1 Introduction

The Labour & Human Resources Department consists of following attached department.

- i. Labour Department headed by Secretary Labour
- ii. Labour Appellate Tribunal headed by Chairman
- iii. Minimum Wages Board headed by Chairman
- iv. Manpower & Training Department headed by Director
- v. Sindh Employees Social Security Institutions headed by Commissioner
- vi. Inspectorate of Mines headed by Chief Inspector

The main role of the Department is:

1. All matters relating to labour in general, including
 - a. Welfare and conditions of labour (including mine labour)
 - b. Labour Laws;
 - c. Labour Courts; and
 - d. Social Security.
2. Employment Exchanges (Provincial Liabilities only)
3. Minimum Wages Board.
4. Rehabilitation and employment of demobilized personnel.

18.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 80 formations (DDOs), out of which 41 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
991.09	19.34	1,010.44	826.38	184.05

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs184.05 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
47.29	8.27	5.46	2.81

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs2.81 million was observed.

18.3 Brief comments on the compliance of PAC directives

No paras were issued in previous audit reports in respect of Labour & Human Resource Department.

18.4 AUDIT PARAS

18.4.1 Non-production of Record - Rs17.63 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

Office of the Director Labour Department (HQ), Karachi did not produce auditable record of Rs17.63 million for the years 2011-12 & 2012-13 as detailed below:

(Rupees in million)			
Sr. #	Record not produced	AIR Para #	Amount
1	Vouchers	05	0.55
2	Copies of Cheque	10	13.85
3	a) C02850-Receipt b) C02852-Registration and other fees c) C03545-Fees under Partnership act d) Fees from shops, Fines etc., e) C03808-Receipt f) C03903-Surcharge & Royalties	32	-
4	Pay bills	33	1.14
5	a) Pay bills b) Period wise details of staff c) Last pay certificates, personal files and other relevant record	34	2.09
Total			17.63

The matter was reported to the department in June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

18.4.2 Manual payment through DDO account - Rs2.96 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers, etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash”.

During audit of office of the Director Labour Department (HQ) Karachi for the years 2011-12 & 2012-13, it was observed that various payments of Rs2.96 million were made through DDO account instead of crossed cheques to payees. Counter folios of cheques were also not produced to audit.

The matter was reported to the department in June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 9)

CHAPTER –19

LAW & PARLIAMENTARY AFFAIRS & HUMAN RIGHTS DEPARTMENT

19.1 Introduction

The main role of the Law & Parliamentary Affairs & Human Rights Department is:

1. To monitor and control the activities of legal system of the province
2. Provide infrastructure for the courts and other law department functions
3. To charge expenditure of the legal framework in government of Sindh Budget.
4. Advice to department in all legal matters, including interpretations of laws, including rules and orders having enforced in law.
5. Appointment of Administrator General, Official Trustee, and Official Assignee.
6. To prepare civil law, procedures and constitutional legislations.

19.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 90 formations (DDOs), out of which 41 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
5,232.23	2,336.90	7,569.13	6,223.21	1,345.92

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs1,345.92 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
1,596.00	1,377.00	1,342.00	35.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs35.00 million was observed.

19.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
14	3	11	21

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 21% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

19.4 AUDIT PARAS

19.4.1 Non-production of record - Rs32.80 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the office of the Secretary, Law & Parliamentary Affairs & Human Rights Department, Karachi for the years 2011-12 & 2012-13, it was observed that an expenditure of Rs32.80 million was incurred on account of purchase of physical assets under an scheme, viz., Establishment of Automation Centre, but the relevant record about procurement and accounting for the procured assets were not produced to audit.

The irregularity was pointed out to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

19.4.2 Irregular expenditure through pre-receipt bills - Rs10.16 million

As per letter No.B-I/7-1/98-99, dated 13th July 1998 and letter No.FD/B&E-1/4-1/88/2006(P), dated 30-10-2006 and 26-04-2007 issued by Finance Department, Government of Sindh, no advance would be drawn on abstract bill without prior approval of Finance Department.

During audit of following offices of Law & Parliamentary Affairs & Human Rights Department, it was observed that an amount of Rs10.16 million was incurred

on account of purchase of vehicle on pre-receipt bill without the approval/permission of Finance Department. Details are as follows:

(Rupees in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	Director, Human Rights, Karachi	2008-09 to 2012-13	5	3.12
2	Secretary, Law & Parliamentary Affairs & Human Rights Department, Karachi	2004-05 to 2012-13	3	7.04
			Total	10.16

The matter was pointed out to the department in February & June 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

19.4.3 Payment through DDO account - Rs2.17 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of the office of the District and Session Court, Sukkur, for the year 1999-2000 to 2012-13, it was observed that an expenditure of Rs2.17 million was incurred on account of purchase of various items from suppliers, but the payments were made through DDO account instead of payment through crossed cheques to actual payees.

The irregularity was pointed out to the department in May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 12)

19.4.4 Un-justified expenditure on purchase of Software - Rs126.54 million

Rule-113 and 114 of Sindh Financial Rules, volume-I, state that “All materials received should be examined, counted, measured or weighed, as the case may be, when delivery is taken and when materials are issued from stock the incharge of the store should see that proper indent has been made by authorized person and record under his dated initial the description and quantity of material issued.”

During audit of the office of the Secretary, Law & Parliamentary Affairs & Human Rights Department, Karachi, for the years 2004-05 to 2012-13, it was observed that an amount of Rs126.54 million was incurred in Scheme Namely Establishment of Automation centre on account of purchase of Software from a firm, M/s SISTECH but the purchases were made without detailed description of brand or company, audit could not ascertain that what type of software was purchased/installed.

The irregularity was pointed out to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

19.4.5 Unjustified increase of 200% in Basic pay - Rs15.02 million

Rule 100 of Sindh Budget Manual read with clause 7 of Finance Division’s letter No.FD/B&E-II/1-1(4)/2004-05 dated 5th July 2004, all administrative departments/DDOs should reconcile departmental actual expenditure with Accountant General/District Accounts Office concerned on monthly basis to know any misclassification, error, shortage or excess.

During audit of the office of the Secretary Law & Parliamentary Affairs & Human Rights Department, Karachi, for the year 2004-05 to 2012-13, it was observed that unjustified expenditure of Rs15.02 million was incurred on account of basic pay of officers/other staff, which was about 200% increase in few months. Details are as follows:

(Rupees in million)

Sr. #	Particular	AIR Para #	Amount
1	Basic Pay of officers	10	4.18
2	Pay of other Staff	08	10.84
Total			15.02

The irregularity was pointed out to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

19.4.6 Unjustified expenditure on Additional Pay/Allowance - Rs9.80 million

Rule 100 of Sindh Budget Manual read with clause-7 of Finance Division's letter No.FD/B&E-II/1-1(4)/2004-05 dated 5th July 2004, all administrative departments/DDOs should reconciled departmental actual expenditure with Accountant General/District Accounts Office concerned on monthly basis to know any misclassification, error, shortage or excess.

During audit of the office of the Secretary, Law & Parliamentary Affairs & Human Rights Department, Karachi, for the years 2004-05 to 2012-13, it was observed that an amount of Rs9.80 million was incurred on account of Additional Pay/Allowance in financial statement within single month which was unjustified. The management did not produce relevant record to Audit for scrutiny.

The irregularity was pointed out to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 11)

19.4.7 Expenditure without inviting tenders - Rs21.33 million

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over one hundred thousand rupees and up to one million rupees shall be

advertised by timely notification on the Authority’s websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit of the following offices of Law & Parliamentary Affairs & Human Rights Department, for the years 2008-09 to 2012-13, it was observed that an expenditure of Rs21.33 million was incurred on procurement but the tenders were not called for. Further, no purchase committee was formed for this purpose. The details are as under:

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particular	Amount
1	Director, Human Rights, Karachi	1	Furniture	2.60
2	District & Session Judge, Naushahro Feroze	1	-do-	0.25
3	Secretary, Law & Parliamentary Affairs & Human Rights Department, Karachi	4	-do-	5.81
4	Advocate General Sindh, Karachi	3	Other	6.29
5	District & Session Judge, Sukkur	8	-do-	0.87
6	District Public Prosecutor, TM Khan	1	-do-	0.13
7	Director Human Rights, Karachi	4 & 9	-do-	5.38
			Total	21.33

The irregularity was pointed out to the department during February 2014 to June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

CHAPTER – 20
LIVESTOCK AND FISHERIES DEPARTMENT

20.1 Introduction

The main role of the Livestock & Fisheries Department is:

1. Collection and compilation of Livestock statistics.
2. Improvement of the livestock including poultry and introduction of new breeds.
3. Livestock farms.
4. Prevention of animal diseases.
5. Prevention of cruelty to animals.
6. Veterinary.
7. Fisheries.

20.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 90 formations (DDOs), out of which 41 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget /Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
5,211.89	151.48	5,363.38	2,935.23	2,428.14

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs2,428.14 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
31.00	22.00	21.00	1.00

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs1.00 million was observed.

20.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
14	3	11	21

Audit Reports for the Financial Years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 21% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

20.4 AUDIT PARAS

20.4.1 Non-production of record – Rs1.37 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of following offices of Livestock & Fisheries Department for the years 2012-13 and 2013-14, the auditable record of Rs1.37 million was not produced to audit. Details are as under:

(Rupees in million)

Sr. #	Name office	AIR Para #	Particulars	Year	Amount
1	Deputy Director, Livestock, Tando Muhammad Khan	2	Service books	2012-13	-
2	Director, Poultry Production, Karachi	2	Various record	2013-14	1.37
3	Deputy Project Director, Poultry Production, Hyderabad	3	Various record	2013-14	-
Total					1.37

The matter was reported to the department in September 2013 to November, 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.2 Irregular payment to employee instead of payees - Rs1.09 million

As per Rule-303 of Central Treasury Rules, “Contingent bill for payment to suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments

to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash”.

During audit of the office of Superintendent Live Stock Development & Research Form for Kundi Buffaloes, Rohri for the financial year 2013-14, it was observed that an amount Rs1.09 million was irregularly drawn in the name of a clerk instead of the actual payees. Moreover, the record of disbursement to the actual payees was not produced to audit.

The matter was reported to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.3 Non-transparent award of works - Rs 3,366.42 million

Rule 23 of General Financial Rule provides that every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it needs to be shown that he contributed to the loss by his own action or negligence.

Rule 4 of SPPR 2010 provides that while procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

During audit of the office of the Secretary, Live Stock & Fisheries, Karachi for the year 2011-12, it was observed that the works costing Rs3,366.42 million were awarded to different contractors. Audit noticed following irregularities:

(Rupees in million)			
Sr. #	Irregularities	AIR Para #	Amount
1	Advance payment of Rs514.00 million was made to contractor without obtaining bank guarantee; whereas, the work was not started.	1 & 3	1,255.31

2	Audit observed that only three firms had been participating in all the tenders for works. The record about profile of those firms participating in the tender was not produced to audit. The possibility of pooling by the firms to secure the tenders could not be ruled out.	2	1,977.45
3	i. Advance payment was made to the contractor without Bank Guaranty. ii. The record relating to the execution of the work was not produced to audit.	06	133.66
Total			3,366.42

The matter was reported to the department in September 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1, 2, 3 & 6)

20.4.4 Doubtful payments on constructions work - Rs117.54 million

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

In the office of the Secretary, Live Stock & Fisheries, Karachi, advance payments of Rs41.53 million and Rs76.01 million were made during financial year 2011-12 to a contractor, M/s M. Ayub & Company for construction of Sewerage Treatment Plant and boundary wall. Audit observed reports in print media that no work for construction of Sewerage Treatment Plant or boundary wall had been carried out by any contractor. Audit requisitioned the relevant record from the management but the same were not produced.

The matter was reported to the department in September 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5 & 7)

20.4.5 Doubtful payment of survey charges - Rs38.40 million

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

During audit of accounts record of the office of the Secretary Live Stock & Fisheries Karachi for the year 2011-12, it was observed that payment of Rs38.40 million was made on account of survey to a firm, M/s Zaheer-uddin Consultants. It was observed that no work was executed by contractor to whom payment was made and local print media also highlighted the same issue.

The irregularity was pointed out to the department in September 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 8)

20.4.6 Expenditure without inviting tenders - Rs13.02 million

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

During audit of accounts of the following offices of Livestock and Fisheries Department, it was observed that an expenditure of Rs13.02 million was incurred, but the tenders were not called for.

(Rupees in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Deputy Director, Animal Husbandry, Sukkur	2012-13	8	Purchase of Medicine	3.67
2	Sup. Govt. Farm, Nabisar, Umerkot	2012-13	2	Cost of Other Store	3.18
3	Director Fisheries R&D, Karachi	2013-14	9	-	5.23
4	Director Central Veterinary Diagnosis Laboratory Tando Jam, Hyderabad	2013-14	2	Machinery	0.94
Total					13.02

The irregularity was pointed out to the department during September 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.7 Issuance of open cheque instead of crossed cheque - Rs5.93 million

As per Rule-303 of Central Treasury Rules, "Contingent bill for payment to suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash".

During audit of accounts record of the office of Dy. Director, Animal Husbandry, Naushahro Feroze for the Financial Year 2012-13, it was observed that an amount of Rs5.93 million was paid by issuing open cheques instead of cross cheques.

The irregularity was pointed out to the department in November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

20.4.8 Irregular drawl by DDO instead of actual payee - Rs3.64 million

As per Rule-303 of Central Treasury Rules, “Contingent bill for payment to suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of following offices of Livestock & Fisheries Department for the Financial Year 2012-13, it was observed that an expenditure of Rs3.64 million was incurred on account of various heads but the payment was made through DDO instead of crossed cheque in the name of actual payee.

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Amount
1	Dy. Director Poultry, Nawabshah	4	0.45
2	Dy. Director Animal Husbandry, Kashmore	2	1.12
3	Dy. Director Livestock, Umerkot	4	1.82
4	Dy. Director Fisheries, Matiari	2	0.25
Total			3.64

The irregularity was pointed out to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.9 Non-deduction of sales tax - Rs2.41 million

As per Section 3(1) of the Sales Tax Act, 1990 “There shall be charged, levied and paid a tax known as sales tax @ 16% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”. Further Section 3(1A) ibid “Taxable supplies are made by a person other than a registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3(1).

During audit of the following offices of Livestock and Fisheries Department, it was observed that sales tax was not deducted causing loss to government of Rs2.41 million, as detailed below:-

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Deputy Director Fisheries, Matiari	2012-13	3	0.13
2	Deputy Director Animal Husbandry, Dadu	2012-13	4	1.65
3	Deputy Director Animal Husbandry, Matiari	2012-13	2	0.49
4	Director Fisheries R&D, Karachi	2013-14	11	0.14
Total				2.41

The irregularity was pointed out to the department during September 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.10 Non-realization of annual registration/license and renewal fee - Rs2.96 million

As per Sindh Livestock & Fisheries Department Letter No.SO(fish)19(23)/L&F/2007 Dated 27-09-2007 for introducing the issuance of licenses for fishing in all public water area and also read Para-28 of GFR, Volume-I, "No amount due to government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable; the order of the competent authority for its adjustment must be obtained."

During audit of the following offices of the Livestock and Fisheries Department for the year 2012-13, it was observed that annual registration/license and renewal fees of Rs2.96 million was not realized. The details are as under:

(Rupees in million)

Sr.#	Name of Office	AIR Para #	Amount
1	Deputy Director Fisheries, Thatta	01	0.33
2	Deputy Director Fisheries, Thatta	02	2.09
3	Deputy Director Fisheries, Sanghar	02	0.54
Total			2.96

The irregularity was pointed out to the department in November 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.11 Splitting of expenditure to avoid tender – Rs1.94 million

According to Rule 12 (1) of SPPRA 2010, Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11 above, all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan.

During audit of the following offices of Livestock and Fisheries Department, it was observed that expenditure of Rs1.94 million on purchase was incurred by splitting up purchase orders as detailed below:

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Head of Account	Amount
1	Dy. Director, Livestock (Production), Jamshoro	2012-13	3	Cost of other store	0.30
2	Dy. Director, Animal Husbandry, Sukkur	2012-13	2	Purchase of medicine	0.72
3	Dy. Director, Animal Husbandry, Matiari	2012-13	4	Purchase of medicine	0.19
4	Dy. Director, Fisheries, Thatta	2012-13	13	Purchase of Fish Meal	0.58
5	Dy. Project Director, Poultry Production, Hyderabad	2013-14	10	Cost of other store	0.15
Total					1.94

The irregularity was pointed out to the department during November 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.12 Non-recovery of Animal Treatment/Vaccination Fee - Rs1.66 million

According to notification issued by the Govt. of Sindh, No.SO(AH)/L&F/9(3-II)AH Dated 22-02-1999 “The cost of service provided in Govt.

Hospitals/Dispensaries/Animal Health Extension Centres throughout the province will be recovered and deposited in Govt. Treasury with immediate effect”.

During audit of the following offices of Livestock & Fisheries Department, it was observed that an amount of Rs1.66 million on account of government fee for providing treatment and preventive vaccination was not deposited into proper head of the government account.

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Dy. Director Animal Husbandry, Sukkur	2012-13	13	1.50
2	Dy. Director Animal Husbandry, Thatta	2013-14	04	0.16
Total				1.66

The irregularity was pointed out to the department in January 2014 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.13 Excess consumption of POL over and above the ceiling - Rs1.49 million

As per Government of Sindh Notification No.FD-B1/16(15)/99-2000(POL), POL ceiling for officers of Government the maximum limit of the officer of head of attached department is 180 litres per month.

During audit of following offices of the Livestock and Fisheries Department, Sindh, it was observed that an expenditure of Rs1.49 was incurred for purchase of POL over and above the ceiling.

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Dy. Director Livestock, Shikarpur	2012-13	2	0.18
2	Dy. Project Director Poultry Production, Hyderabad	2012-13	1	0.50
3	Incharge Kamori Goat Khudabad Farm, Dadu	2012-13	5	0.20
4	Incharge Kamori Goat Khudabad Farm, Dadu	2013-14	4	0.11
5	Dy. Project Director Poultry Production, Hyderabad	2013-14	7	0.50
Total				1.49

The irregularity was pointed out to the department during November 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

20.4.14 Mis-classification of expenditure – Rs18.44 million

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

During audit of the following offices of Livestock and Fisheries Department, it was observed that an amount of Rs18.44 million was misclassified. The details are as follows:

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Head of account charged	Head of account to be charged	Amount
1	Dy. Director, Animal Husbandry, Sukkur	9	2012-13	Others	Printing	0.20
2	Director Fisheries R&D, Karachi	3	2013-14	Various items	-	0.34
3	Director Poultry Production, Karachi	5	2013-14	Cost of other store	Medicine	1.37
4	Director Animal Breeding, Hyderabad	1	2013-14	Cost of other store	Medicine	10.71
5	Superintendent Government Farm Nabisar, Umerkot	5	2013-14	Repair of Mach. & Equipment	-	0.44
6	Project Director Live Stock & Dairy Development, Dadu	1	2013-14	Cost of other store	Medicine	1.74
7	Dy. Project Director Poultry Production, Hyderabad	1	2013-14	Cost of other store	Medicine	3.64
Total						18.44

The irregularity was pointed out to the department during July 2014 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

CHAPTER –21

LOCAL GOVERNMENT, RURAL DEVELOPMENT, PHE & HTP DEPARTMENT

21.1 Introduction

Under the Devolution Plan 2001, the Local Government System was adopted with the aim to provide and improve the civic amenities including water supply, sanitation and infrastructure at the grassroots level. In latest notification of Finance Department of Government of Sindh, the secretary of the department was endowed with the responsibility of other departments, including Rural Development, Public Health Engineering (PHE) and Housing and Town Planning (HTP), hence all these department are controlled by one Principal Accounting Officer.

The department of the Rural Development is responsible for development of rural areas of the province.

PHE Department strives to enhance the quality of life of the people of Sindh by providing Safe Drinking Water in land areas where ground water is contaminated or otherwise unsuitable for drinking purposes and to provide Pollution Free Environment by Executing Sewerage/Drainage Schemes and Construction of Sewage Treatment Plants to meet the Millennium Development Goals (MDGs) for the Sector (Executioner Role).

HTP Department is responsible to facilitate provision of housing inputs including land, finance, building materials through institutional and legal frame-work and develop indigenous and cost effective approaches to implement regional housing policy of the government and provide affordable, cost efficient housing schemes especially for the low income group and families out of the Revolving Fund.

21.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 55 formations (DDOs), out of which 55 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
48,364.70	5,304.93	53,669.63	48,126.94	5,542.69

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs5,542.69 million was observed which was not surrendered in time.

21.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
7	4	3	57

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 57% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

21.4 AUDIT PARAS

21.4.1 Non-adjustment of miscellaneous public work advances - Rs267.28 million

According to Para 360 of Central Public Works Account Code, “Items in the Miscellaneous Public Works Advance accounts are cleared either by actual recovery or by transfer, under proper sanction or authority to some other head of account items or balances which may become irrecoverable should not be transferred until ordered to be written off.”

During audit of the following offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department, it was observed that miscellaneous public works advances amounting to Rs267.28 million were not adjusted till the close of financial year. The details are as under:

(Rupees in million)

Sr. #	Name of Division	Year	AIR Para #	Amount
1	XEN PHE, Nawabshah	2012-13	1	192.50
2	XEN PHE, Mirpurkhas	2012-13	5	7.50
3	XEN PHE, Khairpur-II	2012-13	7	5.40
4	XEN PHE, Jamshoro	2013-14	2	0.34
5	XEN PHE, Shaheed Benazirabad	2013-14	3	7.57
6	XEN PHE, Matiari	2012-13	20	0.94
7	XEN PHE, Sukkur	2013-14	6	4.19
8	XEN PHE, Khairpur	2013-14	6	4.54
9	XEN PHE, Tharparkar at Mithi	2013-14	8	34.84
10	XEN PHE, Jamshoro	2013-14	13	0.10
11	Director Priority Programme, Karachi	2013-14	7	7.95
12	XEN PHE, Naushahro Feroze	2013-14	11	1.41
Total				267.28

The matter was pointed out to the department during January 2014 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

21.4.2 Irregular payment on account of un-laid pipes - Rs54.63 million

As per Para 11 of General Financial Rules, volume-I, “Each head of department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub ordinates disturbing officer”.

During audit of following offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department, for the year 2012-13 & 2013-14, it was observed that an amount of Rs54.63 million was paid to contractors before laying of pipes which indicated un-due favour extended to contractor. Moreover, material at site account was also not prepared. The details are as under:

(Rupees in million)

Sr. #	Name of Divisions	Year	AIR Para #	Amount
1	XEN PHE, Nawabshah	2012-13	3	41.20
2	XEN PHE, Tando Allahyar	2012-13	5	2.71
3	XEN PHE, Naushahro Feroze	2012-13	12	1.38
4	XEN PHE, Shikarpur	2013-14	5	3.09
5	XEN PHE, Larkana	2013-14	9	1.43
7	XEN PHE, Qamber - Shahdadkot	2013-14	3	1.83
8	XEN PHE, Tando Muhammad Khan	2013-14	1	2.99
Total				54.63

The irregularity was pointed out to the department during December 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

21.4.3 Non-production of record– Rs538.52 million

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

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

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

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

During audit of accounts record of following offices of Local Government, PHE, Rural Development, Housing & Town Planning Department, for the year 2012-13 & 2013-14, auditable record amounting to Rs538.52 million was not produced to audit for scrutiny. The details are as under:

(Rupees in million)

Sr. #	Name of Division	Financial Year	AIR Para #	Amount
1	XEN PHE, Umerkot	2012-13	4	109.21
2	XEN PHE, Thatta	2012-13	12	85.73
3	XEN PHE, Matiari	2012-13	3	3.34
4	XEN PHE, Thatta	2012-13	5	2.73
5	XEN PHE, Sukkur	2013-14	7	11.17
6	XEN PHE, Jamshoro	2013-14	1,8	83.01
7	XEN PHE, Naushahro Feroze	2013-14	1	11.65
8	XEN PHE, Mirpurkhas	2013-14	3,30	167.31
9	XEN PHE, Kashmore at Kandhkot	2013-14	5	0.80
10	XEN PHE, Badin	2013-14	1	18.10
		2013-14	6	34.45
		2013-14	7	0.12
		2013-14	8	10.90
			Total	538.52

The matter was pointed out to the department during December 2013 to November 2014, but neither was record produced nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

21.4.4 Irregular award of work without bid evaluation report - Rs217.23 million

Rule 45 of SPPR, 2010 provides that Procuring agencies shall announce the results of bid evaluation in the form of report giving reasons for acceptance or

rejection of bids. The report shall be hoisted on website of the authority and that of the procuring agency if its website exists and intimated to all the bidders at least seven (07) days prior to the award of contract.

During of audit of accounts of the following offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department for the years 2012-13 & 2013-14 payment of Rs217.23 million was made to contractor, but bid evaluation report was not produced to audit. The details are as follows:

(Rupees in million)

Sr. #	Name of Division	Year	AIR Para #	Amount
1	XEN, PHE, Badin	2012-13	4	187.82
2	Director, Priority Program, Karachi	2013-14	2	29.41
Total				217.23

The irregularity was pointed out to the department during January to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

21.4.5 Non-crediting of lapsed deposit – Rs46.58 million

According to Para-399 (iii) of Central Public Works Account Code, “The unclaimed balances of Public Works Deposits for more than three complete account years should be credited to government as lapsed deposit”.

During audit of following offices of Local Government, Public Health Engineering, Rural Development, Housing & Town Planning Department for the years 2012-13 & 2013-14, it was observed that unclaimed deposits of Rs46.58 million were lying with divisions for more than three years but the same were not credited into government treasury. The details are as under:

(Rupees in million)

Sr. #	Name of offices	Financial Year	AIR Para #	Amount
1	XEN PHE, Matiari	2012-13	2	8.41
2	XEN PHE, Thatta	2013-14	6	25.89
3	DG, Lyari Development Authority, Karachi	2013-14	1	4.56

Sr. #	Name of offices	Financial Year	AIR Para #	Amount
4	DG, Lyari Development Authority, Karachi	2013-14	3	1.85
5	PD, SMBB Township in Sindh, Karachi	2013-14	4	2.80
6	DG, Lyari Development Authority, Karachi	2013-14	6	3.07
Total				46.58

The matter was pointed out to the department during July to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires crediting of unclaimed deposits besides fixing responsibility on the person(s) at fault.

21.4.6 Non-recovery of stamp duty - Rs4.37 million

According to Para-22-A of Stamp Act, “it was the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost”.

During audit of accounts of following offices of Local Government, PHE, Rural Development, Housing & Town Planning Department, during the year 2012-13 & 2013-14, it was observed that stamp duty of Rs4.37 million was not recovered from the contractors for affixing of stamps on contract agreement in violation of above rule. The details are as follows:

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Amount
1	XEN PHE, Larkana	2012-13	5	0.68
2	XEN PHE, Tando Allahyar	2012-13	9	0.26
3	XEN PHE, Karachi	2012-13	4	0.24
4	XEN PHE, Khairpur	2012-13	2	0.22
5	XEN PHE, Sukkur	2013-14	5	0.23
6	XEN PHE, Jamshoro	2013-14	4	0.18
7	XEN PHE, Tharparkar at Mithi	2013-14	3	0.48
8	XEN PHE, Larkana	2013-14	4	0.14
9	XEN PHE, Khairpur-II	2013-14	3	0.33
10	XEN PHE, Qamber Shahdadkot	2013-14	4	0.18

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Amount
11	DG Lyari Development Authority, Karachi	2013-14	11	0.12
12	DG Malir Development Authority, Karachi	2013-14	6	0.51
13	XEN PHE, Naushahro Feroze	2013-14	9	0.21
14	PD Housing Project HDA, Hyderabad	2013-14	1	0.59
Total				4.37

The non-recovery was pointed out to the department during December 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

21.4.7 Non-recovery of rent of residential plots - Rs15,371.40 million

According to Rule 41(a) of Sindh Financial Rules, Vol-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of Malir Development Authority, Karachi for the year 2013-14, it was revealed that an amount of Rs15,371.40 million was not recovered from allottees of different towns. Details are as follows:

(Rupees in million)

Total Recovery Summary				
Sr. #	Name of Town	Receivable	Received Amount	Outstanding Amount
1	Taiser Town (Scheme-45)	17,939.30	6,750.84	11,188.46
2	New Malir Housing Project MDA Scheme-1	4,224.29	213.27	4,011.02
3	Shah Latif Town Commercial	472.84	300.92	171.92
Total		22,636.43	7,265.03	15,371.40

The non-recovery was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4)

21.4.8 Non-deposit of call deposit into Bank - Rs1.41 million

According to Para-63 of Central Public Works Accounts Code, "When money is received by a government officer on behalf of government it would at once be brought to account in the Cash Book and a receipt in Form-3 should invariably be granted to the payer.

During audit of office of the Director General Rural Development Department, Hyderabad for the year 2013-14, it was observed that Call Deposits of Rs1.41 million were received from various contractors, but the same were not deposited into government treasury. The call deposits were also not accounted for in the cashbook.

The irregularity was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

CHAPTER –22 MINES & MINERALS DEPARTMENT

22.1 Introduction

The Mines and Minerals Department, Government of the Sindh aims for the development of mineral resources to enhance the exploration, exploitation of mines and mineral resources in a safe and environmentally sound manner in order to support a more productive economy in Pakistan. Pertaining to this mission, Mines and Minerals Department:

- Enhances the contribution made by the mining economic activity to GDP.
- Supports the social uplift programs.
- Expands the employment opportunities.
- Sustains development of minerals bearing areas.
- Expands business opportunities for local industries.
- Increases revenue flow to the Provincial and Federal Government.
- Develops regional infrastructure and an improved data base of Pakistan’s mineral resources.
- Grants and transfers prospecting licenses and mining leases.

22.2 Comments on the Budget and Accounts (Variance Analysis)

It is a newly created Department, consists of only 02 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
567.86	169.07	736.93	613.55	123.38

The department was unable to utilize the funds as per allocated budget, as a result saving of Rs123.38 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
1,475.27	503.55	420.92	82.63

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs82.63 million was observed.

22.3 Brief comments on the compliance of PAC directives

In the Audit Report for the year 2011-12, 8 paras were printed. That report has not been discussed in the Public Accounts Committee (PAC) meeting. No PAC Meeting was held during the year 2013-14.

22.4 AUDIT PARAS

22.4.1 Non-production of record – Rs325.06 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of accounts of the following offices of Mines and Mineral Development Department for the years 2011-12 and 2013-14, auditable record of Rs325.06 million pertaining to non-salary expenditure, lease and auction of royalty, appointment, schemes, registration and log books of vehicles was not produced to audit.

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Amount
1	Director General Mines and Mineral Development Department, Karachi	2011-12	36	19.25
2	Director General Mines and Mineral Development Department, Karachi	2012-13 to 2013-14	1,17, 26	304.70
3	Secretary Mines and Mineral Development Department, Karachi	2013-14	2 & 5	1.11
Total				325.06

The matter was reported to the department during February 2013 and September 2014, but neither was record produced nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

22.4.2 Incomplete procurement of machinery and equipment - Rs32.17 million

Rule 11 of Sindh Public Procurement Rules 2010 provides that all procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer term rolling plan, detailing the procurement methods applicable for specific procurements.

During audit of office of the Secretary Mines and Mineral Development Department, Government of Sindh for the year 2011-12, it was observed that expenditure of Rs32.17 million was incurred in the office of Chief Inspector Mines, Karachi from development scheme for procurement of machinery & equipment, but the same were not complete as per provision in PC-1. Moreover, the procured items were lying un-utilized.

The matter was pointed out to the department in June 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 11)

22.4.3 Irregular payment on pre-receipted bills - Rs4.06 million

As per letter N0.B-I/7-1/98-99, dated 13th July 1998 and letter No.FD/B&E-1/4-1/88/2006(P) dated 30-10-2006 and 26-04-2007, no advance would be drawn on abstract bill without prior approval of Finance Department.

During audit of office of the Secretary Mines and Mineral Development Department, Karachi for the year 2011-12, it was observed that an expenditure of Rs4.06 million was incurred on purchase of vehicles through pre-receipted bills and without approval of Finance Department. Moreover, minutes of purchase committee, delivery challan of vehicles, dead stock register was not produced to audit.

The matter was pointed out to the department in June 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 14)

22.4.4 Payment in cash instead of cross cheque - Rs2.90 million

According to Finance Division (Internal Finance Wing) Letter No.F.3(13)IF–III/82 dated 14.03.1984, payments exceeding Rs500 should be made through crossed cheques.

During audit of following offices of Mines and Mineral Development Department, Government of Sindh, it was observed an amount of Rs2.90 million was paid in cash through open cheque instead of issuing crossed cheques in favour of payees. Moreover, acknowledgements of the payments were not obtained from the payees.

(Rupees in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Director General Mines and Mineral Development Department, Karachi	2012-13	15	2.17
2	Secretary Mines and Mineral Development Department, Karachi	2013-14	3	0.73
			Total	2.90

The matter was pointed out to the department in February 2013 and September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

22.4.5 Un-authorized retention of funds into DDO account - Rs1.08 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of office of the Director General Mines and Mineral Development Department, Karachi for the years 2012-13 & 2013-14, it was observed that expenditure of Rs1.08 million was incurred on account of various heads, but the payment was made to DDO instead of crediting into the concerned payees’ account.

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4)

22.4.6 Non-maintenance of cashbook - Rs194.63 million

As per Rule 77 of Federal Treasury Rules Volume-I, “Every officer receiving money on behalf of the government should maintain a cash book in form T.R.4 and all transaction should be entered in the cash book as soon as they occur and attested by the Drawing & Disbursing Officer, besides as per Financial Rule it is responsibility of Drawing Officer to complete the cash book and all financial transactions should be entered on day to day basis.”

During audit of the Director General Mines and Mineral Development Department, Karachi, for the year 2012-13 and 2013-14, it was observed that an amount of Rs194.63 million-was collected from various districts on account of royalty but cash book was not maintained to record the receipt.

The matter was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 23)

CHAPTER – 23 MINORITIES AFFAIRS DEPARTMENT

23.1 Introduction

The major functions of the department are:

- To safeguard the rights of minorities.
- To promote welfare of minorities.
- Meetings of the Provincial/District Minorities Committee.
- Coordination with the Federal Government on matters relating to welfare of minorities.
- All other matter relating to minorities.

23.2 Comments on the Budget and Accounts (Variance Analysis)

It is a newly created Department, consists of only 02 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2014-15. The accounts for the financial year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
175.61	-	141.19	119.56	21.62

The department was unable to utilize the funds as per allocated budget, as a result saving of Rs21.62 million was observed.

23.3 Brief comments on the compliance of PAC directives

In the Audit Report for the year 2011-12, 8 paras were printed. That report has not been discussed in the Public Accounts Committee (PAC) meeting. No PAC Meeting was held during the year 2013-14.

23.4 AUDIT PARAS

23.4.1 Expenditure without inviting tenders - Rs43.10 million

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

During audit of the following offices of Minorities Affairs Department for the years 2012-13 & 2013-14, it was observed that an expenditure of Rs43.10 million was incurred on procurement without inviting tender. Details are as follows:

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
1	Director Minorities, Hyderabad	Reconstruction works	2	42.01
2	Director Minorities, Hyderabad	Procurement of Gifts	15	0.99
3	Secretary Minorities Affairs, Karachi	Purchase of Hardware	13	0.10
Total				43.10

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

23.4.2 Un-authorized retention of funds into DDO account - Rs36.05 million

According to rule 290 of Central Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent laps of budget”.

During audit of the office of Director Minorities Affairs Department, for the years 2012-13 & 2013-14, it was observed that released budget was of Rs75.00 million and expenditure incurred of Rs38.95 million and balance of Rs36.05 million was un-authorizedly retained.

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 21)

23.4.3 Irregular withdrawal of funds - Rs120.00 million

As per letter N0.B-I/7-1/98-99, dated 13th July 1998 and letter No.FD/B&E-1/4-1/88/2006(P), dated 30-10-2006 and 26-04-2007, No advance may be drawn on abstract bill without prior approval of Finance Department.

During audit of the office of Director Minorities Affairs Department, for the years 2012-13 & 2013-14, it was observed that an amount of Rs120.00 million was drawn through pre-receipt bills for expenditure without obtaining approval of Finance Department. Besides, following irregularities are noticed:

- i. No adjustment against this withdrawal was produced to DAO, Hyderabad for pre-audit. Fraudulent payment from this withdrawal could not be ruled out.
- ii. As per procedure payment should be supported with the claim and necessary evidence but in actual there was no support.

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 16 & 17)

23.4.4 Non-posting of bid evaluation report on SPPRA website - Rs116.92 million

According to Rule 45 of SPPRA Rules, 2010, "Procuring agencies shall announce the results of bid evaluation in the form of a report giving reasons for acceptance or rejection of bids. The report shall be hoisted on website of the Authority and that of the procuring agency if its website exists and intimated to all the bidders at least seven (07) days prior to the award of contract".

During audit of the office of Director Minorities Affairs Department for the years 2012-13 & 2013-14, it was observed that NITs costing Rs116.92 million were awarded to various contractors, but the result of bid evaluation giving reasons for acceptance or rejection of bids were not hoisted on Authority's website.

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

23.4.5 Payment without re-validation of Finance Department - Rs1.40 million

According to Para No.6(a) of notification No.FD(B&E-XIII)7(3)/2009-10 dated 11-07-2009 issued by Finance Department, Government of Sindh, "No advance would be drawn on abstract bill without prior approval of Finance Department, as per restrictions imposed under letter No.B-I/7-I/98-99 dated 13-07-98, letter No FD/B&E-I/4-I/88/2006(P) dated 30-10-2006 as well as letter of even number dated 26-04-2007".

During audit of the office of Director Minorities Affairs Department for the years 2012-13 & 2013-14, it was observed that, an amount of Rs1.40 million paid to M/s. Raja Traders vide cheque No.1045506 dated 06-05-2013 and then re-validated the same in the next financial year vide cheque No.1898373 dated 07-05-2014 without the approval of Finance Department for the work "Renovation of Hunuman Mandir near Native Jetty Bridge, Karachi" vide work order dated 23-04-2012. Following irregularities were noticed:

1. Payment made without the approval of Finance Department
2. Created a liability for next financial year 2013-14
3. Claimed the bill of three different works in one bill

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 19)

23.4.6 Non-crediting of government revenue - Rs7.97 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of office of the Director Minorities Affairs Department for the years 2012-13 & 2013-14, it was observed that an amount of Rs7.97 million was deducted as other miscellaneous revenue but the same was not deposited into the government treasury.

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 8)

CHAPTER - 24

ORGANS OF STATE

24.1 Introduction

This is a consortium of Governor House Secretariat, Provincial Assembly and Provincial Ombudsman Department. Each one among these is separate public entity performing its own functions as defined in Sindh Rules of Business, 1986. Typically organs of state include following departments/wings (Excluding Law Department);

1. Governor House/Secretariat including Military Secretary Wing.
2. Provincial Assembly of Sindh.
3. Provincial Ombudsman.

Each department as mentioned above is allocated with separate budget and most of the activities of the department are related to general administration and monitoring on the part of the government.

24.2 Comments on the Budget and Accounts (Variance Analysis)

The consortium consists of 04 formations (DDOs), out of which 04 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess) / Savings
3,922.92	703.60	4,626.52	3,395.66	1,230.86

The department could not utilize the funds as per allocated budget, as a result savings of Rs1,230.86 million was observed.

24.3 Brief comments on the compliance of PAC directives

In the Audit Report for the year 2013-14, 2 paras were printed. That report has not been discussed in the Public Accounts Committee (PAC) meeting. No PAC Meeting was held during the year 2013-14.

24.4 AUDIT PARAS

24.4.1 Irregular expenditure on travelling/seasonal allowance - Rs65.23 million

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

During audit of the office of Secretary Provincial Assembly of Sindh, Karachi for the financial year 2013-14, it was observed that an amount of Rs65.23 million was paid to MPAs and assembly employees on account of seasonal and free traveling allowance. Following irregularities were noticed:

- i. Detail of payments was not attached with the bills.
- ii. Criteria for seasonal allowance was not produced to audit.
- iii. Sanction orders were not attached with the bills.

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4 & 5)

24.4.2 Irregular expenditure on account of medical charges - Rs57.49 million

According to Para-23 of G.F.R Vol-I, Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also responsible for any loss arising from fraud or negligence on the part of any other Government office to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of the office of Secretary Provincial Assembly of Sindh, Karachi for the financial year 2013-14 it has been observed that an amount of Rs57.49 million was paid to MPAs and assembly employees on account of reimbursement of medical charges. Following irregularities were noticed:

- i. Detail of payments was not attached with the bills.
- ii. Certificates of non-availability of medical facility at government hospital from MS Services Hospital/Civil Surgeon were not produced to audit.
- iii. Sanction orders were not attached with the bills.

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3 & 6)

24.4.3 Un-justified payment of honorarium - Rs55.76 million

According to Fundamental Rule (FR) 46 to 48, the powers to sanction the undertaking a work for which an honorarium is offered and to the grant and acceptance of an honorarium were delegated to the ministries and head of the departments up to a maximum of Rs2,000 and Rs1,000 in each case respectively Vide item No:19 of Annexure-II to the finance Division O.M of 11th Mar 1981. The amount should not exceed one months' pay of the Government Servant concerned on each occasion. The temporary increase in the work of Government Servant is not a valid justification for Grant of Honorarium to him. Performance of legitimate duties of government servants according to general principal has no claim to extra remuneration.

During audit of office of the Secretary Provincial Assembly of Sindh, Karachi for the financial year 2013-14, it has been observed that an amount of Rs55.76 was incurred on account of honorarium, but detail of laborious specific assignment other than routine work was not mentioned in the bills and honorarium was paid more than one basic pay at a time.

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

24.4.4 Expenditure without inviting tender –Rs5.66 million

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

During audit of the office of Secretary Provincial Assembly of Sindh for the financial year 2013-14, it was observed that an expenditure of Rs5.66 million was incurred on development construction works without calling open tenders.

(Rupees in million)

Sr. #	Name of office	Particulars	AIR Para #	Year	Amount
1	Secretary Provincial Assembly of Sindh	Construction Works	2	2013-14	4.57
2	Principal Secretary to Governor of Sindh	Repair maintenance of office building	4	2012-13	1.09
Total					5.66

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

24.4.5 Un-justified extraordinary delayed work - Rs4.18 million

As per Clause-2 of the Agreement, the quantity of work is to be done within particular time specified within the proportionate limit, such as 1/4th of the time, and thus the penalty was to be imposed upon the contractor for delay in execution of work as per schedule.

During audit of the office of Project Director, New Sindh Assembly Building, Karachi for the year 2013-14, it was observed that a construction work, was awarded to a contractor, viz., M/s K.M Sharif & Co. on 22-10-2009 with completion period of two years. The work was started w.e.f. 24-10-09; hence, required to be completed on the stipulated date of 23-10-2011. However, the work was still in progress at the time

of audit in August 2014. Despite lapse of two years over and above the completion period, the penalty of Rs4.18 million was not imposed upon the contractors.

The irregularity was pointed out to the department in August 2014. The management in reply mentioned general reasons to justify the delayed work as follows:

- i. Late release of Funds.
- ii. Law & Order situation.
- iii. Simultaneous execution of allied work.
- iv. No major activity due to continuous session of the Assembly

The reply was not convincing as the management did not elaborate the specific time period with dates in respect of each reason causing delay/stoppage of work. Audit was of the view that due to non-observance of contractual clause, the abnormal delay in work completion has occurred.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

CHAPTER –25 PLANNING, DEVELOPMENT & SPECIAL INITIATIVES DEPARTMENT

25.1 Introduction

The Planning and Development Department, Government of Sindh is the principal planning organization at the provincial level. It coordinates and monitors development programs and activities of various departments of the provincial government.

The mandate of the planning & development department includes provision of technical support and coordination to various Government departments in their planning activities. The Planning & Development Department is also the main government agency working with foreign donors in the province.

The main objectives of the Planning and Development Department are:

- Assessment of the material and human resources of the province
- Formulation of long and short term plans.
- Recommendations concerning prevailing economic conditions, economic policies or measures.
- Examination of such economic problems as may be referred to it for advice.
- Coordination of all economic activities in the provincial government.

25.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 39 formations (DDOs), out of which 06 formations were selected for audit during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
1,511.38	-	1,511.38	541.32	970.06

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs970.06 million was observed which was not surrendered in time.

25.3 Brief comments on the compliance of PAC directives

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years but no para pertaining to this department was included in previous audit reports. No PAC Meeting was held during the year 2013-14.

25.4 AUDIT PARAS

25.4.1 Un-authorized payment of honorarium – Rs36.89 million

According to Fundamental Rule (FR) 48 (b), a local government may grant or permit a government servant to receive an honorarium from general revenue as remuneration for work performed which is occasional in character and either so laborious or of such special merit as to justify a special reward except when special reasons which should be recorded in writing, exist for a departure this provision, sanction to the grant or acceptance of a honorarium should not be given unless the work has been undertaken with the prior consent of the local government and its amount has been settled in advance.

During audit of the Secretary Planning & Development, Government of Sindh for the year 2012-13, it was observed that an expenditure of Rs36.89 million was incurred on payment of honorarium without recording performance of employees and without deduction of income tax.

The irregularity was pointed out to the department in February 2014, but neither was the reply received nor DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires recovery of un-authorized payment besides fixing responsibility upon the person(s) at fault.

(AIR # 8)

25.4.2 Irregular payment exceeding sanctioned pay – Rs9.00 million

According to the Office Memorandum issued vide No.FD(SR-III)5/29-2008(A) dated 16-02-2009 issued by the Finance Department, Government of Sindh, following standard pay package was provided for staff recruited from the market on the basis of competitive recruitment for execution of development projects/programs funded from Provincial Budget including ADP and Foreign Aided Projects/Programs:

Sr. #	BPS equiv.	Pay Package in Rupees
1	22	150,000 to 200,000 (5% annual increment up to maximum)
2	21	125,000 to 150,000 (5% annual increment up to maximum)
3	20	100,000 to 118,000 (5% annual increment up to maximum)
4	19	75,000 to 90,000 (5% annual increment up to maximum)

During audit of office of the Managing Director, Sindh Coastal Development Authority, Government of Sindh, Karachi for the year 2012-13, it was observed that payment of Rs7.80 million was made to D.G. (S.C.D.A.) by allowing the maximum limit of pay (@ Rs0.65 million per month) instead of minimum of the pay package. Moreover, audit also observed that payment of Rs1.20 million was made to the consultant on the basis of actual pay (@ Rs0.10 million per month) without approval of Finance Department. Thus, the total expenditure of Rs9.00 million was irregular.

The irregularity was pointed out to the department in January 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2 & 4)

25.4.3 Unauthorized payment of allowances – Rs5.04 million

As per Corrigendum of Finance Department Government of Sindh vide No.FD(SR-III)5-85/86(part-file) dated 11th November, 2013 “Sub para - (ii) Project Allowance @ 20% of running basic pay would be admissible to all Projects/Programs costing Rs1.00 billion (i.e., both locally funded and foreign funded) & (iii) The Project Director and all their staff posted in the Project on additional charge basis are not entitled to grant of Project Allowance”.

As per Addendum of Finance Department Government of Sindh vide No.FD(SR-III)5-85/86(part-file) dated 5th November, 2013 “Sub para - (iv) The Officers posted on deputation would be entitled to deputation allowance subject to maximum of Rs6,000 per month”.

During audit of office of the Project Director, Project Management Unit Drinking Water Hub Project, Karachi for the years 2012-13 to 2013-14, it was observed that an amount Rs5.04 million was paid to officers/officials on account of project allowance instead of additional charge allowance or more than 20% project allowance as per above corrigendum. Furthermore unauthorized deputation allowance was given to the officers who were posted on additional charge/disposal basis because they were not drawn pay from this project.

The matter was reported to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires recovery besides fixing responsibility on the person(s) at fault.
(AIR # 8 & 9)

25.4.4 Irregular payment without sanction of estimate - Rs7,016.70 million

Para-190 of Sindh Financial Rules Volume-I states: “work estimate for which have been sanctioned, by the competent authority. No addition or alteration, likely to cause as excess which will not fall within the power of sanctioning authority”.

During audit of office of the Project Director, Project Management Unit Drinking Water Hub Project Karachi for the years 2012-13 to 2013-14, it was observed that an amount of Rs7,016.70 million was incurred on the execution of work awarded to contractor without obtaining technical sanction from the competent authority.

(Rupees in million)

Sr. #	Name of Work	Work Order No. & date	Contractor	Amount
1	Est: of Drinking Water Hub Phase-I (All Districts of Sindh Province)	41 dated 02-02-2012	M/s Pak Osis Industries Pvt Ltd	3,016.70
2	Est: of Drinking Water Hub Phase-II (All Districts of Sindh Province)	161 dated 14-09-2012	-do-	4,000.00
Total				7,016.70

The matter was reported to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 7)

25.4.5 Stamp duty not recovered - Rs21.05 million

According to Para-22- A of Stamp Act, it was the duty of the competent authority to recover the Stamp Duty and affix the same while execution of agreement @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost.

During audit of office of the Project Director, Project Management Unit Drinking Water Hub Project, Karachi for the years 2012-13 and 2013-14, it was

noticed that stamp duty of Rs21.05 million was not recovered in terms of affixing stamp over the contract agreement @ 0.30%, resulted Government sustained the loss on account of stamp duty.

(Rupees in million)

Sr. #	Name of Work	Work Order No. & Date	Contractor	Contract amount	Amount
1	Est: of Drinking Water Hub Phase-I (All Districts of Sindh Province)	41 dated 02-02-12	M/s Pak Osis Industries Pvt Ltd	3,016.70	9.05
2	Est: of Drinking Water Hub Phase-II (All Districts of Sindh Province)	161 dated 14-9-12	-do-	4,000.00	12.00
Total				7,016.70	21.05

The matter was reported to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

25.4.6 Non-recovery of interest on mobilization advances – Rs112.20 million

As per Rule 220(c) of Sind Financial Rules in respect of works costing Rs2.5 million or above the contractor may be allowed by the authority competent to accept tender, a mobilization advance to be paid up to 10% of the tendered amount subject to the following conditions:

- (i) The contractor shall before obtaining the advance furnish a guarantee in Form 20-A.
- (ii) The contractor shall pay interest @ 10% per annum on the advance.

During audit of office of the Project Director, Project Management Unit Drinking Water Hub Project, Karachi for the years 2012-13 to 2013-14, it was observed that mobilization advance of estimated costs of Rs373.99 million was paid to the contractor for civil work but interest @ 10% per annum was not recovered amounting to Rs112.20 million while recovering mobilization advances from contractor. Furthermore, bank guarantee was not obtained from the contractor.

(Rupees in million)

Name of Work	Contractor	Amount	10% PM	Amount
Est: of Drinking Water Hub (All Districts of Sindh Province)	M/s Pak Osis Industries Pvt Ltd	373.989	37.399	112.197

The matter was reported to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2)

25.4.7 Non-deduction of income tax - Rs267.38 million

As per section 153 (1) (a) of the Income Tax Ordinance 2001, 6.5% income tax is required to be deducted at source for providing services & 4% income tax is required to be deducted at source on supply of goods while making payment to suppliers/contractors.

During audit of office of the Project Director, Project Management Unit Drinking Water Hub Project, Karachi for the financial years 2012-13 and 2013-14, it was observed that an amount of Rs4,115.050 million were paid to contractors on account of execution of civil work and supply of different articles/goods from various head of accounts but income tax @ 6.5% of Rs267.22 million & @ 4% of Rs0.160 million were not deducted at source, due to which the government sustained a loss of Rs267.38 million.

(Rupees in million)

Sr. #	Name of Work	Contractor	Work Order No. & date	Payment	Due Income Tax
1	Est: of Drinking Water Hub Phase-I (All Districts of Sindh Province)	M/s Pak Osis Industries Pvt Ltd	41 dated 02-02-12	1,047.63	68.10
2	Est: of Drinking Water Hub Phase-II (All Districts of Sindh Province)	-do-	161 dated 14-9-12	3,063.40	199.12
3	Various head of contingency	Various suppliers	Various supply orders	4.02	0.16
Total				4,115.05	267.38

The matter was reported to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1 & 11)

CHAPTER – 26 POPULATION WELFARE DEPARTMENT

26.1 Introduction

This department is basically meant for the socio-economic development by emphasizing on:

- Small family norms
- Reducing population growth rate
- Reducing infant mortality
- Maternal mortality and;
- Fertility level

26.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 39 formations (DDOs), out of which 31 formations were selected for audit during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
1,022.00	1,712.20	2,734.20	2,797.46	(63.26)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs63.26 million was observed.

26.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
14	10	4	71

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 14 paras were discussed in respect of Population Welfare Department. The department made compliance of 10 paras, i.e., 71%.

26.4 AUDIT PARAS

26.4.1 Non-production of record - Rs5.93 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the following offices of the Population & Welfare Department for the years 2012-13 & 2013-14, it was observed that auditable record of Rs5.93 million as detailed below was not produced to audit for verification.

(Rupees in million)

Sr. #	Name of office	Particular	Financial Year	AIR Para #	Amount
1	Reproductive Health Service (RHS) "A" Centre, Mithi	Sale proceed of contraceptive	2012-13	6	-
2	Reproductive Health Service (RHS) "A" Centre Paretabad, Hyderabad	Sale proceed of contraceptive	2012-13	5	-
3	RHSA Centre Kandhkot District Kashmore at Kandhkot	Service books	2012-13	4	2.85
4	R.H.S.A Centre, Kot Diji	Service books	2012-13	3	1.75
5	DPWO, Kamber	Personal file, Service book	2013-14	6	-
6	DPWO, Shikarpur	Reconciled Paid-up challan	2013-14	1	0.51
7	DPWO, Shikarpur	Contraceptive items register	2013-14	2	-
8	DPWO, Jacobabad	Reconciled Paid-up challan	2013-14	1	0.31
9	DPWO, Naushahro Feroze	-do-	2013-14	2	0.51
Total					5.93

The matter was reported to the department during December 2013 to November 2014. The DAC meeting was held on 27-01-2015. The DAC directed the

management to produce all relevant record to audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

26.4.2 Payment in cash instead of crossed cheques – Rs7.00 million

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to suppliers etc., which cannot be met from the permanent imperest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash.”

During audit of following offices of the Population Welfare Department for the year 2012-13 and 2013-14, it was observed that the payment of Rs7.00 million were was made in cash by DDO instead of crediting the same into bank accounts of social male mobilizers. Furthermore, District Population Welfare Officer drew cash from bank instead of issuing cross cheques to individual employee and payee.

(Rupees in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	Reproductive Health Service “A” Centre, Umerkot	2012-13	1	0.72
2	DPWO, Shikarpur	2013-14	3	1.68
3	DPWO, Jacobabad	2013-14	3	3.57
4	DPWO, Naushahro Feroze	2013-14	5	1.03
			Total	7.00

The matter was reported to the department in November 2013 to November 2014. The DAC meeting was held on 27-01-2015. The management clarified that salary of Male Mobilizers is subject to performance as they are not regular employees. They added that payment in cash was made due to non-opening of bank account of the persons and the payment was now being made through crossed cheque. The DAC directed the management to produce relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

CHAPTER – 27

REHABILITATION DEPARTMENT

27.1 Introduction

Relief and rehabilitation activities in Sindh province dates to the introduction of West Pakistan Natural Calamities (Prevention and Relief) Act, 1958. The Act provides for taking measures to maintain and restore order in areas affected by certain calamities; prevent, check or control the calamity and reduce the extent or severity thereof or provide immediate relief to the victim of calamities. In order to handle emergencies due to calamities, the Act authorized the Government to appoint Provincial Relief Commissioner with such powers and functions as are necessary for maintenance or order and carrying out the relief and restoration activities.

Historically, Board of Revenue has been undertaking the relief activities till recent past. After devastating flood 2010 in the River Indus, Provincial Relief Commissioner was established which also operated under Board of Revenue.

Like other provinces, a Provincial Disaster Management Authority (PDMA) was established in Sindh to be followed by such bodies at district level in all the 23 districts of province. The Sindh PDMA is headed by Secretary of Rehabilitation Department with two directors, one deputy director and an assistant director besides an eight-member Board headed by minister for rehabilitation and 30-member Provincial Disaster Management Commission headed by Chief Minister.

The PDMA has setup one-room regional offices in Hyderabad and Sukkur with posting of a deputy director and an assistant director at each regional office. Under the National Disaster Management Act 2006, each District Disaster Management Authority (DDMA) was to be headed by District Nazim/Chairman with DCO, DPO and other officers as members. However, no such bodies have so far been established in any of the district of Sindh.

In the absence of DDMA, the PDMA has to depend on DCOs/Deputy Commissioners of concerned districts for distribution of relief goods, as the organization has not its own network.

Although, a separate Rehabilitation Department was in existence since 2002, yet in order to enable it, face the emerging challenges in handling of disaster management and also to provide policy linkage to PDMA at strategic level, its

revised functions have been drawn up and reflected in the Sindh Rules of Business 1986 amended upto 22nd July 2013 and PDMA was declared as its attached authority.

27.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 18 formations (DDOs), out of which 6 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
1,312.996	232.582	1,545.579	1,110.256	435.322

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs435.322 million was observed which was not surrendered in time.

27.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
21	10	11	48

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 38 paras were discussed in respect of SGA&CD. The department made compliance of 10 paras and 11 paras were left unattended or compliance not made. The percentage of compliance comes to 48%.

27.4 AUDIT PARAS

27.4.1 Irregular expenditure on purchase of tents - Rs132.28 million

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

During audit of the office of the Director General, Provincial Disaster Management Authority, Sindh, for the year 2011-12 & 2012-13, it was observed that amount Rs132.28 million was incurred on account of purchase of tents. The following irregularities were noticed:

- i. Neither supervision over distribution of tents was made nor was monitoring report obtained from concerned Deputy Commissioner's Offices.
- ii. The total number of rain affectees was also not provided to audit.

(Rupees in million)

Sr. #	Name of Supplier	Cheque No. & Date	Year	AIR Para #	Amount
1	M/s Union Store, Karachi	1111 16-09-11	2011-12	1	71.61
2	M/s Paramount Tarpaulin, Karachi	2124 04-10-11			10.00
3	M/s Freeway Exports, Karachi	046140 16-09-12	2012-13	4	36.19
4	M/s Suresh Kumar, Karachi	046153 20-09-12			14.48
Total					132.28

The irregularity was pointed out to the Department during September 2013. In reply the management stated that the Authority had obtained supervision reports from all the Deputy Commissioners (DCs) of rain affected districts in terms of receipt of dispatched goods made to them by concerned vendors/suppliers. They added that monitoring was responsibility of the concerned DCs who are also Chairman of the District Disaster Management Authority (DDMA). The reply of the management was not convincing as the direct supply of the tents by the vendors to the respective DCs cannot be termed as supervision report. Moreover the management in respect of the same reply furnished a few receipts by certain persons in respect of delivery of the tents ranging 10,000 units to 185 units; whereas no documentary evidence about authorization of the respective DDMA advising such delivery with proper

identification and specimen signature of the nominated person was made available to audit. Further no consolidated account of receipt and issue of the tents costing heavy amount of Rs132.271 million was furnished to audit.

As regards audit query about furnishing of total number of rain affectees, the management did not specifically provided the total number; however, it furnished unsigned three statements regarding number of losses and damages generated at various dates.

No further progress was reported nor the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

27.4.2 Irregular payment to PHE - Rs90.41 million

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

During audit of the office of Director General, Provincial Disaster Management Authority, Sindh, for the year 2013-14, it was observed that an amount of Rs90.41 million was paid to Public Health Engineering Thatta on account of water supply and drainage scheme for Turkish Housing Scheme for flood affected people of Thatta. The following observations were noticed:

- i. Progress report was not produced to audit for verification
- ii. Development record was not produced by XEN, PHE Thatta to audit for verification

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 6)

27.4.3 Non-adjustment of advances - Rs47.29 million

According to Rule-668 of Central Treasury Rules, Volume-I, "An advance granted under the special order of the competent authority to officers/officials for

departmental or allied purpose may be drawn on the responsibility and receipt of the officers for whom they are sanctioned, subject to adjustment by submission of detail account supported by vouchers or by refund, as may be necessary".

During audit of the office of the Director General, Provincial Disaster Management Authority, Sindh, for the year 2013-14, it was observed that an amount of Rs47.29 million was paid as advance to HESCO but the said amount was neither adjusted nor recovered.

The matter was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

27.4.4 Irregular expenditure on purchase of ration bags - Rs137.19 million

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

During audit of the office of the Director General, Provincial Disaster Management Authority, Sindh for the year 2011-12 to 2013-14, it was observed that expenditure of Rs137.19 million was incurred on account of purchase of ration bags as detailed below:

(Rupees in million)

Sr. #	Year	AIR Para #	Amount
1	2011-12	2	23.19
2	2012-13	5	4.11
3	2013-14	1 & 2	109.89
Total			137.19

Following irregularities were noticed:

- i. Ration bags were distributed without providing the selection criteria of rain affectees.
- ii. The distribution was not accounted for.

The matter was pointed out to the department during September 2013 to August 2014. The management in reply to the paras for financial year 2011-12 and 2012-13 did not quote any specific approved selection criteria/SOP for distribution/accounting for the procured ration bags for distribution among rain affectees. However, the department stated that the selection criteria to the best of understanding is that the affected population, which is displaced and settled in camps is one of the major criteria for distribution of ration bags/other relief goods.

As regards audit observation over un-accounted for ration bags, the management in its above reply stated that distribution of relief goods was responsibility of the respective Deputy Commissioners being the Chairman of the District Disaster Management Authority (DDMA) as per notification (dated 10-09-2007) issued by the Government of Sindh (SGA&C Department). The reply was not tenable as the maintenance of date wise record of receipt and issue of such huge supply should have been maintained either by the management of PDMA or DDMA.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires fixing of responsibility on the person(s) at fault besides taking remedial measures to frame SOP/regulation to account for emergency relief goods' distribution.

27.4.5 Un-accounted for procurement for displaced families - Rs25.51 million

As per rule 113 of Sindh Financial Rules, "All materials received should be examined, counted and they should be kept in charge of a responsible government servant who should be required to give a certificate that he actually received the materials and recorded them in appropriate Stock Registers".

During audit of the following offices of Rehabilitation Department, it was observed that an expenditure of Rs25.51 million was incurred on various consumable articles without maintenance of record of consumption. Details are as follows:

(Rupees in million)

Sr. #	Name of office	Purchases	Year	AIR Para #	Amount
1	DG, Provincial Disaster Management Authority, Karachi	Kitchen Utensils	2011-12	6	1.45
2	-do-	Medicine	2012-13	2	24.06
Total					25.51

The irregularity was pointed out to the Department in September 2013. The management in its reply dated 30 October 2013 in respect of procured kitchen utensils stated that EDO (Revenue), CDGK had procured 500 sets of kitchen utensils for distribution among rain affected displaced families settled in camps of Karachi. The department added that remaining 154 units were lying as stock inventory as on 27-09-2011. The reply was not tenable as merely providing the position of closing balance could not be termed as stock account, whereas the detailed accounts of procured items were required.

As regards procured medicines, the management in its above reply stated that they had procured 68,225 litres of Dengo Spray, which were dispatched to rain affected districts and all the respective DCs had acknowledged the receipt. The management added that the procured medicine had been accounted for in relevant stock register signed by DG PDMA, Secretary Rehabilitation and concerned DCs. In support of the reply, copy of a statement in respect of five items was furnished; however, the same statement could not be termed as stock register. The statement with varying dates (e.g. 06-11-2012 being the first entry and 18-10-2012 being the last entry) seemed to be prepared after completion of the task; whereas the stock accounts requires entry updating on daily basis.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires fixing of responsibility on the person(s) at fault besides taking remedial measures to frame SOP/regulation to account for emergency relief goods' distribution.

27.4.6 Un-authorized payment of honorarium - Rs1.39 million

As per Para 46-48 of Fundamental Rules, "The powers to sanction the undertaken a work for which an honorarium have been delegated to the ministries and head of the departments up to a maximum of Rs2000 and Rs1000 in each case respectively vide item No.19 of Annexure-II to the finance division O.M of 11th Mach 1981. The amount should not exceed one month pay of the government servant concerned on each occasion.

During audit of the office of the Director General, Provincial Disaster Management Authority, Sindh for the year 2013-14, it was observed that an amount of Rs1.39 million was drawn through Cheque No.035581 dated 14-06-2012 and

Cheque No.079761 dated 14-06-2013 on account of grant of honorarium to various officers and staff but following irregularities were noticed:

- i. Neither the assignment (for which honorarium was allowed) was undertaken with the prior consent of the competent authority nor the amount was settled in advance.
- ii. Details of Cheque through which the payment was made to the concerned officers were not provided to audit for authenticity of payments to the concerned officers and staff.

The matter was reported to the Department in September 2013. In reply, the management stated that honorarium was paid to the officers and staff as per rules. The reply was not tenable reply as the honorarium was paid without elaborating extra work performed by the officers and staff. However, no further progress was received nor the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3 & 7)

27.4.7 Non-deduction of income and sales tax - Rs1.12 million

According to Rule-3 of S.R.O. 660(1)/2007 dated 30/06/2007, pertaining to Sales Tax Special Procedure (Withholding) Rules, 2007 all withholding agents shall make purchases of taxable goods from a person duly registered under sales tax Act, 1990. Provided that under unavoidable circumstances and for reasons to be recorded in writing, if purchases are made from unregistered person, the withholding agent shall deduct sales tax @ 16% of the return of taxable supplies made to him from the payment due to suppliers.

As per the Income Tax Ordinance 2001, 3.5 percent income tax is required to be deducted at source while making payment to Suppliers contractors; Tax on salary is to be deducted at the rates prescribed in I.T Ordinance and through finance bill amended from time to time; Deduction of 6 percent withholding tax is to be made from payment for contractual services.

During audit of office of the Director General, Provincial Disaster Management Authority, Sindh for the year 2011-12, it was observed that an amount of Rs1.12 million was not deducted at source on account of income tax and sales tax from the bills of suppliers.

The irregularity was pointed out to the Department during September 2013 and September 2014. In reply the management stated that M/s Meroj Limited was exempted from tax deduction. The reply was not tenable as the Certificate of Exemption dated 06 July 2011 (issued by Large Taxpayer Unit Karachi) was in respect of Sub-section (1) of Section 153 of Income Tax Ordinance 2001, which is relevant in case of Income Tax only; whereas, the audit observation pertained to non-deduction of Sales Tax. However, no further progress was reported and nor the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 11 & 4)

CHAPTER – 28

SERVICES GENERAL ADMINISTRATION & COORDINATION DEPARTMENT

28.1 Introduction

Services Wing

Services Wing of SGA & CD deals with the establishment matters of the officials of the Government of Sindh including the federal government officials who are on deputation with the Government of Sindh. The most significant role of the Services Wing is to offer its valuable policy inputs to improve governance scenario in the province. It enlightens provincial government by providing guideline through a set of policy that helps to achieve the desired targets.

The service areas taken up by the Services Wing include: transfer and posting of the government officials, promotion cases of the officials, matters relating to retirement, pension GP Fund, Ex-Pakistan leave, absorption of the employees of the surplus pool, study leave, capacity building of the officers, etc. The cases of the recruitment on son quota are scrutinized in the Services Wing of the SGA&CD. Hiring consultants for various technical assignments and framing their terms of hiring is the clear jurisdiction of the Services Wing. This wing ascertain the vacancy position against which the recruitment has to be made by sending requisition to the Sindh Public Service Commission (SPSC)

General Administration & Coordination Wing

General Administration and Coordination (GA&C) Wing of the Government of Sindh is responsible for the general administration and coordinating with the administrative department of the Government of Sindh. As a regulatory wing, it deals with the framing of rules, regulation and offering opinion in various service matters of critical nature. Financial management of Government Employees Benevolent Fund is the eminent function of the GA&C Wing. Coordination function of Government of Sindh deals with the execution of directives relating to the office of President, Prime Minister, Governor, Chief Minister and Secretaries Committees meeting, etc. Development issues is the another dimension of the General Administration wing of the SGA&CD; all development schemes of SGA&CD including housing, foundations and authorities are taken up in the general administration wing of the Government of Sindh. Estate Office is pivotal in matters of Government accommodations to the government employees. Issues like self-

hiring, allotment and vacation of Government accommodations, recovery of rent, dues and utility liabilities and Court matters are the domain of the estate office.

28.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 18 formations (DDOs), out of which 6 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
1,399.14	326.01	1,725.15	1,345.49	379.66

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs379.66 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
100.00	140.00	35.00	105.00

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs105.00 million was observed.

28.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
21	10	11	48

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 48% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

28.4 AUDIT PARAS

28.4.1 Non-production of record – Rs45.80 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of following offices of Service General Administration & Co-ordination Department failed to produce the auditable record of Rs45.80 million for the years 2012-13 & 2013-14 was not produced to audit. The details are as under:

(Rupees in million)					
Sr. #	Name of Office	Particulars	Year	AIR Para #	Amount
1	Zulfikarabad Development Authority, Karachi	List of land & disbursement account	2012-13	10	28.33
2	Sindh Public Service Commission, Hyderabad	Record of Account No.1396-1, NBP, Shahbaz Building Branch, Hyderabad	2013-14	17	17.47
3	Sindh Public Service Commission, Hyderabad	CNIC, names, and addresses of selected candidates	2012-13	31	-
4	Sindh Civil Servants Housing Foundation, Karachi	Reconciled expenditure statement	2008-09 to 2012-13	7	-
Total					45.80

The matter was reported to the department during January 2014 to December 2014. The office at Sr.No.01 replied that the payment was made Cheque No.048988 dated 07-05-2013 on account of acquisition of 566-21 acres of Land in Deh Kheersar, Uttarwari and Miranpur of Taluka Keti Bandar and Deh Beli and Deh Shahpur

Uttarwari of Taluka Ghorabari, but no record pertaining to above payment, i.e., disbursement account, acquisition of land, etc., was produced. No reply was received from other office still finalisation of the report.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

28.4.2 Non-preparation & submission of budget to Governing Body - Rs634.48 million

According to section 35 (1) of Zulfikarabad Development Authority (ZDA) Act 2010 titled Budget, "in May of each year the Authority shall submit to the Governing Body for approval a statement of the estimated receipts and expenditure in respect of the next financial year".

According to Para-vii of terms & conditions of constitution of Executive Committee (EC) notified vide Services, General Administration & Coordination Department, Government of Sindh, Karachi Notification No.SO(C-IV) SGA&CD/4-64/09 dated 05-08-2011, "prepare and submit annual budget (Development and Non-Development and submit to P&D and Finance Department for release of funds". Para-viii of above notification states that, "copy minutes of all meetings of the EC to the Chairman of the Governing body, i.e., Chief Minister Sindh for information and submit all minutes to the next meeting of governing body for information".

In Zulfikarabad Development Authority (ZDA), Karachi for the years 2012-13 & 2013-14, it was observed that ZDA received funds of Rs54.48 million and Rs580.00 million respectively and incurred expenditure without preparing or submitting estimated receipts and expenditure to the governing body.

The matter was reported to the department in February 2014 and December 2014. The office submitted reply of audit observation pertaining to the financial year 2012-13 that Finance Department Government of Sindh had released budget to ZDA as grant in lump-sum through Single Line Transfer vide letter dated 16-07-2013. The reply was not satisfactory as preparation of budget was mandatory as per rules referred above. Releasing budget in lump sum by Finance Department does not absolve the department of the responsibility of preparation of annual budget.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 2 & 30)

28.4.3 Non-forfeiture of Bid security - Rs36.67 million

According to Sub-Clause IB.13.5(c) of Instructions to Bidders (IB) of Standard Bidding Document (SBD) for Medium Works notified by Sindh Public Procurement Regulatory Authority (SPPRA) vide letter No.Dir(CB)/SPPRA/1-3/08-09/2507 dated 21-12-2011, "The Bid Security may be forfeited in the case of a successful bidder, if he fails within the specified time limit to furnish the required Performance Security or sign the Contract Agreement". According to Sub-Clause 21.1 of SBD, "the successful bidder shall furnish to the Procuring Agency a Performance Security in the form and the amount stipulated in the Conditions of Contract within a period of fourteen (14) days after the receipt of Letter of Acceptance (SPP 39)".

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that the management failed to forfeit the bid security of contractors after they did not provide Performance Security. The details are as under:

(Rupees in million)

Sr. #	AIR Para #	Details	Amount
1	11	Contractor has to furnish Performance security as per letter of acceptance for return of 1% bid security, the same was returned on insurance guarantee instead of forfeiture of bid security.	36.50
2	6	Performance security was required to be submitted within 14 days as per letter of acceptance, the same was provided after lapse of 2 months by the contractor. Instead of forfeiture of bid security, the Authority returned the same to the contractor.	0.17
Total			36.67

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

28.4.4 Irregular award of work - Rs8,936.97 million

Rule 15 (2) (a) of SPPR, 2010 provide as under;

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

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that works were awarded to M/s Frontier Works Organization (FWO) without international bidding process. This resulted into irregular award of the work order of Rs8,936.97 million. The details are as under:

(Rupees in million)

Sr. #	Letter of Acceptance	Dated	Name of work	Amount
1	No.ZDA-MD/FWO/LOA/2013/(547)	26-03-2013	44 KM Expressway under Pre-Development Works for Development of Zulfikarabad City	4,257.89
2	No.ZDA-D/(Ops.)/FWO/Bridge/LOA/6(5)/2014/193	11-06-2014	Design and build RCC post tensioned bridge, approach roads, J-spurs over river Indus on lump sum prices at Dhandhari, District Thatta	4,679.08
Total				8,936.97

The irregularity was pointed out to the Department in December 2014. The management replied that work order to FWO was awarded on single source basis, because of law and order and security reasons; a Summary was submitted to the Chief Minister Sindh for waiving the condition of open competition by stating as follows:

"Presently Zulfikarabad is being politically opposed by various pressure groups and nationalist parties, which have affected the development process.

The participation of the firms during bidding process has been observed to be very low. Also the contractors have expressed their reservations regarding security, safety and construction conditions of the area".

The reply was not tenable because as per record neither any International Competitive Bidding process was initiated nor was any evidence in support of Summary to CM was shown or made available on the record. However, documents indicated that National Competitive bidding process for work at Sr.No.2 was initiated in which 15 firms had obtained bidding documents out of which 13 did not respond. The work was awarded to M/s RMG-AAQ-Meinhard (JV) for Rs3,649.76 million, which was terminated on 08-03-2013 on the grounds that contractor had submitted performance guarantee in the shape of insurance guarantee instead of bank guarantee. The reason behind the non-response in bidding process by 13 firms was also the same that they were not willing to provide performance security and mobilization advance guarantee in the shape of Insurance Guarantee.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 10)

28.4.5 Irregular payment on pre-receipted bills – Rs1.77 million

As per letter N0, B-I/7-1/98-99, dated 13th July 1998 and letter No.FD/B&E-1/4-1/88/2006(P), dated 30-10-2006 and 26-04-2007, No advance may be drawn on abstract bill without prior approval of Finance Department.

During audit of following offices under administrative control of SGA&CD, Government of Sindh, it was observed that an expenditure of Rs1.77 million was incurred through pre-receipted bills and without approval of Finance Department.

(Rupees in million)

Sr. #	Name of office	Particulars	Year	AIR Para #	Amount
1	MD, Sindh Public Procurement Regulatory Authority, Karachi	Purchase of vehicles	2012-13	16	1.54
2	Sindh Public Service Commission, Hyderabad	Website hoisting charges	2013-14	13	0.23
Total					1.77

The irregularity was pointed out to the Department in November 2014 & December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

28.4.6 Loss due to settlement of incomplete contract – Rs3.19 million

According to Rule 57 of Sindh Public Procurement Regulatory Authority (SPPRA) Rules, 2010, titled Closing of Contract:

- (1) Except for defect liability or maintenance by the supplier, consultant or contractor, as specified in the conditions of contract, performance of the contract shall be deemed close on the issue of overall delivery certificate, certificate of completion of deliverables, or taking over certificate which shall be issued within thirty days of final taking over of goods or receiving the deliverables or completion of works enabling the supplier or contractor to submit final bill and the procuring agency to carry out any inspection of goods, works or services related thereto, as provided in the contract agreement and auditors to do substantial audit.
- (2) In case of defect liability or maintenance periods, defect liability certificate shall be issued within thirty days of the expiry of the said period enabling the supplier or contractor to submit the final bill".

During audit of Zulfikarabad Development Authority (ZDA), Karachi, for the year 2013-14, it was observed that work "Contract for Financial, Legal & Transaction Advisory Service for ZDA" amounting to Rs17.39 million was awarded to M/s National Management Consultants (Pvt) Ltd. (NMC), which was required to be completed on 03-12-2013. This was extended up to 30-06-2014. As per record, work was abandoned on payment of Rs3.19 million since execution. Performance Guarantee was also returned on 10-06-2014, instead of penalizing the contractor as he failed to complete work.

Moreover, Audit observed that almost all deliverables were shown received from the contractor at first draft level and the same were not finalized up to the satisfaction of ZDA. Besides, no evidence of use of any of deliverable was shown in the record produced to audit, except, Human Resource (HR) Policy Manual. The face page of the same manual indicated that it was prepared and edited by the officers of

ZDA and it was last reviewed in January 2013. It is added that M/s NMC claimed Rs300,000 on account of a deliverable, i.e., first draft of HR Manual vide Invoice No.1689 dated 09-04-2014 (i.e., 15 months of HR Manual prepared and reviewed by ZDA officers). Thus, government sustained loss amounting to Rs3.19 million on the deliverables, which were not fit for use of ZDA and same did not meet the performance criteria for evaluation and the specifications.

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 1)

28.4.7 Return of bid security without obtaining performance security- Rs150.00 million

According to Rule 39 (1) of Sindh Public Procurement Regulatory Authority (SPPRA) Rules, 2010, "Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price".

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that work "Design and build RCC post tensioned bridge, approach roads, J-spurs over river Indus on lump sum prices at Dhandhari, District Thatta" amounting to Rs4,679.08 million was awarded to M/s Frontier Works Organization (FWO) on submission of 2% bid security amounting to Rs150.00 million on 08-04-2013. The same was returned on 07-07-2014 without obtaining performance security. It is added that the contract of another firm, M/s RMG for said work was earlier terminated due to non-submission of performance guarantee in the shape of bank guarantee.

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 13)

28.4.8 Irregular award of Contract - Rs17.39 million

According to Sub-Clause IB.13.4 of Instructions to Bidders (IB) of Standard Bidding Document (SBD) for Medium Works notified by SPPRA vide letter No.Dir(CB)/SPPRA/1-3/08-09/2507 dated 21-12-2011, "The Bid Security of the successful bidder will be returned when the bidder has furnished the required Performance Security. Read with SPP Rule 37 and sub-clause Sub-Clauses IB.20.2 & 20.3 or 21.1 or Clause IB.22, the non-submission of performance security shall constitute sufficient grounds for the annulment of the award and forfeiture of the Bid Security".

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that work "Contract for Financial, Legal & Transaction Advisory Service for ZDA" amounting to Rs17.39 million was awarded to M/s National Management Consultants (Pvt) Ltd. (NMC). The successful bidder had to furnish Performance Guarantee within a period of 14 days after the receipt of Letter of Acceptance, but he furnished on lapse of 2 months. Besides, Contract Agreement was to be executed within 07 days from the date of furnishing acceptable Performance Security under the Conditions of Contract, but the contract agreement was executed on 04-12-2012, i.e., 15 days before furnishing the Performance Guarantee in violation of the rules.

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 7)

28.4.9 Irregular payment of mobilization advance – Rs845.67 million

According to clause 14.2 (i) (a) of Special /Particular Conditions of Contract included in Instructions to Bidders (IB) of Standard Bidding Document (SBD) for Large Works notified by Sindh Public Procurement Regulatory Authority (SPPRA) vide letter No.Dir(CB)/SPPRA/1-3/08-09/2507 dated 21-12-2011, titled Advance

Payment, " Mobilization advance up to 10 % of the Contract Price may be paid by the procuring agency to the Contractor on the works costing Rs2.5 million or above on submission by the Contractor of a mobilization advance guarantee for the full amount of the advance in the specified form, from a Scheduled Bank in Pakistan, acceptable to the procuring agency".

Moreover, as per SGA&CD letter No.Dev/SGA&CD/3-287 dated 10-06-2014 regarding revised Administrative Approval for the revised scheme named Conceptual & detailed Master Planning (NODE-I) and Design & Build RCC post tensioned bridge, approach roads, J-spurs over River Indus at Dhandhari Districts Thatta & Sajawal under pre-development works for development of Zulfikarabad City, "the execution agency shall ensure that mobilization advance (if any) is to be allowed in conformity with the relevant provision of SPPRA Rules, 2010 (bank guarantee etc.).

During audit of Zulfikarabad Development Authority Karachi, it was observed that an amount of Rs407.845 million was paid to the contractor M/s FWO on account of mobilization advance in contravention of rules. Details are as under:

(Rupees in million)

Sr. #	Name of work	Irregularity	Year	AIR Para #	Amount
1	Design and build RCC post tensioned bridge, approach roads, J-spurs over river Indus on lump sum prices at Dhandhari, District Thatta	Mobilization Advance was paid without Bank Guarantee	2013-14	14	233.95
2	44 KM Expressway under Pre-Development Works for Development of Zulfikarabad City	Mobilization Advance was paid without mobilization resources	2013-14	19	203.92
3	Construction of Shaheed Zulfiqar Ali Bhutto Expressway from Garo Shah Bandar District Thatta	Mobilization Advance was paid, but construction work was not started and Advance Register was not maintained	2012-13	7	407.8
Total					845.67

The irregularity was pointed out to the Department in December 2014. The management replied that the contractor, FWO had submitted letter dated 3rd December, 1985 issued by Ministry of Defence (Defence Division) Government of Pakistan which states that in the case of Government Works, FWO will not be required to furnish Bank Guarantee for advances, if any, and the validity of 1985's

letter was confirmed by Government of Pakistan, Ministry of Defence vide their letter dated 7th April 2009. The concerned office furnished invisible Xerox of above stated letter therefore till verification of clear copy of the letter the para stands as it is; whereas, in case of AIR Paras for financial year 2013-14, reply from management was not received.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

28.4.10 Unjustified provision for price escalation & day work in PC-I - Rs335.26 million

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

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that provision for price escalation amounting to Rs307.87 million and Day work amounting to Rs27.39 million (Rs335.26 million) was kept in PC-I of scheme named Conceptual & detailed Master Planning (NODE-I) and Design & Build RCC post tensioned bridge, approach roads, J-spurs over River Indus at Dhandhari Districts Thatta & Sajawal under pre-development works for development of Zulfikarabad City, for work "Design and build RCC post tensioned bridge, approach roads, J-spurs over river Indus on lump sum prices at Dhandhari, District Thatta" awarded to M/s Frontier Works Organization (FWO) on lump sum basis instead of Composite Schedule Rates of Government of Sindh. Above provision was kept despite the fact that the work was awarded on lump sum basis.

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 16)

28.4.11 Irregular consultancy fee in the awarded work contract - Rs110.00 million

As per “Rule 61; Selection of Consultancy Services”, of SPPR 2010, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that M/s Frontier Works Organization (FWO) was awarded work of "Design and build RCC post tensioned bridge, approach roads, J-spurs over river Indus on lump sum prices at Dhandhari, District Thatta" amounting to Rs4,679.084 million vide Letter of Acceptance bearing No.ZDA-D/(Ops.)/FWO/Bridge/LOA/6(5)/2014/193 dated 11-06-2014. Above work included Consultant Fee amounting to Rs110.00 million, which was unauthorized as in case, ZDA required the assistance of a consultant for supervision or any other task for above work, the same should have been procured in accordance with the rules instead of allowing the heavy amount to the work contractor, M/s FWO.

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 17)

28.4.12 Irregular incurrence of revenue into capital expenditure - Rs2.06 million

According to Para 7 of G.F.R. Volume-I, “Unless otherwise expressly authorized by any law or rule or order having the force of law money may not be removed from the public account for investment or deposit elsewhere without the consent of the ministry of finance, read with notification of the finance department issued vide no: B-2 (63)/78 (PT-11) dated 30-11-81 that the fund allocated for one

unit of appropriation cannot be utilized for another head of accounts prior approval of the finance Department”.

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that M/s Frontier Works Organization (FWO) was awarded work of "44 KM Expressway under Pre-Development Works for Development of Zulfikarabad City" vide Letter of Acceptance dated 26-03-2013 amounting to Rs4,257.89 million. There was no expenditure incurred in Capital Component during the year under audit as the work was stopped due to stay order by the honourable court. However, a revenue component expenditure was incurred on employee related expenses amounting to Rs2.06 million and the same was booked as Capital expenditure, which was not justified. Besides, as per the PC-I, provision of 10% was kept as Contingency expenditure of this work (which was not justifiable as 2% for contingency was kept for bridge work).

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 18)

28.4.13 Irregular awards of works without approval by ECNEC- Rs5,819.60 million

According to Guidelines/Regulations for Procurement of Works, "PC-I/PC-II of schemes/Projects prepared by the administrative department is required to be placed before the ECNEC for approval/clearance in case cost of scheme is above Rs1 billion.

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that revised PC-I titled "Conceptual & detailed Master Planning (NODE-I) and Design & Build RCC post tensioned bridge, approach roads, J-spurs over River Indus at Dhandhari Districts Thatta & Sajawal under pre-development works for development of Zulfikarabad City" amounting to Rs5,819.60 million was not placed before ECNEC for approval.

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 20)

28.4.14 Irregular award of work without Integrity Pact - Rs4,679.08 million

According to Rule 89 of SPPRA Rules, 2010, "Procurements exceeding Rs10 million for goods and works, and Rs2.5 million for services shall be subject to an integrity pact, as specified by regulations, between the procuring agency and the suppliers or contractors or consultants".

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that M/s Frontier Works Organization (FWO) was awarded work of "Design and build RCC post tensioned bridge, approach roads, J-spurs over river Indus on lump sum prices at Dhandhari, District Thatta" amounting to Rs4,679.08 million vide Letter of Acceptance bearing No.ZDA-D/(Ops.)/FWO/Bridge/LOA/6(5)/2014/193 dated 11-06-2014 without Integrity Pact.

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 21)

28.4.15 Undue high salary of the employees without any criteria-Rs35.80 million

According to Para-01 Office Memorandum No.F.4(3)R-4/2011 dated 10-09-2014 issued by Finance Division (Regulation Wing), Government of Pakistan Islamabad, Increases in pay to the employees of Autonomous/Semi-Autonomous Bodies and Corporations, which have adopted the Federal Government's Basic Pay Scales Scheme in totality. According to Para-02 of above Office Memorandum, the grant of increases in case of organizations, who have adopted different pay scales/allowances, will be allowed with the concurrence of Standing Committee of Finance Division on recommendations of the respective Board of Directors/Governors The increase in pay will invariably be tagged with the financial position of the organization.

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the years 2012-13 & 2013-14, it was observed that an amount of Rs35.80 million was paid to employees on account of salary without any justification as:

- i. Higher rate of salary amounting to Rs35.803 million was allowed without any criteria of fixation of pay or approval from Finance Department as required under rules referred above.
- ii. Deputy Director Finance attaining age over 60 years was appointed without obtaining approval from Finance Department.
- iii. Different rates of salary were allowed on same post and scale for example Director operation was allowed Rs250,000 per month, Director Finance Rs180,000 and Director Estate Rs80,000 per month
- iv. The higher post was allowed less salary than lower post for example Director Estate was allowed Rs80,000 per month while Deputy Director HR was allowed Rs95,000 per month.
- v. Annual increase in salary was also allowed on hire rates.

The irregularity was pointed out to the Department in February 2014 and December 2014. In reply for the year 2012-13, department stated that appointment of Deputy Director was made on recommendation of SGA&CD by signing terms and conditions. However, approval from competent authority for appointment beyond the age of 60 years was not furnished. No reply pertaining to para 23 for financial year 2013-14 was furnished.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 12 & 23)

28.4.16 Unjustified grant of loan to contract employees - Rs1.01 million

According to Rule 290 of Central Treasury Rules Volume-I, "No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent laps of budget."

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the years 2012-13 & 2013-14, it was observed that an amount of Rs1.01 million was paid as loan to contractual employees.

The irregularity was pointed out to the Department in February 2014 and December 2014. In reply of para 11 pertaining to financial year 2012-13 stated that loan sanctioned had been recovered from the employees but no documentary evidence was submitted in support of reply. No reply pertaining to para 28 for financial year 2013-14 was submitted.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 11 & 28)

28.4.17 Unauthorized transfer of funds to DDO Account - Rs3.36 million

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

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2013-14, it was observed that on the examination of bank statement of DDO bank A/c No.0916-79002802-03 that ZDA transferred funds from non-development account (Assignment A/c No.1217-4) to DDO account referred above. The following was observed:-

- i. The purpose/details of transfer from Assignment Account and payments from DDO account could not be known.
- ii. It was also observed that various cash payments were also made from DDO account.
- iii. The bank statement also shows closing balance of Rs3.36 million (Rs2.22 million & Rs1.14 million as on 30-06-2013 and 30-06-2014 respectively). The whereabouts of above amounts could not be known as same were lying in DDO account at close of financial years instead of depositing the same into the government treasury.

The irregularity was pointed out to the Department in December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 31)

28.4.18 Irregular payment on recruitments and promotions- Rs14.49 million

As per Establishment Division, Islamabad letter No.F.40/650-S.E.I. dated 21-6-1950 to all Provincial Governments (Sl. No.28 of Esta Code), “Checking the genuineness of educational certificates/qualifications etc. Instances have come to the notice of the Federal Government wherein forged educational certificates have been submitted by certain persons seeking employment under Government. It is, therefore, necessary to check thoroughly the genuineness of certificates where the bonafides of persons employed after the 15th August, 1947 are in doubt. One method of checking is to make a reference to the universities, which issued the certificates. If this method does not prove successful, cross examination (and other suitable methods which may be possible according to the merits of the case) of the individuals concerned by the appointing authorities themselves may be resorted to. The candidates concerned may also be required to produce two certificates from Gazetted officers in support of their claim to educational qualifications”.

As per notification No.SO(ADMN)18-5/86-87 dated 18th April, 1993 in pursuance of sub-rule (2) of rule 3 of the Sindh Civil Servant (A.P.T) Rules 1974, in consultation with regulation wing of S&GAD, the revised method of appointment and the qualification and other conditions applicable to posts in Anti-Corruption Establishment Sindh, in BPS-15 and below at Sr.No.4 of Page-3, the requirement to appoint Assistant (BS-11) “Graduate at least 2nd Division from recognized university for initial appointment”.

During audit of following offices under administrative control of SGA&CD, Government of Sindh for the year 2012-13 & 2013-14, it was observed that discrepancies in appointments and promotions of ineligible officers/officials were noticed. The details are as follows:

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Irregularity	Amount
1	Zulfikarabad Development Authority, Karachi	2013-14	34	Appointment of ineligible officers/staff was observed	0.95
2	Director, Anti-Corruption Establishment Sindh, Karachi	2012-13	08	Appointment of ineligible officers/staff was observed	1.77

Sr. #	Name of Office	Year	AIR Para #	Irregularity	Amount
3	Sindh Public Service Commission, Hyderabad	2012-13	28	Appointment of ineligible officers/staff was observed	-
4	Zulfikarabad Development Authority, Karachi	2013-14	35	<ul style="list-style-type: none"> i. Retired officials were appointed on contract in contravention of orders of the Supreme Court. ii. In curtailed cases the advertised age limit was kept as 65 years. iii. Pay of re-employee retired personnel was not fix in accordance with government regulation. 	11.77
5	Zulfikarabad Development Authority, Karachi	2012-13	25	<ul style="list-style-type: none"> i. The post was created to be filled by promotion, but it was directly filled. ii. Creation of the said post was made in haste. iii. Closing date of application was too short (days 18), as SPSC had to give 30 days iv. The qualification and experience was designed with the intent to favour a deputationist, who succeeded; whereas, the Supreme Court had ordered the repatriate the deputationists 	-
Total					14.49

The irregularity was pointed out to the Department during January 2014 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

28.4.19 Non-observance of functions defined in the Act

According to Section 11 of Zulfikarabad Development Authority (ZDA) Act 2010 titled Master plan and master programme, "The Authority shall prepare or cause to be prepared a master-plan and a phased master-programme for the

development of Zulfikarabad City”. According to section 43 (1) of above act, titled Submission of yearly reports and returns, etc., “the Authority shall submit to Government after approval of the Governing Body, as soon as possible after the end of every financial year but before the last day of October next following, a report on the conduct of its affairs for that year”.

Clauses 13 and 17 of the Sindh Public Procurement Act 2009 provide that the authority shall cause its accounts to be maintained properly and in respect of each financial year submit for approval of Government” and that “within three months from the end of each financial year , the Authority shall cause a report to be prepared on its activities” respectively.

During audit of following offices under administrative control of SGA&CD, Government of Sindh, it was observed that the authorities were established to meet defined objectives. However, audit noticed that the provisions of the Act are not being observed by these authorities as detailed below:

Sr. #	Name of Office	Year	AIR Para #	Particulars
1	Zulfikarabad Development Authority, Karachi	2013-14	37	<ul style="list-style-type: none"> <li data-bbox="687 833 1239 1169">i. Record produced to audit did not show any significant achievement by the authority as required under Section 9 and other sections of ZDA Act since its inception including acquiring of land (including private land for which payment has already been made to Revenue Authorities without possession), undertaking works in specified area, cause studies/surveys, etc. <li data-bbox="687 1169 1239 1406">ii. Only one meeting of governing body was convened in the year 2010. Neither the Chairman of Governing Body can convene any further meeting, as required vide section 5 (3) nor any procedure could be prescribed for convening the meetings as required vide section 5(2) of ZDA Act. <li data-bbox="687 1406 1239 1572">iii. Governing body after establishing Executive Committee (EC) under Chairmanship of Managing Director, seems almost absolved itself from the affairs of ZDA. <li data-bbox="687 1572 1239 1639">iv. No annual report on the conduct of its affairs has been submitted by ZDA in

				compliance to section 43 (1) of the act.
2	Sindh Civil Servants Housing Foundation	2008-09 to 2012-13	1	The objective of providing house on no profit no loss bases to each Civil Servant at the time of retirement, or to his family in case of death during service not achieved as the foundation has not started any project.
3	Sindh Public Procurement Regulatory Authority, Karachi	2012-13	39	The clause 13 and 17 of the Act were not observed by the authority as accounts were not submitted for approval of Government” and report on its activities was also not prepared.

The irregularity was pointed out to the Department during June 2014 to December 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

28.4.20 Unauthorized award of work of road - Rs4,078.00 million

According to Rule 1 Appendix 18-A of Sindh Financial Rules, Volume-I, Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2012-13, it was observed that the management awarded a work of road construction costing Rs4,078.00 million (@ of Rs100 million per km) to M/s Frontier Works Organization without observing estimate of schedule rate. Details regarding comparing of schedule of rate and offered rate was not produced to audit.

The irregularity was pointed out to the Department in February 2014. Department in reply stated that during preparation of PC-I, a detailed analysis was under taken and data was analysed to reach a reasonable cost per kilometre of the express way but no record in support of reply was furnished. Besides management did not justify the non-observance of composite Schedule of rates.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 3)

28.4.21 Un-authorized award of work over & above PC-I - Rs1,930.42 million

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

During audit of Zulfikarabad Development Authority (ZDA), Karachi, for the year 2012-13, it was observed that work of Rs1,930. 42 million was awarded to M/s Frontier Works Organization (FWO) for construction of road over & above PC-I cost without observing cost set in PC-I.

The irregularity was pointed out to the Department in February 2014. Department in reply stated that as per prevailing rules, 15 % over and above the cost of PC-I is allowable, but no documentary evidence in support of reply was furnished.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 4)

28.4.22 Un-justified release without classifying component of PC- I - Rs445.52 million

As per clause-35 budget-(1) of the act of ZDA, In May of each year the authority shall submit to the governing body for approval a statement of the estimate receipt and expenditure in respect of the next financial year.

During audit of Zulfikarabad Development Authority (ZDA), Karachi for the year 2012-13, it was observed that an amount of Rs445.52 million was released by

Finance Department without classifying component of the PC-I, The component-wise draft release order was neither sent to Finance Department nor produced to audit. Moreover, as per above rule, estimated receipt and expenditure required to be prepared by the management was also not produced to audit.

The matter was pointed out to the department in February 2014. In reply, the management stated that in view of the decision taken in the meeting convened on 13th July 2010 by the Chief Secretary Sindh on Presidents directives regarding release of funds/budget in lump-sum on single line transfer basis in favour ZDA, the Finance Department and Services General Administration & coordination Department Government of Sindh are releasing funds/budget under the sub sector "Development of Zulfikarabad" appearing in the Annual Development Program. The reply was not satisfactory as releasing budget in lump sum by finance department does not absolve the department of the responsibility of classifying components of PC-I. Classification of budget component/head wise ensures the financial control and transparency.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 1)

28.4.23 Irregular expenditure without operating Assignment Account - Rs85.32 million

As per Finance Departments notification No.FD(RES-IV)2(72)/2010-11 dated 05-07-2011, the revised procedure was issued regarding operating of Assignment Account and that all Special Drawing Accounts (SDA) will be discontinued and will be replaced by the Assignment Account with immediate effect. As per Rule 13 of General Financial Rules, "Every controlling officer must satisfy himself not only that adequate provisions exist within the departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores but also that the prescribed checks are effectively applied".

During audit of Zulfikarabad Development Authority, Karachi for the year 2012-13, it was observed that an expenditure of Rs85.32 million (as per

receipt/expenditure statement 2012-13) was incurred by operating DDO account instead of operating through Assignment Account as advised by the Finance Department in July 2011.

The irregularity was pointed out to the Department in February 2014, but no reply was received nor was convened the DAC meeting despite pursuance with the Principal Accounting Officer till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 27)

28.4.24 Un-authorized retention of Government funds in DDO account - Rs53.03 million

According to Rule-290 of Central Treasury Rules Volume-I, “No money shall be drawn from Government Treasury until and unless it is required for immediate disbursement or need. It is not permissible to draw money from the treasury in anticipation of demands or to prevent lapse of budget grant.”

During audit of Zulfikarabad Development Authority, Karachi for the year 2012-13, it was observed that an amount of Rs53.028 million (in both Account No.1500-1 & 1320-9) was retained un-authorizedly by the DDO concerned in a DDO accounts operated by local office. The local office was unable to clear its DDO account as on 01-07-2012 also, when they had about Rs32.45 million (in both Account No.1500-1 & 1320-9) undisbursed amount and Rs20,000 cash in hand; and as on 30-06-2013, Rs53.03 million (in both Account No.1500-1 & 1320-9) was again retained un-authorizedly. The chances of misuse or misappropriation of funds could not be ruled out.

The irregularity was pointed out to the Department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 4)

28.4.25 Irregular investment of savings - Rs41.27 million

Rule 4 of SPPR 2010 provides that while procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

According to Para 7 of G.F.R Volume-I, “Unless otherwise expressly authorized by any law or rule or order having the force of law money may not be removed from the public account for investment or deposit elsewhere without the consent of Finance, read with notification of the Finance Department issued vide No.B-2(63)/78(PT-11) dated 30-11-1981 that the fund allocated for one unit of appropriation cannot be utilized for another head of accounts prior approval of the Finance Department” .

During audit of Zulfikarabad Development Authority, Karachi for the year 2012-13, it was observed that an amount of Rs41.27 million was invested vide cheque No.4479663 dated 28-06-2013 by the management in Finance Department’s Fund Management House un-authorizedly. These funds were the savings of financial year 2011-12 which required to be surrendered at the close of financial year 2011-12.

The irregularity was pointed out to the Department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 22 & 26)

28.4.26 Unauthorized purchase of vehicle from capital cost - Rs3.18 million

According to standing orders of the government, No expenditure could be incurred until an estimate was prepared and got approved from the competent authority. An estimate on running/maintenance of vehicles were therefore required to be prepared showing the information like capital cost, drivers pay, POL charges, Major/minor repair, tyres and tubes, and depreciation charges etc., and got sanctioned from competent authority.

During audit of Zulfikarabad Development Authority, Karachi for the year 2012-13, it was observed that an expenditure of Rs3.18 million was incurred on account of purchase of vehicle from capital cost and the same was not reflected in book of accounts and the same was without any provision in the PC-I.

The irregularity was pointed out to the Department in February 2014. The authority replied that the provision of purchase of transport is included in the approved PC-I of construction of 44 kilometres expressway in order to provide the facility to the field officers. No record in support of reply was produced.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 15)

28.4.27 Irregular payment of honoraria - Rs3.73 million

As per Para 46-48 of Fundamental Rules, “The powers to sanction the undertaken a work for which an honorarium have been delegated to the ministries and head of the departments up to a maximum of Rs2000 and Rs1000 in each case respectively vide item No.19 of Annexure-II to the finance division O.M of 11th Mach 1981. The amount should not exceed one month pay of the government servant concerned on each occasion.

During audit of following offices under administrative control of SGA&CD, Government of Sindh for the year 2012-13, it was observed that honoraria Rs3.73 million was paid to various Contractual contingent staff irregularly in excess of the prescribed limit and procedure. The details are as under:

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	Zulfikarabad Development Authority, Karachi	05	2.81
2	Managing Director, Sindh Public Procurement Regulatory Authority, Karachi	21	0.92
Total			3.73

The irregularity was pointed out to the Department in February 2014 and June 2014. The entity at Sr.1 above replied that honorarium equal to one gross pay was paid with the approval of the competent authority, i.e., Chief Minister of Sindh, The

reply was found irrelevant as it does not address the issues raised in audit para, i.e., justification of payment of honorarium and not competency of the sanctioning authority in light of rules. No reply in respect of other office was furnished.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

28.4.28 Irregular re-appropriation of funds – Rs2.67 million

According to Para 7 of G.F.R ,Volume-I, “Unless otherwise expressly authorized by any law or rule or order having the force of law, money may not be removed from the public account for investment or deposit elsewhere without the consent of finance, read with notification of the finance department issued vide no: B-2 (63)/78 (PT-11) dated 30-11-81 that the fund allocated for one unit of appropriation cannot be utilized for another head of accounts prior approval of the Finance Department”.

During audit of Zulfikarabad Development Authority, Karachi for the year 2012-13, it was observed that an expenditure of Rs2.67 million was incurred by way of re-appropriation of funds by the DDO itself instead of obtaining sanction from Finance Department.

The irregularity was pointed out to the Department in February 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 5)

28.4.29 Non-recovery of government dues - Rs49.15 million

As per Rule-11 of General Financial Rules, Volume-I, “Each head of department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

During audit of following offices under administrative control of SGA&CD, Government of Sindh, it was observed that an amount of Rs49.15 million was not recovered. The details are as follows:

(Rupees in million)

Sr. #	Name of office	AIR Para #	Year	Particulars	Amount
1	MD, Sindh Public Procurement Regulatory Authority, Karachi	12, 14 15, 11, 24, 9, 20, 10, 29, 31&18	2012-13	Taxes and allowances	20.62
2	Zulfikarabad Development Authority (ZDA), Karachi	9	2012-13	Sales tax	0.37
		8	2012-13	Recovery of stamps duty	12.24
		6	2012-13	Project allowance	1.44
		15	2013-14	Stamp duty	14.04
		32	2013-14	Security deposit	0.25
3	Sindh Public Service Commission, Hyderabad	4 & 16	2013-14	Income tax and dues	0.19
Total					49.15

The matter was pointed out to the department during February 2014 to December 2014. The office at Sr.No.2, i.e., Zulfikarabad Development Authority (ZDA) stated that project allowances was paid with approval of governing body and FWO is exempted from taxes however no documentary evidence was provided to audit.

DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

28.4.30 Irregular passing of candidates in Mukhtiarkar Examination

As per Recruitment Management Regulation (RMR), Policy Decision, Register of Policy Decision of Honourable Sindh Public Service Commission, in each announcement of the result (Written or VV) the office has to declare the roll numbers of those candidates whose result is Withheld result for any cogent reasons to avoid any misconception or fraud.

During audit of Sindh Public Service Commission, Hyderabad for the financial year 2012-13, it was observed that in the result of test for appointment of Mukhtiarkar, a candidate was failed. But later, in another announcement, he was declared qualified. However, Policy of Withheld Candidates of SPSC provided that if there is/are any candidate(s) whose result is withheld due to solid reason, it should be mentioned in the press release of the result declaration. But, there was not any withheld notification in the result. Further two candidates were recruited after the lapse of 6 month of result announcement and joining.

The irregularity was pointed out to the Department in June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures.

(AIR # 22 & 35)

CHAPTER – 29 SOCIAL WELFARE DEPARTMENT

29.1 Introduction

The Social Welfare Department was created to organize voluntary Social Welfare Service through participation, organize rehabilitation programme for the destitute and under privileged women. The department also establishes service for the rehabilitation of handicapped and disabled children/adults, register, guide and supervise Voluntary Social Welfare Agencies to organize training programmes.

29.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 18 formations (DDOs), out of which 06 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
959.76	-	959.76	741.43	218.34

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs218.34 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
0.08	26.68	15.91	10.77

The department was unable to collect the estimated receipt in time. As a result, shortfall of an amount Rs10.77 million was observed.

29.3 Brief comments on the compliance of PAC directives

In the Audit Report for the year 2012-13, 3 paras were printed. That report has not been discussed in the Public Accounts Committee (PAC) meeting. No PAC Meeting was held during the year 2013-14.

29.4 AUDIT PARAS

29.4.1 Non-production of record - Rs34.38 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various offices of Social Welfare Department for the years 2012-13 & 2013-14, the auditable record of Rs34.38 million was not produced to audit. Details are at Annexure-1 of Chapter-29.

The matter was reported to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

29.4.2 Irregular expenditure on excess working strength – Rs2.83 million

As per Rule 13 of General Financial Rules, volume-I, "Every controlling officer must satisfy himself not only that adequate provisions exist within the Departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores but also that the prescribed checks are effectively applied.

During audit of office of the Deputy District Officer Social Welfare, Khairpur Nathan Shah under jurisdiction of District Officer Social Welfare, Dadu for the year 2012-13, it was observed that 13 employees were working over and above the sanctioned strength on various posts. This resulted into unauthorized/irregular

payment of salary in excess of sanctioned strength amounting to Rs2.831 million. Details are as follows:

(Rupees in million)

Sr. #	Designation	Grade	Sanction	Working	Excess	Salary per month	Total Amount
1	Computer Operator	11	-	1	1	15,548	0.19
2	Senior Clerk	9	-	1	1	28,578	0.34
3	Asst: Teacher	8	-	1	1	13,521	0.16
4	Junior computing clerk	7	-	1	1	13,153	0.16
5	Auxiliary worker	6	-	4	4	51,272	0.62
6	Child care worker	6	1	2	1	35,105	0.42
7	Store keeper	6	-	1	1	12,818	0.15
8	Driver	4	-	1	1	12,018	0.14
9	Chowkidar	2	1	2	1	29,280	0.35
10	Naib qasid	2	1	2	1	24,707	0.30
Total			3	16	13	236,000	2.83

The matter was pointed out to the department in April 2014 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

29.4.3 Non-transparent award of contract - Rs16.12 million

According to Para181 of Sindh Financial Rules, volume-I, “Usually the lowest tender should be accepted, unless there are some objection to the capacity of the contractor, his financial status, the security offered by him, or his execution of former work.....”.

During audit of the office of the Provincial Coordinator, Social Welfare Department, Karachi for the year 2013-14, it was observed that a contract worth Rs16.12 million for supply sewing machine with motor, cover and sewing box @ Rs6,349 per unit was awarded to a firm. Audit observed that the management ignored the lowest bidder, which had quoted the rate of Rs4,110 per unit.

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 14)

29.4.4 Irregular expenditure without inviting tender - Rs1.58 million

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

During audit of the office of the Provincial Coordinator, Social Welfare Department, Karachi, for the year 2013-14, it was observed that the an expenditure of Rs1.58 million was incurred on rent of building and equipment without inviting open tenders. Details are as under:

(Rupees in million)				
Sr. #	Name of office	Particulars	AIR Para #	Amount
1	Provincial Coordinator, Social Welfare Department, Karachi	Rent of building	15	0.70
2		Various equipment	18	0.88
Total				1.58

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

29.4.5 Irregular expenditure on social welfare activities - Rs1.30 million

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

During audit of the following offices of Social Welfare Department, it was observed that expenditure of Rs1.30 million was incurred on different social welfare activities.

(Rupees in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	Provincial Coordinator Social Welfare, Karachi	2013-14	2	0.66
2	Dy. District Officer, Social Welfare, Kot Ghulam Muhammad, District Mirpurkhas	2012-13	2	0.25
3	Dy. District Officer, Social Welfare, Mirpurkhas	2012-13	2	0.24
4	Dy. District Officer, Social Welfare, Digri, Mirpurkhas	2012-13	2	0.15
				1.30

Following irregularities were noticed:

- i. Approved programme of activities was not produced.
- ii. Schedule of programme of activities was not produced
- iii. Attendance sheet of participants of activities was not produced
- iv. Quantity/Number of participants of activities was not produced
- v. The expenditure was incurred beyond the delegation of powers
- vi. Payee's acknowledgement for payment was not obtained

The irregularity was pointed out to the Department during June 2014 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

CHAPTER – 30 SPECIAL EDUCATION

30.1 Introduction

Special Education Department is responsible for the overall development of educational infrastructure and policy planning and implementation of educational reforms in Sindh province. The department looks after the educational affairs within the province and coordinates with the Federal government and donor agencies regarding promotion of education in the province. Education Department is strategically run by elected representatives of the public and administratively controlled by the bureaucracy.

Core functions of the department include:

1. Education of handicapped children, specially deaf, dumb and blind
2. Grant of scholarships

30.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 06 formations (DDOs), out of which 06 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/Savings
507.77	-	443.02	428.06	14.96

The department was unable to utilize the funds as per allocated budget, as a result saving of Rs14.96 million was observed.

30.3 Brief comments on the compliance of PAC directives

In the Audit Report for the year 2012-13, 2 paras were printed. That report has not been discussed in the Public Accounts Committee (PAC) meeting. No PAC Meeting was held during the year 2013-14.

30.4 AUDIT PARA

30.4.1 Non-production of record - Rs45.37 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the following offices of Special Education Department Government of Sindh, for the year 2012-13, the auditable record of Rs45.37 million was not produced to audit.

(Rupees in million)

Sr. #.	Name of Office	AIR Para #	Amount
1	Secretary Special Education, Karachi	1	26.40
		2	11.80
2	Government Service Centre, Thatta	17 & 20	7.17
3	Mehran Special Education Centre, Mirpurkhas	1	-
Total			45.37

The matter was reported to the department from May 2013 to May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

30.4.2 Irregular expenditure on POL on off road vehicles - Rs1.07 million

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

During audit of the following offices of Special Education Department, for the year 2012-13, it was observed that and an expenditure of Rs1.07 million was incurred on POL on off road vehicles. Details are as under:

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Amount
1	Mehran Special Education Centre for VHC, Mirpurkhas	6	0.50
2	Shah Latif Special Education Centre for MRC, Hyderabad	5	0.40
3	Regional Director, Special Education, Hyderabad	9	0.17
Total			1.07

The irregularity was pointed out to the department during May 2013 to May 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

30.4.3 Irregular expenditure without open tenders - Rs1.13 million

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

During audit of the office of Regional Director, Special Education, Hyderabad, for the year 2012-13, it was observed that an amount of Rs1.13 million was incurred on purchase of various item/articles without inviting open tenders.

The irregularity was pointed out to the department in August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

CHAPTER –31

SPORTS & YOUTH AFFAIRS DEPARTMENT

31.1 Introduction

The major functions of the department are:

- To deal with Physical Culture
- To deal with Youth Affairs including Scouts
- To maintain/protect buildings under Heritage Act

31.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 06 formations (DDOs), out of which 06 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/Savings
5.87	-	5.87	7.36	(1.49)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs1.49 million was observed.

31.3 Brief comments on the compliance of PAC directives

In the Audit Report for the year 2012-13, 8 paras were printed. That report has not been discussed in the Public Accounts Committee (PAC) meeting. No PAC Meeting was held during the year 2013-14.

31.4 AUDIT PARAS

31.4.1 Doubtful expenditure on flood lighting of a stadium – Rs40.00 million

According to Para-23 of General Financial Rules, Volume-I, “Every government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part of any other Government Officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit of the office of the Co-coordinator Sindh Sports Board, Karachi for the year 2012-13, it was observed that an amount of Rs40.00 million was paid to the Executive Engineer Provincial Building Division, Nawabshah on account of flood lighting through cheque No.4783428 dated 20-09-2012 from the head of account “Grant for Sports Activities”. The following irregularities were noticed:

- i. Record regarding pitch dimension and measurement of total area of playground was not produced to audit.
- ii. Certified documents of expenditure incurred by Executive Engineer Provincial Building Division, Nawabshah were not available on record.
- iii. The completion report, work order, contract agreement, technical Proposal, report of committee, supporting documents of expenditure and Cash book of account No.1627-9 were not produced to audit.
- iv. As per look of cricket ground on Google earth it seemed that more than 70% ground was grassless. The ground looked in poor condition as the pitch of ground was destroyed.
- v. No terms and condition were executed between Sindh Sports Board, Karachi and Administration of Cricket Stadium, Nawabshah before undertaking the work.

The matter was reported to the department in June 2014. The DAC meeting was held on 10-02-2015. The management informed that as per Finance Department advice dated 31-01-2012, the amount was placed at the disposal of Secretary, Sports & Youth Affairs and as per sanction, the amount was disbursed to XEN Provincial Building Division, Works & Services Department, Shaheed Benazirabad being the executive agency of the scheme. They added that no agreement is undertaken between the Sindh Sports Board and administration of the stadium for carrying out the work. They further added that the remaining observations relating to the works done by the concerned XEN relates to Works & Services Department. The DAC directed the management to refer the audit observations in respect of the expenditure

on works to Works & Services Department for enquiry. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 1, 2, 3 & 16)

31.4.2 Defective issuance of cheques from Bank – Rs40.65 million

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

During audit of the office of the Coordinator/Additional Secretary Sindh Sports Board, Karachi for the financial year 2012-13, it was observed that five cheques amounting to Rs40.65 million were issued to payees from the cheque book (Cheque Serial No.CD:J 4783401 to 4783450) in scattered form leaving blank cheque leaves between the issued cheques as detail below:

(Rupees in million)

Sr. #	Cheque No.	Particular	Amount
1	4783420	Issued cheque dated 30-06-2012	0.48
2	4783421	Blank Cheque	
3	4783422	Blank Cheque	
4	4783423	Blank Cheque	
5	4783424	Blank Cheque	
6	4783425	Issued cheque dated 01-08-2012	0.01
7	4783426	Blank Cheque	
8	4783427	Blank Cheque	
9	4783428	Issued cheque dated 20-09-2012	40.00
10	4783429	Blank Cheque	
11	4783439	Issued cheque dated 22-11-2012	0.08
12	4783440	Issued cheque dated 27-11-2012	0.08
Total			40.65

The act of leaving blank cheques between the issued one created doubts over the financial management of the organization and possibility of misuse of funds could not be ruled out.

The irregularity was pointed out to the department in May 2014. The DAC meeting was held on 10-02-2015. The DAC was not convinced with clarification of the management and directed the management to hold a departmental enquiry, so that the reasons for leaving blank cheques may be ascertained. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 21)

31.4.3 Non-production of record - Rs131.33 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the following offices of Sports & Youth Affairs Department, Government of Sindh, Karachi for the years 2012-13 & 2013-14, the auditable record of Rs131.33 million was not produced to audit. Details are as under:

(Rupees in million)				
Sr. #	Name of Office	Year	AIR Para #	Amount
1	Coordinator/Additional Secretary, Sindh Sports Board, Karachi	2012-13	15, 36	111.33
2	Directorate of Sports, Karachi	2013-14	6	20.00
Total				131.33

The matter was pointed out to the department in May 2014 and December 2014. The DAC meeting was held on 10-02-2015. The management informed that the required record is available for audit scrutiny. The DAC directed the management to produce relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

31.4.4 Suspicious “transfer credit” between bank accounts - Rs3.64 million

As per Rule-7 of General Financial Rule, Volume-I, states that, “unless otherwise expressly authorized by any term or rule or order having the force of law, money may not be removed from the public account to invest or deposit elsewhere without the consent of Ministry of Finance”.

During audit of office of the Coordinator/Additional Secretary, Sindh Sports Board, Karachi for the year 2012-13, it was observed that an amount of Rs3.64 million was transferred from one title of account to another title of account maintained and active and operated in the same branch of MCB Sindh through “transferred credit”. Following irregularities were noticed:

- i. Transfer of credit was made with large sums of amounts between bank accounts operated in the same bank branch.
- ii. Funds were frequently intermingled between accounts or there were unexplained transfers from one to the other.
- iii. Transfers of credit, made with large sums of money between bank account operated in the same branch of bank, appeared to be pooling money from various sources.
- iv. Large volume of money frequently transferred and major portion of balances to a single account at the same bank.
- v. A large number of incoming and outgoing transfers took place for which there appeared to be no logical purpose of explanation.

The irregularity was pointed out in May 2014. The DAC meeting was held on 10-02-2015. The management clarified that mainly transfer of funds were made for disbursement of salaries of contractual employees of the Board due to falling of Eid owing as the fund were late released by the Finance Department. The amount later on recouped in relevant head of account. They added that the transfer included an amount of Rs2.00 million sanctioned by Finance Department as Grant in aid for renovation work in four rain affected paly grounds of district Mirpurkhas, therefore, funds were placed at the disposal of their department for disbursement to DC Mirpurkhas. The DAC directed the management to produce relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 18)

31.4.5 Non-adjustment of advances - Rs21.04 million

As per Para-668 of Central Treasury Rules, Volume-I, "Advances granted under special orders of the competent authority to officers/officials for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary".

During audit of following offices of the Sports & Youth Affairs Department, Government of Sindh, Karachi for the year 2013-14, it was observed that an amount of Rs21.04 million was drawn on grant in aid under the ADP scheme titled "International Youth Exchange Program" on 15-05-2014 but in support of the transaction, neither adjustment accounts/vouchers were produced to audit for scrutiny, nor was the expenditure reconciled from office of the AG Sindh. Details are as under:

(Rupees in million)			
Sr. #	Name of Office	AIR Para #	Amount
1	Directorate of Youth Affairs, Karachi	2	5.94
2	Sindh Sports Board, Karachi	2 & 6	15.10
Total			21.04

The irregularity was pointed out to the department in December 2014. The DAC meeting was held on 10-02-2015. The management informed that all the advances pointed out by Audit had been adjusted. The DAC directed the management to produce relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

31.4.6 Systemic Issue- Non-formulating of Budget by the Board – Rs19.86 million

Sindh Sports Board Ordinance, 1980 provides as under:

Section 4 Composition of the Board

(1) The Board shall consists of following:

- | | |
|---|---------------|
| i. Governor of Sindh, or his nominee | Chairman |
| ii. Secretary to Government of Sindh,
Education Department | Vice Chairman |
| iii. Commissioner of the Divisions | Members |
| iv. Director of Sports Sindh | Member |

v. Directors of School Education Karachi and Hyderabad	Members
vi. Directors of College Education Karachi and Hyderabad	Members
vii. Director of Technical Education Sindh	Member
viii. Ten eminent persons actively interested in sports and games to be nominated by Government	Members
ix. Four representatives of associations nominated by Government	Members

(2) The Director of Sports shall also be the Secretary of the Board

Section 7 “Powers of the Board”

(c) The Board shall have the full power to formulate the budget of the Board for approval of Government.

During audit of accounts of the office of the Sindh Sports Board, Karachi for the financial year 2013-14, it was observed that in contravention of the above regulation no meeting of the board had taken place since 1997. As a result, the function of the Board to formulate the annual budget of the organization had not been exercised. Therefore, the annual expenditure of Rs19.86 million incurred by the organization during the year 2013-14 was irregular. Being a systemic issue the irregularity recurring since the non-functioning of the Board.

The irregularity was pointed out to the department in October 2014. The DAC meeting was held on 10-02-2015. The management clarified that holding of Boards meeting was a difficult task in view of occupation of its most of the members which includes Governor of Sindh and all Divisional Commissioners. The DAC directed the management to take initiatives for holding the Board’s meeting or changing the composition of the Board. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 1)

31.4.7 Irregular procurement in violation of SPPR 2010 – Rs4.09 million

Rule 17 of Sindh Public Procurement Rules 2010 provides as under:-

- (1) Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.
- (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

Rule 16 (1) (a) of Sindh Public Procurement Rules 2010 provides as under:-

- (i) Request for quotation is the method based on comparing price quotations obtained from at least three suppliers, contractors, and service providers, in the case of services other than consulting services, to assure competitive prices.
- (ii) A procuring agency shall engage in this method of procurement only if the following conditions exist; (A) the cost of object of procurement is below the prescribed limit of one hundred thousand rupees and above the financial limit prescribed for petty purchase, as provided in clause (d).

In the following offices of the Sports & Youth Affairs Department, Rs4.09 million were paid to different suppliers during the financial year 2013-14 in disregard of the rules;

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Irregularity	Amount
1	Secretary, Sports & Youth Affairs, Karachi	2	Split up of expenditure to avoid tendering	1.53
2	Secretary, Sports & Youth Affairs, Karachi	3	Split up of expenditure to avoid tendering	1.33
3	Directorate of Youth Affairs, Karachi	4	Tender on the website for expenditure of Rs829,237 on food/tea (M/s Regent Plaza Hotel Karachi) was not made. The quotations for remaining expenditure amounting to Rs403,880 being each item above the range of Rs25,000 were not obtained.	1.23
Total				4.09

The matter was pointed out to the department during July 2014 to October 2014. The DAC meeting was held on 10-02-2015. In the case of Sr. No.3, the management replied that three quotations have already been obtained while remaining two cases at Sr.No.1 & 2, the management informed that Sports Department chalked out proper sports activities plan for 2013-14 among various districts and each district had 5 different sports events and such events were conducted on various dates. The DAC directed the management to produce relevant record in support of reply to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

31.4.8 Un-authorized advance draw under the head ‘Others’ - Rs10.73 million

According to Rule-290 of Central Treasury Rules, Volume-I, no money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand, or to prevent lapses of budget grant. And as per Rule-668 of Central Treasury Rules, volume-I, “An advance granted under the special order of the competent authority to officer/officials for departmental or allied purpose may be drawn on the responsibility and receipt of the officers for whom they are sanctioned, subject to adjustment by submission of detail account supported by vouchers or by refund, as may be necessary before the close of accounts of same financial year”.

During audit of office of the Secretary, Sports and Youth Affairs Department, Karachi it was observed that an amount of Rs10.73 million was drawn from head of account “Others-A05270” in advance at the receipt of releases in lump sum and transferred Rs4.82 million to various District Sports Officers in advance for sports activity without approval of Finance Department. Furthermore, closing balance of previous year amounting to Rs3.35 million was un-authorizedly used in current financial year without re-validation from Finance Department. Furthermore, following observations were noticed:

- i. The Department operated Grants in Aids through DDOs Accounts instead of through Assignment Accounts to avoid lapses of savings.
- ii. The reconciliation of the expenditure was not made. The office of AG Sindh booked expenditure on the basis of released amount instead of the expenditure incurred by the DDO.

- iii. The income and sales tax were not deducted.
- iv. Tendering was not made.
- v. The adjustment accounts against the advance were not submitted by the authorities to AG Sindh.

The matter was pointed out to the department in October 2014. The DAC meeting was held on 10-02-2015. The management informed that all Grants-in-Aid of Sports Department are operated through DDO Account as the department does not maintain any Assignment Account. The management added that expenditure was reconciled with AG Sindh and income tax has been deducted and deposited in government account, while the deducted amount of sales tax has not been deposited. The management further added that the expenditure was incurred below the limit of tendering. The DAC directed the management to produce relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 1)

31.4.9 Irregular appointment of consultants – Rs2.56 million

As per “Rule 61; Selection of Consultancy Services”, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

During audit of the office of Directorate of Sports, Karachi for the year 2012-13, it was observed that an amount of Rs1.06 million was paid to a person appointed on contract basis as consultant by the management. The salary to the consultant was paid against the vacant post of Assistant Director (BPS-17); which indicated that there was no provision of appointment of consultant. Moreover, the record regarding advertisement of the post of consultant was not produced to audit to verify the competitive selection process as per rule.

Moreover, during audit of office of the Executive Engineer, Sports & Youth Affairs Department for the year 2012-13, it was observed that an amount of Rs1.50

million was paid to a consultant, M/s Architects Ins. in June 2013. The work was executed through the private consultant instead of Works & Services Department, Government of Sindh. N.O.C. from the concerned department was also not obtained.

The irregularity was pointed out to the department in November 2014. The DAC meeting was held on 10-02-2015. The management in respect of the former case above clarified that services of the Consultant were hired for running the affairs of Sindh Sports Board effectively in view of his expertise and performance. The management added that his appointment was made from time to time as Consultant (BS-17) in Sports & Youth Affairs Department, Government of Sindh under the approval of competent authorities. The management further added that progress and excellence in the Sindh Sports Board had been achieved due to his services. As regards audit observation regarding salary drawn against the vacant post of Assistant Director (BS-17), there was no post of Consultant (Bs-17) in Sports Department; therefore, the same arrangement was made.

The DAC directed the management to submit the revised reply in the former case clarifying non-observance of the Sindh Public Procurement Rule while hiring the services of the consultant. Further, the DAC in respect of the latter case was not satisfied with the clarification of the management and directed to produce complete record to Audit for verification. However, progress in both cases was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 17 & 5)

31.4.10 Difference between utilization reports and bank statements - Rs54.22 million

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

During audit of office of the Coordinator/Additional Secretary, Sindh Sports Board, Karachi, for the year 2012-13, difference between utilization report and bank

statement amounting to Rs54.22 million was observed in respect of funds received and utilized during financial year 2012-13. Details are as follows:

(Rupees in million)

Sr. #	Objectives code	AIR Para #	As per utilization report	As per bank statement	Difference
1	KA-4571 Sindh Games	04	13.00	27.09	(14.09)
2	KA-4575 Grant for Sports Association	06	3.00	2.68	0.32
3	KA-45676 Sports Activities	07	7.25	47.70	(40.45)
Total			23.25	77.47	(54.22)

The irregularity was pointed out to the department in May 2014. The DAC meeting was held on 10-02-2015. The management informed that sports events were already held, while their payments were delayed for want of departmental codal formalities which resulted difference. The DAC directed the management to produce reconciled figures of cash book with utilization report for verification and settlement of the para. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

31.4.11 Excess payment from the various account - Rs7.45 million

Under Rule ‘1’ Appendix 18-A of Sindh Financial Rule Vol-I, “every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of office of the Coordinator/Additional Secretary, Sindh Sports Board, Karachi for the year 2012-13, it was observed that as per cash books of five different accounts, payments amounting to Rs89.34 million as detailed below were made on different kinds while the Government has allocated Rs81.89 million (revised budget/outside the budget). Hence, amount of Rs7.45 million was paid in excess over the revised budget/outside the budget but not mentioned in the reconciliation statement duly reconciled with the Accountant General Sindh. Details are as under:

(Rupees in million)

Account No.	Revised Budget	Total Expenditure	Excess Amount
1000411 (SBB)		10.50	
1000413 (Grant for sports activities)		42.50	
1000409 (Sindh Games)		14.43	
1000412 (Grant for Sports Association)		1.07	
1000408		20.84	
Total revised budget	41.89	89.34	
Outside the budget grant	40.00		
Total	81.89	89.34	7.45

The irregularity was pointed out to the department in May 2014. The DAC meeting was held on 10-02-2015. The management informed that the question of excess payment did not arise as the department received its budget in the form of Grants-in-Aid which is not lapsable. The sports events were already scheduled or held but the payment was delayed for want of some documentation. The DAC directed the management to produce evidence in support of reply for verification by Audit. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 32)

31.4.12 Non-recovery of outstanding dues – Rs3.36 million

According to section 50(4) of income tax ordinance 1979, an amount from time to time any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contact with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 3.5% on supply & 6% on services of gross amount.

During audit of following offices of the Sports & Youth Affairs Department, Government of Sindh, Karachi for the years 2012-13 and 2013-14, it was observed that government dues of Rs3.36 million were not recovered. Details are as follows:

(Rupees in million)

Sr. #	Name of Office	Particulars	Year	AIR Para #	Amount
1	Coordinator/Additional Secretary, Sindh Sports Board, Karachi	Income tax	2012-13	31	3.13
2	Secretary, Sports Karachi	Income tax & Sales tax	2013-14	10 & 11	0.23
Total					3.36

The irregularity was pointed out to the department in May 2014 and October 2014. The DAC meeting was held on 10-02-2015. The management informed that due amount of income tax had been deposited in government account. The DAC directed the management to produce relevant record to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

31.4.13 Irregular payment to Sports Associations - Rs1.67 million

Rule-134 of Sindh Budget Manual, states that, “All charges must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the grants of another year.

During audit of office of the Coordinator/Additional Secretary, Sindh Sports Board, Karachi for the year 2012-13, it was observed that no grant for payments to Sports Associations was received by the department. However, the management incurred expenditure of Rs1.67 million during first half of the financial year 2012-13 on account of grants for Sports Associations from the money received in the preceding financial year 2011-12, which was irregular.

The irregularity was pointed out to the department in May 2014. The DAC meeting was held on 10-02-2015. The DAC was not satisfied with clarification of the management reply and directed to submit revised reply alongwith evidence to audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance with directives of the DAC.

(AIR # 19)

CHAPTER – 32
TRANSPORT AND MASS TRANSIT DEPARTMENT

32.1 Introduction

The Transport and Mass Transit Department is responsible for the overall discipline of the transport and mass transit services of the Province. Preparation of annual provincial budget, formulation of plans and maintenance of an effective and efficient transport system are the major assignments of this Department.

32.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 31 formations (DDOs), out of which 27 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
16,079.24	355.19	16,434.43	9,326.35	7,108.09

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs7,108.09 million was observed which was not surrendered in time.

32.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
4	4	4	100

Audit Reports for the year 2007-08 was discussed in the Public Accounts Committee (PAC) meetings and total 4 paras were discussed cumulatively in respect of Transport and Mass Transit Department. The department made compliance of 4 PAC directives. The percentage of compliance made by the department is 100.

32.4 AUDIT PARAS

32.4.1 Non-production of record – Rs159.64 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the following offices of the Transport & Mass Transit Department, did not produce auditable record involving expenditure of Rs159.64 million.

(Rupees in million)

Sr. #	Name of the Offices	Year	AIR Para #	Amount
1	Secretary, Transport and Mass Transit Department, Karachi	2012-13	3	113.00
			38	46.64
2	Regional Transport Authority, Badin	2012-13	1	-
			Total	159.64

The irregularity was pointed out to the department in June 2014. The irregularity was pointed out to the department in June 2014. The management in respect of audit observation at Sr.No.1 (Para 3 of AIR 2012-13) replied through letter dated 09-01-2015, the matter had been taken up for inquiry by NAB which was in process; whereas, no reply was received in respect of remaining paras of AIR.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires pursuance for completion of inquiry in the matter besides production of record in respect of un-responded audit observations.

32.4.2 Unauthorized procurement of Qinqi Rickshaws - Rs244.93 million

According to Para 23 of the GFR volume-I “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

Rule 41 (8) of SPPR 2010 provides that the official chairing procurement committee shall encircle the rates and all the members of procurement committee shall sign each and every page of financial proposal;

During audit of office of the Secretary Transport, Karachi for the year 2012-13, it was observed that an expenditure of Rs244.93 million was incurred on account of procurement of Qinqi Rickshaws for distribution amongst un-employed youths. Audit noticed irregularities in the procurement which were pointed out to the department in June 2014. The management replied the Audit Inspection Report in January 2015. The irregularities along with status of reply by the management are as follows:

- i. The expenditure pertained to the development scheme, however, the summary was moved without PC-I. The management in reply stated that it was not a development scheme. Audit was of the view that it was not a recurring expenditure, therefore, PC-I was required.
- ii. On tender opening date of 11/6/2012, two important members Deputy Secretary Finance (B&E-III) and Manager Assessment SPRRA were not available in contravention of the Rule 41 (8) of SPPR 2010. The members of procurement committee did not participate in bidding process and remarks of technical committee were framed by un-authorized and un-notified officials. 90% marks were allowed to M/s. D.S. without mentioning the justification. The management in reply stated that Deputy Secretary Finance (B&E-III) attended the subsequent meeting on 19-06-2012, but it did not mention about endorsement of the officer in respect of proceeding of previous meeting. Moreover, no clarification was made about absence of Manager Assessment SPRRA.
- iii. Tender documents for pre-qualification were not signed and stamped by suppliers on each page, hence were not authentic. The management in reply did not clarify this observation.

- iv. The tender documents were issued for 200 rickshaws instead of 1300. The management in reply did not clarify this observation. The management in reply did not clarify this observation.
- v. Tender documents of all bidders were not produced to audit. Further, in violation of SPPR 2010, Bid Evaluation Report was also not hoisted on SPPRA Website prior to award of contract. The management in reply did not clarify this observation.
- vi. It was intimated by Finance Department that the funds have been sanctioned outside the budget which will be met either by way of re-appropriation of funds or by obtaining supplementary grant during 2012-13. Complete details of provision of funds and source of funding were not produced to Audit. The management in reply did not clarify this observation.
- vii. As per AG Sindh observation memo dated 06/08/2012, an officer issued the work order on 19/07/2012, whereas the same officer stood relieved from the post of Deputy Secretary from 02/05/2012 in pursuance of Honourable Supreme Court Order dated 02/05/2012; hence the work order was doubtful. The management in reply did not clarify this observation.
- viii. Complete record of distribution along with copy of CNIC, income certificate, acknowledgement receipt, address, qualification of beneficiaries, order of authority for delivery, delivery challans, location, actual delivery and distribution to eligible beneficiaries was not produced to Audit. The management in reply did not clarify this observation.
- ix. The procurement was related with the financial year of 2011-12; whereas the payments were made in 2012-13. The management in reply did not clarify this observation.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 6)

32.4.3 Irregular payments on hiring of consultant - Rs9.90 million

According to Para 23 of the GFR volume-I “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will

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

As per “Rule 61; Selection of Consultancy Services” of SPPR 2010, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

During audit of accounts of office of the Secretary Transport, Karachi for the year 2012-13, it was observed that an amount of Rs9.90 million was paid to consultants, M/s. Sistech on account of preparation of PC-II/PC-I for Feasibility Study Conversion of Two Stroke Auto Rickshaw Engine with Four Stroke CNG operated engine in all over Sindh. Audit noticed irregularities in hiring of the consultant which were pointed out to the department in June, 2014. The management replied the Audit Inspection Report in January 2015. The irregularities along with status of reply by the management are as follows:

- i. Details of scheme required for approval PC-II was not provided to audit. The management in reply did not furnish requisite detail.
- ii. The estimates/cost analysis/technical sanction along with basis of estimates for such kind of job could not elucidated by the management. The management in reply did not furnish requisite detail.
- iii. Three bidders participated for the consultancy job, out of which two (Prime Traders and Sistech) were mostly known as suppliers of equipment like computers, software and hardware, etc., but not for research and feasibility study. The management in reply did not clarify the point raised by audit.
- iv. The initial payment of Rs4.95 million was made on 30/05/2012, within in a week after issuance of administrative approval on 19/05/2012, and work order on 22/05/2012. Audit was of the view that advance payment was made without executing activities. The management in reply stated that the payment was made due to closure of financial year. The reply was not tenable as the payment in haste to avoid lapse of fund was indicative of weak financial management leading to misuse of funds.

- v. The double payment was made on same invoice as month was changed by pen; whereas, the complete invoice along with invoice number was same. Moreover, copies of cheques were also not attached with the record of payment. The management in reply denied the double payment; however, the specific point raised by Audit was not clarified.
- vi. Management evaluated the case and awarded marks without any examination of the documentary evidences. The management in reply did not clarify the point raised by audit.
- vii. Income tax was paid for Rs6.00 million but deposit challans were not produced to Audit. The management in reply did not clarify the point raised by audit.
- viii. Sales tax was required to be deducted and deposited into Sindh Government Sales Tax Department but the same was neither deducted nor deposited into government account. The management in reply did not clarify the point raised by audit.
- ix. Performance guarantee was not obtained in violation of the rules. The management in reply did not clarify the point raised by audit.
- x. The payment was required to be made for System Study, Feasibility Study and Development & Designing of feasibility report (PC-II & PC-I), but the record in this regard was not produced to Audit. The management in reply did not clarify the point raised by audit.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 8)

32.4.4 Irregular payments on account of hiring buses - Rs33.82 million

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

During audit of office of the Secretary Transport, Karachi for the year 2012-13, it was observed that an expenditure of Rs33.82 million was incurred on account of payment of hire charges of buses. Audit noticed irregularities in the procurement which were pointed out to the department in June 2014. The management replied the

Audit Inspection Report in January 2015. The irregularities along with status of reply by the management are as follows:

- i. The copy of constitution of Technical Committee was not produced to Audit. The management in reply did not furnish the relevant office order.
- ii. The lowest bidder was M/s. Minhas, but it was rejected due to buses having model older than 1998; however, the terms and conditions of tender documents were not approved prior to advertisement. The management in reply attributed the rejection of lowest bidder as in the “public interest” stating that there was an oversight in the tender document. Audit is of the view that the change in bid document had to be notified timely to all intending bidders as per Rule 21 (2) of the SPPR 2010, hence violation of the Rule has occurred.
- iii. The relevant documents, i.e., registration of buses, turnover, experience, income tax deposit details were not produced to Audit. The management in reply did not furnish the relevant documents.
- iv. The copies of registration of Income tax and Sales Tax were not produced to Audit. The management in reply did not furnish the relevant documents.
- v. The tender documents of other bidders were not produced to Audit. The management in reply did not furnish the relevant documents.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

32.4.5 Un-authorized keeping of departmental vehicles - Rs1.80 million

According to Para 23 of the GFR Volume-I “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit of office of the Secretary Transport, Karachi for the year 2012-13, it was observed that three vehicles (one Toyota Corolla and two Suzuki Cultus

cars) valuing Rs1.80 million (approx.) were shown in the record as being used by Minister/Ministerial Secretariat without having rule in this regard and proper justification. Further, the handing over/taking over of the vehicles was also not carried out. Thus undue favour was extended by the management towards unauthorized use of vehicles.

The irregularity was pointed out to the department in June 2014. The management in reply stated that no vehicle had been handed over to the Minister/Minister's Secretariat. The reply was not tenable as the management did not furnish details of fleet of vehicles to substantiate the denial.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for ascertaining the factual position.

(AIR # 23)

32.4.6 Short delivery of rickshaws - Rs53.59 million

According to Para 23 of the GFR volume-I "Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence".

During audit of office of the Secretary Transport Karachi, for the year 2012-13, it was observed that advance payment of was made to the supplier for supply of 1,400 rickshaws, but the record (letter No.SO(Gen)/4-14/2012 dated 28/11/13) indicated delivery of 1,092 rickshaws. Hence, there was short delivery of 308 rickshaws costing Rs53.59 million @ Rs174,000 per unit), which was a loss to the government.

The irregularity was pointed out to the department in June 2014. The department in reply stated that no shortage had occurred. The reply was not tenable as the management did not furnish the relevant documents to substantiate the denial.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for ascertaining the factual position.

(AIR # 10)

32.4.7 Un-justified drawl of cash from banks - Rs1.48 million

According to Rule 290 of Central Treasury Rules Vol-I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent laps of budget”.

During audit of office of the Secretary Transport, Karachi for the year 2012-13, it was observed that an amount of Rs1.48 million was drawn from bank in cash, but the reasons of drawing cash and relevant adjustment account and cash book. Hence, misuse of financial powers and misappropriation of funds could not be ruled out.

The irregularity was pointed out to the department in June 2014. The management in reply stated that the amount drawn pertained to payment on account of salary; however, any clarification about payment of salary in cash was not made.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 15)

32.4.8 Non-realization of route permit fee – Rs1.44 million

According to Section 34 (i) (b) and 60 of the Motor Vehicle Ordinance 1965 read with Rules 64 (2), 85 and 91 of the Sindh Motor Vehicle Rules 1969, route permit issued for a specific period on expiry of the period it should be renewed on payment of prescribed fee (i.e., application fee and renewal fee) along with progressive fee (penalty) at the prescribed rates is to be recovered.

During audit of following offices of the Transport & Mass Transit Department for the years 2012-13 & 2013-14, it was observed that route permit and progressive fee of Rs1.44 million from owners of private and commercial vehicles was not realized. The details are as under:

(Rupees in million)

Sr. #	Name of Office	Recoverable from	Year	AIR Para #	Amount
1	RTA, Hyderabad	Owners of buses	2013-14	2	0.12

(Rupees in million)

Sr. #	Name of Office	Recoverable from	Year	AIR Para #	Amount
2	RTA, Karachi	Owners of private carriers	2013-14	2	0.32
3		Owners of public carriers	2013-14	3	0.30
4		Owners of minibuses	2013-14	4	0.20
5		Owners of MCR	2013-14	5	0.19
6		Owners of buses	2013-14	6	0.11
7		Owners of baby taxi	2013-14	7	0.10
8		Owners of coaches	2013-14	8	0.10
Total					1.44

The irregularity was pointed out to the department in June 2014 and August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires recovery of route permit and progressive fee besides fixing responsibility on the person(s) at fault.

32.4.9 Short deduction of income tax - Rs3.53 million

According to section 50(4) of income tax ordinance 1979, as amended from time to time any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contact with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 3.5% on supply & 6% on services of gross amount.

During audit of office of the Secretary Transport, Karachi for the year 2012-13, it was observed that short deduction of income tax of Rs3.53 million was made while making payments to suppliers, which was a loss to thus government.

(Rupees in million)

Sr. #	Name of Supplier	Tax Amount
1	M/s. D.S Motors	1.75
2	M/s. Deen Muhammad	1.19
3	M/s. Sistech	0.59
Total		3.53

The irregularity was pointed out to the department in June 2014. The management in reply stated that AG Sindh has to deduct Income Tax and GST; however, the management did not deny the non-deduction of tax. Audit was of the

view that DDO is equally responsible to ensure applicable deductions from the payable amount to suppliers.

The DAC meeting was not convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires fixing of responsibility on the person(s) at fault besides taking effective steps for recovery of the income tax.

(AIR # 12)

CHAPTER – 33

WOMEN DEVELOPMENT DEPARTMENT

33.1 Introduction

Women constitute more than 50% population of Pakistan. The Women Development Department being the sole government agency has to play the vital role of catalyst, lobbyist and influencer to attain the prime objective of women empowerment through gender mainstreaming in the project programmes, providing gender equality and equity.

33.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 5 formations (DDOs), out of which 2 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rupees in million)

Original Budget/Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
669.52	-	669.52	74.16	595.36

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs595.36 million was observed which was not surrendered in time.

33.3 Brief comments on the compliance of PAC directives

In the Audit Report for the year 2012-13, only 1 para was printed. That report has not yet been discussed in the Public Accounts Committee (PAC) meeting. No PAC meeting was held during the year 2013-14.

33.4 AUDIT PARAS

33.4.1 Unjustified payment on account of rent of office - Rs3.83 million

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

During audit of office of the Director Women Development Department, Karachi under the Project Coordinator, Shaheed Benazir Bhutto Centre for Women in Sindh for the year 2012-13, it was observed that an amount of Rs3.828 million was paid to landlords on account of rent of office buildings as detailed below:

(Rupees in million)

Sr. #	Name of Owner	Budget Charged	Name of Project	Amount
1	M/s Salman Shareef	Media Cell	Establishment of Day care Centre at Karachi	3.09
2	M/s State Life Corporation of Pakistan	Regular Budget	Rent of office of sales and display centre ADP-2255	0.74
Total				3.83

Following irregularities were noticed:

- (a) The Office of the Media Cell and Day-care Centre was situated in the same premises/building of office of the Director, Women Development Department, Government of Sindh and no separate building was hired by the project.
- (b) Rent agreement with owners was also not available on record.
- (c) Acknowledgement receipt from owner was also not obtained.

The payment was made in cash instead of cheque which creates doubts as the chances for the misuse of government money could not be ruled out.

The matter was pointed out to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 4)

33.4.2 Wasteful expenditure on account of salary of project staff - Rs4.42 million

According to Para-13 of General Financial Rules Volume-I, “Every controlling officer must satisfy himself not only that adequate provisions exist within the Departmental organization for systematic internal checks calculated to prevent and detect errors and irregularities in the financial proceedings of its subordinate officers and to guard against waste and loss of public money and stores but also that the prescribed checks are effectively applied”.

During audit of office of the Director Women Development Department, Karachi under the Project Coordinator, Shaheed Benazir Bhutto Centre for Women in Sindh for the year 2012-13, it was observed that an amount of Rs4.42 million was paid on account of salary to contractual staff of the project but the project had remained non-operative during the whole year. No initiatives seemed to have been taken by the management to run/start the activities of the project to achieve the desired objective.

The matter was reported to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

33.4.3 Irregular payment of salary to newly appointed officials - Rs7.80 million

As per Fundamental Rule (FR) 10, no person may be appointed in Pakistan to a post in government service without a medical certificate of health, which must be affixed to his first pay bill. Further as per Rule-88 of Sindh Financial Rules, every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During audit of office of the Director Women Development Department, Karachi under the Project Coordinator, Shaheed Benazir Bhutto Centre for Women in Sindh for the year 2012-13, it was observed that an amount of Rs7.80 million was

paid on account of salaries to newly appointed officials. Verification of the degrees was not initiated by the department. Moreover, record of appointment, i.e., copies of call letters, merit list and details of advertisement of positions and applications were not made available to audit.

The matter was reported to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

33.4.4 Unauthorized expenditure and retention of government vehicles - Rs1.16 million

According to Para 40-B Appendix 18-A (1) SFR volume-I, “Means should be advised to ensure that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of office of the Director Women Development Department, Karachi under the Project Coordinator, Shaheed Benazir Bhutto Centre for Women in Sindh for the year 2012-13, it was observed that an amount of Rs1.16 million was utilized on maintenance of the vehicles by the unauthorized persons. The vehicles of the directorate were operated by person(s) other than local office, which were illegally retained /allotted.

The matter was reported to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 7)

33.4.5 Unauthorized payment through cash instead of cheques – Rs2.06 million

As per Finance Department, Government of Sindh letter No.FD(I-II)1(10)/2006 dated 12-09-2006, claims on account of purchase of material supplied and services rendered exceeding Rs10,000 are payable through cheque to the supplier in order to ascertain the transparency and accuracy.

During audit of office of the Director Women Development Department Karachi under the Project Coordinator, Shaheed Benazir Bhutto Centre for Women in Sindh for the year 2012-13, it was observed that an expenditure of Rs2.06 million was incurred on account of purchase of various items from suppliers, but the payment was made through cash instead of cross cheque in favour of suppliers/vendors.

The matter was reported to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 6)

33.4.6 Non-recovery/short deposit of government revenue – Rs1.11 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit of office of the Director Women Development Department Karachi under the Project Coordinator, Shaheed Benazir Bhutto Centre for Women in Sindh for the year 2012-13, it was observed that an amount of Rs 1.11 million was not recovered/short deposit of revenue. Details are as follows:

(Rupees in million)

Sr. #	Particulars	AIR Para #	Amount		
1	Out of Rs0.714 million received form parents on account of Day-care Centre charges, only Rs0.026 million were deposited.	10	0.69		
2	Income tax from land owners of office building	16	0.29		
	M/s Salman Shareef			3,090,000	231,750
	State Life Corporation of Pakistan			738,524	55,389
				3,828,524	287,139

Sr. #	Particulars	AIR Para #	Amount
3	Professional Tax from the contractors/suppliers	19	0.13
Total			1.11

The matter was reported to the department in December 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires recovery besides fixing responsibility on the person(s) at fault.
(AIR # 6)

CHAPTER –34

WORKS AND SERVICES DEPARTMENT

34.1 Introduction

Initially, there was one Department namely Public Works Department (PWD) which consisted of Irrigation Department, Building Department, Roads Department and Public Health Engineering Department. Before mid-sixties, Buildings and Roads Department (B&R) was one Department. Later on it was bifurcated in two Departments; each one was headed by Chief Engineer under Secretary, C&W Department. After devolution in 2001, Communication & Works Department was renamed as Works & Services Department. The Education Engineering Works, previously functioning under Education Department was transferred to Works & Services Department.

Before devolution, Communication & Works Department was responsible for execution and maintenance of Roads and Buildings Projects in the entire province except works which were executed by civic agencies and some other agencies.

After devolution, workload was partly transferred to District Governments. The Education Engineering works after re-structuring were devolved at District level and none of its functions were retained at Provincial level. The Foreign Aided Projects of Education Engineering Works under Project Director (Education Works) were dealt by Education Department at Provincial level.

Works & Services Department, Government of Sindh is responsible for providing services in the form of road network and building facilities for various departments of Government of Sindh. Its main activities are planning, designing, construction and maintenance of Roads/Highways and Buildings. The W & S Department offices are spread over the length and breadth of the province. Since devolution in 2001, the functions of W&SD were divided between Provincial and District Governments to facilitate the end users. The road network was devolved to the District Government but, some important inter-district roads were retained by the Works & Services Department.

The following functions are undertaken by the department:

- a) Implementation of Annual Development Program (ADP) in terms of construction, and improvement, of new and existing facilities. It also includes all domestic and Foreign Aided Projects.

- b) Implementation of the Annual Maintenance & Repair Programme.
- c) Preparation of feasibility reports of roads / projects.
- d) Designing of roads and buildings and preparing detailed estimates.
- e) Preparation of Architectural Design & Drawing of Residential and Non-Residential Buildings.
- f) Quality Assurance of projects.
- g) Training of officers and staff in technical/other relevant fields.
- h) Providing technical/execution assistance to other departments and agencies.

Presently, W&SD is providing technical assistance for construction of roads, etc., to Mines and Minerals Department and Sindh Coastal Development Authority. Moreover, the W&SD also constructs buildings for other departments.

Departments attached/subordinate to the W & S Department are;

- a) Highways Department
- b) Building Department

34.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 188 formations (DDOs), out of which 118 formations were selected and audited during the Audit Year 2014-15. The accounts for the Financial Year 2013-14 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rupees in million)

Original Budget / Grant	Supplementary Grant	Revised Budget 2013-14	Departmental Expenditure	Variation (Excess)/ Savings
26,834.10	98.88	26,932.98	23,472.25	3,460.73

The department was unable to spend the allocated budget. As a result, saving of an amount Rs3,460.73 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
4,526.38	2,354.00	306.86	2,047.14

The department was unable to collect the estimated receipt in time. As a result, shortfall amounting to Rs2,047.14 million was observed.

34.3 Brief comments on the compliance of PAC directives

No. of Paras Discussed	No. of Paras for which Compliance made	No. of Paras, for which compliance not made	Percentage of compliance made
38	21	17	55

Audit Reports for the years 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings held in previous years and percentage of compliance pertaining to those discussed paras was 55% in last year's audit report. No PAC Meeting was held during the year 2013-14. The department did not report compliance during the year 2013-14 in respect of paras discussed in previous years.

34.4 AUDIT PARAS

34.4.1 Doubtful simultaneous duplication of works on same schools - Rs84.11 million

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

During audit of accounts of office of the Executive Engineer, Education Works Division, Works & Services Department, Kashmore for the year 2013-14, it was observed that an amount of Rs84.11 million was paid to various contractors from various schemes. Audit selected 21 cases of schools (details in Annexure-1 of Chapter-34) where the management recorded incurrence of expenditure on works simultaneously carried out under the heads (i) Renovation, (ii) Rehabilitation, and (iii) Up-gradation on same schools. Moreover, in certain cases of schools among the selected 21 cases it was also found that work, “Restoration of Schools hit by Super Flood 2010” was also simultaneously carried out along with the work of renovation/rehabilitation of same schools. For instance, expenditure of Rs1.702 million for addition of class rooms under Provincial ADP Scheme was recorded in respect of a school; whereas, simultaneously expenditure of Rs7.077 million on work of construction of class rooms was also recorded under the scheme, SERP-IV on same site (refer Sl.No.1 of the Annexure-1 containing details). Due to duplication of the claimed works, misappropriation of funds in connivance with the contractors was apprehended as the possibility of the non-execution of the works at the site could not be ruled out.

The matter was reported to the department in June 2013, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires enquiry in the matter to ascertain the factual position of the claimed work at the site of the schools besides fixing responsibility on the person(s) at fault.

(AIR # 8)

34.4.2 Doubtful payments to contractors without execution of work - Rs81.90 million

According to Rule-23 of General Financial Rules, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During audit of office of the Executive Engineer, Education Works Division Khairpur, for the year 2013-14, it was observed that an amount of Rs81.90 million was paid to the contractors on account of civil schemes without execution of work. As per progress report, 100% work was completed & handed over to the concerned departments and measurement books showed that the work was done satisfactory supervised & signed by Sub-Engineer, Assistant Engineer and Executive Engineer; whereas upon visit of the sites by Audit, it was found that about 50% work was completed. Audit was of the view that the contractor in collusion with the concerned management received payment of the works which were not executed; hence, it was a loss to the government. Details are as under:

(Rupees in million)

Sr. #	CV. No. & date	Work Order No. & date	Name of Work	Contractor	Amount
1	<u>V-55</u> 10-6-14	<u>50</u> 22-1-14	Up-gradation of GGHS to GGHSS, Wada Machoon, Distt. Khairpur	National Eng:	18.06
2	<u>V-47</u> 10-6-14	<u>1649</u> 14-12-12	Conversion of existing Middle School to GBHS, Thari Mirwah, Distt. Khairpur	Kashif Ali	12.30
3	<u>V-35</u> 19-5-14	<u>252</u> 18-2-14	Construction of Govt. Boys Degree College (Admin Block), Kotdiji, Distt. Khairpur	New SS Enterp.	25.15
4	<u>V-37</u> 19-5-14	<u>253</u> 18-2-13	Construction of Govt. Girls Degree College (Admin Block), Kumb, Distt. Khairpur	Sachal Sarmast	26.39
Total					81.90

The irregularity was pointed out to the department in July 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 3)

34.4.3 Payment to contractors for incomplete works – Rs20.25 million

According to Rule 23 of General Financial Rules, “Every government servant should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part, and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit of following offices of the Works & Services Department, Government of Sindh, for the financial year 2013-14, it was observed that irregular payments amounting to Rs20.25 million to works contractors were made by the management as detailed follows:

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Irregularity	Amount
1	XEN Provincial Building Division, Hyderabad	2	100% against the estimated cost was paid while work was still in progress; whereas contractual date of completion had expired.	18.05
2	XEN, Building Division, Dadu	8	Advance payment was made without completion of work.	2.20
Total				20.25

The irregularity was pointed out to the department in July 2014 and September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.4 Doubtful expenditure due to unsupported progress report - Rs10.69 million

As per Rule 23 of GFR Vol-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

During audit of accounts of office of the Executive Engineer, Education Works Division, Works & Services Department, Kashmore for the year 2012-13, the management produced to audit record of Running Account (RA) Bills for Rs79.62 million paid to various contractors for different works. On the other hand, as per Progress Report of Works/Expenditure, the expenditure on same sites was Rs90.309 million, leaving a difference of Rs10.69 million (details in Annexure-2 of Chapter-34). For instance, 1st RA Bill for Rs0.03 million was produced to audit in respect of Repair/Maintenance work on a school, but expenditure of Rs1.69 million was recorded in the Progress Report against the works on same school (refer Sl.No.1 of the Annexure-2). The Progress Report did not reflect the actual physical and financial position of schemes/works; whereas, the whereabouts of the difference amount of expenditure was not known. Therefore, possibility of misuse/misappropriation of government funds could not be ruled out. It is worth mentioning that amount involved had been taken by Audit from sample of vouchers; hence, the actual amount of difference could be greater.

The matter was reported to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires enquiry in the matter to ascertain the factual position of the claimed work besides fixing responsibility on the person(s) at fault.

(AIR # 4)

34.4.5 Doubtful charging of cost of an executed work to other two schemes in subsequent year - Rs1.82 million

As per Rule-23 of General Financial Rules, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part, and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other

government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

In the office of the Executive Engineer, Education Works Division, Works & Services Department, Kashmore, a work costing Rs1.82 million was executed and paid in 2011-12 under on-going District ADP Scheme, viz., “R/R of Educational Institution in Taluka Kashmore (16 Units) of Elementary Education”. However, Audit observed that in the financial year 2012-13 same work was charged under two different Schemes, i.e.:

- i. R/R of Educational Institution at GGPS Jam Menhoon Chachar, Taluka Kashmore (District ADP ongoing Scheme of Elementary Education); and
- ii. R/R of GGPS Jam Menhoon Chachar U/C R.B. Chachar Taluka Kashmore (New District ADP Schemes 2012-13 of R/R of Elementary Education).

The irregularity was pointed out to the department in June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 5)

34.4.6 Unjustified allowing different rates of premium on same nature of works - Rs492.53 million

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

During audit of office of the Executive Engineer Education Works Division, Works & Services Department, Kashmore for the year 2012-13, it was observed that works costing Rs492.53 million were awarded on different rates of premium, whereas, the works were of same nature.

The irregularity was pointed out to the department in June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 15)

34.4.7 Doubtful payment to contractor for construction of road - Rs10.33 million

According to Rule-23 of General Financial Rules, “every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During audit of office of the Executive Engineer, Highways Division, Mirpurkhas for the year 2013-14, it was observed that an amount of Rs10.33 million was paid to the contractor M/s. N. K. Deewan in 3rd R.A. bill for work, “Construction of Road from Ajeet Ali Ranghar Road to village Shafi Muhammad Ranghar Deh 385 mile 0/0-0/5 (1 km)” vide work order No.537 dated 09-05-2014, bill No.D-65 dated 07-06-2014. The work was started on 10-05-2014; whereas, the payment was made on 07-06-2014, i.e., within (27) days from start of work to carpet. The claim of completion of work in the too short period of time created doubts over the correctness of the payment.

The matter was taken up with the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires inquiry in the matter for ascertaining factual position and fixing responsibility on the person(s) at fault.

(AIR # 1)

34.4.8 Irregular award of works to consultants and contractors - Rs255.28 million

As per “Rule 61; Selection of Consultancy Services”, of SPPR 2010, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

According to Rule-23 of General Financial Rules, “every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During audit of following offices of the Works & Services Department, Government of Sindh for the year 2013-14, it was observed that irregular award of works of Rs255.28 million was made to the consultants and contractors. Details are as under:

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particulars	Amount
1	Project Director, Foreign Aided & Special Projects, Works & Services, Hyderabad	11	i. Payments of Rs12.095 million to consultants made against the consultancy agreement with M/s. REC Republic Engineering Corporation Pvt. Ltd., but record of tendering was not produced to audit, hence competitive award could not be ascertained. ii. No provision was available in original PC-I. iii. Payment was made through variation order, but the justification and approval was not produced to audit.	22.48
2	-do-	7	i. Payments to contractor, M/s Sardar M. Ashraf D. Baloch were made against the work for which no provision was available in original PC-I. ii. Funds were demanded and released for the project closed in 2009. iii. Funds were utilized from irrelevant assignment account.	181.67
3	XEN, Education Works Division, Khairpur	13	In six cases of award of works, Audit observed doubtful competitive tendering process intended to select favourable contractors. There were identical/sequential documents of the participating bidders, which indicated artificial competition.	51.13
Total				255.28

The irregularity was pointed out to the department in July 2014 and September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 10)

34.4.9 Non-production of record - Rs805.47 million

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

- (2) The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of various offices of the Works & Services Department, Government of Sindh, for the years 2012-13 and 2013-14, the auditable record of Rs805.47 million was not produced to audit. The details are at Annexure-3 of Chapter-34.

The matter was reported to the department during July 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.10 Unjustified re-award/restart of works - Rs7.56 million

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

During audit of office of the Executive Engineer, Education Works Division, Works and Services Department, Kashmore for the year 2012-13, it was observed that three works amounting Rs7.56 million were awarded to different contractors under ADP Schemes 2012-13 and paid through 1st RA bills in June 2013. Same works were already executed in the year 2011-12, but the record did not indicate complete status of the already performed works and up to date payments. As the

same works were executed under New ADP Schemes 2011-12 and paid accordingly as shown in Progress Report 2011-12.

The irregularity was pointed out to the department in June 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 6)

34.4.11 Unjustified provision of high premium rates in estimated cost -Rs57.13 million

As per instructions vide circular dated 25-10-2004 issued by D.G. Local Government Department, Government of Sindh, premium allowed on composite schedule of rates to cover the difference between rate provided in schedule of rates and prevailing market rates should not exceed 20%.

During audit of following offices of the Works & Services Department, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that works costing Rs57.122 million were awarded. However, provision of higher rates of premium in the estimates was made which resulted into award of work on higher rates.

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Amount of excess premium
1	XEN Education Works Division, Kashmore	2012-13	16	40.57
2	XEN High Way Division Roads, Tando Allahyar	2013-14	02	15.80
3	Project Director Special Development Package, Khairpur	2013-14	02	0.76
Total				57.13

The irregularity was pointed out to the department in June 2014 and August 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.12 Non-imposition of penalty for the delayed work - Rs838.48 million

Clause-2 of the contract agreement provides that the quantity of the works is to be done within particular time limit as specified within the proportion of time limit, such as ¼ of the work in ¼ of the time, in the event of contractor failing to comply this condition he shall be liable to pay as compensation and amount equal to one %, or such smaller amount as the superintending engineer may decide of the said estimate cost of whole work for every day that the due quantity for work remains incomplete. Provided that, the total amount of compensation to be paid under the provision of this clause, shall not exceed 10% of the work as shown in the tender.

During audit of various offices of the Works & Services Department, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that in cases of various works, the contractors failed to complete the works within the stipulated period. However, penalty for the delayed works to the extent of Rs838.48million was not imposed which tantamount to extending undue favour to the contractors. The details are at Annexure-4 of Chapter-34.

The irregularity was pointed out to the department during October 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.13 Non-adjustment of advances - Rs187.73 million

Para668 of Federal Treasury Rules provides that advances granted under special orders of the competent authority to officers/officials for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary.

During audit of various offices of the Works & Services Department, Government of Sindh, for the year 2012-13 to 2013-14, it was observed that advance payment of Rs187.73 million was made to different agencies for various works without obtaining their subsequent adjustment accounts. The details are at Annexure-5 of Chapter-34.

The irregularity was pointed out to the department during April 2014 to November 2014 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.14 Irregular refund of security deposits – Rs29.20 million

According to Clause-I of the Contract Agreement, “the security deposit lodged by a contractor (in cash or recovered in instalment from his bills) shall be refunded to him after the expiry of three months from the date on which work is completed”.

During audit of various offices of the Works & Services Department, Government of Sindh, for the years 2012-13 and 2013-14, an amount of Rs29.20 million was refunded to the contractors as Security Deposit. However, neither starting and completion date of works were mentioned on the bills nor any record of requisition from contractors regarding refund of Security Deposit was produced to audit. It was apprehended either unauthorized payments from security deposit was made or refunds before three months of work completion were made. The details are at Annexure-6 of Chapter-34.

The irregularity was pointed out to the department in November 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.15 Irregular execution of works without approval of PC-I - Rs431.76 million

As per rules, “The PC-I of the Project/Scheme should be got sanctioned/ approved from competent body/ authority before execution of the same.”

During audit of office of the Executive Engineer Education Works Division, Works and Services Department, Kashmore for the year 2012-13, it was observed that various works costing Rs431.76 million were taken-up under different schemes without approval of PC-I.

The irregularity was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 1)

34.4.16 Irregular execution of works without consultation - Rs22.14 million

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

During audit of office of the Executive Engineer Education Works Division, Works and Services Department, Kashmore for the year 2012-13, it was observed that an expenditure of Rs22.14 million was incurred on execution of various Repair, Renovation and Rehabilitation works of Schools and Colleges without consultation with School Management Committees (SMCs) and College Management Committees (CMCs).

The irregularity was pointed out to the department in October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 48)

34.4.17 Irregular payment of escalation charges - Rs16.69 million

According to Para 6 of Schedule of Rates, Volume-(Part-II) 5th Edition, 2004 “if any national Education Works / Agency wants to allow the difference in cost of material such as cement, steel or bricks, they have to refer the matter to the Standing Rates Committee Sindh for its consideration / approval.

During audit of various offices of the Works & Services Department, Government of Sindh, Karachi for the years 2012-13 and 2013-14, various works

awarded to contractors in which difference of cost of various items amounting to Rs16.68 million was paid without making escalation chart and approval thereon from the competent authority.

(Rupees in million)

Sr. #	Name of office	AIR Para #	Financial Year	Particulars	Amount
1	XEN, (R&T, W&S), Highway Division, Karachi	8	2012-13	Difference Cost of Bitumen	5.16
2	XEN, Building Division Sukkur	4	2012-13	Difference cost of steel	4.18
3	XEN, Building Division, Badin	9	2012-13	Difference cost of cement & steel etc.	2.54
4	XEN, Education Works Division, Umerkot	3	2012-13	Difference cost of cement & steel etc.	2.25
5	XEN, Building Division Kamber - Shahdadkot	3	2012-13	Difference cost of cement & steel etc.	0.82
6	XEN, Provincial Building Division-I, Karachi	6	2012-13	Difference cost of cement & steel etc.	0.73
7	XEN, Education Works Division, Shaheed Benazirabad	2	2013-14	Difference cost of cement & steel etc.	0.67
8	XEN, District Building Division-III, Karachi	5	2012-13	Difference Cost of Cement	0.34
Total					16.69

The irregularity was pointed out to the department during July 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.18 Non-competitive tendering process - Rs2,752.24 million

Rule 17 of Sindh Public Procurement Rules 2010 provides as under:

- (1) Procurements over one hundred thousand rupees and up to one million rupee shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.
- (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

During audit of various offices of the Works & Services Department, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that development works amounting to Rs2,752.24 million were carried out, but the competitive tendering process was not done in disregard of the rules. The details are at Annexure-7 of Chapter-34.

The irregularity was pointed out to the department in December 2013 to September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.19 Award of work to the contractors not registered with PEC - Rs993.55 million

As per PEC letter No.PEC/Consult/ES/1900017 dated 01-09-2005, “non-engineering works shall be constructed except by constructor or operated except by operator licensed as such by the council (PEC). All consulting engineering services in Pakistan shall be entrusted to only a consulting engineer duly registered as such with the council (PEC). Further as per Planning & Development Department, Government of Pakistan’s letter No.1(63-A)PP&H/PD/2005 dated 14-09-2005, “all respective provincial departments, city/district government, TMA’s, UC Administrations, housing, water supply and sanitation agencies must ensure that compliance of the instructions given in Pakistan Engineering Council byelaws 1986 & 1987 are fully implemented in all engineering contracts and procurement of engineering services and works in order to restrain from pre-qualification of all such local and foreign firms, which do not abide by PEC laws and rules.

During audit of following offices of the Works & Services Department, Government of Sindh, for the years 2012-13 and 2013-14, it was observed that various works awarded to the contractors amounting to Rs993.55 million, but neither registration of the contractors with Pakistan Engineering Council was on record nor registration certificates were produced to audit.

(Rupees in million)

Sr. #	Name of office	AIR Para #	Financial Year	Amount
1	PD, Dargah Hazrat Lal Shahbaz Qalander, Sehwan Sharif at Hyderabad	8	2012-13	668.36
2	XEN, Education Works Division, Kashmore	51	2012-13	281.74

Sr. #	Name of office	AIR Para #	Financial Year	Amount
3	XEN, District Roads Division, Sanghar	3	2013-14	29.02
4	XEN, Provincial Building Division, Thatta	1	2012-13	14.43
Total				993.55

The irregularity was pointed out to the department during June 2014 and October 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.20 Non-deposit of government dues - Rs1,587.19 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

According to Para-399 (iii) of Central Public Works Account Code provides that he unclaimed balances of Public Works Deposits for more than three complete account years should be credited to government as lapsed deposit.

During audit of various offices of the Works & Services Department, Government of Sindh for the years 2012-13 and 2013-14, it was observed that the department deducted various government dues amounting to Rs1,587.19 million from contractor bills but the same were not deposited into the government treasury which resulted in un-authorized retention of government funds. The details are at Annexure-8 of Chapter-34.

The irregularity was pointed out to the department during October 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires deposit of revenue besides fixing responsibility on the person at fault.

34.4.21 Irregular execution work on defective estimates - Rs43.41 million

As per Clause 17 of contract agreement, "If at any time before the security deposit is refunded to the contractor, it shall appear to the Engineer-in-Charge or his

sub-ordinate in charge of the work that any work executed with unsound, imperfect or unskillful workmanship or with materials of inferior quality or that any materials or articles provided by him for the execution of work are unsound, or quality inferior to that contracted for or are otherwise not in accordance with the contract, it shall be lawful for the Engineer-in-charge to intimate this fact in writing to the contractor and then notwithstanding ,the fact that the work materials or articles complained of may have been inadvertently passed, certified and paid for, the contractor shall bound forthwith to rectify or remove and reconstruct the work so specified in, whole or part, as the case may require”.

In following offices of the Works & Services Department, Government of Sindh, payment of Rs43.41 million was made to contractors. Irregularities as mentioned against each office were observed by Audit as per details here under:

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Irregularity	Amount
1	Chief Engineer Special Projects, Works & Services, Hyderabad	2013-14	10	Two same natures of works were awarded simultaneously at same time, but the provision of important items of work was included in one work excluding other.	43.17
2	Executive Engineer Building Division, Badin	2012-13	5	Un-necessary work was included in sanctioned estimates.	0.24
Total					43.41

The irregularity was pointed out to the department during April 2014 and September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

34.4.22 Irregular payment on works awarded at financial year closing - Rs147.95 million

According to Rule-88, S.F.R. Vol-I, every public officer should exercise the same vigilance in respect of expenditure incurred from Government money as a person of ordinary prudence would exercise in spending his own money.

During audit of the office of Executive Engineer Roads/Highway Division, Tando Muhammad Khan for the year 2013-14, while selecting sample vouchers for the month of May 2014 and June 2014, Audit observed that the payment of Rs147.95 million was made to contractors. The work orders were issued in May 2014; whereas, payment was made to the contractors in June 2014. This created doubt on the following grounds:

- i. Either the payment was made in advance to the contractor by giving them the undue favour or the contractor started work prior to issuance of work order.
- ii. In 15 days of time the work was carried out, measured, checked, inspected and billed, which is not to be supposed as a possible case.
- iii. The physical status of the works was not made known to audit.

Details are as under:

Month	Amount	Voucher	% of annual expenditure
May	66,804,032	58	23.61%
June	81,149,427	79	28.68%
Total	147,953,459	137	52.29%

The irregularity was pointed out to the department in September 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

(AIR # 10)

34.4.23 Non-recovery of government dues - Rs232.76 million

As per Para 22-A of Stamps Act, "It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.30 paise per hundred rupees of the value of the agreement or against tender cost before execution of the agreement.

According to Section 50(4) of Income Tax Ordinance 1979, an amount from time to time any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 3.5% on supply & 6% on services of gross amount.

According to Sr. No.8 item (2) (b) of Introduction to Schedule of Rates (Composite) for finished items of works 2004, “Deduction for settlement (shrinkage) be made from the bank measurements when the earth work is done by machine (tractors and bulldozer) at the rate of 3 to 6%.”

During audit of various offices of the Works & Services Department, Government of Sindh, for the year 2012-13 to 2013-14, it was observed that government dues amounting to Rs232.76 million were not recovered from the contractors. The details are at Annexure-09 of Chapter-34.

The irregularity was pointed out to the department in November 2013 to November 2014, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

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

ANNEXURES

Annexure-1

Memorandum for DAC (MFDAC)

Sr. #	Name of Department & Observation	Amount	Nature of Irregularity
1	AGRICULTURE, SUPPLY & PRICES DEPARTMENT		
1	Non-provision of seed money to VOs for ISMCs	56.00	Violations of Rules
2	Less disbursement of Revolving Fund to farmers	180.33	Violations of Rules
3	Extravagant outflow incurred on overhaul of bulldozer instead of availability of own mechanics and workshop	0.37	Violations of Rules
4	Loss to Government due to showing less yield of wheat crop	0.27	Violations of Rules
5	Cheques issued in favour of DDO instead of payees	8.23	Violations of Rules
6	Non-reconciliation of utility bill charges	0.12	Violations of Rules
7	Irregular release of payment without sanction of estimate	10.37	Violations of Rules
8	Irregular refund of token money without obtaining registration	0.25	Violations of Rules
9	Un-authorized drawl of 80 percent government share without deposit of 20 percent share by the farmers	-	Violations of Rules
10	Irregular expenditure without supporting vouchers	4.26	Violations of Rules
11	Irregular payment to agricultural officers and field assistants on completion of training	0.16	Violations of Rules
12	Splitting up Of sanction Order to Avoid Sanction of Higher Authority	0.77	Violations of Rules
13	Non- accountal of stores items	28.88	Non-accountal
14	Non-maintenance of consumption account	9.44	Violations of Rules
15	Irregular expenditure incurred on transportation of goods	0.15	Violations of Rules
16	Irregular expenditure on rendering other services	0.16	Violations of Rules
17	Irregular expenditure on account of TA/DA allowance	1.34	Violations of Rules
18	Irregular Expenditure on rent of Building	0.26	Violations of Rules
19	Irregular payment of previous liability	1.28	Violations of Rules
20	Irregular expenditure on account of uniforms & liveries	0.34	Violations of Rules
21	Transgression of powers	2.37	Violations of Rules
22	Service book(s) of staff not verified from DAO	-	Violations of Rules
23	Annual physical verification of stock/store not	-	Violations of Rules

	carried out		
24	Irregular expenditure on account of cost of other stores	0.77	Violations of Rules
25	Irregular expenditure on others	15.76	Violations of Rules
26	Unjustified expenditure on supply of water tankers	0.23	Violations of Rules
27	Un-justified expenditure of the cultivation of land	0.86	Violations of Rules
28	Irregular expenditure on honorarium	0.10	Violations of Rules
29	Non-reconciliation of expenditure	28.27	Violations of Rules
30	Un-authorized allowed to staff working on detailment	1.77	Violations of Rules
31	Un-authorized expenditure of contingent paid staff/ service render	0.45	Violations of Rules
32	Manual payment of salaries	0.38	Violations of Rules
33	Irregular payment due to not conducting inspection of spare parts	17.40	Violations of Rules
34	Irregular expenditure on account of publicity & advertisement	0.65	Violations of Rules
35	Irregular expenditure on purchase of hardware items	4.39	Violations of Rules
36	Irregular purchase of training kits/ training material	1.11	Violations of Rules
37	Misuse of Government vehicles	15.60	Violations of Rules
38	Un-due favour for posting as Project Director	-	Violations of Rules
39	Time over-run in execution of various activities / items of work of the project	-	Violations of Rules
40	Non-establishment of VOs up to the required quantity	-	Violations of Rules
41	Loss to Government department due to non-auctioning of unserviceable material	-	Violations of Rules
42	Loss to government department due to non-auctioning of wheat Seed	0.48	Violations of Rules
43	Variation between actual deposited revenue & working hours	0.13	Violations of Rules
44	Irregular expenditure on purchases without obtaining quotation	2.53	Violations of Rules
2	AUQAF, RELIGIOUS AFFAIRS & ZAKAT & USHR DEPARTMENT		
1	Misclassification of Establishment charges	0.24	Violations of Rules
2	Irregular expenditure without supporting vouchers	2.23	Violations of Rules
3	Irregular expenditure on TA / DA	1.79	Violations of Rules
4	Irregular expenditure on discretionary grants	0.43	Violations of Rules

5	Un-authorized payment of advance salaries	0.24	Violations of Rules
6	Irregular payment of stipends	2.05	Violations of Rules
7	Non-imposition of penalty upon the contractors	0.57	Violations of Rules
8	Non-recovery of outstanding Mobilization advance	0.41	Recovery
9	Irregular expenditure on various works	0.33	Violations of Rules
10	Irregular payment from DDO account.	0.64	Violations of Rules
11	Irregular expenditure on other office	0.38	Violations of Rules
12	Unauthorized retention of funds in DDO account	0.29	Violations of Rules
13	Non-accountal of stores articles	10.59	Violation of Rule
3	BOARD OF REVENUE		
1	Irregular expenditure incurred without execution of contract agreement	1,762.97	Violations of Rules
2	Non-maintenance of consumption account	1,102.15	Violations of Rules
3	Non-accountal of articles	889.59	Non-accountal
4	Irregular expenditure incurred without completing codal formalities	820.88	Violations of Rules
5	Irregular clearance of previous year's liability	159.00	Violations of Rules
6	Non- reconciliation of utility charges	60.73	Violations of Rules
7	Excess over the budget allocation	56.61	Violations of Rules
8	Non-maintenance of Cash Book	54.04	Violations of Rules
9	Non-preparation of akhersal account	52.58	Violations of Rules
10	Irregular expenditure incurred without supporting vouchers	52.10	Violations of Rules
11	Irregular expenditure on account POL charge	24.26	Violations of Rules
12	Irregular expenditure on account of Uniform & liveries	13.52	Violations of Rules
13	Un-justified payments on account of additional/difference cost of bitumen	12.51	Violations of Rules
14	Irregular expenditure on repair of government vehicle	9.06	Violations of Rules
15	Irregular payment from the head of account other misc.	8.54	Violations of Rules
16	Irregular expenditure incurred on account of Dietary items	5.69	Violations of Rules
17	Un-authorized expenditure incurred without getting approval from Commissioner	5.53	Violations of Rules
18	Misuse of Government Vehicle	5.44	Violations of Rules
19	Doubtful preparation of requisition for various relief operations	4.00	Violations of Rules
20	Irregular rain relief facilities without advertisement & video filming	4.00	Violations of Rules

21	Irregular registration of properties valuing	3.45	Violations of Rules
22	Doubtful / un-justified expenditure incurred on account of rain relief and rescue operation	3.06	Violations of Rules
23	Irregular expenditure on printing & stationery	2.77	Violations of Rules
24	Irregular expenditure of electricity charges on other offices	2.25	Violations of Rules
25	Blockage of government money	1.88	Violations of Rules
26	Irregular payment on account of other service rendered	1.84	Violations of Rules
27	Fake/ handmade invoice of POL charges for generators	1.82	Violations of Rules
28	Un-necessary procurement of items	1.27	Violations of Rules
29	Irregular expenditure on performance fee / stipends to artists	1.23	Violations of Rules
30	Irregular expenditure on account of Pay and Allowances	1.14	Violations of Rules
31	Irregular expenditure by split up	1.02	Violations of Rules
32	Irregular misclassified expenditure.	0.99	Violations of Rules
33	Irregular expenditure on non-scheduled items	0.69	Violations of Rules
34	Un-justified closing balance	0.67	Violations of Rules
35	Recovery of un-authorized drawl of TA/DA	0.66	Violations of Rules
36	Unjustified expenditure incurred on account of cooked food items	0.66	Violations of Rules
37	Wastage of Government money	0.65	Violations of Rules
38	Where about of goods/ articles purchased	0.64	Violations of Rules
39	Non- obtaining of security bonds valuing	0.62	Violations of Rules
40	Irregular on salaries of (02) Muslims sweepers/sanitary workers	0.57	Violations of Rules
41	Non-adjustment of advances	0.41	Violations of Rules
42	Non-maintenance of log book of vehicle	0.33	Violations of Rules
43	Irregular expenditure incurred on hire charges of Datsun Pickup and tax cars	0.32	Violations of Rules
44	Un-necessary burden on Government exchequer	0.29	Violations of Rules
45	Irregular expenditure by transgression of financial power	0.23	Violations of Rules
46	Short realization of Capital value Tax	0.22	Violations of Rules
47	Un-authorized drawl of conveyance allowance	0.17	Violations of Rules
48	Non-deposit of revenue into Government account	0.12	Violations of Rules
49	Non-sending of daily situation report of rain to Additional Relief Commissioner	-	Violations of Rules
50	Non-appointment of Project Director	-	Violations of Rules

51	Non- preparation of list of affectees	-	Violations of Rules
52	Non-conducting of detailed assessment off losses and non-preparation of immediate intimation of loss	-	Violations of Rules
53	Non-conducting of survey	-	Violations of Rules
54	Non-rehabilitation of affectees	-	Violations of Rules
55	Irregular appointment without completing codal formalities	-	Violations of Rules
56	Irregular expenditure incurred on job works without preparation of detail estimates and sanction	1.40	Violations of Rules
57	Non-obtaining of vouched account from DC Kashmore - Kandhkot	0.70	Violations of Rules
58	Irregular expenditure on purchase of Furniture & other accessories	5.85	Violations of Rules
59	Irregular expenditure incurred on feeding charges	0.56	Violations of Rules
60	Irregular expenditure incurred under the head of account Unforeseen	0.55	Violations of Rules
61	Unjustified expenditure incurred on account of others	0.38	Violations of Rules
62	Payment made to various suppliers without obtaining Acknowledgement Receipt	0.77	Violations of Rules
63	Amount mentioned in bank statement but not entered in receipt side of cash book	60.47	Violations of Rules
64	Irregular expenditure incurred from head of account fair and exhibitions	2.08	Violations of Rules
65	Un-satisfactory utilization of fund	0.60	Violations of Rules
66	Irregular payment of ration bags	0.95	Violations of Rules
67	Irregular expenditure incurred on purchase of blankets	1.18	Violations of Rules
68	Non-regularization of outside budget grant for District Polio control to Dy. Comm. for PEI/EPI activities	2.60	Violations of Rules
69	Irregular expenditure on repair of furniture	0.39	Violations of Rules
70	Irregular expenditure incurred on repair of machinery	3.66	Violations of Rules
71	Irregular expenditure incurred on conference workshop/ seminar/ catering	1.08	Violations of Rules
72	Irregular expenditure incurred on purchase of computers	0.31	Violations of Rules
73	Irregular expenditure on refreshment / lunch	1.19	Violations of Rules
74	Irregular expenditure on extra items of work	2.63	Violations of Rules
75	Irregular expenditure on account of	3.88	Violations of Rules

	entertainment & gifts		
76	Non-obtaining of performance guarantee	176.30	Violations of Rules
4	CHIEF MINISTER'S SECRETARIAT		
1	Un-authorized advance payment of Civil Works	15.19	Violation of Rules
2	Expenditure without supporting vouchers	109.01	Violations of Rules
3	Irregular expenditure on repair of buildings	21.95	Violations of Rules
4	Irregular expenditure without revised estimate	69.03	Violations of Rules
5	Irregular refund of security deposit	8.69	Violations of Rules
6	Irregular expenditure on invigilation & misc. payment	4.39	Violations of Rules
7	Unauthorized excess expenditure over budgeted amount	149.29	Violations of Rules
8	Irregular payment of previous year's liabilities	5.77	Violations of Rules
9	Non-utilization of funds	10.32	Violations of Rules
10	Unjustified addition of budget in pay and allowances	311.66	Violations of Rules
11	Non-accountal of various articles	118.68	Non-accountal
12	Non-maintenance of consumption accounts	51.16	Violations of Rules
13	Non-maintenance of auditable record	233.90	Violations of Rules
14	Irregular payment of part time salary	7.44	Violations of Rules
15	Award of lease without auction	0.30	Violations of Rules
16	Unjustified expenditure on account of fair & exhibition	2.57	Violations of Rules
17	Irregular expenditure on advertisement and publicity	12.00	Violations of Rules
18	Irregular expenditure without pre audit	775.18	Violations of Rules
19	Irregular expenditure on repair of machinery / furniture	16.03	Violations of Rules
20	Irregular payment of honorarium	25.36	Violations of Rules
21	Expenditure in excess of due electric bills	0.49	Violations of Rules
22	Irregular award of work due to less deposit of Earnest Money	74.54	Violations of Rules
23	Over payment of pay	0.68	Violations of Rules
24	Irregular expenditure on sports and	2.82	Violations of Rules
25	Unauthorized use of green number plates of vehicles	-	Violations of Rules
26	Irregular payment of utility charges	131.38	Violations of Rules
27	Irregular expenditure on FM radio	7.39	Violations of Rules
28	Irregular payment on account of POL	71.87	Violations of Rules
29	Irregular expenditure on extra items of works	8.61	Violations of Rules
30	Irregular development expenditure from funds of irrelevant scheme	0.58	Violations of Rules
31	Expenditure on difference cost of steel &	69.83	Violations of Rules

	cement, etc.		
32	Unauthorized expenditure on non-scheduled items	92.57	Violations of Rules
33	Excess execution of items of work	14.64	Violations of Rules
34	Irregular payment of mobilization advance	29.44	Violations of Rules
35	Excess consumption of steel	1.29	Violations of Rules
36	Unauthorized expenditure due to late approval of revised budget	5,363.78	Violations of Rules
37	Unjustified payment of Chairmanship/Deanship allowance	4.55	Violations of Rules
38	Irregular purchase of vehicle	1.77	Violations of Rules
39	Non-submission of annual accounts to the Government	1,401.67	Violations of Rules
40	Unauthenticated releases made to PMUs without obtaining utilization report	39.31	Violations of Rules
41	Irregular payment of electricity charges	52.64	Violations of Rules
42	Variation between bank account and cash book	869.63	Violations of Rules
43	Irregular duplication of medical allowance	30.94	Violations of Rules
44	Irregular continuation of previous services	-	Violations of Rules
45	Excess expenditure over PC-1 cost	21.69	Violations of Rules
46	Non-disposal of condemned vehicles	3.83	Violations of Rules
47	Irregular expenditure incurred on award of scholarship	216.66	Violations of Rules
48	Non-imposition of penalty	18.10	Recovery
49	Un-authorized retention of funds	8.74	Violations of Rules
5	COOPERATIVE DEPARTMENT		
1	Non-reconciliation of expenditure	42.38	Violations of Rules
6	CULTURE, TOURISM & ANTIQUITIES DEPARTMENT		
1	Irregular expenditure without sanction of B-1 agreement	324.27	Violations of Rules
2	Payment without exercising check measurement	132.73	Violations of Rules
3	Final payment without satisfactory completion certificate	26.40	Violations of Rules
4	Payment of running account bills/secured advances without certification of responsible officer	17.63	Violations of Rules
5	Non-maintenance of appropriation register of pay & allowances	13.16	Violations of Rules
6	Non-maintenance of consumption record	12.76	Violations of Rules
7	Irregular expenditure on purchase of furniture	12.75	Violations of Rules
8	Irregular payment without sanction	12.33	Violations of Rules
9	Non-accountal of Call deposits in Cash Book	8.69	Non-accountal

10	Irregular expenditure on printing/publications	7.86	Violations of Rules
11	Irregular procurement of machinery & equipment	7.22	Violations of Rules
12	Non-accountal of store	7.13	Non-accountal
13	Excess expenditure over & above budget allocation	4.11	Violations of Rules
14	Irregular expenditure without supporting vouchers	2.92	Violations of Rules
15	Irregular payment of other services rendered	2.23	Violations of Rules
16	Doubtful expenditure on POL	2.08	Violations of Rules
17	Irregular expenditure on account of repair of transport	1.66	Violations of Rules
18	Non-reconciliation of electricity charges	1.50	Violations of Rules
19	Irregular server renewal/hosting charges	1.35	Violations of Rules
20	Irregular expenditure on account of repair of machinery	1.31	Violations of Rules
21	Irregular expenditure on fair & exhibitions	0.96	Violations of Rules
22	Unauthorized purchase of vehicle and motor cycle from endowment fund	0.80	Violations of Rules
23	Irregular expenditure without inviting open tender	0.48	Violations of Rules
24	Irregular expenditure on account of repair of furniture & fixture	0.47	Violations of Rules
25	Purchase of smuggled books	0.45	Violations of Rules
26	Purchase of imported books without demand	0.45	Violations of Rules
27	Irregular payment on others head of account	0.43	Violations of Rules
28	Recovery of House Rent and House Maintenance allowance	0.41	Recovery
29	Unauthorized payment of TCS charges	0.29	Violations of Rules
30	Doubtful payment on account of Uniform & Liveries	0.28	Violations of Rules
31	Recovery of excess payment to the contractor by mis-calculation	0.24	Recovery
32	Loss to Government due to excess payment to contractors	0.22	Violations of Rules
33	Irregular expenditure on account of transportation charges	0.20	Violations of Rules
34	Irregular expenditure on purchase of periodicals and books	0.19	Violations of Rules
35	Non-deduction of security deposit	0.14	Violations of Rules
36	Irregular expenditure on account of purchase of stationery and printing Charges	0.11	Violations of Rules

37	Doubtful Drawl of Government Funds	0.11	Violations of Rules
38	Non-Insurance of Antiquities lying in National Museum worth millions of rupees	-	Violations of Rules
39	Irregular allotment of government quarters by Ex- official of National Museum	-	Violations of Rules
40	Misuse of Authority's vehicles	-	Violations of Rules
41	Irregular appointment of staff during 2012-13	-	Violations of Rules
42	Loss of antiquities due to un-authorized sale of newspaper	-	Violations of Rules
43	Unauthorized payment on execution of extra items of work	6.95	Violations of Rules
44	Excess execution of item of work	2.50	Violations of Rules
45	Expenditure without approval of Competent Authority	26.99	Violations of Rules
46	Loss due to non-imposition of penalty	15.00	Recovery
47	Irregular expenditure on difference cost of material	6.62	Violations of Rules
48	Irregular expenditure without rectification of defects	3.33	Violations of Rules
7	EDUCATION & LITERACY DEPARTMENT		
1	Non-recovery of Government dues	1.78	Recovery
2	Missing of government vehicle	3.50	Violations of Rules
3	Non-imposition of penalty	6.26	Violations of Rules
4	Excess payment to Asstt Professors/Lecturers on leave	4.73	Recovery
5	Irregular drawl of difference of pay and allowance	4.41	Violations of Rules
6	salary component through manual bills	13.99	Violations of Rules
7	Misuse of Government money	19.70	Violations of Rules
8	Non-realization of Stamp Duty	0.19	Recovery
9	Non-recovery of secured advance	9.32	Recovery
10	Non-deduction of taxes amounting	0.45	Recovery
11	Blockage of Government money	1.38	Violation of Rules
12	Non-verification of cheques drawn from A.G. Sindh	11.98	Violation of Rules
13	Irregular expenditure on account of printing & stationary	1.85	Violation of Rules
14	Non-reconciliation of utility bills	4.80	Violation of Rules
15	Excess execution of work over the estimated cost	15.12	Violation of Rules
16	Irregular expenditure on salaries to staff	23.44	Violation of Rules

	working in other office		
17	Subscription of general provident fund	12.19	Violation of Rules
18	Un-authorise purchase of furniture	4.41	Violation of Rules
19	Un-authorise Payment of G.P Funds, and pensions	6.44	Violation of Rules
20	Non-maintenance of cash book	160.55	Violation of Rules
21	Expenditure without obtaining acknowledgment receipt	16.17	Violation of Rules
22	Irregular expenditure without obtaining quotation	1.68	Violation of Rules
23	Expenditure without supporting vouchers	1.81	Violation of Rules
8	ENERGY DEPARTMENT		
1	Saving not surrendered well in time	26.47	Violations of Rules
2	Non-renewal of contractor license	0.84	Recovery
3	Irregular expenditure on purchase of store	0.32	Violations of Rules
4	Non-verification of cheques	0.80	Violations of Rules
5	Irregular expenditure without agreement	18.06	Violations of Rules
6	Irregular payment without check measurement	44.18	Violations of Rules
7	Non-realization of electricity duty	0.98	Recovery
9	EXCISE & TAXATION DEPARTMENT		
1	Non-transfer of government funds	479.43	Violations of Rules
2	Misclassification of government receipts	1,263.25	Violations of Rules
3	Late deposit of revenue into government account	269.31	Violations of Rules
4	Irregular expenditure against "Rent of Office Building	2.59	Violations of Rules
5	Irregular payment of conveyance allowance	1.25	Violations of Rules
6	Non-accountal of stores items	2.05	Non-accountal
7	Un-authorized blockage of government money	1.42	Violations of Rules
8	Irregular expenditure incurred on account of various repairs	1.23	Violations of Rules
9	Irregular expenditure on purchase of POL	1.05	Violations of Rules
10	Irregular expenditure by splitting up	0.65	Violations of Rules
11	Irregular payment on account of honorarium	0.30	Violations of Rules
12	Irregular payment on clearance of previous year liability	0.13	Violations of Rules
10	FINANCE DEPARTMENT		
1	Non-provision of case files for opening and approval of assignment Account.	-	Violations of Rules
2	Non-provision of SAP generated expenditure report.	-	Violations of Rules
3	Improper maintenance of Scale Audit Registers	-	Violations of Rules

4	Non-deduction of Performance Security	10.00	Violations of Rules
5	Expenditure on conveyance charges without detail	0.60	Violations of Rules
6	Pre-Numbering of Vouchers	-	Violations of Rules
7	Irregular payment for execution of work without preparation and sanction of estimate.	93.21	Violations of Rules
8	Irregular payment to SEPCO	2.19	Violations of Rules
9	Un-authorized payment of conveyance allowance/teaching allowance	0.69	Violations of Rules
10	Non-recovery of shrinkage allowance	0.25	Recovery
11	Unauthorized payment for routine duty	0.28	Violations of Rules
12	Execution of earth work through contractors instead of mechanical division	12.49	Violations of Rules
13	Un-authorized working of employees more than the sanction strength.	-	Violations of Rules
14	Unauthorized payment on account of allowances	0.65	Violations of Rules
15	Irregular Payment without Supporting Vouchers	27.89	Violations of Rules
16	Excess Payment on account of Conveyance Allowance	0.36	Violations of Rules
17	Non-submission of Report of Defalcation or Losses	-	Violations of Rules
18	Irregular expenditure on Repair of Vehicles	0.55	Violations of Rules
19	Non-accountal of Furniture items	3.26	Non-accountal
20	Irregular expenditure on hire charges	0.69	Violations of Rules
21	Irregular Payment on account of hiring of vehicles from head cost of	0.41	Violations of Rules
22	Irregular expenditure on purchases by split up	1.24	Violations of Rules
23	Loss to Government due to Non-obtaining Discount on Purchase of Medicines	1.37	Violations of Rules
24	Purchase of Vehicles during Ban Period	2.07	Violations of Rules
25	Un-authorized appointments of Contingent Paid Staff	0.77	Violations of Rules
26	Appointments made in Health Department during Ban period	-	Violations of Rules
27	Irregular and un-justified expenditure	0.23	Violations of Rules
28	Irregular expenditure incurred under head Repair of Transport	1.32	Violations of Rules
29	Irregular Payment on account of TA/DA without fulfilling codal formalities	0.22	Violations of Rules
30	Non-availability of detailed estimates regarding the expenditure over relocation of Electrical	19.83	Violations of Rules

	Instalments		
31	Amount not authorized/released by A.G. Sindh	-	Violations of Rules
32	Amount Less Authorized/released by A.G. Sindh	-	Violations of Rules
33	Amount Late release by Finance Department and A.G. Sindh	-	Violations of Rules
34	Amount Late release by A.G. Sindh	2,095.29	Violations of Rules
35	Release of funds without reconciliation of Assignment Account Expenditure.	-	Violations of Rules
36	Utilization certificate not obtained from Assignment Account Holders	-	Violations of Rules
37	Unspent balance of funds not available.	-	Violations of Rules
38	Non-conduct of post audit.	-	Violations of Rules
39	Irregular clearance of previous year liability without approval from Finance Department	2.43	Violations of Rules
40	Un-authorized Staffing of outsider	-	Violations of Rules
41	Doubtful payment through DDO Cheques	2.00	Violations of Rules
42	Irregular payment on diet	2.43	Violations of Rules
43	Non-cooperation and hindrance in audit by the DAO	-	Violations of Rules
44	Funds of one entity transferred to Assignment Account of other entity	-	Violations of Rules
45	Signatories of Assignment Account pertain to other entities	-	Violations of Rules
46	Excess release by Finance Department	152.99	Violations of Rules
11	FOOD DEPARTMENT		
1	Non-recovery of cost of iron patties	0.60	Recovery
2	Irregular expenditure on purchase of POL	0.29	Violations of Rules
3	Irregular expenditure without observing codal formalities	7,263.59	Violations of Rules
4	Non-production of record	-	Violations of Rules
5	Unauthorized payment of salaries to officers and staff working in other offices on detailment basis	3.43	Violations of Rules
6	Irregular expenditure without supporting vouchers	8.67	Violations of Rules
7	Irregular expenditure without execution of agreement	31.01	Violations of Rules
8	Unauthorized award of work without fair competition	57.01	Violations of Rules
9	Recovery of excess payment against transportation charges	0.61	Violations of Rules

10	Loss to government due to inappropriate filling of wheat bags	1.52	Violations of Rules
11	Apprehension of favouritism in the tender process of work	-	Violations of Rules
12	Non-recovery of government dues	0.33	Recovery
13	Cash payments instead of cross cheques	0.12	Violations of Rules
14	Non-recovery of allowances	0.20	Recovery
15	Variation between reported quantities of wheat	-	Violations of Rules
16	Discrepancy between quantities of wheat bags	-	Violations of Rules
17	Non-obtaining of black listing certificate from bidder	-	Violations of Rules
18	Award of works without publishing tender in widely circulated newspapers	-	Violations of Rules
19	Defective tender process for procurement of transportation services	-	Violations of Rules
20	Non-maintenance of cash book	830.36	Violations of Rules
21	Retention of Departmental Vehicles by the minister of the department	-	Violations of Rules
22	Loss due to theft of a Government vehicle	0.80	Violations of Rules
23	Unauthorized purchase of POL	0.12	Violations of Rules
24	Irregular payment without pre-audit	4.72	Violations of Rules
25	Excess payment without deduction of transportation charges	40.96	Violations of Rules
26	Award of work without participation of three bidders	1.97	Violations of Rules
27	Irregular payment without professional tax certificates	805.93	Violations of Rules
28	Unjustified accumulation of liability	2.41	Violations of Rules
29	Discrepancy in the transportation charges	100.95	Violations of Rules
12	FOREST & WILD LIFE DEPARTMENT		
1	Non-appointment of third party validation consultants	0.22	Violations of Rules
2	Un-authorized expenditure on POL	1.53	Violations of Rules
3	Non-accountal of store items	0.61	Violations of Rules
4	Irregular expenditure without acknowledgement on POL	0.52	Violations of Rules
5	Irregular expenditure incurred on TA/DA	0.35	Violations of Rules
6	Non-adjustment of advances	0.68	Recovery
13	HEALTH DEPARTMENT		
1	Doubtful expenditure on purchases of X-Ray films	1.81	Violations of Rules
2	Non-maintenance of consumption account	367.06	Violations of Rules

3	Non-maintenance of security deposit register	273.09	Violations of Rules
4	Irregular payment of salaries working on detainment	134.19	Violations of Rules
5	Irregular payment of salary to non-gazetted staff by allowing one scale above	122.40	Violations of Rules
6	Irregular expenditure incurred on account of POL charges	64.54	Violations of Rules
7	Irregular expenditure on clearance of previous year liability	26.14	Violations of Rules
8	Acceptance of x-rays films in absence of clinical efficacy report	19.56	Violations of Rules
9	Unauthorized Expenditure on repair of machinery & transport	16.30	Violations of Rules
10	Irregular expenditure incurred by splitting up	9.71	Violations of Rules
11	Misclassification of expenditure	7.44	Violations of Rules
12	Irregular expenditure on janitorial service	7.17	Violations of Rules
13	Irregular expenditure on uniform & liveries	5.92	Violations of Rules
14	Un-justified payment on account of social mobilization	4.33	Violations of Rules
15	Unjustified expenditure over security services	3.53	Violations of Rules
16	Irregular expenditure on account of stationery & printing charges	2.65	Violations of Rules
17	Excess expenditure over & above the budget allocation	2.62	Violations of Rules
18	Un-authorized drawl of salary in excess of sanction strength	1.48	Violations of Rules
19	Un-justified payments of difference cost of material without sanction	1.35	Violations of Rules
20	Irregular expenditure from the head of 'others'	1.33	Violations of Rules
21	Irregular payment on engaging labour charges	1.12	Violations of Rules
22	Irregular expenditure on repair of furniture & fixture	1.04	Violations of Rules
23	Irregular payment of salaries	0.49	Violations of Rules
24	Unauthorized expenditure on reimbursement of medical charges	0.21	Violations of Rules
25	Un-authenticated payment of manual salary	0.13	Violations of Rules
26	Non-maintenance of various important register	-	Violations of Rules
27	Excess payment of GST charges	23.03	Violations of Rules
28	Loss to government due to Non-registration & fine of three vehicles	0.29	Violations of Rules
29	Excess expenditure over and above the ceiling of POL	0.20	Violations of Rules

30	Excess punching of salary to RMO by AG Sindh	0.19	Violations of Rules
31	Non-deduction of group insurance fund	0.16	Violations of Rules
32	Lack of internal control for proper utilization of government money	238.57	Violations of Rules
33	Variation in figure of electricity charges	3.51	Violations of Rules
34	Unjustified purchase & use of substandard medicines	0.19	Violations of Rules
35	Loss due to purchasing from vendor instead of direct subscription	0.11	Violations of Rules
36	Annual physical verification of stock / stores not conducted	-	Violations of Rules
37	Questionable performance due to vacant technical posts	-	Violations of Rules
38	Unauthorized possession of government quarters by police department	-	Violations of Rules
39	Un-functional 100 beds hospital despite contracted building	-	Violations of Rules
40	Un-justified charging from the patients by Agha Khan Hospital	-	Violations of Rules
41	Payment without maintaining the work register	49.72	Violations of Rules
42	Un-due financial aid to contractor by allowing reduced rate on incomplete item of work	9.85	Violations of Rules
43	Irregular award of supply order by way of pooling	1.98	Violations of Rules
44	Improper / non-maintenance of cash book	22.40	Violations of Rules
45	Irregular procurement from un-registered suppliers	2.05	Violations of Rules
14	HOME DEPARTMENT		
1	Excess payment of pay and allowances to personals after death	0.23	Recovery
2	Non-verification of cheques	7.20	Violations of Rules
3	Unjustified award of title "Shaheed" to an official died during an accident	-	Violations of Rules
4	Irregular expenditure on account of POL	302.40	Violations of Rules
5	Expenditure incurred without budget allocation	22.57	Violations of Rules
6	Doubtful payment to suppliers on manipulated vouchers	0.19	Violations of Rules
7	Un-justified payment of POL	0.49	Violations of Rules
8	Irregular payment of arrears/difference bills	1.08	Violations of Rules

9	Un-authorized payment on account of previous year liability	1.67	Violations of Rules
10	Un-justified payment of electricity bills	11.49	Violations of Rules
11	Non-deposit of Government money	0.24	Recovery
12	Apprehended embezzlement on account of cost of investigation	0.23	Violations of Rules
13	Non-reconciliation of utility charges	113.43	Violations of Rules
14	Non-accountal of various articles	10.20	Non-accountal
15	Un-authorized expenditure on account of TA/DA	0.57	Violations of Rules
16	Unauthorized expenditure without supporting vouchers	127.25	Violations of Rules
17	Un-authorized blockage of Government Money	1.00	Violations of Rules
18	Irregular expenditure on repair of Machinery & Equipment	9.48	Violations of Rules
19	Non-deduction of Security Deposit	0.24	Violations of Rules
20	Irregular expenditure on repair of Furniture & Fixture	2.90	Violations of Rules
21	Irregular payment of Service charges	0.28	Violations of Rules
22	Improper maintenance of Cash Book	1.30	Violations of Rules
23	Expenditure without cancellation of bills/vouchers	13.56	Violations of Rules
24	Improper maintenance of service books	-	Violations of Rules
25	Non-maintenance of consumption account of medicines	0.48	Violations of Rules
26	Un-justified expenditure on training	1.17	Violations of Rules
27	Irregular Payment of Telephone & Trunk Call Charges	0.94	Violations of Rules
28	Recovery of Income Tax	0.15	Recovery
29	Irregular payment of POL without obtaining acknowledgement receipts	1.48	Violations of Rules
30	Misclassified expenditure	0.22	Violations of Rules
31	Non-receipt of printing material	1.45	Violations of Rules
32	Unauthorized payment of telephone charges	1.24	Violations of Rules
33	Transgression of financial powers	0.38	Violations of Rules
34	Non-deduction of Sales Tax	0.29	Recovery
35	Irregular Appointments without observing codal formalities	-	Violations of Rules
36	Non-maintenance of Leave Account	-	Violations of Rules
15	INDUSTRIES & COMMERCE		

	DEPARTMENT		
1	Non-accountal of purchased articles	0.20	Non-accountal
2	Payment without execution of contract agreement	100.50	Violations of Rules
3	Unauthorized payment on extra items of work	8.56	Violations of Rules
4	Non-recovery of stamp duty	0.81	Violations of Rules
16	INFORMATION & ARCHIVES DEPARTMENT		
1	Irregular expenditure on rent of building	0.27	Violations of Rules
2	Recovery of conveyance allowance	0.16	Recovery
17	IRRIGATION DEPARTMENT		
1	Non-maintenance of consumption account	712.14	Violations of Rules
2	Unjustified expenditure of various heads without classification of cost under PC-I	343.09	Violations of Rules
3	Defective lining work of Chan Babu Distry	65.11	Violations of Rules
4	Non-verification of record	64.57	Violations of Rules
5	Payment to Contractor without approval of PC-I from Departmental Development Working Party (DDWP), Govt. of Sindh	56.35	Violations of Rules
6	Payment to Contractors without execution of Contract Agreements	36.66	Violations of Rules
7	Excess execution of items of works	31.11	Violations of Rules
8	Award of work to contractors	16.78	Violations of Rules
9	Expenditure incurred on various repair work without detailed estimate	10.74	Violations of Rules
10	Non-maintenance of log books of vehicles/ machines	9.95	Violations of Rules
11	Non-adjustment of stock land Form-73	5.70	Violations of Rules
12	Unauthorized payment on previous year liabilities	5.53	Violations of Rules
13	Un-justified Payment of work Raising & Strengthening FP bund	4.33	Violations of Rules
14	Improper maintenance of cash book	383.50	Violations of Rules
15	Non-reconciliation of Expenditure on Account of Electric Charges	96.06	Violations of Rules
16	Non-observing codal formalities for work	144.93	Violations of Rules
17	Irregular expenditure on M&R by different departments without NOC from central Sindh mechanical division Jamshoro	638.57	Violations of Rules
18	Irregular payment on difference cost of various items	139.06	Violations of Rules
19	Irregular expenditure incurred due to excess over sanctioned estimate	569.79	Violations of Rules

20	Irregular expenditure incurred without Technical Sanction	91.28	Violations of Rules
21	Irregular payment on extra lead	73.55	Violations of Rules
22	Award of work by way of defective competition	87.77	Violations of Rules
23	Irregular payment to contractors for Defective works	29.75	Violations of Rules
24	Irregular appointment and disbursement of pay and allowances	13.05	Violations of Rules
25	Irregular expenditure incurred on account of Abklani material	10.74	Violations of Rules
26	Irregular withholding for want of funds	10.24	Violations of Rules
27	Irregular refund of security deposit without fulfilling codal requirements	11.66	Violations of Rules
28	Irregular payment made to contractors without test reports	3.88	Violations of Rules
29	Irregular expenditure on various repairs	3.23	Violations of Rules
30	Non-accountal of Govt. money to the tune on account of call deposits and security deposit	8.03	Non-accountal
31	Loss due to non-auction of jungle clearance material	1.63	Recovery
32	Loss due to purchase of material at higher rates and variation in rates	1.50	Recovery
33	Excess payment to contractor due to excess measurement recorded on earth work excavation	1.40	Recovery
34	Un-authorized expenditure	128.75	Week internal control
35	Unjustified payment before issuance of work order	2.06	Week internal control
36	Unauthorized payment through cash instead of cross cheque	3.85	Violations of Rules
37	Issuance of work orders before sanction of estimates	173.06	Week internal control
38	Irregular payment during ban period	134.00	Violations of Rules
39	Non-deduction of shrinkage allowance from the bills	2.562	Recovery
18	LABOUR & HUMAN RESOURCES DEPARTMENT		
1	Duplicate figure in reconciliation statement	0.31	Violations of Rules
2	Unauthorized Retention of Departmental Vehicle by Ex-Minister	-	Violations of Rules
3	Loss to Government Due to Theft of Government Vehicle GS-5664	-	Violations of Rules
4	Doubtful procurement through fake	0.53	Violations of Rules

	quotations/ bills		
5	Variation between Expenditure Statement and actual expenditure	0.12	Violations of Rules
6	Non-maintenance of Supplier's Ledger for payments	1.10	Violations of Rules
7	Irregular Expenditure on Repair of Transport	0.23	Violations of Rules
8	Unauthenticated expenditure on Stationery and Printing & Publication	0.57	Violations of Rules
9	Irregular expenditure on account of POL	2.24	Violations of Rules
10	Non-accountal of various articles	2.26	Non-accountal
11	Non-posting of Bid Evaluation Report on SPPRA website	0.38	Violations of Rules
12	Irregular constitution of procurement committee for tender	0.38	Violations of Rules
13	Irregular purchases without inspection report	0.32	Violations of Rules
14	Irregular retention of government money	0.26	Violations of Rules
15	Non-payment of government liability	1.16	Violations of Rules
16	Non-disposal of old newspapers	0.27	Violations of Rules
17	Unauthorized Issuance of POL for Vehicle not on the Strength of Local Office	0.48	Violations of Rules
18	Irregular expenditure by splitting the supply orders	0.73	Violations of Rules
19	Transgression of Financial Powers	0.23	Violations of Rules
20	Irregular procurement from unregistered suppliers	0.41	Violations of Rules
21	Non-adjustment of Advance	0.57	Violations of Rules
22	Excess Expenditure over & above the Budget Allocation	1.73	Violations of Rules
23	Excess expenditure over and above the ceiling of POL	0.30	Violations of Rules
19	LAW & PARLIAMENTARY AFFAIRS & HUMAN RIGHTS DEPARTMENT		
1	Irregular expenditure on account of purchase of stationery	0.73	Violations of Rules
2	Non-accountal of library books	4.44	Non-accountal
3	Unauthorized claim of previous year's liability	0.98	Violations of Rules
4	Irregular expenditure incurred on printing from private press instead of Government press	0.53	Violations of Rules
5	Irregular expenditure incurred on M&R of machinery equipment & furniture	1.25	Violations of Rules
6	Non-obtaining of sales tax invoice cum challan (payment/recovery)	0.17	Violations of Rules

7	Irregular advance payment to HESCO on account of Electricity Charges	0.48	Violations of Rules
8	Unauthorized expenditure on Account of Training of Sharia Academy	0.81	Violations of Rules
9	Un-authorized expenditure on POL	9.43	Violations of Rules
10	Missing of vehicles from office	0.78	Violations of Rules
11	Irregular expenditure on account of rent of building	1.62	Violations of Rules
12	Expenditure without obtaining acknowledgement receipt	18.16	Violations of Rules
13	Irregular expenditure without supporting vouchers	9.217	Violations of Rules
14	Un-authenticated expenditure on repair of transport	1.59	Violations of Rules
15	Irregular expenditure purchase of machinery & equipment	1.93	Violations of Rules
16	Irregular payment of orderly allowance	0.59	Violations of Rules
17	Non-recovery of professional tax	0.32	Recovery
18	Non-recovery of House Rent and House Maintenance Charges	0.22	Recovery
19	Non-maintenance of consumption account	33.43	Violations of Rules
20	LIVESTOCK AND FISHERIES DEPARTMENT		
1	Non-maintenance of cash book	59.95	Violations of Rules
2	Recovery of conveyance allowance	0.56	Recovery
3	Unauthorized expenditure on account of POL	19.24	Violations of Rules
4	Irregular expenditure on Repair	3.31	Violations of Rules
5	Irregular expenditure on account of TA/DA	2.21	Violations of Rules
6	Irregular expenditure on Printing & Publication	0.98	Violations of Rules
7	Irregular expenditure on repeated vouchers	0.23	Violations of Rules
8	Non-deduction of income tax	0.22	Violations of Rules
9	Irregular expenditure without supporting voucher	0.64	Violations of Rules
10	Un-authorized retention of Government funds in DDO account	598.70	Violations of Rules
11	Non-adjustment of advances	2.57	Violations of Rules
21	LOCAL GOVERNMENT, RURAL GOVERNMENT, PHE, HTP		
1	Doubtful repair of transformers and pumps	1.33	Violations of Rules
2	Commencement of work without obtaining B-I contract agreement	2,452.40	Violations of Rules

3	Non-reconciliation of expenditure	2,639.26	Violations of Rules
4	Non-clearance of balances of Income Tax and other heads under Form-78	100.59	Violations of Rules
5	Payment without exercising check measurement	174.92	Violations of Rules
6	Excess execution of work over sanctioned estimate	40.38	Violations of Rules
7	Non-accountal of stock articles	43.04	Non-accountal
8	Irregular execution of work creating liability for the next financial year	8.25	Violations of Rules
9	Irregular expenditure without sanction of estimate	47.77	Violations of Rules
10	Irregular payment without authorization of officer in charge	11.58	Violations of Rules
11	Excess execution of item of work	5.44	Violations of Rules
12	Non-posting of tenders on authority's website	5.86	Violations of Rules
13	Irregular expenditure on purchase of bitumen	2.02	Violations of Rules
14	Un-justified withheld amount from the contractor bill	12.00	Violations of Rules
15	Unauthorized expenditure on account of POL	13.20	Violations of Rules
16	Irregular payment on reduced rates	12.28	Violations of Rules
17	Payment without supporting vouchers	77.95	Violations of Rules
18	Irregular extra premium allowed to the contractor	2.69	Violations of Rules
19	Non-deduction of taxes	0.83	Recovery
20	Non-imposition of penalty upon contractors	90.70	Recovery
21	Irregular excess consumption of steel	2.55	Violations of Rules
22	Short deduction of security deposit	11.62	Violations of Rules
22	MINES AND MINERALS DEPARTMENT		
1	Irregular expenditure on purchase of POL	4.15	Violations of Rules
2	Non-accountal of various items	6.50	Non-accountal
3	Un-authorized drawl of salaries	10.43	Violations of Rules
4	Expenditure on the vehicles and utility not on the strength	0.23	Violations of Rules
5	Misclassification of expenditure	0.34	Violations of Rules
6	Non-Deduction of sales tax	0.20	Recovery
7	Improper use of DDO account		Violations of Rules
23	MINORITIES AFFAIRS DEPARTMENT		
1	Non-production of record	0.45	Violations of Rules
2	Unauthorized payment made through open cheques (cash)	0.11	Violations of Rules
3	Unjustified payment of secured advance	0.65	Violations of Rules

4	Unauthorized payment of salaries beyond sanctioned strength	0.86	Violations of Rules
5	Payment without sanction of B-I agreement	0.76	Violations of Rules
6	Non-reconciliation of expenditure	10.71	Violations of Rules
7	Non-provision of documents to NAB	487.03	Violations of Rules
8	Non-verification of call deposit	0.60	Violations of Rules
9	Unauthorized award of work without open competition	35.71	Violations of Rules
10	Irregular expenditure on abundant project	116.08	Violations of Rules
11	Payment without check measurement Rs	1.62	Violations of Rules
12	Irregular payment on reduced rates without approval	7.53	Violations of Rules
13	Irregular expenditure without approval of technical sanction	80.00	Violations of Rules
14	Non-imposition of penalty	1.08	Violations of Rules
24	ORGANS OF STATE		
1	Non-accountal of various items	1.45	Non-accountal
2	Non-accountal of store/stock items	0.22	Non-accountal
3	Irregular expenditure without supporting vouchers	48.80	Violations of Rules
4	Payment without contract agreement	59.77	Violations of Rules
5	Unauthorized expenditure on non-scheduled items	49.62	Violations of Rules
6	Unauthorized payment on execution of extra work	12.36	Violations of Rules
7	Irregular expenditure on account of installation of elevators	5.95	Violations of Rules
8	Irregular payment of secured advance	50.64	Violations of Rules
25	PLANNING & DEVELOPMENT DEPARTMENT		
1	Variation in the figure of Total expenditure	7.77	Violations of Rules
2	Un-authorized expenditure in repair & maintenance	2.49	Violations of Rules
3	Payment made to the contractors without pre-audit of the bills	4,248.90	Violations of Rules
4	Irregular purchases of P-IV computers	0.50	Violations of Rules
5	Un-authorized payment without Co-signature of other official	0.48	Violations of Rules
6	Misclassification of Expenditure	0.18	Violations of Rules
7	Irregular purchases on high rate	0.13	Violations of Rules
8	Non-deposit of tender fee & call deposit	140.48	Violations of Rules
9	Recovery of utility allowances excess POL	0.29	Recovery

10	Non-accountal of Articles	1.02	Non-accountal
26	POPULATION WELFARE DEPARTMENT		
1	Irregular payment on account of institutional Re-imbusement cases	3.24	Violations of Rules
2	Excess payment of pay and allowances to account assistants	0.15	Violations of Rules
3	Non-deduction of income tax	0.53	Recovery
4	Expenditure without quotations	0.19	Violations of Rules
27	REHABILITATION DEPARTMENT		
1	Irregular expenditure on P.O.L.	2.99	Violations of Rules
2	Irregular purchase of blankets	36.59	Violations of Rules
3	Irregular expenditure on account of rent of warehouse	3.78	Violations of Rules
28	SGA&CD DEPARTMENT		
1	Irregular payment without supporting vouchers	0.62	Violations of Rules
2	Irregular Advance payment	0.43	Violations of Rules
3	Irregular expenditure by way of misclassification	0.33	Violations of Rules
4	Irregular expenditure of medical reimbursement	2.39	Violations of Rules
5	Irregular expenditure without tender & execution of agreement	0.61	Violations of Rules
6	Release of performance guarantee before maintenance period	0.35	Violations of Rules
7	Irregular extension of contract with expired performance guarantee	0.35	Violations of Rules
8	Un-authorized drawl of cash	0.60	Violations of Rules
9	Undue favour to the Government Officer by SGA&C department	0.55	Violations of Rules
10	Non-accountal of stores articles	0.88	Non-accountal
11	Irregular expenditure on contingent paid staff	0.19	Violations of Rules
12	Irregular final result declaration without mentioning names of withheld candidates	-	Violations of Rules
13	Misuse of Government Funds	0.21	Violations of Rules
14	Award of work without estimates and Technical Sanction	4,679.08	Violations of Rules
15	Non/improper maintenance of accounts record of expenditure on POL	9.28	Violations of Rules
16	Wasteful expenditure on old syllabus & examination system: loss to quality candidate	32.20	Violations of Rules
17	Un-authorized expenditure from savings of	19.06	Violations of Rules

	2011-12		
18	Non-utilization of the Human Resources-service of Psychologist; wastage	4.20	Violations of Rules
19	Un-authorized obtaining of NIT uploading charges	3.58	Violations of Rules
20	Unjustified Payment of POL/CNG charges through Corporate Cards	2.70	Violations of Rules
21	Non-execution of contract agreement & loss of Stamp Duty	1.35	Violations of Rules
22	Doubtful/Unjustified recommendation process of SPSC: Nepotism	-	Violations of Rules
23	Unjustified selection of the candidates without required Certification/diploma	-	Violations of Rules
24	Irregular procurement without procurement plan	239.34	Violations of Rules
25	Avoidable expenditure on rent of office building	21.28	Violations of Rules
26	Irregular expenditure without observing codal formalities	95.23	Violations of Rules
29	SOCIAL WELFARE DEPARTMENT		
1	Excess expenditure incurred over and above the budget grant	6.64	Violations of Rules
2	Non-accountal of stock items	3.40	Non-accountal
3	Irregular expenditure without invitation of Quotations	0.43	Violations of Rules
4	Irregular expenditure on account of other miscellaneous charges	1.49	Violations of Rules
5	Irregular Payment to staff working on detailment	2.10	Violations of Rules
6	Wasteful expenditure on account of salary to drivers	1.17	Violations of Rules
7	Irregular expenditure on account of POL	2.66	Violations of Rules
8	Irregular expenditure on repair of Transport	0.75	Violations of Rules
9	Irregular Expenditure under the Head Rent of Building	0.32	Violations of Rules
10	Irregular purchase on account of Fair Exhibition	0.14	Violations of Rules
11	Irregular expenditure on repair of furniture & fixture	0.14	Violations of Rules
12	Irregular expenditure incurred without Budget Provision	0.13	Violations of Rules
13	Irregular expenditure on account of TA/DA	0.10	Violations of Rules
14	Irregular expenditure incurred on repair of	0.14	Violations of Rules

	furniture and fixture in transgression of financial powers		
15	Non-deduction of Sales Tax	0.11	Violations of Rules
16	Irregular expenditure on purchase of stationery & printing charges	0.16	Violations of Rules
17	Un-justified variation in payment of salaries	3.52	Violations of Rules
18	Irregular Payment by cash instead of cheque to the Employees	0.32	Violations of Rules
19	Non-maintenance of consumption account	0.66	Violations of Rules
20	Non-maintenance of contingent register	2.15	Violations of Rules
21	Manual payment of salaries	0.31	Violations of Rules
22	Annual physical verification of Stock/Stores not conducted	-	Violations of Rules
23	Un-authorized expenditure on POL	0.31	Violations of Rules
24	Irregular expenditure without acknowledgement	36.00	Violations of Rules
30	SPECIAL EDUCATION		
1	Irregular expenditure on account of repair & maintenance	0.73	Violations of Rules
2	Non-accountal of article	0.45	Non-accountal
3	Irregular expenditure on conference & seminar	0.19	Violations of Rules
4	Un-authorized expenditure on POL	5.49	Violations of Rules
5	Excess usage of POL	0.60	Violations of Rules
6	Irregular expenditure on Repair of transport	2.11	Violations of Rules
31	SPORTS & YOUTH AFFAIRS DEPARTMENT		
1	Non-reconciliation of income tax	1.97	Violations of Rules
2	Irregular expenditure without agreement	3.02	Non-reconciliation
3	Irregular drawl of pay and allowance through manual procedure	0.73	Violations of Rules
4	Irregular operation of bank account in private bank	--	Violations of Rules
5	Non-maintenance of consumption account of consumable articles	0.13	Violations of Rules
6	Unusual transactions with bank	12.05	Weak internal controls
7	Cheque issued to DDO instead of vendor/supplier	1.79	Violations of Rules
32	TRANSPORT & MASS TRANSIT DEPARTMENT		
1	Irregular payment of arrears of salaries	1.90	Violations of Rules
2	Unjustified payment of salaries	2.35	Violations of Rules
3	Irregular payment of salaries	0.61	Violations of Rules

4	Excess payment of difference of diesel charges	4.30	Violations of Rules
5	Excess payment on account of utility allowance	0.11	Violations of Rules
6	Expenditure in excess of budget allocation	0.80	Violations of Rules
7	Recovery of excess payment of adhoc allowance	0.19	Recovery
8	Non-affixing of stamp duty	0.24	Recovery
9	Non-deposit of revenue charged from passengers	0.94	Recovery
10	Recoverable expenditure on vehicles not in the pool of department	0.42	Recovery
33	WOMEN DEVELOPMENT		
1	Loss to government due to fraudulently drawl of three cheques	0.16	Recovery
2	Doubtful payment on account of electricity charges	0.99	Violations of Rules
3	Violation of rule 54 of Sindh Govt. rules of business by not preparing / non-submitting the year book of women development department to the cabinet	-	Violations of Rules
4	Irregular expenditure	0.44	Violations of Rules
5	Splitting up of expenditure to avoid sanction of higher authority.	3.09	Violations of Rules
6	Manual payment of salaries	0.56	Violations of Rules
8	Irregular payment of GP Fund final payment	1.19	Non-accountal
9	Irregular expenditure without receipts acknowledgement	0.37	Violations of Rules
10	Non-maintenance of consumption account of consumable items	0.77	Violations of Rules
11	Irregular expenditure without third party monitoring	16.00	Violations of Rules
12	Irregular out of cadre posting on higher post	1.155	Violations of Rules
34	WORKS & SERVICES DEPARTMENT		
1	Irregular payment to contractor without detailed measurement	19.99	Violations of Rules
2	Irregular expenditure without supporting vouchers	30.69	Violations of Rules
3	Irregular payment without check measurements	1,239.19	Violations of Rules
4	Irregular execution of work without sanction of estimate	577.31	Violations of Rules
5	Irregular payment of secured advance	73.47	Violations of Rules
6	Unauthenticated refund of security deposit	0.24	Violations of Rules
7	Non-accountal of purchased articles	15.95	Violations of Rules
8	Irregular execution of works/ schemes without	26.68	Violations of Rules

	revision of PC-I		
9	Excess payment on account of mobilization advance more than prescribed ceiling	0.86	Violations of Rules
10	Irregular payment on account of purchase of POL	1.11	Violations of Rules
11	Irregular expenditure on dismantling work	0.46	Violations of Rules
12	Irregular payment on consultancy charges	1.83	Violations of Rules
13	Irregular payment without authorization of officer incharge	106.05	Violations of Rules
14	Doubtful use of laundry facility	0.20	Violations of Rules
15	Unauthorized allotment of rooms by SGA&CD instead of works & services department	-	Violations of Rules
16	Unjustified use of Sindh House Murree	-	Violations of Rules
17	Unjustified use of vehicles	-	Violations of Rules
18	Unjustified occupation of single room by more than one official	-	Violations of Rules
19	Unjustified stay of families of various officials in Sindh House	-	Violations of Rules
20	Unjustified allotment of more than one room	-	Violations of Rules
21	Un-justified permanent allotment of rooms to various officials	-	Violations of Rules
22	Un-necessary allotment of rooms to federal government employees	-	Violations of Rules
23	Irregular transfer of vehicles to Secretary SGA&CD	-	Violations of Rules
24	Expenditure on non-schedule items without approval	84.24	Violations of Rules
25	Irregular payment to the contractor for the un-laid pipes	2.27	Violations of Rules
26	Difference in figures of government revenue	0.57	Violations of Rules
27	Irregular payment of differential cost	283.70	Violations of Rules
28	Less-deduction of security deposits	89.61	Violations of Rules
29	Irregular payment of defective work	5.04	Violations of Rules

Annexures for Chapters

Chapter-2 Agriculture, Supply and Prices Department Annexure-1

2.4.1 Non-production of record Rs133.07 million

(Rupees in million)

Sr. #	Name of Office	Financial year	AIR Para #	Particulars	Amount
1	Project Director, Crop Maximization Project II, Sindh, Hyderabad	2012-13	4.1.21, 4.1.9, 4.1.19, 4.1.20, 4.1.22	Publicity campaign, Revolving Fund, detail of activities executed for HRD, Conduct of benchmark survey of the project, performance incentives	126.86
2	Deputy Director Agriculture Extension, Matiari	2013-14	01	All accounts record	3.89
3	Director Rice Research Institute, Dokri	2013-14	13	Printing & Others	0.25
4	Secretary, Agriculture Department, Karachi	2012-13	02	Development Scheme	-
5	Additional Director Agriculture Extension, Shikarpur	2012-13	04	Bank Scroll	-
6	Director Agriculture , Mirpurkhas	2012-13	05	Work progress, detail of assets etc.	-
7	Deputy Director Agriculture (Extension), Ghotki	2013-14	06	Service books, personal files of employees , cheque books & bank statement	-
8	Additional Director Agriculture Extension, Ghotki,	2013-14	06	Service books, personal files of employees , cheque books & bank statement	-
9	Director Agriculture Training Agriculture Extension, Hyderabad	2013-14	05	Procedure of appointment, Appointment Orders, Personal Files and acknowledgment of payment	2.07
Total					133.07

Annexure-2

2.4.14 Irregular appointments in various projects components - Rs13.29 million

Sr. #	Staff of the project	Sindh
	Technical Staff	
1	Project Director	1
2	Planning and Monitoring Experts	1
3	Business Dev. And Marketing Experts	1
4	Transfer of Technology & Training Experts	1
5	Software Developer	0
6	Software Associate Officer	1
7	Project Manager	8
8	Social Mobilizer Officers	16
9	Business Dev. and Marketing Officer	8
10	Planning Officers	8
11	Credit & VO Help Officers	8
12	Agricultural Officers	24
13	Veterinary/Stock Assistants	24
14	Field Assistants	120
	Sub-total	221
	Support Staff	100
	Total	321

Chapter-4 Board of Revenue

Annexure-1

4.4.1 Non-production of record - Rs3,374.74 million

(Rupees in million)

Sr. #	Name of office	Particulars	Financial Year	AIR Para #	Amount
1	Additional Relief Commissioner, Hyderabad	Accounts	2012-13	02 & 26	1,822.57
2	Deputy Commissioner, Badin	Accounts	2012-13	01& 02	303.89
3	Deputy Commissioner, Badin		2012-13	01	68.45
4	Deputy Commissioner, Shikarpur	Accounts	2012-13	01	67.01
5	Commissioner –I, Sindh Revenue Board, Karachi	Accounts	2012-13	01	57.17
6	Additional Relief Commissioner, Hyderabad	Accounts record	2013-14	14	31.60
7	Deputy Commissioner, Matiari	Bonus fund	2013-14	21	24.70
8	Inspector General of Registration, Hyderabad	Accounts	2012-13	01	6.16
9	Deputy Commissioner, Jamshoro	Accounts record	2013-14	04	6.06
10	Deputy Commissioner, Sukkur	Accounts record	2013-14	24	3.50
11	Deputy Commissioner Tando Muhammad Khan	Accounts	2012-13	07	3.27
12	Registration Stamps & Evaluation Planning, while conduction the audit of Development Scheme Automation of Stamps & Registration Phase-I	Accounts	2012-13	09	3.18
13	Assistant Commissioner Taluka Thana Bola Khan, District, Jamshoro	Accounts	2012-13	02	1.49
14	Deputy Commissioner, Sanghar	Accounts	2012-13	06	0.92
15	Deputy Commissioner, Shaheed Benazirabad	Accounts	2012-13	11 & 12	-
16	Deputy Commissioner, Ghotki	Accounts	2012-13	11 & 12	-
17	Deputy Commissioner, Kashmore	Accounts	2012-13	09 & 10	-
18	Deputy Commissioner, Dadu	Service Books	2012-13	03	-
19	Deputy Commissioner, Mirpurkhas	Service Books	2012-13	11	-
20	Deputy Commissioner, Malir, Karachi	Revenue Receipt	2012-13	01	-
21	Regional Revenue Officer Directorate of Inspection & Evaluation, Larkana	Accounts	2012-13	07	-
22	Deputy Commissioner, Kamber - Shahdad Kot		2013-14		-
		Accounts		13 & 14	
23	Deputy Commissioner, Dadu	Monitoring	2013-14	01	-

(Rupees in million)

Sr. #	Name of office	Particulars	Financial Year	AIR Para #	Amount
		reports			
24	Additional Relief Commissioner, Hyderabad	Accounts	2013-14	02	678.62
25	Deputy Commissioner, Sukkur	Accounts	2013-14	28	1.63
26	Additional Relief Commissioner, Hyderabad	Sales Tax Invoice	2012-13	27	276.63
27	Project Director, Project Management Unit, Board of Revenue Sindh	Sales Tax Invoice	2013-14	04	1.75
28	Deputy Commissioner, Matiari	Sales Tax Invoice	2013-14	09	0.12
29	Deputy Commissioner, Sukkur	Sales Tax Invoice	2013-14	08	0.55
30	Sub- Registrar, Sukkur	Sales Certificate	2012-13	-	3.08
31	Deputy Commissioner, Larkana	Accounts record	2012-13	03	2.34
32	Commissioner Larkana Rain Rescue & Relief Fund 2013	Accounts record & Tender File	2012-13 & 2013-14	02	0.37
33	Additional Relief Commissioner, Hyderabad	Accounts record & Tender File	2013-14	05	4.31
34	Deputy Commissioner, Hyderabad	Accounts record & Tender File	2013-14	06	4.87
35	Deputy Commissioner, Sukkur	Accounts record & Tender File	2012-13 & 2013-14	21	0.50
				Total	3,374.74

Chapter-5 Chief Minister's Secretariat

Annexure-1

5.4.1 Non-production of record – Rs712.81 million

(Rupees in million)

Sr. #	Name of Institution	Particulars	Financial year	AIR Para #	Amount
1	Principal, Govt. Polytechnic Institute, Dadu	Bank statement regarding salary/Non-salary payments & Service Books	2012-13	5 & 7	19.55
2	Principal, Govt. vocational Institute (W), Latifabad, Hyderabad	Pay related record	2012-13	2	0.92
3	Regional Director STEVTA, Sukkur	Bank statement – Salary/Non-salary components	2012-13	8	-
4	Principal, Govt. Vocational Training Centre, Digri	Rent agreement	2012-13	3	0.12
5	Headmistress Govt. Vocational School for Girls, Shikarpur	Complete record for the years 2006-07 to 2008-09	2012-13	8	-
6	Headmistress Govt. Vocational School for Girls, Garhi Yaseen	Complete record for the years 2006-07 to 2008-09	2012-13	7	1.51
7	Principal, Govt. Monotechnic Institute, Mehrabpur	Complete record for appointments made like: Ad in newspaper, selection criterion, sanctioned strength, approval of F.D, etc.	2010-11 to 2012-13	1	1.94
8	Headmistress Govt. Vocational School for Girls, Warah, Shahdadkot	Stock registers, lit of vehicles/machinery, bank accounts list, store account, revenue sources, vouchers	2012-13	1	0.36
			2012-13	9	-

Sr. #	Name of Institution	Particulars	Financial year	AIR Para #	Amount
		claimed during the period, dead stock register, etc.			
9	Principal, Govt. Monotechnic Institute, Shahdadt	Complete record for appointments made like: Ad in newspaper, selection criterion, sanctioned strength, approval of F.D, etc.	2011-13	1	2.28
		Sub-vouchers of payments made from non-Govt. funds during 2011-12 & 2012-13	2011-13	8	0.28
10	Principal, Govt. Monotechnic Institute, Faiz Ganj	Complete record for appointments made like: Ad in newspaper, selection criterion, sanctioned strength, approval of F.D, etc.	2012-13	4	-
11	Principal, Govt. Monotechnic Institute, Tando Muhammad Khan	Daily/semester collection register for 2009-10 to 2010-11	2012-13	6	0.90
12	Principal, Govt. Monotechnic Institute, Tando Allahyar	Utilization report / record of self-government funds	2012-13	2	0.55
		Complete record for appointments made like: Ad in newspaper, selection criterion, sanctioned strength, approval of F.D, etc.	2012-13	5	-
13	Principal, Govt. Monotechnic Institute, Sakrand	Utilization report / record of self-finance scheme	2012-13	2	0.20
14	Liaquat University of Medical & Health Sciences, Jamshoro	Non-production of record of investment from dollar account amounting \$ 4.209	2011-12	47	400.21

Sr. #	Name of Institution	Particulars	Financial year	AIR Para #	Amount
		Appointment record	2013-14	11	5.00
15	Mehran University of Engineering & Technology, Jamshoro	Appointment record	2012-13	9 & 10	0.27
16	Principal, Govt. Monotechnic Institute, TM Khan		2012-13	5	-
17	Shaheed Benazir Bhutto University, Shaheed Benazirabad	Various registers	2012-13 & 2013-14	36, 45	-
		Appointment record		34	250.53
18	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	Investment record & CMC & BDC Larkana record and record pertaining to project director	2013-14	48 & 55	27.87
19	MD STEVTA, Karachi	PC-I	2013-14	11	-
20	BISE, Mirpurkhas	Various record	2013-14	1, 2	-
21	Sindh Agriculture University, Tando Jam	Professional tax challan, vehicles record, court cases, etc.	2013-14	8, 20 & 23	0.20
22	Principal, Govt. Polytechnic Institute Matiari	Stock register of sports articles	2012-13	4 & 5	0.12
				Total	712.81

Annexure- 2

5.4.2 Un-authorized transfer of funds – Rs718.64 million

(Rupees in million)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Amount
1	BISE, Mirpurkhas	04	2013-14	Transfer of funds from PLS account to investment account without observing competitive selection of Banks for investment.	211.00
2	Shaheed Benazir Bhutto University, Shaheed Benazirabad	42	2012-13 & 2013-14	Transfer of fund from HEC account to three different accounts without prior approval of the competent authority, i.e., Vice Chancellor	172.93
3	BISE, Larkana	02	2013-14	Transfer of funds from development scheme (BISE Complex Larkana) to the Board's income account	2.00
4	Mehran University of Engineering & Technology, Jamshoro	37	2012-13	Transfer of funds from recurring budget to meet the development expenditure.	6.53
5	Liaquat University of Medical & Health Sciences, Jamshoro	13	2012-13	Transfer of fund from account of Institute of Bio-Medical Technology to an undefined account. Details/reasons for the transfer were not produced to audit.	6.90
		10	2012-13	Transfer of funds from Salary account to Miscellaneous account	20.00
		09	2012-13	Transfer of funds from HEC account to other	182.51
		37	2013-14	Transfer of funds from one Bank account to other	105.86
6	Principal Petroleum Technical Training Institute, Khairpur	09	2012-13	Transfer of fund from fee collection account to the regular account of DDO	0.91
7	BISE, Hyderabad	01	2012-13	Transfer of funds from Uni Saver Account to Current Account without approval of Competent Authority.	10.00
Total					718.64

Annexure- 3

5.4.3 Expenditure without inviting open tender – Rs140.89 million

(Rupees in million)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Amount
1	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	38	2013-14	Payment without tender process	10.94
		39	2013-14	Repair of buildings & structures without calling tenders	2.84
2	Liaquat University of Medical & Health Sciences, Jamshoro	08	2013-14	Expenditure without completing codal formalities	1.60
		09	2013-14	Purchase of furniture/ machinery	1.62
		05	2012-13	Examination stationery	20.17
		06	2012-13	Running & maintenance of Al-Tibri international hostel	3.59
3	BISE, Larkana	06	2012-13	Examination stationery	1.54
4	BISE, Mirpurkhas	10	2013-14	Printing of certificates/ answer books, etc.	26.97
		26	2013-14	Purchase of furniture/office equipment	4.18
		35	2013-14	Other contingencies expenditure	1.17
5	V.C Sindh Madarasatul Islam University Karachi	05	2012-13 & 2013-14	Construction of underground tank	0.33
6	Shaheed Benazir Bhutto University, Shaheed Benazirabad	44	2012-13 & 2013-14	Preparation of furniture/fixture – wooden cubicles	0.29
7	Sindh Technical & Vocational Training Authority, Karachi	05	2013-14	Work without inviting open tender	1.00
8	Sukkur IBA, Sukkur	15	2013-14		1.07
9	Quaid-e-Awam	08	2013-14	Procurement without	1.45

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Amount
	University of Engineering Science & Technology, Nawabshah			inviting open tender	
10	Sindh Agriculture University, Tando Jam	09	2013-14		2.10
11	BISE, Sukkur	03	2013-14	Construction of BISE Complex, Larkana	40.68
12	Mehran University of Engineering & Technology, Jamshoro	12	2012-13	Expenditure without inviting open tender	0.30
		07	2012-13		0.15
		11	2012-13		2.43
		34	2012-13		0.22
13	BISE, Hyderabad	13	2012-13	Purchase of office equipment	0.19
		01		Expenditure without inviting tender	1.21
14	Shah Abdul Latif University, Khairpur	16	2012-13	Expenditure without inviting tender	0.25
		12	2012-13		0.19
		23	2013-14	Printing of Ink attendance register (Muster rolls) & answer sheets	1.55
15	University of Karachi, Karachi	08	2012-13 & 2013-14	Purchase of machinery/equipment	12.86
Total					140.89

Annexure-4

5.4.4 Irregular award of contract– Rs381.39 million

(Rupees in million)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Reference of Rule violated	Amount
1	BISE, Mirpurkhas	09	2013-14	Tenders were not hoisted on SPPR Website and print media	Rule 17 (1) of SPPR 2010	45.86
		18	2013-14	Award of work to unregistered contactors with PEC, Islamabad	Rule 46 (1) (a) (iii) 2010	6.07
2	Petroleum Technical Training Institute Khairpur	06	2012-13	Non-hoisting of tenders in authorities' website	Rule 17 (1) of SPPR 2010	5.28
3	Shaheed Benazir Bhutto University, Shaheed Benazirabad	25	2012-13 to 2013-14	Award of work without obtaining the five years qualifying certificate from PEC	Rule 46 (1) (a) (iii) 2010	220.66
4	Liaquat University of Medical & Health Sciences, Jamshoro	43	2013-14	Construction of 1 st Floor over Bio Medical Institute	Rule 17 (1) of SPPR 2010	17.56
		47	2013-14	Undue favor to contractor	Rule 17 (1) of SPPR 2010	59.69
		26	2013-14	Irregular award of work	Rule 17 (1) of SPPR 2010	0.62
5	Sukkur IBA, Sukkur	09	2013-14	Irregular execution of concrete work	ASTM A615/A615M-12	1.33
6	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	58	2013-14	Irregular award of contact to NTS, Islamabad	TermNo.3.8 of guidelines of World Bank Selection for Consultants	5.97
7	Mehran University of Engineering & Technology, Jamshoro	22	2012-13	Undue favour to contractor by awarding contract to C-2 category instead of C-3		17.82
		30	2012-13	Award of supply order without performance guarantee	Rule 39(1) SPPR 2010	0.53
Total						381.39

Annexure-5

5.4.7 Non-adjustment of advances – Rs70.53 million

(Rupees in million)

Sr. #	Name of Institution	AIR Para #	Financial Year	Amount
1	Sindh Technical Education & Vocational Training Authority, Karachi	03	2013-14	1.95
2	Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	18	2013-14	6.99
3	Quaid-e-Awam, University of Engineering Science & Technology, Nawabshah	06	2013-14	0.87
4	BISE, Mirpurkhas	38	2013-14	0.71
5	Mehran University of Engineering & Technology, Jamshoro	20	2013-14	8.29
		18	2012-13	1.37
6	Shaheed Benazir Bhutto University, Shaheed Benazirabad	07	2012-13 to 2013-14	1.92
		27	-do-	0.79
7	Sindh Agriculture University, Tando Jam	06	2013-14	3.12
8	BISE, Larkana	09	2012-13	1.62
9	BISE, Sukkur	01	2012-13	9.98
		02	2012-13	2.36
		13	2013-14	0.43
10	Shah Abdul Latif University, Khairpur	23	2012-13	0.47
		18	2013-14	9.05
11	BISE, Hyderabad	05	2012-13	3.17
		06	2012-13	2.54
		04	2013-14	4.37
12	Shah Abdul Latif University, Khairpur	23	2013-14	0.47
13	Govt. Monotechnic/Poly technique Institute Tando Muhammad Khan	02	2012-13	0.12
14	IBA, Karachi	23	2011-12	4.07
15	University of Karachi, Karachi	10	2012-13	2.16
		01	&2013-14	1.45
		02		2.26
			Total	70.53

Annexure-6

5.4.18 Non-recovery of outstanding dues – Rs298.37 million

(Rupees in million)

Sr. #	Name of Institution	AIR Para #	Financial Year	Nature of irregularity	Amount
1	Principal, Petroleum Technical Training Institute Khairpur	11	2012-13	Less recovery of student fees	0.18
2	Shaheed Mohtarma Benazir Bhutto Medical University Larkana	44	2013-14	Less recovery of student fees	212.01
		36	2013-14	Outstanding govt. dues	0.17
3	Sindh Madarasat-ul-Islam University Karachi	17	2011-12 & 2012-13	Admission Fees	0.33
		04	2012-13 & 2013-14	Non-realization of outstanding tuition fees against the defaulter students	0.81
4	BISE, Mirpurkhas	14	2013-14	Outstanding recovery of house purchase loan	9.22
		39	2013-14	Outstanding recovery of computer loan	0.65
		33	2013-14	Outstanding recovery of salary loan	1.32
5	Mehran University of Engineering & Technology Jamshoro	10	2013-14	Non-recovery of outstanding dues	0.17
		03	2012-13	Rent of Public School	0
		14	2012-13	Hostel dues	0.14
6	Shaheed Benazir Bhutto University, Shaheed Benazirabad	21	2012-13 to 2013-14	Outstanding govt. books	0.14
7	Shah Abdul Latif University, Khairpur	29	2013-14	Outstanding dues	66.74
8	BISE, Hyderabad	4	2012-13	Annual renewal fee from affiliated institution	0.90
		6		Short recovery of examination fees	0.55
		7	2012-13	Rent of office premises	1.08
9	Liaquat University of Medical & Health Sciences, Jamshoro	32	2013-14	Outstanding govt. dues	0.24

10	Government Habib College of Technology, Nawabshah	4 & 7	2011-12 & 2012-13	Fee	2.42
11	Government College of Technology, Khairpur	2 & 7	2011-12 & 2012-13	Fee	0.93
12	Government Polytechnic Institute (Boys), Sukkur	10 &12	2011-12 & 2012-13	Fee	0.37
Total					298.37

Chapter-7 Education Department

Annexure-1(i)

7.4.1 Non-production of record – Rs2,605.32 million

(Rupees in million)

Sr. #	Name of office	Record not produced to audit	AIR Para #	Amount
1	Second Sindh Education Sector Project (SERP-II)	Stock of books	6	1,400.00
2	Director, Non-formal Education, Karachi	Accounts record	15	231.88
3	ADOE (Male) Gambat	POL/ Repair of furniture	1, 2	194.00
4	ADOE (Male) Rato Dero, Larkana	Pay & allowances	6	173.79
5	ADOE (Female) Larkana	Account of pay	6	135.00
6	ADOE (Female) Bakharani, District Larkana	Account of pay	6	129.60
7	ADOE (Female) Khairpur Nathan Shah	Service books	3	79.13
8	ADOE (Male) Matiari	Pay & allowances	14	72.00
9	ADOE (Male) Khairpur Nathan Shah	Pay & allowances & Vouchers	4, 7, 8	45.83
10	ADOE (Male) Mehar	Service Books & Vouchers	1, 3	44.69
11	ADOE (Male), Chachro, Mithi	Appointment record & pay & allowances	7, 9	20.23
12	ADOE (Male), Gadap Town Karachi	Accounts record & books & toys	2, 10	16.05
13	District Officer Education, Khairpur	Pay & allowances	5	14.87
14	District Officer Education, Male Karachi	Accounts record & Service books	1, 2, 4	9.84
15	ADOE (Male) Badin	Accounts record	7	8.21
16	District Education Officer, Ghotki	Accounts record	3	7.25
17	ADOE (Male), Nawabshah	Cash book, bank statement, voucher/bills	2	6.23
18	Principal, Government College, Qazi Arif	Service books	4	5.40
19	DO (Academic & Training) Tando Allahyar	Expenditure statement & Bank statement	4	2.85
20	ADOE (Male) Nangarparkar	Pay & allowances	11	2.64
21	Principal, Government	Accounts record	9	2.04

Sr. #	Name of office	Record not produced to audit	AIR Para #	Amount
	Girls Degree College Pir Jo Goth			
22	ADOE (Female) Female, Nawabshah	Cash book, bank statement, voucher/bills	2	1.12
23	Principal, Government Atta Hussain Shah Degree College, Rohri	Reconciled challans	9	0.59
24	Principal, Government Boys Degree College, Pir Jo Goth	Cheques, vouchers & Accounts record	4, 8	0.56
25	Govt. Boys College Badin	Contingent record	1	0.43
26	District Officer Education Elementary, Kotri	Expenditure statement	1	0.41
27	DO (Academic & Training), Kamber	Vouchers regarding "Others"	1	0.30
28	District Education Officer, Badin	Pay & allowances	2	0.23
29	ADOE (Male) Thull	Bills, vouchers & service books	2, 7	0.15
30	ADOE (Male) New Taluka Sukkur	Accounts record	8	-
31	ADOE (Female) New Taluka Sukkur	Accounts record	5	-
32	Principal, Government Sachal Sarmst Degree College, Ranipur	Pay & allowances, service books	6	-
33	Principal, Government Girls College, Shahdadkot	Pay & allowances	5	-
34	ADOE (Male), Johi	Accounts record & Service books	4, 12	-
35	Principal, Government Boys Degree College, Bhan Saeedabad	Service books	7	-
36	ADOE (Female), Dadu	Service books	5	-
37	ADOE (Female), Chachro	Appointment record	7	-
38	ADOE (Male) Sukkur City	Accounts record	1	-
39	ADOE (Female), Moro	Pay & allowances, service books	5	-
40	ADOE (Male) Larkana	Transfer posting & sanction strength	2 & 4	-

Sr. #	Name of office	Record not produced to audit	AIR Para #	Amount
41	Principal, Government Girls Degree College, Bhan Saeedabad	Pay & allowances	7	-
42	Principal, Government Boys College, Shahdadt	Pay & allowances	5	-
43	ADOE (Male) Kamber	Service books	6	-
44	ADOE (Male) Badin	Expenditure/ Reconciliation statement & Service Books	5 & 3	-
45	ADOE (Male) Sehwan	Expenditure/ Reconciliation statement & Service Books	7 & 5	-
46	ADOE (Male) Mirpurkhas	Service Books	4	-
47	ADOE (Male) Wareh	Expenditure/ Reconciliation statement & Service Books	7 & 5	-
48	ADOE (Male) Matli	Service Books	5	-
49	Principal Govt. Degree College Naseerabad	Service Books	5	-
50	Principal Govt. Degree College Ratodero	Service Books	5	-
	ADOE (Male) Kandhkot	Service Books	6	-
51	ADOE (Male) Jamshoro	Expenditure/Reconciliation statement & Service Books	6 & 8	-
52	ADOE (Female) Sehwan	Service Books	4	-
53	ADOE (Male) Jacobabad	Expenditure/ Reconciliation statement & Service Books	6 & 8	-
54	ADOE (Male) Garhi Khairo	Expenditure/ Reconciliation statement & Service Books	4 & 6	-
Total				2,605.32

Annexure-1(ii)

7.4.1 Non-production of record – Rs52.53 million

(Rupees in million)

Sr. #	Name of office	UC	Taluka	AIR Para #	Amount
1	ADOE (Male), Thatta	Doomani & Jherruck	Thatta	3	4.96
2	ADOE (Male), Thatta	Kalri & Jung Lishahi	Thatta	4	4.54
3	ADOE (Male), Hala	Bhit Shah	Hala	3	4.32
4	ADOE (Male), Thatta	Sonda & Kalan Kot	Thatta	6	3.77
5	ADOE (Male), Hala	Bhanot	Hala	2	3.21
6	ADOE (Male), Hala	Hala -1	Hala	5	2.98
7	ADOE (Male), Matiari	Faqir Nooh	Matiarai	8	2.37
8	ADOE (Male), Matiari	Matiari	Matiari	1	2.14
9	ADOE (Male), Thatta	Jhimpir & Makli	Thatta	5	2.06
10	ADOE (Male), Matiari	Odero Lal	Matiari	6	1.96
11	ADOE (Male), Hala	Hala – 2	Hala	1	1.92
12	ADOE (Male), Matiari	Sehkhat	Matiari	5	1.86
13	ADOE (Male), Matiari	Tajpur	Matiari	3	1.85
14	ADOE (Male), Matiari	Bau Khan	Matiari	4	1.65
15	ADOE (Male), Matiari	Oderolal	Matiari	7	1.59
16	ADOE (Male), Hala	Old Hala	Hala	4	1.46
17	ADOE (Male), Matiari	Shah Alam Shah	Matiari	2	1.17
18	ADOE (Female), Thatta	Kalri & Junglishahi	Thatta	5	1.07
19	ADOE (Female), Thatta	Jhimpir & Makli	Thatta	6	0.90
20	ADOE (Female), Matiari	Shah Alam	Matiari	2	0.89
21	ADOE (Male), Thatta	Chato Chand & Ongar	Thatta	2	0.84
22	ADOE (Female), Thatta	Udero Lal Village	Matiari	7	0.75
23	ADOE (Female), Thatta	Thatta-1 & Thatta-2	Thatta	2	0.68
24	ADOE (Male), Thatta	Thatta-1 & Thatta-2	Thatta	1	0.68
25	ADOE (Female) Matiari	Sekhat	Matiari	5	0.51
26	ADOE (Female) Thatta	Chato Chand & Ongar	Thatta	3	0.51
27	ADOE (Female) Thatta	Doomani & Jherruck	Thatta	4	0.50
28	ADOE (Female) Thatta	Sonda & Kalan Kot	Thatta	7	0.43
29	ADOE (Female) Matiari	Tajpur	Matiari	3	0.27
30	ADOE (Female) Matiari	Faqir Noohof	Matiari	8	0.25
31	ADOE (Female) Matiari	Udero Lal Station	Matiari	6	0.25
32	ADOE (Female) Matiari	Bahu Khan Pathan	Matiari	4	0.19
				Total	52.53

Annexure-2**7.4.5 Irregular recruitment of employees-Rs3.34 million**

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	Principal, Govt. Goys Degree college Mehar	2	2012-13	-
2	ADOE (Female) Gadap Karachi	8	2010-11 to 12-13	-
3	ADOE (Female) Malir Town Karachi	4	2010-11 to 12-13	-
4	ADOE (Male) Gadap Karachi	8	2011-12 to 12-13	-
5	ADOE (Female) Sakrand	4	2012-13	2.28
6	ADOE (Male) Kingri	7	2011-12 to 12-13	0.69
7	ADOE (Male) Shah Faisal Town Karachi	5	2012-13	-
8	DEO Badin	4	2012-13	-
9	ADOE (Male) Nawabshah	4	2011-12 to 12-13	-
10	ADOE (Female) Nawabshah	4	2011-12 to 12-13	-
11	ADOE (Female) Gadap Karachi	19	2011-12 to 12-13	-
12	DEO Dadu	40	2012-13	-
13	ADOE (Male) New Taluka Sukkur	2	2011-12 to 12-13	-
14	ADOE (Male) New Taluka Sukkur	3	2011-12 to 12-13	0.15
15	ADOE (Female) New Taluka Sukkur	2	2012-13	-
16	DO Elementary Kotri	3	2012-13	-
17	ADOE (Female) Ghotki	2	2012-13	0.22
18	ADOE (Female) Tando Bago	1	2012-13	-
19	ADOE (Male) Tando Bago	3	2012-13	-
20	ADOE (Male) Larkana	1	2012-13	-
21	DEO Ghotki - Mirpur Mathelo	1	2012-13	-
Total				3.34

Annexure-3

7.4.6 Non-recovery of outstanding dues-Rs56.57 million

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particular	Amount
Tuition and Admission Fees for 2011-12 and 2012-13				
1	Government Boys Degree College, Nawabshah	2	Tuition and admission fees	1.04
Sub total				1.04
Conveyance Allowance either on vacation or already enjoying the facility of government transport 2011-12 and 2012-13				
2	ADOE (Male), Manjhand	1 & 2		7.62
3	ADOE (Male)Gambat	1		0.30
4		1		0.23
5	Govt. Boys Secondary School, Izzat Khan Karachi	6 & 8		0.14
6	ADOE (Male) Lakhi	8		0.12
Sub total				8.65
Teaching allowance paid to those who were not eligible due to non-specific qualification				
7	ADOE (Female) Mirpurkhas	2	2012-13	5.18
8	ADOE (Male) Kot Ghulam Muhammad	2	--	2.02
9	ADOE (Female), Kot Ghulam Muhammad	3	2011-12	1.04
10	ADOE (Female) Kot Ghulam Muhammad	1	2012-13	0.81
11	ADOE (Male) Latifabad, Hyderabad	4 & 6	--	0.17
12	ADOE (Male), Manjhand	1	2011-12	0.14
13	ADOE (Female) Kamber	1		0.88
14	ADOE (Male) Kamber	1		3.76
15	ADOE (Female) Naseerabad	2		0.54
16	ADOE (Female) Warrah, District Kamber	2		0.99
17	ADOE (Male) Naseerabad, District Kamber	4		1.84
18	District Officer Elementary Education Kamber	3		2.84
19	Govt. Degree Boys College Kamber	2		0.22
20	Prin. Govt. Deg. Boys College Kamber	1		0.90

Sr. #	Name of Office	AIR Para #	Particular	Amount
21	ADOE (Male) Kamber	5		0.17
22	Govt. Sachal Sarmast Degree College, Nawabshah	1		0.34
23	Director of School Education Larkana	2		0.12
	Sub total			22.28
24	Principal Sir Syed Government College for Women, Nazimabad, Karachi	2		15.54
25	Principal BAMB PECHS Government College for Women. Karachi.	3		3.08
	Sub total			18.62
26	Pay and Allowances of Mrs. Maheen Bano, Asst. Prof absent from duty 24-09-2011 to date			
27	Sir Syed Government Girls College, Nazimabad,	7	2011-12	1.54
	Sub total			1.54
28	Sindh Education Foundation	2		4.44
	Sub total			4.44
			Grand Total	56.57

Annexure-4

7.4.9 Short distribution of 6.35 million Free Text Books

Short distribution of free text books for the academic year 2014-15									
Sr. #	Name of District	Classes							Total
		Kachi-III	IV-V	VI	VII	VIII	IX	X	
1	Badin	185,777	155,814	168	-	-	168	-	341,927
2	Thatta	244,187	120,690	9,436	-	-	1,666	1,211	377,190
3	Hyderabad	55,142	97,125	1,480	-	-	3,981	-	157,728
4	Jamshoro	88,422	65,555	-	-	-	441	501	154,919
5	Matiari	122,923	69,881	-	-	-	-	-	192,804
6	Shaheed Benazirabad	171,919	154,686	120	-	-	2,147	1,934	330,806
7	T.M.Khan	87,137	59,277	391	-	-	-	-	146,805
8	T.A.Yar	89,305	62,482	-	-	-	12	-	151,799
9	Dadu	231,183	188,608	12,346	-	-	55	50	432,242
10	Larkana	2,851	168,314	3,764	-	-	75	49	175,053
11	Jacobabad	163,388	113,169	25,938	-	-	-	-	302,495
12	Kamber	193,651	141,463	-	-	-	-	315	335,429
13	Kashmore	114,634	86,751	10,272	-	-	-	-	211,657
14	Shikarpur	138,130	106,372	-	-	-	183	2,253	246,938
15	Sukkur	145,738	137,366	-	-	-	2,175	-	285,279
16	Khairpur	145,738	227,455	7,984	-	-	130	-	381,307
17	Ghotki	237,078	194,054	21,416	-	-	623	-	453,171
18	Naushahro Feroze	163,653	148,946	-	-	-	-	-	312,599
19	Mirpurkhas	9	126,940	2,268	-	-	17,211	1,347	147,775
20	Umerkot	160,063	105,077	5,838	-	1,756	5,304	-	278,038
21	Tharparkar	318,013	208,194	-	-	-	-	3,421	529,628
22	Sanghar	201,652	178,552	7,636	-	1,948	10,998	-	400,786
Total		3,260,593	2,916,771	109,057	-	3,704	45,169	11,081	6,346,375

Annexure-5**7.4.15 Irregular expenditure by splitting up to avoid tender -Rs55.70 million**

(Rupees in million)

Sr. #	Name of Office	Particular	AIR Para #	Year	Amount
1	Principal Cadet College Petaro	Purchase of dry ration	6	2012-13	12.33
2	Principal Cadet College Petaro	Purchase of dry ration	2	2012-13	11.75
3	Principal Cadet College Petaro	Purchase of Uniform	15	2012-13	11.47
4	Principal Cadet College Petaro	Purchase of dry ration	3	2012-13	5.81
5	Principal Cadet College Petaro	Purchase of ration	8	2012-13	3.85
6	Principal Cadet College Petaro	Purchase of dry ration	4	2012-13	3.56
7	Principal Cadet College Petaro	Purchase of dry ration	5	2012-13	2.32
8	Principal Cadet College Petaro	Photography	10	2012-13	1.69
9	Principal Cadet College Petaro	Decoration charges	13	2012-13	1.01
10	Principal Cadet College Petaro	Purchases of Horses	11	2012-13	0.90
11	Principal Cadet College Petaro	Purchasing/Instt. Of water purification plant	12	2012-13	0.33
12	Principal Cadet College Petaro	Purchase of poultry products	1	2012-13	0.33
13	Principal, Govt. Girls Degree College Tando Jan Muhammad	Purchase of books	7	2011-12 to 12-13	0.20
14	Principal Abdullah Govt. College for Women Karachi	Purchase of various items	6	2012-13	0.15
Total					55.70

Chapter-9 EXCISE & TAXATION DEPARTMENT
Annexure-1

9.4.1 Short realization against revenue targets - Rs1,318.76 million

(Rupees in million)

Sr. #	Name of Office	Head	Year	Para #	Target	Recovery	Short fall
01	ETO B Div. Karachi	Property Tax	2012-13	2	354.53	184.47	170.06
02	ETO Property Tax K-I,II Div. Karachi	Property Tax	2012-13	7	310.58	182.18	128.40
03	ETO (P-I,II,III,IV) Div. Karachi	Professional Tax	2012-13	8	275.80	208.83	66.97
04	ETO H-II Div. Karachi	Property Tax	2012-13	2	175.32	109.73	65.59
05	ETO R Div. Karachi	Property Tax	2012-13	3	147.76	82.92	64.84
06	ETO N Div. Karachi	Property Tax	2012-13	3	110.00	51.12	58.88
07	ETO C Div. Karachi	Property Tax	2012-13	2	200.00	142.95	57.05
08	ETO Mirpurkhas	Cotton Fee	2012-13	1	36.61	17.53	19.08
09	ETO Nawabshah	Cotton Fee	2012-13	1	24.00	9.80	14.20
10	DD/ Senior ETO (Entertainment) Wing Karachi	Entertainment Duty	2012-13	2	37.14	29.21	7.93
11	Excise & taxation Officer Matiari	Cotton fee	2012-13	1	9.23	5.00	4.23
12	DD/ ETO (Infrastructure Cess) Port Qasim Karachi	Revenue	2012-13	5	7.00	5.15	1.85
13	DD/Sr.ETO (M R A) Karachi	Motor Vehicle tax	2013-14	17	4149.41	3607.39	542.02
14	ETO M Div. Karachi	Property tax	2013-14	2	226.57	147.50	79.07

(Rupees in million)

Sr. #	Name of Office	Head	Year	Para #	Target	Recovery	Short fall
15	ETO H-I Div. Karachi	Property tax	2013-14	2	165.47	138.29	27.18
16	ETO Shaheed Benazirabad	Property tax	2013-14	2	10.00	4.71	5.29
17	ETO Prof tax Hyderabad	Professional tax	2013-14	2	12.30	9.70	2.60
18	ETO TM Khan	Property tax	2013-14	2	3.00	1.53	1.47
		Cotton fee		3	2.44	1.22	1.22
		Professional tax		4	1.50	0.67	0.83
Total					6,258.66	4939.90	1,318.76

Chapter-10 Finance Department

Annexure-1

10.4.1 Non-production of record – Rs1,367.86

(Rupees in million)

Sr. #	Name of office	Particulars	Financial Year	AIR Para #	Amount
1	DAO Badin	Record of new appointment	2012-13	12	-
2	DAO Kamber-Shahdadt	Record of new appointment	2012-13	10	-
3	DAO Khairpur	Record of new appointment	2012-13	12	-
4	DAO Matiari	Record of new appointment	2012-13	10	-
5	DAO Mirpurkhas	Record of new appointment	2012-13	9	-
6	DAO Sanghar	Record of new appointment	2012-13	8	-
7	DAO Shikarpur	Record of new appointment	2012-13	10	-
8	DAO Sukkur	Record of new appointment	2012-13	10	-
9	DAO Jacobabad	GP Fund	2012-13	4	42.44
10	DAO Larkana	GP Fund	2012-13	4	217.92
11	DAO Thatta	GP Fund	2012-13	3	76.66
12	DAO Matiari	Bills	2013-14	7	32.34
13	DAO Jamshoro	Pension, Gratuity, Superannuation Encashment of L.P.R	2013-14	4 & 5	290.76
14	Director General, Sindh Board of Investment, Karachi.	Tuition fee paid to IBA	2012-13	11	12.71
15	DAO Jacobabad	Record of appointment	2012-13	7	385.00
16	DAO Thatta	Record of appointment	2013-14	2	0
17	DAO Kamber-Shahdadt	Detail of fake 1200 employees (salary stopped by AG Sindh)	2012-13	2	0
18	DAO Ghotki	Record of utilization of advance payment received on account of benevolent fund grant	2013-14	1	21.00
19	DAO Jacobabad	Record of doubtful payment on account of release of PWD	2012-13	5	289.03
				Total	1,367.86

Annexure- 2

10.4.3 Irregular payment without tenders on authority's website-Rs177.26 million

(Rupees in million)

Sr. #	Name of office	Particulars	AIR Para #	Year	Amount
1	DAO, Badin	Purchase of Rickshaw 160 x Rs140,800 (DC Badin)	1	2012-13	22.53
		Purchase of Rickshaw 195 x Rs140,800 (DC Badin)		2012-13	27.46
2	DAO, Jamshoro	Purchase of Plant & machinery DHO, Jamshoro	1	2012-13	11.01
3	DAO, Sukkur	Purchase of Rickshaw DC Sukkur	4	2012-13	79.99
		Repair of Building DIG Police Sukkur	1	2013-14	1.50
		Purchase of Furniture DC Sukkur	4	2013-14	6.24
4	DAO, Badin	Repair of buildings SSP Badin Paid to M/s Mehrooz Baloch	2	2012-13	1.00
5	DAO, Jamshoro	Repair of Transport DHO Jamshoro	2	2012-13	0.55
6	DAO, Matiari	repair of buildings SSP Matiari	2	2012-13	1.00
		Deputy Director Livestock	4	2013-14	1.08
7	DAO, Mirpurkhas	repair of buildings DIG Police Mirpurkhas	2	2012-13	0.95
		Paid to Mr. Mohammad Ismail Repair of Buildings DIG Police Mirpurkhas	2	2013-14	1.99
8	DAO, Sanghar	Repair of buildings SSP Sanghar	1	2012-13	2.50
9	DAO, Shikarpur	Purchase of seven ambulances DHO Shikarpur M/s Madani Wali Motors	3	2012-13	5.00

Sr. #	Name of office	Particulars	AIR Para #	Year	Amount
		Pvt. Ltd MPA Scheme			
10	DAO, Hyderabad	Repair of building DIG Police, Hyderabad	4	2013-14	2.00
		Purchase of Medicines SSP Hyderabad	5	2013-14	1.91
11	Secretary Finance	Purchase of Toners Payee M/s Quick Marketing Services	1	2013-14	7.14
12	DAO, Ghotki	Conferences & services District Population Officer, Ghotki	5	2013-14	1.93
13	DAO, Naushahro Feroze	Purchase of furniture District & Session Judge, Naushahro Feroze	12	2013-14	1.51
Total					177.29

Annexure-3

10.4.5 Irregular payment due to non-conducting inspection-Rs1,517.10 million

(Rupees in million)

Sr. #	Name of office	Particulars	Year	AIR Para #	Amount
1	DAO, Badin	District Health Officer Badin	2012-13	5	44.70
		Different offices	2013-14	2	131.60
2	DAO, Khairpur	District Health Officer Khairpur	2012-13	7	165.59
3	DAO, Larkana	Med. Supdt. C.M.C. Hospital Larkana	2012-13	3	398.23
4	DAO, Kamber-Shahdadkot	District Health Officer Kamber-Shahdadkot	2012-13	4	11.97
5	DAO, Matiari	DHO Matiari	2012-13	5	7.50
		Various offices	2013-14	2	33.64
6	DAO, Mirpurkhas	DHO Mirpurkhas	2012-13	3	2.82
		Civil Surgeon Mirpurkhas	2013-14	7	41.89
		Civil Surgeon Mirpurkhas	2013-14	7	20.20
7	DAO, Sanghar	DHO Sanghar	2012-13	3	37.41
		Various offices	2013-14	2	48.35
8	DAO, Shikarpur	DHO Shikarpur	2012-13	1	36.27
9	DAO, Sukkur	District Health Officer Sukkur	2012-13	1	19.06
		Civil Hospital Sukkur	2012-13	1	69.75
		Civil Hospital Sukkur	2013-14	6	87.25
10	DAO, Thatta	DHO Thatta	2012-13	1	42.78
11	DAO, Jamshoro	DHO Jamshoro	2013-14	9	115.27
12	DAO, Hyderabad	Program Manager, Prevention & Control	2013-14	8	200.51
13	DAO, Ghotki	Taluka Hospital, Obaro	2013-14	7	2.35
Total					1,517.10

Annexure-4**10.4.6 Irregular expenditure on POL - Rs437.92 million**

(Rupees in million)

Sr. #	Name of office	Particulars (POL)	Year	AIR Para #	Amount
1	DAO, Badin	DC Badin	2012-13	7	3.20
		Different offices	2013-14	1	60.33
2	DAO, Khairpur	DC Khairpur	2012-13	8	2.50
3	DAO, Matiari	DC Matiari	2012-13	4	3.00
		Various offices	2013-14	1	39.86
4	DAO, Kamber-Shahdadkot	DC Kamber-Shahdadkot	2012-13	5	2.70
5	DAO, Larkana	Commissioner Larkana	2012-13	2	3.30
6	DAO, Mirpurkhas	DC Mirpurkhas	2012-13	4	3.00
		Various offices	2013-14	6	71.21
7	DAO, Sanghar	DC Sanghar	2012-13	2	2.36
		Various offices	2013-14	1	63.38
8	DAO, Shikarpur	DC Shikarpur	2012-13	2	2.02
9	DAO, Sukkur	Commissioner Sukkur	2012-13	2	4.00
		District Sukkur	2013-14	2	117.79
10	DAO, Thatta	DC Thatta	2012-13	2	2.49
11	DAO, Jamshoro	Jamshoro	2013-14	8	54.84
12	DAO, Ghotki	SSP Ghotki	2013-14	11	1.95
				Total	437.93

Annexure-5

10.4.8 Excess appointment of employees without sanctioned posts - Rs18.20 million

EXCESS APPOINTMENT IN REVENUE DEPARTMENT									
Sr #	Name of Office	Name of Post	Sanctioned post	Working	Excess	BPS	Est: Salary PM	Salary PM	Per Year
1	SD4073- Deputy Commission	Assistant	12	18	6	14	20,000	120,000	1.44
2	SD4073- Deputy Commission	Asst: Budget examiner	0	2	2	14	20,000	40,000	0.48
3	SH6163-AC Kamber	Assistant	1	8	7	14	20,000	140,000	1.68
4	SH6163-AC Kamber	Junior Clerk	2	24	22	7	15,000	330,000	3.96
5	SH6164-AC Shahdaktot	Assistant	1	3	2	14	20,000	40,000	0.48
6	SH6164-AC Shahdaktot	Junior Clerk	2	17	15	7	15,000	225,000	2.70
7	SH6165-AC Merokhan	Assistant	1	3	2	14	20,000	40,000	0.48
8	SH6165-AC Merokhan	Junior Clerk	2	11	9	7	15,000	135,000	1.62
9	SH6166-AC Sujawal Junejo	Assistant	1	2	1	14	20,000	20,000	0.24
10	SH6166-AC Sujawal Junejo	Junior Clerk	2	9	7	7	15,000	105,000	1.26
11	SH6167-AC Qubo Saeed Khan	Junior Clerk	2	7	5	7	15,000	75,000	0.90
12	SH6168-AC Warah	Junior Clerk	2	8	6	7	15,000	90,000	1.08
13	SH6169-AC Naseerabad	Junior Clerk	2	10	8	7	15,000	120,000	1.44
14	SH6169-AC Naseerabad	Mukhiarkar	1	2	1	16	25,000	25,000	0.30
15	SH6169-AC Naseerabad	Driver	2	3	1	5	12,000	12,000	0.14
Total Excess					94			1,517,000	18.20

Annexure-6

10.4.11 Misclassification of expenditure - Rs6.10 million

(Rupees in million)

Sr. #	Name of Office	Particular	Year	AIR Para #	Amount
1	DAO, Jamshoro	Bill of POL from others head	2012-13	3	0.24
		Deputy Commissioner, Jamshoro			
2	DAO, Khairpur	Bill on hire charges of vehicles from other Misc head	2012-13	1	1.12
		Deputy Commissioner Khairpur			
3	DAO Larkana	Bill of Decoration Charges from unforeseeable head	2012-13	1	1.00
		Deputy Commissioner Larkana			
4	DAO, Matiari	Bill of Purchase of Machinery & Equipment from other misc head	2012-13	1	0.45
		Deputy Commissioner Matiari			
5	DAO, Shikarpur	Bill of POL from other misc head	2012-13	4	0.25
		Deputy Commissioner Shikarpur			
6	DAO, Sukkur	Bill of hire charges of vehicles from other misc.	2012-13	6	0.31
		Deputy Commissioner Sukkur			
7	DAO, Ghotki	Bills of contingencies debited to works	2012-13	9	1.88
8	DAO, Hyderabad	Bill of repair of transport from purchase of transport	2013-14	6	0.85
		SSP Hyderabad			
Total					6.10

Annexure - 7

10.4.30 Non-deduction of taxes – Rs 8.90 million

(Rupees in million)

NON-DEDUCTION OF GST, DAO Badin- AIR No. 06, 2012-13					
Sr. #	C. Centre description	C. Centre	G/L Acc Description	Document Date	Amount
1	District Food Controller, Badin	BN4124	Furniture & fixtures	19.06.2013	0.05
2		BN4126	Furniture & fixtures	17.04.2013	0.05
3		BN4126	Furniture & fixtures	17.04.2013	0.06
4		BN4126	Furniture & fixtures	17.04.2013	0.05
5		BN4126	Furniture & fixtures	17.04.2013	0.05
6		BN4127	Furniture & fixtures	17.04.2013	0.05
7		BN9355	Furniture & fixtures	01.01.2013	0.01
8		BN9355	Furniture & fixtures	28.03.2013	0.01
9		BN9355	Furniture & fixtures	19.06.2013	0.01
Total					0.34
GST 17%					0.06

PURCHASE OF FURNITURE, AIR No.05, DAO Sukkur, 2012-13						
Sr. #	C Centre	G/L Acc	Document No	G/L Acc Description	Document Date	Amount
1	SK9389	A09701	1800086583	Furniture & fixtures	15.02.2013	3.50
2	SK9389	A09701	1800091692	Furniture & fixtures	14.05.2013	0.31
3	SK9389	A09701	1800091690	Furniture & fixtures	14.05.2013	6.75
4	SK9389	A09701	1800091688	Furniture & fixtures	14.05.2013	1.05
5	SK9389	A09701	1800092316	Furniture & fixtures	22.05.2013	1.00
6	SK9389	A09701	1800094614	Furniture & fixtures	21.06.2013	0.39
7	SK9389	A09701	1800094655	Furniture & fixtures	21.06.2013	0.04
8	SK9389	A09701	1800094752	Furniture & fixtures	24.06.2013	0.20
9	SK9389	A09701	1800094756	Furniture & fixtures	24.06.2013	0.29
10	SK9889	A09701	1800088260	Furniture & fixtures	25.03.2013	6.90
11	SK9889	A09701	1800094562	Furniture & fixtures	20.06.2013	2.50
12	SK9889	A09701	1800094563	Furniture & fixtures	20.06.2013	3.39
13	SK9889	A09701	1800094612	Furniture & fixtures	21.06.2013	1.12
14	SK9889	A09701	1800094615	Furniture & fixtures	21.06.2013	0.02
15	SK9889	A09701	1800094609	Furniture & fixtures	21.06.2013	0.13
16	SK9889	A09701	1800094789	Furniture & fixtures	24.06.2013	0.01
17	SK9889	A09701	1800094936	Furniture & fixtures	25.06.2013	11.25
18	SK9889	A09701	1800094935	Furniture & fixtures	25.06.2013	1.80
19	SK9889	A09701	1800095012	Furniture & fixtures	26.06.2013	8.26
Total						48.91
GST 17%						8.31

Sr. #	Cost Centre, DAO Hyderabad, AIR No.07, FY-2013-14	Particular	Amount	GST@17%
1	HD5014	Purchase of furniture	1.51	0.26

NON-DEDUCTION OF GENERAL SALES TAX, DAO Mirpurkhas, AIR No.05, FY- 2012-13						
Sr. #	C. Centre description	C. Centre	G/L Acc Description	Amount	Document No	Document Date
1	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.05	1900417700	21.05.2014
2	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.06	1900417729	21.05.2014
3	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.10	1900417822	21.05.2014
4	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.08	1900417864	21.05.2014
5	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.04	1900417705	21.05.2014
6	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.02	1900417847	21.05.2014
7	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.08	1900417870	21.05.2014
8	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.09	1900417711	21.05.2014
9	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.04	1900417785	21.05.2014
10	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.06	1900417852	21.05.2014
11	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.07	1900417877	21.05.2014
12	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.05	1900417721	21.05.2014
13	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.04	1900417812	21.05.2014
14	DC, Mirpurkhas	MS4728	Furniture and fixtures	0.07	1900417856	21.05.2014
Total				0.85		
GST 17%				0.14		

Sr.#	Name of Office	Particulars	AIR Para #	Year	Payment	Amount
1	DAO, Badin	Others SSP Badin DC Badin	3	2012-13	5,158,080	0.18
2	DAO, Jamshoro	Others Feeding Charges SSP Jamshoro	5	2013-14	2,500,000	0.09
2	DAO, Jamshoro	Others Feeding Charges SSP Jamshoro	4	2012-13	3,898,825	0.14
3	DAO, Thatta	Nil	13	2013-14	5,449,696	0.36
Total						0.77
GST 17%						0.13
Grand Total						8.90

Chapter -11 Food Department

Annexure-1

11.4.5 Improper storage of wheat – Rs7,195.09 million

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Particulars	Amount
01	DFC, Sukkur	2012-13	3	96,326 wheat bags were kept at private flour mills.	288.98
			6	30,147 wheat bags were kept at godowns in open sky.	90.44
02	DFC, Shaheed Benazirabad	2012-13	2	291,121 wheat bags were kept at godowns in open sky.	873.36
03	DFC, Ghotki	2012-13	7	398,897 wheat bags were kept at private flour mills.	1196.69
			2	158,263 wheat bags were kept at godowns in open sky.	474.79
04	DFC, Naushahro Feroze	2012-13	3	177,011 wheat bags were kept at private flour mills.	67.85
			6	302,810 wheat bags were kept at godowns in open sky.	908.43
05	DFC, Dadu	2012-13	5	137,660 wheat bags were kept at private flour mills.	412.98
			4	177,116 wheat bags were kept at godowns in open sky.	531.35
06	DFC, Mirpurkhas	2013-14	3	57,730 wheat bags were kept at godowns in open sky.	180.41
07	DFC, Hyderabad	2013-14	5	50,917 wheat bags were kept at godowns in open sky and private mills.	159.12
08	DFC, Khairpur	2013-14	7	560,516 wheat bags were kept at godowns in open sky.	2010.69
Total					7,195.09

Annexure-2

11.4.20 Shortage of wheat bags - Rs2,391.58 million

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
1	DFC, Sukkur	2012-13	1	99742 wheat bags were not available in the centres as per show cause notice issued to various Food Supervisors/ Food Inspectors	333.35
			2	Shortage of 943 wheat bags as per show cause notice issued to Mr. Irshad Ahmed Memon Food Supervisor vide letter No.ES-5(21)/2013/656 dated 10.10.2013.	3.44
2	DFC, Shaheed Benazirabad	2012-13	4	Wheat weighing 21.077 tons misappropriated by various officers/officials in previous years	278.34
		2013-14	3	32269 kg wheat found short on account of screening shortage against the officials	1.13
3	DFC, Malir, Karachi	2012-13	2	Wheat weighing 7252.19 tons of crop 2009-10 was misappropriated by M/s Paramount and M/s Pak Junaid Flour Mills. The stock was un-authorized stored in these mills without approval of government.	174.99
4	DFC, Naushahro Feroze	2012-13	2	During the visit of DFC, 8142 wheat bags and 680 numbers of bardanas were found short at WPC Dalipota and WPC tharushah. This was pointed out by DFC Naushahro Feroze vide letter No.DFC/NSF/2013/1463 dated 13.08.2013. Action was not taken against Mr.Zulfiqar Ali Kalari, Food Supervisor.	27.28
5	DFC, Dadu	2012-13	8	At various WPCs, 151 wheat bags, containing 15.067 metric tons wheat were found to be short on account of Screening shortages in their godowns.	0.48
			7	At various PRCs, 159 wheat bags, containing 15.907 metric tons wheat were found to be short.	0.51

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
			6	200 bags of wheat (With bardana) costing Rs640,000/- @ Rs3,000/- +200 penalty=Rs3,200/- per bag was mis-appropriated by the centre incharge of WPC Makhdoom Sahib @ Phulji, for the wheat crop 2012-13 as pointed out by the DFC- Malir Karachi during Physical Verification on 08-07-2013.	0.64
6	DFC, Jacobabad	2011-12 & 2012-13	6	DFC issued show cause notice to the various Food Supervisor/Food Inspectors on account of mis-appropriation wheat for the wheat crop 2008-2009 to 2011-12. But no amount has been recovered so far	58.91
			1	As per physical verification report for the crop 2009-10 held on 31-10-2010 21662 wheat bags were found short at various WPCs	69.32
8	DFC, Khairpur	2012-13	6	751 bags of wheat (With bardana) @ Rs3450/-+200 penalty=3,650/- per bag and 3000 empty bardana @ Rs124/bag was mis-appropriated by Mr. Rehmatullah Rajpar, Food Supervisor/ incharge WPC S.P.Khan (Crop 2012-13) as pointed out by the DFC- Khair Pur on his visit vide his letter No.DFC/KHP/2013/1594 dated.21-10-2013. But no amount has been recovered so far.	3.11
			2	466 bags of wheat (With bardana) costing @ Rs3450/-+200 penalty=3,650/- per bag and 4210 bardana @ Rs124/bag was mis-appropriated by Mr. Jalil Ahmed Mahesar, Food Supervisor/ incharge WPC, (Crop 2012-13 as pointed out by the DFC- Khair Pur on his visit vide his letter No.DFC/KHP/2013/1734	2.22

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
				dated.24-12-2013. But no amount has been recovered so far.	
			1	1334 bags of wheat (With bardana) @ Rs3450/-+200 penalty=3,650/bag and 190579 Kg weight shortage @ Rs35/30 per kg was mis-appropriated by Mr.Khalid Hussain Rajpar, Food Supervisor/ incharge WPC Akri/Zafarabad, (Crop 2012-13) as pointed out by the DFC-Khairpur on his visit vide his letter No.DFC/KHP/2013/1595 dated.21-10-2013. But no amount has been recovered so far.	11.60
			5	A case of misappropriation of wheat (10,174 bags @ 3450) was registered in the Anticorruption Khairpur during 2013-14 against Mr. Khadim Hussain Shah	35.10
9	Deputy Director Food, Mirpurkhas	2013-14	4	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 27.970 M.Tons wheat (crop year 2010-11) in WPC Rawatiani was registered in ACE Sanghar on 25-05-2012 against Mr. Pir Dino Memon Food Inspector	769.18
			9	in the subordinate office, i.e., District Food Controller Mirpurkhas a case of misappropriation of 907.00 M.Tons wheat (crop year 2010-11) in Mill PRC Ali Saeed Roller Flour Mill Kot Ghulam Muhammad (James Abad) was registered in ACE Mirpurkhas on 17-06-2013 against M/s Qamar Saeed S/O Saeed Ahmed owner of ALRF Mill Kot Ghulam Mohammad and Mr.Parvaiz Iqbal s/o Abdul Ghani Lessee of Al – Seed RF Mill Kot Ghulam	27.21

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
				Mohammad and Mr.Yousuf Arain Food Inspector incharge Mill PRC Kot Ghulam Mohammad	
			10	in the subordinate office, i.e., District Food Controller Tharparkar a case of misappropriation of 497.915 M.Tons wheat (crop year 2010- 11) in Mill PRC Thar Roller Flour Mill Naoon Kot was registered in ACE Mithi on 17-06-2013 against M/s Kirshan Lal Food Supervisor	14.94
			12	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 255.200 M.Tons wheat (crop year 2008-09) in PRC NaoonAbad was registered in ACE Sanghar on 16-01-2010 against Mr.Manzoor Chandio AFC	6.95
			13	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of wheat (crop year 2008-09) in WPC Shahpur chakar was registered in ACE Sanghar on 12-10-2009 against Mr. Muhammad Bux Mallah Food Inspector	4.83
			14	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 243.100 M.Tons wheat (crop year 2007-08) in PRC Jhole was registered in ACE Sanghar on 06- 03-2008 against Mr. Ganga Singh Food Inspector	2.44

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
			15	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 224.411 M.Tons wheat (crop year 1999-2000) in PRC khipro was registered in ACE Sanghar on 03-06-2002 against Mr.Hamid Ali Memon AFC	2.24
			16	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 80.400 M.Tons wheat (crop year 2010-11) in WPC Bhit Bhaiti was registered in ACE Sanghar on 25-05-2012 against Mr. Arbab Ali Halepoto Food Supervisor	2.21
			17	in the subordinate office, i.e., District Food Controller Mirpurkhas a case of misappropriation of 193.100 M.Tons wheat amounting to Rs1,737,900 of the crop year 1998-99 in PRC Kot Ghulam Mohammad was registered in ACE Mirpurkhas on 22-02-2000 against Qazi Abdullah Food Inspector	1.74
			18	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 58.980 M.Tons wheat (crop year 2008-09) in PRC NaoonAbad was registered in ACE Sanghar on 16-01-2010 against Mr. Manzoor Chandio AFC	1.56
			19	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 58.900 M.Tons wheat (crop year 2005-06) in WPC Lundo was registered in ACE Sanghar on 08-01-2007 against Mr.Dhjano Mal Food Inspector	0.66

(Rupees in million)

Sr. #	Name of office	Year	AIR Para #	Particulars	Amount
			20	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 26.100 M.Tons wheat (crop year 2007-08) in WPC Workshop was registered in ACE Sanghar on 25-10-2008 against Mr. Muhammad Ayub Mangrio Food Supervisor	556.45
			22	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 20.600 M.Tons wheat (crop year 2009-10) in WPC Bhit Bhaiti was registered in ACE ,Sanghar on 25-05-2012 against Mr.Arbab Ali Halepoto Food Supervisor	0.54
			23	in the subordinate office, i.e., District Food Controller Sanghar a case of misappropriation of 7.762 M.Tons wheat (crop year 2010-11) in WPC Bhit Bhaiti was registered in ACE ,Sanghar on 25-05-2012 against Mr.Arbab Ali Halepoto Food Supervisor	0.21
Total					2,391.58

Chapter-13 Health Department
Annexure-1

13.4.2 Non-production of Record – Rs1,298.36 million

(Rupees in million)

Sr. #	Name of Office	Particulars	AIR Para #	Year	Amount
1	Project Director, Expanded Programme on Immunization (E.P.I), Sindh, Karachi	Non-production of record	11	2012-13	28.41
2	Principal ,Male Nursing School, Jacobabad	Record of Nursing hostel	1	2012-13	0.30
3	Medical Superintendent CDF Hospital, Hyderabad	Non-production of record	11	2012-13	2.42
4	District health Officer Sanghar	-do-	1	2012-13	27.02
5	District health Officer Hyderabad	-do-	1, 6	2012-13	29.56
6	Medical Superintendent, Taluka Hospital, Mehar District Dadu	-do-	2, 4	2012-13	1.73
7	Civil Surgeon, Civil Hospital Jacobabad	medicine consumption account	4	2012-13	3.72
8	Medical Superintendent, Sindh Government Lyari General Hospital, Karachi	Non-production of record	8	2012-13	40.27
9	District Health Office, Tando Mohammad Khan	Expense register of medicines	7	2012-13	15.27
10	District Health Office, Tando Mohammad Khan	Paybills of GAVI	8	2012-13	1.09
11	District Health Office, Tando Mohammad Khan	Expenditure voucher of PCV-10	11	2012-13	0.12
12	Civil Hospital	Expense	3	2012-13	2.23

Sr. #	Name of Office	Particulars	AIR Para #	Year	Amount
	Mirpurkhas	register of medicines			
13	Civil Hospital Mirpurkhas	Consumptions of oxygen gas	5	2012-13	1.51
14	Civil Surgeon, Civil Hospital Sanghar	Auditable record was not provided	27	2012-13	-
15	Police Surgeon, Hyderabad	Various record	1, 11 & 19	2012-13	0.87
16	Para Medical Institute, Benazirabad	Revenue record of quarters and hostel	6	2012-13	-
17	Director, Drug Testing Laboratory Sindh, Karachi	Various record	1	2012-13	-
18	Secretary, Health Department, Karachi	Record of Others & To Others head of accounts	2	2012-13	158.16
19	Civil Surgeon, Civil Hospital, Thatta	Various record	14	2012-13	40.15
20	Civil Surgeon, Civil Hospital, North Nazimabad, Karachi	Various record	6	2012-13	-
21	Civil Surgeon, Civil Hospital, Mirpur Mathelo	Record of medicine	9	2013-14	14.97
22	District Health Officer, Khairpur	Tender documents, cash book, electricity bills and list of vehicle	4	2013-14	20.65
23	Medical Superintendent, Chandka Medical College Hospital, Larkana	Health management funds	24	2013-14	-
24	Executive Director, National Institute of	Minutes of meeting of	8	2013-14	-

Sr. #	Name of Office	Particulars	AIR Para #	Year	Amount
	Cardiovascular Diseases, Karachi	technical and financial bid and specifications of the contract			
		Registration book of vehicles and log books	13	2013-14	-
25	Development scheme "Provision of Shareware Elastography Machine, Civil Hospital, Karachi	Auditable expenditure record	1	2013-14	300.00
26	Additional Secretary Development Health Department, Karachi	Record of ADP schemes	1	2013-14	609.91
Total					1,298.36

Annexure 2

13.4.4 Irregular procurement without inviting open tender - Rs710.01 million

(Rupees in million)

S. No	Name of office	Particulars	Year	AIR Para #	Amount
1	Director, Institute of Medical Sciences, Shahdadpur	Tender not published on website	2012-13	4	23.42
2	Town Health Officer, Gulberg, Karachi	Without indent	2012-13	1	0.39
3	District Health Officer, Dadu	Without constitution of monitoring committee	2012-13	1	28.12
4	Medical Superintendent, RBUT Civil Hospital, Shikarpur	Bills and quotations not provided	2012-13	7	16.26
5	Medical Superintendent, Rural Health Center Odero Lal Station	Consumption account and indent	2012-13	4	0.22
6	Police Surgeon, Hyderabad	Excess purchase	2012-13	4	0.16
		Without codal formalities	2012-13	2	1.49
7	District Health Officer, Sukkur	Without indent	2012-13	11	4.71
8	Medical Superintendent, Taluka Hospital, Rohri	Without codal formalities	2012-13	6	1.17
			2012-13	3	0.83
9	Jinnah Postgraduate Medical Centre, Karachi	Excess payment	2012-13	3	8.68
1	Civil Surgeon, Civil Hospital, Thatta	Without codal formalities	2012-13	17	3.20
11	Civil Surgeon, Services Hospital, Hyderabad	Joint inspection report	2012-13	4	7.65
12	District Health Officer, Matiari	Joint inspection report	2012-13	1	2.59

S. No	Name of office	Particulars	Year	AIR Para #	Amount
13	Police Surgeon, Hyderabad	Joint inspection and verification of store	2012-13	8	1.37
14	Secretary Health Department, Karachi	Without codal formalities	2012-13	3	100.00
15	Medical Superintendent, Civil Hospital, Karachi	Without Joint inspection report	2012-13	2	3.32
16	Medical Superintendent, Liaquat University Hospital, Hyderabad	-do-	2012-13	2	3.33
17	Civil Surgeon Civil Hospital Mithi	Joint Inspection Report	2012-13	2	0.34
18	Ghulam Muhammad Mahar Medical College Hospital, Sukkur	Non-utilization of purchased medicines	2012-13	6	1.44
		Irregular purchase of medicine	2012-13	4	3.19
		Excess quantity of medicine purchased	2012-13	2	2.24
		Local purchases of medicine @ 25% instead of 15%	2012-13	1	15.88
19	District Health Officer, Larkana	Medicines with generic names	2012-13	1	14.59
		Irregular purchase of medicine	2012-13	2	10.08
		Joint inspection report	2012-13	3	11.29
20	Medical Superintendent Sindh Govt. Qatar Hospital, Karachi	Agreement not executed	2012-13	1	3.29
21	Medical Superintendent Sindh Govt. Saudabad, Karachi	Agreement not executed	2012-13	2	2.34
22	Civil Surgeon, Civil Hospital, Sanghar	Local purchases of medicines	2012-13	13	1.09
23	District Health	Without inspection	2012-13	05	2.73

S. No	Name of office	Particulars	Year	AIR Para #	Amount
	Officer, Badin	report			
24	Medical Superintendent Taluka Hospital, Kotri	Without rate analysis & market survey, publication of tender, NTN number, sales tax number, consumption account	2013-14	1	2.96
25	District Health Officer, Kamber Shahdadkot	Without mentioning number of patients, CNIC Copies, Doctors prescription	2013-14	1	0.76
26	Medical Superintendent Ghulam Muhammad Mahar, Civil Hospital, Sukkur	Medicines purchased at higher rate, in huge quantity over and above the requirement.	2013-14	5 & 6	4.22
27	Medical Superintendent, Shah Bhitai Hospital, Hyderabad	Without delivery challan, acknowledgement receipt & Consumption Account	2013-14	1	11.73
28	Medical Superintendent/Taluka Hospital, Khairpur Nathan Shah	Packing requirement / specification not observed.	2013-14	1	2.50
29	District Health Officer, Naushahro Feroze	Neither Accounted for nor Inspection carried out	2013-14	1	2.44
30	Medical Superintendent Liaquat Medical University Hospital, Jamshoro/Hyderabad	Without Constitution of monitoring committee	2013-14	3	21.28
31	District Health Officer, Jamshoro	Without Joint Inspection Report	2013-14	9	33.60
32	Medical Superintendent Taluka	Packing requirement / specification not	2013-14	1	1.23

S. No	Name of office	Particulars	Year	AIR Para #	Amount
	Hospital, Johi	observed.			
33	Medical Superintendent Kohsar Hospital Latifabad, Hyderabad	Without delivery challan, acknowledgement receipt & Consumption Account	2013-14	1	1.70
34	District Health Officer, Hyderabad	Purchases from local distributors instead of manufacture	2013-14	4	69.01
35	District Health Officer, Hyderabad	Purchases without indent / requirement to avoid from lapse of budget	2013-14	5	9.53
36	District Health Officer, Khairpur	Purchases from 2 nd & 3 rd lowest and price list of companies	2013-14	6	2.83
37	District Health Officer, Khairpur	Purchases without observing actual requirement which lead the chances of expiry	2013-14	8 & 9	45.42
38	District Health Officer, Khairpur	Without Constitution of monitoring committee	2013-14	9	50.28
39	District Health Officer, Tando Muhammad Khan	Without Constitution of monitoring committee	2013-14	6	17.87
40	District Health Officer, Thatta	Purchases without proper planning / requisition, Inspection not conducted, dealership / agent certificates not provided.	2013-14	1	9.45
41	District Health Officer, Tharparkar at Mithi	Purchases without indent, acknowledgement and non-	2013-14	6	2.32

S. No	Name of office	Particulars	Year	AIR Para #	Amount
		maintenance of consumption account.			
42	District Health Officer, Kamber Shahdaskot	Procurement neither accounted for nor inspection carried out	2013-14	2	5.22
43	Civil Surgeon, Civil Hospital, Mirpur Mathelo	Purchases in bulk quantity without indent, consumption account and without With-out Drug Testing Laboratory Report/Inspection Reports	2013-14	4	18.89
44	Medical Superintendent Taluka Hospital, Mehar	Packing requirement/specific ation not observed.	2013-14	1	4.09
45	District Health Officer, Matiari	Without Joint Inspection report.	2013-14	1	3.06
46	Medical Superintendent, Sir Cowasji Institute of Psychiatry, Hyderabad	With-out Drug Testing Laboratory Report/Inspection Reports/Payees acknowledgement and account for	2013-14	2	26.57
47	Medical Superintendent, Sindh Government Qatar Hospital, Karachi	Procurement without Agreement, Delivery Challan & Acknowledgement	2013-14	2	4.20
48	Civil Surgeon, Civil Hospital, Mirpurkhas	Procurement without consumption account, acknowledgement Receipt and vouchers not paid & cancelled	2013-14	4	0.47
49	Medical Superintendent & Civil Surgeon, Sindh	Purchases at higher rates by ignoring 1 st lowest		2	0.89

S. No	Name of office	Particulars	Year	AIR Para #	Amount
	Government Hospital, Karachi				
50	Medical Superintendent Ghulam Muhammad Mahar, Civil Hospital, Khairpur	Medicines purchased at higher rate by ignoring lowest bidders.	2013-14	3	7.25
51	Medical Superintendent Ghulam Muhammad Mahar, Civil Hospital, Khairpur	Improper maintenance of stock register	2013-14	15	0.00
52	District Health Officer, Kamber	Expenditure without mentioning number of patients, CNIC Copies, Doctors prescription	2013-14	2	0.80
53	District Health Officer, Tharparkar at Mithi	Without execution of agreement, Bid evaluation report & Deduction of security deposit.	2013-14	2	0.10
54	District Health Officer, Thatta	Vaccines purchased locally instead of NIH Islamabad.	2013-14	10	0.24
55	District Health Officer, Dadu	Local purchase was 25% instead of 15% as approved, purchased in bulk quantity & without indent	2013-14	1	23.37
56	District Health Officer, Dadu	Purchased over and above the quantities mentioned in tender list	2013-14	2	2.20
57	District Health Officer, Dadu	Purchased but remained unutilized till close of financial year.	2013-14	4	0.65
58	District Health	Expenditure without	2013-14	11	0.00

S. No	Name of office	Particulars	Year	AIR Para #	Amount
	Officer, Khairpur	segregation of powers and tender record not provided and purchased were made at higher rates.			
59	District Health Officer, Karachi	Purchases without ensuring batch no & expiry date of medicines on delivery challan	2013-14	7	14.42
60	District Health Officer, Larkana	Purchased from single participant bidder instead if re-tendering	2013-14	1	18.86
61	Civil Surgeon Civil Hospital, Naushahro Feroze	Non-Hoisting of tender on website	2013-14	2	7.42
62	District Health Officer, Thatta	Purchased from single participant bidder instead if re-tendering	2013-14	8	5.54
63	Medical Superintendent, Civil Hospital, Tando Allahyar	Expenditure without obtaining Quotations.	2013-14	8	0.13
64	District Health Officer, Badin	Expenditure without obtaining Quotations.	2013-14	8	0.26
65	Project Director, EPI, Karachi	Without joint inspection	2007-12	4.2.4	0.84
				Total	710.01

Annexure-3

13.4.5 Expenditure without inviting open tenders – Rs543.00 million

(Rupees in million)

Sr. #	Name of Office	Year	Particulars	AIR Para #	Amount
1	Medical Superintendent, Taluka Hospital, Rohri	2012-13	Purchase of medicines	1	2.00
2	Medical Superintendent, Taluka Hospital, Tando Mohammad Khan	2012-13	Purchase of X-Ray films	7	0.18
3	Medical Superintendent Taluka Hospital, Sajawal District Thatta	2012-13	Purchase of medicines	2	1.41
4	Medical Superintendent, T.B Hospital, Khairpur	2012-13	Purchase of diet items	4	1.84
5	District Health Officer, Tando Mohammad Khan	2012-13	Purchases of medicine	1	9.31
6	Civil Surgeon, Civil Hospital, Sanghar	2012-13	Purchase of diet items	18	1.07
			Purchase of medical gas	11	0.21
7	Civil Hospital, Badin	2012-13	Purchase of dietary and stationary articles	3, 7	1.07
8	Medical Superintendent, Civil Hospital, Karachi	2012-13	Janitorial Services	1	0.91
9	Medical Superintendent, Liaquat University Hospital, Hyderabad	2012-13	Janitorial Services	1	1.17
10	MS Taluka Hospital, Hala	2012-13	Dietary items, other misc, oxygen gas	6	1.35
11	Project Director, Expanded Programme on Immunization, Sindh, Karachi.	2012-13	Purchase of Buffer Stock	1	16.28
12	-do-	2012-13	Repair of vehicles	4	0.20
13	Civil Surgeon, Civil Hospital, Naushahro Feroze	2012-13	Purchase of drugs & medicines	11	7.77
14	Medical Superintendent CDF Hospital, Hyderabad	2012-13	Purchase of medicines	4	1.44

Sr. #	Name of Office	Year	Particulars	AIR Para #	Amount
15	District Health Officer, Hyderabad	2012-13	Tender not called	8	0.40
16	Medical Superintendent, Taluka Hospital, Jati District Thatta	2012-13	-do-	5	0.17
17	Medical Superintendent, Taluka Hospital, Mirpur Sakro District Thatta	2012-13	-do-	5	0.11
18	Civil Surgeon, Civil Hospital, Kamber	2012-13	-do-	1, 2	0.11
19	M.S Taluka Hospital, Bathoro	2012-13	-do-	3	1.88
20	M.S Taluka Hospital, S.F.R. Golarchi	2012-13	-do-	4	2.32
21	M.S Taluka Hospital, Talhar	2012-13	-do-	3	1.70
22	M.S Taluka Hospital, Johi	2012-13	-do-	2	1.01
23	Principal Shaheed Benazir Bhutto Medical College Lyari, Karachi	2011-12	Cost of other store items	5	2.36
24	Principal Shaheed Benazir Bhutto Medical College Lyari, Karachi	2011-12	Stationery items	8	0.50
25	Director Institute of Medical Sciences, Shahdadpur	2012-13	Uniform & liveries	1	0.17
26	Police Surgeon, Hyderabad	2012-13	Surgical items	5	1.98
27	Medical Superintendent, People Medical College Hospital, Benazirabad	2012-13	X-Ray Film	1	1.33
28	Police Surgeon, Hyderabad	2012-13	Purchase of various items through fake quotations	24	0.45
29	Medical Superintendent, Taluka Hospital, Garhi Khairo	2012-13	Purchase of medicines	5	0.28
30	State Hakeem, Khairpur	2012-13	Purchase of medicines	3	1.56
31	Civil Surgeon, Civil Hospital, Thatta	2012-13	Medicines, diet & Others	10	30.46

Sr. #	Name of Office	Year	Particulars	AIR Para #	Amount
			Furniture, uniform, diet etc.	12	32.00
32	Medical Superintendent, Taluka Hospital, Khipro	2012-13	Purchase of medicine	1	1.14
33	Town Health Officer, North Nazimabad, Karachi	2012-13	Purchase of medicine	3	0.23
34	District Health Officer, Kashmore - Kandhkot	2012-13	Purchase of medicine	2	0.85
35	Medical Superintendent, Sir Cowasji Institute of Psychiatry, Hyderabad	2013-14	Purchase of Uniform / Liveries	4	0.24
36	Medical Superintendent, Taluka Hospital, Jati	2013-14	Purchase of medicine	2	0.31
37	Project Director, Hepatitis Prevention & Control Programme, Hyderabad	2013-14	Purchase of medicine	1	27.54
38	Medical Superintendent, Liaquat Medical University Hospital, Hyderabad/Jamshoro	2013-14	Purchase of cotton, surgical gloves, eye lens etc.	7	10.41
39	Medical Superintendent, Liaquat Medical University Hospital, Hyderabad/Jamshoro	2013-14	Repair of Machinery & Equipment.	9	1.48
40	Medical Superintendent, Sheikh Zaid Women Hospital, Larkana	2013-14	Purchase of X-Ray, Diet items & Oxygen Gas	3	1.61
41	Medical Superintendent, Chandka Medical College Hospital, Larkana	2013-14	Purchase of Medicines, Diet items & Other Miscellaneous items	1	294.62
42	Director, Tuberculosis Control Sindh, Hyderabad	2013-14	Printing & Repair of Machinery & Equipment	5	2.15
43	Medical Superintendent, Chandka Medical College Hospital, Larkana	2013-14	Repair of Furniture, Transport, Machinery,	4	17.33

Sr. #	Name of Office	Year	Particulars	AIR Para #	Amount
			Building & Purchase of Uniform, Printing Material and instruments.		
44	Medical Superintendent, Taluka Hospital, Khipro	2013-14	Various items	3	0.18
45	District Health Officer, Tharparkar at Mithi	2013-14	Purchase of Medicines, Machinery Equipment & Miscellaneous items.	1	43.68
46	Medical Superintendent, Peoples Medical College Hospital, Shaheed Benairabad	2013-14	Purchase of X-Ray Films	5	6.25
47	Civil Surgeon, Civil Hospital, Mirpurkhas	2013-14	Purchase of Furniture	5	6.83
48	District Health Officer, Umerkot	2013-14	Purchase of Medical Equipment	3	0.56
49	Project Director, EPI, Karachi	2007-08 to 2011-12	Other miscellaneous items	4.2.5	0.43
			Transportation charges	4.2.6	0.31
			Social mobilization	4.2.2	0.82
			Training & contingency	4.2.1	1.03
Total					543.00

Annexure-4**13.4.17 Non-deposit of government money into treasury - Rs305.70 million**

(Rupees in million)

Sr No	Name of Office	Year	Particulars	AIR Para #	Amount
1	Development scheme "Construction of Ghulam Muhammad Mahar Medical College, Sukkur	2012-13	Income, professional, sales tax and stamp duty	4	3.85
2	Civil Surgeon, Civil Hospital, Thatta	2012-13	Government revenue	16	2.26
3.	District Health Officer, Sukkur	2012-13	Budget grant in DDO account	1	4.21
4.	Director, Drug Testing Laboratory Sindh, Karachi	2012-13	Drug testing fee retained into DDO account	2	1.71
		2012-13		6	1.01
5.	Project Director, Shaheed Mohtarma Benazir Bhutto, Accident & Emergency Centre and Ancillary Services Complex, Civil Hospital, Karachi	2012-13	Call deposits	11	109.60
6.	MS Taluka Hospital, Hala	2012-13	Less deposit of govt. receipts	5	0.75
7.	Medical Superintendent Sindh Govt. Hospital Liaqatabad, Karachi	2012-13	X-Rays charges	10	0.10
8	Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2012-13	Income tax, Professional tax & tender fee	11	1.14
9.	Principal Shaheed Benazir Bhutto Medical College Lyari, Karachi	2012-13	Tuitions fees	2	1.84
10.	Principal Shaheed Benazir Bhutto Medical College Lyari, Karachi	2012-13	Library fees	4	0.40
11.	Principal Shaheed Benazir	2012-13	Self-Finance	6	2.00

Sr No	Name of Office	Year	Particulars	AIR Para #	Amount
	Bhutto Medical College Lyari, Karachi		Fees		
12.	Civil Hospital/DHQ Hospital, Mirpur Mathelo	2012-13	Un-authorized retention of funds	5	0.25
13.	Medical Superintendent, Liaquatabad, Karachi	2013-14	X-Ray fee	8	0.10
14	Project Director, Hepatitis Prevention & Control Program Hyderabad	2013-14	Tender fee	3	0.11
15	Additional Secretary (Development) Health Department, Karachi	2013-14	Call deposit	4	8.50
16	Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2013-14	Professional, Income & sales Tax and Mobilization advance	5	7.99
17	Medical Superintendent, Sindh Government Hospital Saudabad, Karachi	2013-14	X-ray & Lab Charges	5	0.11
18	Project Director, Accident & Emergency Center, Karachi	2013-14	Part V miscellaneous deposits	7	146.18
19	Medical Superintendent, Chandka Medical College Hospital, Larkana	2013-14	Unclaimed public works deposits	6	12.98
20	Medical Superintend, Shaheed Mohtarma Benazir Bhutto Accident Trauma & Emergency Centre, Civil Hospital, Karachi	2013-14	Tender fee	9	0.61
Total					305.70

Annexure-5**13.4.18 Non-recovery of government dues-Rs279.55 million**

(Rupees in million)

Sr. #	Name of Office	Particulars	Year	AIR Para #	Amount
1	Development Scheme Construction of Ghulam Muhammad Mahar Medical College, Sukkur	Government receipt	2012-13	12	0.47
2	Jinnah Postgraduate Medical Centre, Karachi	40% user charges	2012-13	01	2.58
		Rent of shops and bank	2012-13	12	6.07
		Water charges	2012-13	6	0.34
3	Director, Drug Testing Laboratory Sindh, Karachi	Lab testing fees	2012-13	4	0.63
4	Civil Hospital, Thatta	Professional tax	2012-13	3	0.13
5	Civil Hospital, Thatta	Sales tax	2012-13	4	0.32
6	Civil Hospital, Thatta	Non-deduction of income tax	2012-13	7	0.21
7	Development scheme Construction of Ghulam Muhammad Mahar Medical College, Sukkur	Sales tax	2012-13	5	3.02
8	District Health Officer, Sukkur	Less deduction of income tax	2012-13	6	0.40
9	Program Manager, Hepatitis Prevention & Control Program Sindh, Hyderabad	Non-deduction of Income Tax	2012-13	5	2.51
10	Civil Hospital, Karachi	Stamp Duty	2012-13	11	0.20
11	Civil Hospital, Karachi	Non-deduction of Sales Tax	2012-13	8	0.21
12	PD, Shaheed Mohtarma Benazir Bhutto, Accident & Emergency Centre and Ancillary Services Complex at Civil Hospital, Karachi	Stamp Duty	2012-13	7	1.35

(Rupees in million)

Sr. #	Name of Office	Particulars	Year	AIR Para #	Amount
13	PD, Shaheed Mohtarma Benazir Bhutto, Accident & Emergency Centre and Ancillary Services Complex at Civil Hospital, Karachi	Non-imposition of penalty	2012-13	1	23.10
14	National Institute of Cardiovascular Diseases, Karachi	House rent allowance	2012-13	2	2.32
15	Chandka Medical College Hospital and Sheikh Zaid Women Hospital, Larkana	Non-imposition of penalty	2012-13	20	0.86
16	Chandka Medical College Hospital and Sheikh Zaid Women Hospital, Larkana	Non-deduction of Income Tax	2012-13	1	0.20
17	THO, Liaqatabad, Karachi	Non-recovery of GST.	2012-13	1	0.50
18	THO, Liaqatabad, Karachi	Non-deduction of income tax	2012-13	8	0.15
19	Civil Hospital, Tando Allahyar	Electricity charges	2012-13	6	0.22
20	Civil Hospital, Naushahro Feroze	Rent of 03 shops and 01 canteen	2012-13	12	0.24
21	Ghulam Muhammad Mahar Medical College Hospital, Sukkur	Stamp duty	2012-13	7	0.21
		Non-deduction of income tax	2012-13	18	130.00
22	CDF Hospital, Hyderabad	House rent allowance	2012-13	5	0.12
23	CDF Hospital, Hyderabad	-do-	2012-13	3	0.13
24	District Health Officer, Hyderabad	Less deduction of income tax	2012-13	7	0.11
25	Shaheed Benazir Bhutto Medical College Lyari, Karachi	Non-realization of security	2012-13	1	46.11
26	Town Health Officer, Saddar Town, Karachi	Non-deduction of sales tax	2012-13	1	0.11

(Rupees in million)

Sr. #	Name of Office	Particulars	Year	AIR Para #	Amount
27	Director Institute of Medical Sciences, Shahdadpur	Short realization of shops rent	2012-13	8	0.24
28	Sindh Government Lyari General Hospital, Karachi	-do-	2012-13	10	0.48
29	Sindh Govt. Hospital, New Karachi	Recovery of Science teaching allowance	2012-13	8	0.13
30	Sindh Govt. Qatar Hospital, Karachi	Non-recovery of stamp duty	2012-13	4	0.25
31	Civil Hospital, Sanghar	Recovery of conveyance allowance	2012-13	1	1.64
32	Civil Hospital, Badin	Non-recovery of hospital dues	2012-13	5	0.76
33	Director General Health Services Sindh, Hyderabad	Stamp Duty	2013-14	6	0.11
34	District Health Officer, Khairpur	Stamp Duty	2013-14	5	0.40
35	Shaheed Mohtarma Benazir Bhutto Accident Trauma & Emergency Centre (Revenue Component) Civil Hospital, Karachi	Stamp Duty	2013-14	2	1.02
36	Project Director Accident & Emergency Centre, Karachi	Stamp Duty	2013-14	3	0.62
37	Ghulam Muhammad Mahar Medical College, Sukkur	Stamp Duty	2013-14	11	0.90
38	PD Hepatitis Prevention & Control Programme, Hyderabad	Stamp Duty	2013-14	5	1.45
39	Sindh Government Qatar Hospital, Karachi	Stamp Duty	2013-14	6	0.28
40	Ghulam Muhammad	2% water charges	2013-14	7	5.99

(Rupees in million)

Sr. #	Name of Office	Particulars	Year	AIR Para #	Amount
	Mahar Medical College, Sukkur				
41	Executive Director national Institute of Cardio Vascular Diseases, Karachi	Electricity & gas Charges	2013-14	2	2.99
42	Ghulam Muhammad Mahar Medical College, Sukkur	0.25% Electricity Charges	2013-14	12	0.75
43	Medical Superintendent Chandka Medical College Hospital, Larkana	Electricity Charges	2013-14	5	14.17
44	Project Director, Hepatitis Prevention & Control Program, Hyderabad	Non-deduction of income tax	2013-14	7	0.59
45	Executive Director, National Institute of Cardiovascular Diseases, Karachi	Less deduction of income tax	2013-14	3	0.13
46	Medical Superintendent, Chandka Medical College Hospital, Larkana	Non-recovery of professional tax	2013-14	20	0.34
47	Medical Superintendent, Sindh Government Hospital, Korangi-5, Karachi	Non-deduction of income tax	2013-14	9	0.87
48	Director, Malaria Control Program Sindh, Hyderabad	Non-deduction of sales tax	2013-14	4	3.71
		Non-deduction of sales tax	2013-14	7	16.19
49	District Health Officer, Larkana	Non-deduction of income tax	2013-14	10	0.60
		Non-recovery of x-ray charges	2013-14	9	0.10
50	Civil Surgeon, Civil Hospital, Mirpurkhas	Non-recovery of x-ray charges	2013-14	1	0.11

(Rupees in million)

Sr. #	Name of Office	Particulars	Year	AIR Para #	Amount
51	Medical Superintendent, Sindh Government Qatar Hospital, Karachi	Non-recovery of rental income	2013-14	9	0.54
52	Project Director, EPI, Karachi	Stamp duty	2007-12	4.2.8	0.13
		Income tax	2007-12	4.2.11	0.25
		Sales tax paid on imported drug which are exempt	2007-12	4.2.12	0.99
Total					279.55

Annexure-6**13.4.19 Non-obtaining discount on purchase of medicine – Rs94.09 million**

(Rupees in million)

Sr. No.	Name of office	Year	AIR Para #	Amount
1	Civil Surgeon, Civil Hospital, Thatta	2012-13	15	1.76
2	Town Health Officer, Orangi, Karachi	2012-13	2	0.62
3	Town Health Officer, Korangi, Karachi	2012-13	1	0.51
4	Town Health Officer, SITE, Karachi	2012-13	4	0.34
5	Town Health Officer, Shah Faisal, Karachi	2012-13	1	0.50
6	District Health Officer, Kashmore at Kandhkot	2012-13	7	0.13
7	Medical Superintendent, Chandka Medical College Hospital and Shaikh Zaid Women Hospital, Larkana	2012-13	8	6.07
8	Medical Superintendent Sindh Govt. Children Hospital Karachi	2012-13	11	4.44
9	Medical Superintendent Sindh Govt. Hospital Korangi	2012-13	4	3.68
10	Medical Superintendent Sindh Govt. Hospital Liaqatabad	2012-13	4	2.74
11	Medical Superintendent Sir C.J Institute of Psychiatry Hyderabad	2012-13	3	5.04
12	Town Health Officer Gulshan-e-Iqbal Town	2012-13	2	0.49
13	Civil Hospital, Naushahro Feroze	2012-13	6	0.17

Sr. No.	Name of office	Year	AIR Para #	Amount
14	Ghulam Muhammad Mahar Medical College Hospital, Sukkur	2012-13	12	3.18
15	Civil Hospital, Badin	2012-13	1	0.54
16	Medical Superintendent Sindh Government Hospital Liaqatabad, Karachi.	2013-14	3	2.33
17	Medical Superintendent Liaquat Medical University Hospital Hyderabad / Jamshoro.	2013-14	1	51.00
18	Medical Superintendent Sheikh Zaid Women Hospital, Larkana.	2013-14	7	0.18
19	Government, Anwar Paracha Teaching Hospital, Sukkur.	2013-14	7	0.41
20	District Health Officer, Jamshoro.	2013-14	6	0.62
21	Medical Superintendent Civil Hospital, Karachi.	2013-14	12	0.17
22	Director, Tuberculosis Control Sindh, Hyderabad.	2013-14	3	1.05
23	District Health Officer, Shikarpur.	2013-14	3	0.72
24	District Health Officer, Hyderabad.	2013-14	2	0.29
25	Medical Superintendent Sindh Government Hospital, New Karachi.	2013-14	4	0.32
26	Director General, Health Services Sindh, Hyderabad.	2013-14	5	0.54
27	District Health Officer, Kamber Shahdadkot.	2013-14	1	0.25
28	Civil Surgeon, Civil Hospital Mirpur Mathelo.	2013-14	3	1.89
29	Medical Superintendent Sindh Government Hospital, Ibrahim Hydari, Karachi.	2013-14	2	1.48
30	Civil Surgeon, Civil Hospital Mirpurkhas.	2013-14	7	0.12
31	Medical Superintendent Ghulam Muhammad Mahar, Civil Hospital, Sukkur.	2013-14	4	0.33
32	Medical Superintendent Sindh Government Hospital Saudabad, Karachi.	2013-14	1	2.18

Sr. No.	Name of office	Year	AIR Para #	Amount
			Total	94.09

Chapter-14 Home Department

Annexure-1

14.4.2 Un-authorized drawl of pay and allowances – Rs458.67 million

(Rupees in million)

Sr.#	Name of Office	AIR Para #	Description	Amount
	4.2.1-Special AIR ,2014, (Period 2010-11 to 2012-13			
1	DIG, Special Branch Sukkur	4	Pay on fake acknowledgement	0.61
2	SP, Special Branch Sukkur	6	Doubtful payment of pay	0.13
3	SP, Crime Branch, Sukkur	1	pay without supporting documents	0.76
4	SP, CID Unit, Sukkur	3	-do-	0.71
5	-do-	4	-do-	0.32
6	DIG, Special Branch, Sukkur	3	-do-	0.17
7	SP, Crime Branch, Sukkur	2	Irregular drawl of funds	1.14
8	SP, CID Unit, Sukkur	1	-do-	1.07
9	DIG, Special Branch, Sukkur	1	-do-	1.08
10	SP, Crime Branch, Sukkur	4	pay without acknowledgment	0.68
11	SP, Special Branch, Sukkur	5	-do-	2.78
12	DIG, Special Branch Sukkur	5	-do-	0.18
13	SP, SRP, Sukkur	4	Irregular arrears of Pay	0.35
14	SP, Special Branch, Sukkur	3	-do-	0.67
15	DIG, Special Branch, Sukkur	6	-do-	0.24
16	SSP, Naushahro Feroze	5	Suspected errors in pay	120.34
17	-do-	3	Pay in the name of DDO	250.27
18	-do-	2	Unauthentic pay and allowances	62.19
19	SP, SRP, Sukkur	3	Irregular drawl of salaries	12.29
20	SP, Special Branch, Sukkur	2	-do-	0.27
21	SSP, Thatta		Doubtful pay and allowances	1.83

	Regular Annual AIR- 2013-14			0
22	SSP, Thatta	15	Un-authorized payment of salary	0.27
23	-do-	21	Doubtful payment of salary	0.32
Total				458.67

Annexure-2

**14.4.3 Irregular drawl of salary through manual pay bills –
Rs1,347.01 million**

(Rupees in million)

Sr.#	Name of Office	AIR Para #	Amount
	4.2.1-Special AIR ,2014, (Period 2010-11 to 2012-13)		
1	SSP, Dadu	1	1.05
2	SP, SRP, Sukkur	2	96.52
3	SP, Crime Branch, Sukkur	3	2.07
4	SP, CID Unit, Sukkur	2	4.41
5	SP, Special Branch, Sukkur	1	4.50
6	DIG, Special Branch, Sukkur	2	2.88
7	SP ,SRP, Sukkur	1	27.89
8	SP, CID, Hyderabad		1.48
9	SP, Crime Branch, Hyderabad		-
10	SP, SRP, Hyderabad		0.20
11	SP, T.M. Khan		0.15
12	SSP, Shaheed Benazir Abad		0.55
13	SSP, Naushahro Feroze	4	1158.42
14	SP, SRP, Mirpurkhas		8.21
15	SP, Mirpurkhas		2.40
	Regular Annual AIR		
			-
16	Superintendent Youthful Offenders Industrial School, Hyderabad, 2010-11 to 2012-13	4	0.20
17	SSP Mirpurkhas- 2013-14	3	0.98
18	SSP Tando Allahyar-2013-14	2	0.40
19	SSP Dadu-2013-14	10	1.13
22	SSP, Tando Muhammad Khan-2013-14	8	1.42
21	SP, Thatta-2013-14	20	31.63
22	Principal SBB Elite Police Training Centre, Razzakabad, Karachi-2013-14	1	0.52
		Total	1,347.01

Annexure-3**14.4.8 Non-recovery of outstanding dues – Rs105.15 million**

(Rupees in million)

Sr. #	Name of Office	AIR Para #	Particulars	Period	Amount
1	SSP, Dadu	SAR 4.2.8	Police Guards Services	2010-11 to 2013-14	11.66
2	SSP, Thatta	SAR 4.2.8	Utility charges	-do-	0.29
3	Superintendent Industrial School, Hyderabad	2	Sui Gas Charges	2012-13	0.49
4	SP, District Prison, Mirpurkhas	4	Utility charges	2012-13	-
5	Principal, PTS, Shahdadpur	8	Electricity charges	.	7.80
6	SSP, Tando Muhammad Khan	3	Police Guards Services	2013-14	2.68
7	SSP, Hyderabad	1	-do-	2013-14	73.75
8	SP, Badin	7	-do-	2013-14	8.48
Total					105.15

Annexure-4**14.4.9 Irregular expenditure without inviting tender – Rs58.68 million**

(Rupees in million)

Sr. #	Name of offices	Year	AIR Para #	Amount
1	SSP West Range Investigation, Karachi	2012-13	1	0.27
2	Inspector General of Prisons Sindh, Hyderabad	2012-13	4	28.04
3	Commandant Specialized Commando Training Centre Sakrand at Nasri, District Shaheed Benazirabad	2011-12 & 2012-13	6	3.64
4	Superintendent of Police, Tharparkar at Mithi	2012-13	7	1.00
5	Superintendent, Central Prisons, Karachi	2012-13	5	0.21
6	SSP Tando Allahyar	2012-13	9	0.40
7	SSP, Traffic Zone-IV, Karachi	2012-13	4	0.20
8	IG Sindh Police Karachi	2011-12	1	21.91
9	SSP, Tando Muhammad Khan	2012-13	7	0.39
10	SSP, Ghotki	2012-13	9	0.45
11	SSP Kamber-Shahdadkot	2012-13	3	0.21

12	SSP, Jacobabad	2012-13	3	0.59
13	SSP, Tando Muhammad Khan	2013-14	2	0.63
14	SSP, Jacobabad	2013-14	2	0.44
15	SSP Dadu	2013-14	7	0.30
Total				58.68

Annexure-5

14.4.13 Irregular expenditure on cost of investigation – Rs21.95 million (Rupees in million)

Sr. #	Name of offices	Year	AIR Para #	Amount
1	SSP Investigation West Range, Karachi	2012-13	2	1.28
2	SSP ACLC, Karachi	2012-13	1	0.53
3	Senior Superintendent of Police, Khairpur	2012-13	3	2.12
4	Superintendent of Police, Dadu	2012-13	2	0.29
5	Superintendent of Police, Tharparkar at Mithi	2012-13	5	0.96
6	Superintendent of Police, Sukkur	2012-13	5	0.32
7	SP Badin	2013-14	1	4.70
8	SP, Investigation-I, East Zone, Karachi	2013-14	5	0.30
9	SP, Investigation-I, South Zone, Karachi	2013-14	1	0.49
10	SSP, Investigation-I, West Zone, Karachi	2013-14	1	0.86
11	SP, Tharparkar at Mithi	2013-14	3	1.29
12	SP, Thatta	2013-14	3	1.83
13	SP, Umerkot	2012-13 & 2013-14	1	3.63
14	SSP, Kamber-Shahdadkot	2013-14	5	0.81
15	SP, Kashmore-Kandhkot	2013-14	4	1.60
16	SSP, Hyderabad	2013-14	3	0.94
Total				21.95

Chapter-17 Irrigation Department

Annexure-1

17.4.3 Non-production of record - Rs435.40 million

(Rupees in million)

Sr. #	Name of Party	Record not produced to audit	Year	AIR Para #	Amount
1	XEN Shahdadkot Irrigation Division Shahdadkot	Tender Register	2012-13	2	416.88
2	Director Left bank Canals Area water Board, Badin at Hyderabad	Bank Statement & Accounts detail of F.O	2012-13	3	6.74
		Bank agreements between the Director Area water board and the commercial users	2012-13	4	-
		Challans received from the site Hyderabad	2012-13	6	4.60
3	Executive Engineer Drainage Division Badin	Auditable Record	2011-12	12	6.47
4	Executive Engineer, Discharge Observation Cell, Lahore	Repair of Govt. vehicles	2012-13	6	0.31
5	Executive Engineer Drainage Division Khairpur	Dy. Director Monitoring & Evaluation P&D	2012-13	8	0.40
6	Executive Engineer Kandhkot Irrigation Division Kandhkot	Auditable Record	2013-14	1	-
Total					435.40

Annexure-2**17.4.6 Non-adjustment of advance payment - Rs19.45 million**

(Rupees in million)

Sr. #	Name of office	Particulars	Year	AIR Para #	Amount
1	XEN Shahdadkot Irrigation Division, Shahdadkot	Advance payment against various Divisions for De-silting	2012-13	4	9.40
2	Executive Engineer Naseer Division Hyderabad	Other Miscellaneous	2012-13	10	0.30
3	Executive Engineer Southern Dadu Division Dadu	Outstanding Advance	2013-14	6	3.00
4	Executive Engineer Jamrao Division Mirpurkhas	Miscellaneous advance	2013-14	7	0.81
5	Executive Engineer Begari Division Jacobabad	Advance	2013-14	3	2.00
6	Executive Engineer B.S Feeder Division Kashmore	Advance	2013-14	11	1.00
7	Executive Engineer East Division Khairpur	Advance	2013-14	9	0.25
8	Executive Engineer West Division Khairpur	Advance	2013-14	9	0.76
9	Executive Engineer Drainage Division Shikarpur	Advance	2013-14	10	0.86
10	Executive Engineer Lower Pinyari division Sujawal	Advance	2013-14	4	1.07
Total					19.45

Annexure-3

17.4.8 Splitting of work order to avoid tendering - Rs242.20 million

(Rupees in million)

Sr .#	Name of Party	Particulars	Year	AIR Para #	Amount
1	Executive Engineer Kotri Barrage Division Kotri	Un-skilled Labour	2012-13	6	14.88
2	Executive Engineer, Sukkur Begari Bund Division, Sukkur	Un-skilled Labour	2012-13	7	5.19
3	Executive Engineer, Sukkur Begari Bund Division Sukkur	M&R works	2012-13	5	3.09
4	Executive Engineer Feeder Division, Hyderabad	M&R works	2012-13	7	8.81
5	Executive Engineer Feeder Division, Hyderabad	M&R works	2012-13	5	2.37
6	Executive Engineer Rice Canal Division, Larkana	M&R work	2012-13	3	0.59
7	Executive Engineer Sukkur Begari Bund Division, Sukkur	Un-skilled Labour	2012-13	1	0.93
8	Executive Engineer Tube well Division, Khairpur	Un-skilled Labour	2012-13	3	3.29
9	Executive Engineer Kandhkot Division, Kashmore	Pacca Earth	2012-13	5	12.37
10	Executive Engineer Warah Division Larkana	Purchase of various	2012-13	1	3.03
11	Executive Engineer Northern Dadu Canal Division Larkana	Hire of Tractor trollies for filling depressions	2012-13	3	1.61
12	Executive Engineer Northern Dadu Canal Division Larkana	Hire of Excavator for De-silting work	2012-13	5	0.82
13	Executive Engineer Nara Project Sanghar	Supplying lai Panjars Engaging vehicle	2012-13	6	1.45
14	Executive Engineer Kalri Baghar Division Thatta	M&R works	2013-14	1	1.18

Sr .#	Name of Party	Particulars	Year	AIR Para #	Amount
15	Executive Engineer Jamrao Division Mirpurkhas	M&R works	2013-14	8	0.25
16	Executive Engineer Drainage Division Larkana	M&R works	2013-14	5	49.86
17	Executive Engineer Drainage Division Shikarpur	Works	2013-14	4	1.16
18	Executive Engineer Begari Bund Division Sukkur	Works	2013-14	6	0.60
19	Executive Engineer Kotri Barrage Division Kotri	Website	2012-13	1	126.50
20	Executive Engineer B.S Feeder Division Kashmore	Website	2012-13	11	4.22
Total					242.20

Annexure-4

17.4.11 Irregular expenditure on account of hiring charges – Rs78.48 million
(Rupees in million)

Sr. #	Name of Party	Particulars	AIR Para #	Amount
1	Executive Engineer Naseer Division Hyderabad	Engaging Excavator	3	4.64
2	Executive Engineer Naseer Division Hyderabad	Engaging Tractor with Front blade	5	3.37
3	Executive Engineer Naseer Division Hyderabad	Engaging Datsun Pickup	7	1.52
4	Executive Engineer Sukkur Begari Bund Division Sukkur	Engaging Tractor with Front blade	6	1.99
5	Executive Engineer Sukkur Begari Bund Division Sukkur	Engaging Excavator	7	5.19
6	Executive Engineer Feeder Division Hyderabad	Private Machines	8	9.95
7	Executive Engineer Feeder Division Hyderabad	Engaging Excavator	10	4.47
8	Executive Engineer Shahdaskot Irrigation Division Shahdaskot	Heavy Machinery	3	21.81
9	Mechanical Engineer Right Bank Mechanical Division Larkana at Jamshoro	Desilting work	1	0.69
10	Executive Engineer, Irrigation East Division Khairpur	Engaging Excavator	10	4.24
11	Executive Engineer, Kandh Kot Division, Kashmore	Engaging Tractor trolley	10	3.81
12	Executive Engineer Kalri Beghar Division Thatta	Hire of vehicle for consultant	10	16.80
Total				78.48

Annexure-5**17.4.12 Non-recovery of government dues - Rs284.14 million**

(Rupees in million)

Sr. #	Name of Party	Year	Particulars	AIR Para #	Amount
1	Executive Engineer Kotri Barrage, Kotri	2012-13	Water Charges	2	26.77
2	Executive Engineer Tube well Division Khairpur	2012-13	Professional Tax	1	0.40
3	Executive Engineer Nara Project Division Sanghar	2012-13	Interest of Mobilization Advance	2	6.01
4	Executive Engineer Workshop Division, Khairpur	2012-13	Desilting of civil Drainage Division	4	4.06
5	Director Left bank Canals Area water Board, Badin	2012-13	Registration Fee from F.O members	2	0.47
6	Mechanical Engineer, Right Bank Mechanical Division, Larkana at Jamshoro	2012-13	Hire of Machines charges for de-silting	5	10.80
7	Executive Engineer Tube well Division Hall-I	2013-14	Stamp Duty	21	0.26
8	Executive Engineer tube well Division Hala-I	2013-14	Sales Tax	10	53.29
9	Executive Engineer West Division Khairpur	2013-14	Stamp duty	6	1.32
10	Executive Engineer North Dadu Drainage Larkana	2013-14	Sales tax	1	7.95
11	Executive Engineer Rice canal Larkana	2013-14	Sales tax	2	39.38
12	Executive Engineer Jamrao Division Mirpurkhas	2013-14	Stamp duty	7	0.10
13	Executive Engineer Drainage Division Shaheed Benazirabad	2013-14	Stamp duty	5	0.25

(Rupees in million)

Sr. #	Name of Party	Year	Particulars	AIR Para #	Amount
14	Executive Engineer Kalri Baghar Division Thatta	2013-14	Water charges	9	0.50
15	Executive Engineer Hala Division	2013-14	Sales Tax	8	0.96
16	Executive Engineer Small Dam Jamshoro	2013-14	Sales Tax	3	2.11
17	Executive Engineer RBOD-II Hyderabad	2013-14	Income tax	2	2.16
18	Executive Engineer Jamrao Division, Mirpurkhas	2013-14	Water charges	5	1.34
19	Project Director Lining Distributaries & minor Hyderabad	2013-14	Mobilization	7	5.39
20	Executive Engineer B.S Feeder Division, Kashmore	2013-14	Mobilization	12	118.93
21	Executive Engineer Mithrao Division Mirpurkhas	2013-14	Stamp duty	6	0.85
22	Executive Engineer Thar Division, Mirpurkhas	2013-14	Stamp duty	2	0.48
23	Executive Engineer Irrigation East Division Khairpur	2013-14	Stamp duty	6	0.23
24	XEN Tube well Division Khairpur	2013-14	Stamp duty	6	0.13
Total					284.14

Annexure-6**17.4.15 Non-crediting of lapsable deposits into government account-Rs366.26 million**

(Rupees in million)

Sr. #	Name of Entity	Year	AIR Para #	Amount
1	Executive Engineer, RBOD- Division-I, Sann at Sehwan	2012-13	9	130.82
2	Executive Engineer, RBOD- Division-II, Jamshoro	2012-13	8	123.80
3	Executive Engineer, RBOD- Division-III, Thatta	2012-13	9	19.40
4	Executive Engineer Tube well Division, Khairpur	2012-13	5	4.45
5	Executive Engineer Workshop Division, Khairpur	2012-13	1	6.80
6	Executive Engineer Drainage Division, Khairpur	2012-13	3	1.41
7	Executive Engineer Tube well Division, Hala-I	2013-14	13	22.87
8	Executive Engineer East Division Khairpur	2013-14	7	0.42
9	Executive Engineer Kotri Barrage	2013-14	4	2.33
10	Executive Engineer Drainage Division, Shikarpur	2013-14	9	0.39
11	Executive Engineer Rice Canal Division, Larkana	2013-14	9	0.15
12	Executive Engineer Drainage Division Larkana	2013-14	10	20.91
13	Executive Engineer Begari Division Jacobabad	2013-14	2	7.03
14	Executive Engineer Jamrao Division Mirpurkhas	2013-14	9	0.16
15	Executive Engineer Drainage Division Shaheed Benazirabad	2013-14	10	0.18
16	Executive Engineer Jamrao Division Mirpurkhas	2013-14	9	0.16
17	Executive Engineer Rohri Division Moro	2013-14	6	1.98
18	Executive Engineer Saifullah Mangsi	2013-14	9	6.20

Sr. #	Name of Entity	Year	AIR Para #	Amount
19	Mechanical Engineer, Drainage Division Khairpur	2012-13	1	0.83
20	Executive Engineer Warah Division Larkana	2012-13	5	3.90
21	Executive Engineer Shahdadt Division Shahdadt	2012-13	6	2.59
22	Executive Engineer Drainage Division Khairpur	2012-13	4	9.48
Total				366.26

CHAPTER – 29
SOCIAL WELFARE DEPARTMENT

Annexure-1

29.4.1 Non-production of record Rs34.38 million

(Rupees in millions)

Sr. #	Name of Offices	Particulars	AIR Para #	Amount
1	District Officer, Social Welfare Kandh Kot	Record for the year 2010-11 to 2011-12	9	22.48
2	District Officer, Social Welfare, Thatta (Dy.D.O, SW Mirpur Sakro & Ketu Bandar)	Reconciled Expenditure Statement (2012-13)	11	6.27
3	District Officer Social Welfare Thatta (Dy.D.O, SW, Thatta)	Record of Salary and Non Salary	9	4.64
4	District Officer Social Welfare, Thatta (A.D, RCMHC-TT6022)	Record Feeding food charges	5	0.99
5	District Officer, Social Welfare, Dadu	Record of new appointments (2012-13)	3	-
6	District Officer, Social Welfare, Jamshoro	Service Books & Personal files	9	-
7	Dy. District Officer, Social Welfare, Kambar –Shahdadkot	Reconciled Expenditure Statement (2011-13)	7	-
8	Provincial Coordinator Social Welfare, Karachi	Record Regarding Physical target achievements	21	-
9	Provincial Coordinator Social Welfare, Karachi	Record regarding appointments in various schemes	22	-
			Total	34.38

CHAPTER – 34
WORKS AND SERVICES DEPARTMENT
Annexure-1

34.4.1 Doubtful simultaneous duplication of works on same schools - Rs84.11 million

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013
1	Government Boys High School Tangwani Taluka Tangwani	a)	New District ADP 2012-13 Renovation of GBHS Tangwani	6 of 6	0.50	0.00	0.02	0.02
		b)	Ongoing District ADP Restoration of various school buildings affected by super flood 2010 (Converted into Relief Camps) in District Kashmore	2 of 4	0.40	0.29	0.50	0.79
		c)	Ongoing Provincial ADP 2005-06 Program Up-gradation of SS to HSS in Sindh 2005-06 Program in Distt: Kashmore - Kandhkot (3 Units)	4 of 11	11.78	11.40	0.74	12.14
		d)	Ongoing Provincial ADP Addition of Class Rooms	5 of 11	1.00	1.68	0.02	1.70
		e)	SERP-IV (Pkg-06) 2011-12 Construction of Class Rooms	2 of 2	15.98	0.00	7.08	7.08
2	Government Boys Primary School Colony, Taluka Kashmore	a)	New District ADP 2012-13 Renovation of GBPS Colony Taluka Kashmore	5 of 6	0.70	0.00	0.03	0.03
		b)	Ongoing District ADP Renovation/ Rehabilitation of Educational Institute in	2 of 6	1.24	1.20	0.00	1.20

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013	
			taluka Kashmore (16 Units)						
3	Elementary College of Education for Men Kandhkot	a)	Ongoing District ADP	Renovation/ Rehabilitation of Educational Institute in taluka kandhkot & tangwani (26 Units)	1 of 6	4.74	2.56	1.69	4.25
		b)	New District ADP 2012-13	Renovation of Elementary College of Education for (Men) Kandhkot taluka Kandhkot	5 of 6	0.70	0.00	0.03	0.03
4	Government Girls Primary School Jam Menhoon Chachar Taluka Kashmore	a)	Ongoing District ADP	Renovation/ Rehabilitation of Educational Institute in taluka Kashmore (16 Units)	2 of 6	0.82	0.60	0.20	0.80
		b)	New District ADP 2012-13	Renovation/ Rehabilitation of GGPS Jam Menhoon Chachar Taluka Kashmore	4 of 6	1.00	0.00	0.04	0.04
5	Government Boys Primary School Jam Menhoon Chachar Taluka Kashmore	a)	Ongoing District ADP	Renovation/ Rehabilitation of Educational Institute in taluka Kashmore (16 Units)	2 of 6	0.93	0.69	0.00	0.69
		b)	New District ADP 2012-13	Renovation/ Rehabilitation of GBPS Jam Menhoon Chachar Taluka Kashmore	4 of 6	1.00	0.00	0.04	0.04

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013	
6	Government Girls Primary School Kajlo Khoso, U.C Suhyani, Taluka Tangwani	a)	New District ADP 2012-13	Renovation of GGPS Kajlo Khan Khoso Taluka Tangwani	6 of 6	0.50	0.00	0.04	0.04
		b)	Ongoing District ADP	Renovation/ Rehabilitation of Existing Primary Schools in Taluka Kndhkot & Tangwani (04 Units)	2 of 6	0.70	0.11	0.35	0.46
7	Government Girls Higher Secondary School Kandhkot Taluka Kandhkot	a)	Ongoing District ADP	Renovation /Rehabilitation of GGHSS Kandhkot	3 of 6	5.00	2.45	1.91	4.36
		b)	New District ADP	Renovation /Rehabilitation of GGHSS Kandhkot Taluka Kandhkot	6 of 6	1.00	0.00	0.04	0.04
8	Government Boys High School Kashmore Taluka Kashmore	a)	New District ADP 2012-13	Renovation of GBHS Kashmore	6 of 6	0.70	0.00	0.03	0.03
		b)	Ongoing District ADP	Renovation/ Rehabilitation of Educational Institute in taluka Kashmore (16 Units)	2 of 6	4.53	0.82	3.00	3.82
		c)	Ongoing District ADP	Restoration of various school buildings affected by super flood 2010 (Converted into Relief Camps) in District Kashmore	4 of 4	0.50	0.40	0.50	0.90
9	Government	a)	New	Renovation:	5 of 6	0.70	0.00	0.03	0.03

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013	
	Boys Primary School Kashmore Colony Taluka Kashmore		District ADP 2012-13	of GBPS Colony Taluka Kashmore					
		b)	Ongoing District ADP	Renovation /Rehabilitation of Edu. Inst: in taluka Kashmore (16 Units)	2 of 6	1.24	1.20	0.00	1.20
		c)	Ongoing District ADP	Restoration of Schools affected in Super flood 2010 (Converted into Relief Camps) Package-02 Taluka Kashmore	3 of 4	0.50	0.50	0.00	0.50
10	Government Boys Primary School Kashmore-II Taluka Kashmore	a)	Ongoing District ADP	Renovation /Rehabilitation of Edu. Inst: in taluka Kashmore (16 Units)	2 of 6	3.30	2.19	1.33	3.52
		b)	New District ADP 2012-13	Renovation of GBPS Kashmore-II Taluka Kashmore	5 of 6	0.50	0.00	0.02	0.02
11	Government Girls Primary School Rais Bahadur Khan Chachar Taluka Kandhkot	a)	New District ADP 2012-13	Rehabilitation of GGPS Rais Bahadur Chachar Taluka Kandhkot	4 of 6	0.50	0.00	0.02	0.02
		b)	Ongoing District ADP	Renovation/ Rehabilitation of Educational Institution (26 Units)	1 of 6	1.03	1.54	0.01	1.55
12	Government Boys Primary School Yar	a)	New District ADP 2012-13	Renovation of GBPS Yar Muhammad Khoso Taluka	5 of 6	0.40	0.00	0.02	0.02

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013	
	Muhammad Khoso Taluka Tangwani		Tangwani						
		b)	Ongoing District ADP	Renovation/ Rehabilitation of Educational Institution in taluka kandhkot & tangwani (26 Units)	1 of 6	0.52	0.30	0.01	0.31
13	Government Primary School Alan Khan Domki Taluka Kashmore	a)	Ongoing Provincial ADP	Construction of 2 Roomed Shelter- less Primary Schools in Sindh (2007-08 program) 22 Units in District Kashmore - Kandhkot	8 of 11	1.03	0.01	0.05	0.06
		b)	New District ADP 2012-13	Rehabilitation of Schools	4 of 6	2.50	0.00	0.07	0.07
14	GGPS Shahdad Khan Malik Taluka Tangwani	a)	Ongoing District ADP	Restoration of various school buildings affected by super flood 2010 (Converted into Relief Camps) in District Kashmore	2 of 4	0.35	0.33	0.00	0.33
		b)	Ongoing Provincial ADP 2007-08 Program	Construction: of 2 Roomed Shelter-less Primary School in Sindh (22 Units)	8 of 11	1.03	1.00	0.06	1.06
15	Government Girls Primary School Main	a)	Ongoing District ADP	Restoration of various school buildings affected by	1 of 4	0.20	0.20	0.00	0.20

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013	
	Kandhkot Taluka Kandhkot		super flood 2010 (Converted into Relief Camps) in District Kashmore						
		b)	New District ADP 2012-13	Rehabilitation of GGPS Main Kandhkot Taluka Kandhkot	4 of 6	0.50	0.00	0.02	0.02
16	Government Primary School Sakhi Sobhdar Taluka Tangwani	a)	Ongoing District ADP	Renovation/ Rehabilitation of Educational Institution in taluka kandhkot & tangwani (26 Units)	1 of 6	0.72	0.30	0.42	0.72
		b)	Ongoing District ADP	Restoration of various school buildings affected by super flood 2010 (Converted into Relief Camps) in District Kashmore	2 of 4	0.30	0.30	0.00	0.30
		c)	Ongoing Provincial ADP 2007-08 Program	Up-gradation of PS to MS in Sindh 2007-08 Program in Distt: Kashmore - Kandhkot (20 Units)	7 of 11	2.57	0.93	0.40	1.33
17	Government Boys Primary School Main Kandhkot Taluka	a)	Ongoing District ADP	Renovation/ Rehabilitation of GBPS Main Kandhkot (Model	2 of 6	10.00	6.90	2.35	9.25

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013	
	Kandhkot		School)						
		b)	Ongoing District ADP	Restoration of various school buildings affected by super flood 2010 (Converted into Relief Camps) in District Kashmore	1 of 4	0.20	0.20	0.00	0.20
18	Government Boys High School Guddu, Taluka Kashmore	a)	New District ADP 2012-13	Renovation of GBHS Guddu	6 of 6	0.70	0.00	0.03	0.03
		b)	Ongoing District ADP	Restoration of various school buildings affected by super flood 2010 (Converted into Relief Camps) in District Kashmore	4 of 4	0.50	0.50	0.00	0.50
		c)	Ongoing Provincial ADP 2005-06 Program	Up-gradation of SS to HSS in Sindh 2005-06 Program in Distt: Kashmore - Kandhkot (3 Units)	4 of 11	11.78	4.87	4.27	9.14
19	Government Girls Middle School Buxapur Taluka Kashmore	a)	New District ADP 2012-13	Renovation of Schools	5 of 6	0.50	0.00	0.02	0.02
		b)	Ongoing District ADP	Restoration of various school buildings affected by super flood 2010	4 of 4	0.50	0.40	0.07	0.47

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013	
			(Converted into Relief Camps) in District Kashmore						
		c)	Ongoing Provincial ADP	Up-gradation of MS to HS in Sindh 2005-06 Program in Distt: Kashmore - Kandhkot (8 Units)	4 of 11	3.96	2.81	0.06	2.87
20	Government Boys High School Badani Taluka Kashmore	a)	New District ADP 2012-13	Renovation of Schools	6 of 6	0.50	0.00	0.02	0.02
		b)	Ongoing District ADP	Restoration of various school buildings affected by super flood 2010 (Converted into Relief Camps) in District Kashmore	4 of 4	0.60	0.50	0.00	0.50
		c)	Ongoing Provincial ADP	Up-gradation of Secondary School to Higher Secondary School in Sindh 2005-06 Program in Distt: Kashmore - Kandhkot (3 Units)	4 of 11	11.78	8.36	1.00	9.36
21	Government Boys Primary School, Illahi Bux (Rahim Bux),	a)	Ongoing Provincial ADP 2005-06 Program	Up-gradation of Primary School to Middle School in Sindh 2005-06	1 of 11	1.91	1.53	0.00	1.53

Sr. #	Site of Work/ Component of the Scheme	ADP	Work	Page No. of Progress Report of the Schemes	Total Cost (Estimated)	Expenditure incurred in 2011-12	Expenditure incurred in 2012-13	Progressive Expenditure incurred by 30.06.2013
	Taluka Tangwani		Program in Distt: Kashmore - Kandhkot (20 Units)					
		b)	New District ADP 2012-13	Rehabilitation of GBPS Illahi Bux (Rahim Bux), Taluka Tangwani	4 of 6	0.50	0.00	0.02
		c)	Ongoing Provincial ADP 2005-06 Program	Addition of Class Rooms in Existing PS in Sindh Distt Kashmore - Kandhkot {Constt: of 2 Roomed building in Existing PS (36 Units)}	3 of 11	1.06	0.48	0.00
Total					116.10	57.55	26.56	84.11

Annexure-2

34.4.4 Doubtful expenditure due to unsupported progress report on works - Rs10.69 million

Sr #	Cheque No. & date	CV	Work order No. & date	RA Bill	Contractor	Work	Amount Paid as per RA Bills produced to Audit	Expenditure incurred as per Progress Report	Difference (Col.8 less Col.9)	Reference to Progress Report
1	2	3	4	5	6	7	8	9	10	11
1	Nil	23 17.06.13	155 02.04.13	1st	Mohd Salah Solangi	R/R of Elementary College of Edu: for (Men) kandhkot, Tal: Kandhkot. Distt ADP Ongoing Schemes-2012-13 (Elementary Edu:)	30,761	1,689,000	1,658,239	Sr.No .1 Page 1 of 6
2	Nil	Nil	286 28.04.12	1st	Nisar & Shuqat	Const: of two roomed building for existing shelter less primary school at GPS Masou Khan Mazari Kashmore-II	99,604	166,000	66,396	Sr. No. 06 Page 2 of 6
3	12178 11 17.6.13	37 17.06.17	108 25.03.13	1st	Shahdad Khan Malik	R/R of GGMS ADOE Male Office Tanwani, Tal: Tangwani {Distt ADP New Schemes-2012-13 (Elementary Edu:)} }	21,627	23,000	1,373	Sr. No. 29 Page 5 of 6
4	-	38 17.6.13	72 12.03.13	1st	Ameet Kumar	R/R of GBPS Yar Mohd Khoso, Tal: Tangwani {Distt ADP New Schemes-2012-13 (Elementary Edu:)} }	19,680	22,000	2,320	Sr. No. 34 Page 5 of 6
5	12176 83 14.06.13	Nil	Nil	1st	Aftab Hussain	R/R of Edu: Inst: at GGPS Jam Menhoo Chachar, Tal: Kashmore (Dist: ADP-Ongoing Scheme of	42,621	200,000	157,379	Sr. No. 2.11 Page 2 of 6

Sr #	Cheque No. & date	CV	Work order No. & date	RA Bill	Contractor	Work	Amount Paid as per RA Bills produced to Audit	Expenditure incurred as per Progress Report	Difference (Col.8 less Col.9)	Reference to Progress Report
1	2	3	4	5	6	7	8	9	10	11
						Elementary Edu:)				
6	12178 87 18.06. 13	77 18.06.1 3	232 13.04.12		5th Jaffar Khan	R/R of Existing P.S. at GBPS Main K.Kot (Model School)(Dist: ADP-Ongoing Scheme of Elementary Edu:)	1,401,810	2,345,000	943,190	Sr. No. 3 Page 2 of 6
7	Nil	Nil	355 25.06.12	2nd 3rd 4th 5th	Sabir Ali Lashari	Const: of class rooms in existing Secondary School at GBHS Tangwani Under SERP-IV (Pkg-06) Const: of class rooms in existing Secondary School at GBHS G.Qadir Hajano Under SERP-IV (Pkg-06)	4,745,392	10,864,000	6,118,608	Sr. No. 6.1 Page 1 of 3 Sr. No. 6.2 Page 1 of 3
Sub-total 'A'							6,361,495	15,309,000	8,947,505	
8	Const: of Cadet College (Provincial ADP)									
(i)	12178 97 18.06. 13	69 18.06.1 3	430 05.09.12	1st	M. Ramzan	Admn Block (G+1st Floor)	4,839,827	75,000,000	1,742,890	Sr.No .01 of 8/180 3 of 2012- 13 Page 2 of 3
(ii)	12178 97 18.06. 13	69 18.06.1 3	430 05.09.12	2nd	M. Ramzan	Admn Block (G+1st Floor)	15,651,300			
(ii)	12178 91 18.06. 13	68 18.06.1 3	427 05.09.12	1st	M. Ramzan	Mess/ Dinning Hall	4,228,735			
(i)	12179 11 18.06. 13	73 18.06.1 3	Nil	1st	Umer Jan & Co.	Hostel Block-01	3292694			
(v)	12179 11	75 18.06.1	Nil	2nd	Umer Jan &	Hostel Block-01	11697300			

Sr #	Cheque No. & date	CV	Work order No. & date	RA Bill	Contractor	Work	Amount Paid as per RA Bills produced to Audit	Expenditure incurred as per Progress Report	Difference (Col.8 less Col.9)	Reference to Progress Report
1	2	3	4	5	6	7	8	9	10	11
	18.06.13	3			Co.					
(v i)	12179 11 18.06. 13	72 18.06.1 3	Nil	1st	Umer Jan & Co.	Hostel Block- 02	3,292,694			
(v ii)	12179 11 18.06. 13	76 18.06.1 3	Nil	2nd	Umer Jan & Co.	Hostel Block-	11697300			
(v iii)	12179 11 18.06. 13	70 18.06.1 3	Nil	1st	Umer Jan & Co.	Hostel Block-	3,292,694			
(i x)	12179 11 18.06. 13	71 18.06.1 3	Nil	2nd	Umer Jan & Co.	Hostel Block- 03	11697300			
(x)	12179 11 18.06. 13	74 18.06.1 3	Nil	1st	Umer Jan & Co.	Hostel Block- 04	1,742,446			
(x i)	12160 88 28.02. 13	11 28.02.1 3	Nil	1st & Final	Dr. Alvi Associat es	Estt: of Cadet College	1,164,362			
(x ii)	Nil	78 28.02.1 3	Nil	1st & Final	Dr. Alvi Associat es	Consultancy - Estt: of Cadet College	660,458			
Sub-total 'B'							73,257,110	75,000,000	1,742,890	-
Grand Total							79,618,605	90,309,000	10,690,395	-

Annexure-3**34.4.9 Non-production of record - Rs805.47 million**

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Amount
1	XEN, Building Division Sukkur	2012-13 & 2013-14	13, 1	411.68
2	XEN, District Highway Division, Dadu	2013-14	7,8,10	74.07
3	XEN, Building Division, Ghotki	2012-13	1	48.09
4	XEN, Education Works Division Khairpur	2013-14	7	27.94
5	XEN, Provincial Highway Division Naushahro Feroze at Khairpur	2013-14	5, 7	16.39
6	XEN, Building Division Dadu	2012-13 & 2013-14	4, 1	11.01
7	XEN, Building Division Naushahro Feroze	2012-13	3 & 5	9.52
8	XEN, Building Division, Kamber, Shahdadkot	2012-13	9 & 11	3.58
9	XEN, Education Works Div. Kashmore - Kandhkot	2012-13	22,42,54 & 57	3.45
10	Chief Engineer Special Projects, Works & Services Hyderabad	2013-14	1 & 11	193.77
			8	3.39
11	XEN, Building Division Tando Muhammad Khan	2013-14	5	1.20
12	XEN Provincial Highway Division, Larkana	2013-14	11	1.13
13	Superintending Engineer, Works & Services, Naushahro Feroze	2012-13	6	0.16
14	Superintending Engineer, Works & Services, Kamber	2012-13	3 & 5	0.09
15	Comptroller Sindh House Islamabad	2012-13	5	-
16	XEN, Building Division, Badin	2012-13	10	-
			Total	805.47

Annexure-4

34.4.12 Non-imposition of penalty for the delayed work - Rs838.48 million

(Rupees in million)

Sr. #	Name of Divisions	Year	AIR Para #	Amount
1	XEN, Coastal highway Division, Hyderabad	2013-14	7	297.26
2	Chief Engineer Special Projects, Works & Services Hyderabad	2013-14	5	223.99
3	PD, Dargah Hazrat lal Shahbaz Qalander, Sehwan Sharif at Hyderabad	2012-13	4	94.71
4	XEN, Provincial Highway Division, Sukkur	2013-14	4	28.85
5	XEN, Coastal Highway Division, Hyderabad	2012-13	1	18.44
6	XEN, Provincial Highway Division, Hyderabad	2013-14	5	15.14
7	XEN, Provincial Highway Division, Mithi	2013-14	5	12.76
8	XEN Provincial Building Division Larkana	2013-14	3	11.29
9	XEN Highway/Road Division, Tando Muhammad Khan	2013-14	2	9.79
10	XEN, Education Works Division Khairpur	2013-14	10	8.84
11	XEN, Building Division Dadu	2013-14	4	8.71
12	XEN District Roads Kamber Shahdadkot	2013-14	5	6.89
13	XEN, Highway Division, Umerkot	2013-14	7	6.32
14	XEN, Building Division Sukkur	2012-13	6	5.86
15	XEN, Building Division Khairpur	2013-14	3	5.40
16	Project Director, Hyderabad Development Package, Hyderabad	2013-14	3	5.12
17	XEN, Education Works Division, Shaheed Benazirabad	2013-14	8	5.02
18	XEN, Building Division, Mithi	2012-13	3	4.93
19	XEN, Education Works Division, Hyderabad	2013-14	9	4.54
20	XEN, Highways Division, Mirpurkhas	2013-14	5	4.41
21	XEN, Provincial Building Division, Thatta	2013-14	1	4.09
22	XEN, Provincial Building Division-II, Karachi	2013-14	5	4.07
23	XEN High way Division, Roads, Tando Allahyar,	2013-14	7	3.99
24	XEN, Building Division Kashmore - Kandhkot	2012-13	1	3.85
25	XEN, Education Works Division, Jamshoro	2013-14	4	3.35
26	XEN Education Works Division No.III, Karachi	2013-14	6	3.01
27	XEN, Building Division, Umerkot	2013-14	2	2.87
28	XEN, Highway Division, Badin	2012-13	8	2.70
29	XEN, Provincial Highway Divisions, Larkana	2013-14	14	2.27
30	XEN, Highway Division, Khairpur	2013-14	5	2.14
31	XEN, Provincial Building Division, Hyderabad	2012-13	4	2.02

(Rupees in million)

Sr. #	Name of Divisions	Year	AIR Para #	Amount
32	XEN Education Works Division-I, Karachi	2013-14	8	1.99
33	XEN Provincial Building Division, Mirpurkhas	2013-14	2	1.98
34	XEN, (R&T, W&S), Highway Division, Karachi	2012-13	3	1.93
35	XEN Roads & Transport Division, Karachi	2013-14	9	1.70
36	XEN, District Highway Division, Dadu	2013-14	6	1.65
37	XEN, Building Division, Thatta	2012-13	2	1.62
38	XEN, Highways Division, Tharparkar at Mithi	2013-14	7	1.60
39	XEN, Building Division, Ghotki	2012-13	7	1.54
40	XEN, Building Division Tando Muhammad Khan	2013-14	1	1.26
41	XEN, Building Division, Badin	2012-13	1	1.15
42	XEN, District Building Division-III, Karachi	2012-13	2	1.13
43	XEN, Building Division Larkana	2013-14	3	1.13
44	XEN, Education Works Division, Sukkur	2013-14	4	0.92
45	Project Director, Special Development Package, Khairpur	2013-14	7	0.79
46	XEN District Building Division Mirpurkhas	2013-14	1	0.77
47	XEN, Prov. Highway Division Naushahro Feroze at Khairpur	2012-13	1	0.72
48	XEN, Building Division, Kamber, Shahdadkot	2012-13	5	0.68
49	XEN, Provincial Building Division-II, Karachi	2013-14	3	1.54
50	XEN, Education Works Division Kashmore - Kandhkot	2012-13	52	0.56
51	XEN, District Building Division, Naushahro Feroze	2013-14	2	0.55
52	XEN, Education Works Division, Umerkot	2012-13	2	0.45
53	XEN, Education Works Division Matiari	2013-14	9	0.19
			Total	838.48

Annexure-5**34.4.13 Non-adjustment of advances Rs187.73 million**

(Rupees in million)

Sr. #	Name of Office	Year	AIR Para #	Particulars	Amount
1	XEN District Building Division, Mirpurkhas	2013-14	2	Advance payment to HESCO	121.86
2	XEN, Highway Division, Khairpur	2013-14	2	Mis. PWD Advances	29.87
3	XEN Provincial Building Division, Mirpurkhas	2012-13 & 2013-14	8, 9	Advance payment for various works and to HESCO	13.27
4	XEN Building Division, Ghotki	2012-13	9	Advance payment for various works	12.47
5	Provincial Highway Division, Hyderabad	2013-14	8	Mis. PWD Advances	6.33
6	XEN, Provincial Highway Division, Badin	2013-14	6	Mis. PWD Advances	2.07
7	XEN, Provincial Building Division-II, Karachi	2013-14	7	Mis. PWD Advances	1.52
8	XEN, Prov. Highway Division Naushahro Feroze at Khairpur	2013-14	3	Advance to Machinery Maintenance Division Hyderabad.	0.21
9	XEN, Provincial Building Division, Thatta	2013-14	3	Mis. PWD Advances	0.13
Total					187.73

Annexure-6**34.4.14 Irregular refund of security deposits Rs29.20 million**

(Rupees in million)

Sr. #	Name of office	AIR Para #	Year	Amount
1	XEN, (R&T,W&S), Highway Division, Karachi	6	2012-13	7.08
2	Provincial Highway Division, Hyderabad	10	2013-14	5.00
3	XEN Education Works Division No.III, Karachi	5, 10	2013-14	4.24
4	XEN, Provincial Building Division-II, Karachi	4	2013-14	1.56
5	XEN Provincial Building Division, Larkana	5	2013-14	2.08
6	XEN District Roads Division, Jamshoro	2	2013-14	1.70
7	XEN, Provincial Highway Division, Sukkur	9	2013-14	1.67
8	XEN, Provincial Coastal Highway Division, Hyderabad	5	2012-13	1.13
9	XEN, Building Division, Mithi	4	2012-13	1.10
10	XEN, Education Works Division, Sukkur	9	2013-14	0.69
11	XEN, Education Works Division, Matiari	7	2013-14	0.60
12	XEN, Education Works Division, Khairpur	18	2013-14	0.57
13	XEN, Education Works Division, Hyderabad	6	2013-14	0.55
14	XEN, Building Division, Dadu	10	2013-14	0.34
15	XEN Education Works Division, Larkana	5	2013-14	0.24
16	XEN, Building Division, Sukkur	9	2012-13	0.20
17	XEN, Education Work division, Umerkot	4	2012-13	0.19
18	XEN, Provincial Building Division, Hyderabad	6	2012-13	0.16
19	XEN, District Building Division-III, Karachi	4	2012-13	0.10
Total				29.20

Annexure-7**34.4.18 Non-competitive tendering process - Rs2,752.24 million**

(Rupees in million)

Sr. #	Name of offices	Year	Para	Nature of irregularity	Amount
1	XEN, Building Division, Kashmore - Kandhkot	2012-13	6	Without hoisting results of bid evaluation report on website of SPPRA	857.33
2	PD, Dargah Hazrat Lal Shahbaz Qalander, Sehwan Sharif at Hyderabad	2012-13	9	Without open tender	668.36
3	XEN, Education Works Division Kashmore - Kandhkot	2012-13	19, 49	Work / purchase orders were split up, tender not called	466.29
4	XEN District Roads Division, Larkana	2013-14	4	Non-hoisting of NIT in newspaper	275.38
5	Project Director, Special Development Package, Khairpur	2013-14	4	Advertisement of tender in non-leading newspapers	213.20
6	XEN, Coastal highway Division, Hyderabad	2013-14	4	Un-authorized hoisting of NIT without obtaining approval from competent authority	101.01
7	XEN, Education Works Division Khairpur	2013-14	31	Split up the work orders to avoid the necessity of NIT and sanction of competent authority.	42.42
8	XEN, District Highways Division, Naushahro Feroze	2013-14	6	Award of contract without obtaining experience certificate	31.00
9	XEN, District Building Division, Thatta	2013-14	1	Splitting of work orders	27.52
10	XEN, Provincial Highway Division, Badin	2013-14	2	Splitting of work orders	21.20
11	XEN, Provincial Highway Division, Dadu	2013-14	4	Un-authorized hoisting of NIT without obtaining approval from competent authority	15.50
12	XEN, Building Division, Mithi	2012-13	6	Without hoisting results of bid evaluation report on website of SPPRA	12.50
13	XEN, Building Division, Dadu	2013-14	2	Tender not called	9.97

(Rupees in million)

Sr. #	Name of offices	Year	Para	Nature of irregularity	Amount
14	XEN, Provincial Highway Divisions, Larkana	2013-14	5	Splitting of work orders	5.86
15	XEN, Provincial Building Division, Hyderabad	2012-13	2	Without hoisting results of bid evaluation report on website of SPPRA	3.96
16	XEN, Building Division Tando Muhammad Khan	2013-14	2	Tender not called	0.50
17	XEN, District Building Division, Naushahro Feroze	2013-14	6	Tender not called	0.24
Total					2,752.24

Annexure-8**34.4.20 Non-deposit of government dues - Rs1,587.19 million**

(Rupees in million)

Sr. #	Name of Divisions	Year	AIR Para #	Particulars	Amount
1	XEN, Provincial Building Division - II, Karachi	2013-14	7, 9	Income Tax, Security Deposit	250.07
2	XEN, Provincial Building Division, Hyderabad	2012-13 & 2013-14	11, 1, 4, 8	Income Tax, flood charges, sales tax, lapsed Security Deposit	199.84
3	XEN, Highways Division, Tharparkar at Mithi	2013-14	1	Lapsed deposit	125.32
4	XEN Education Works Division No.I, Karachi	2013-14	1	Lapsed deposit	111.88
5	XEN Education Works Division No.III, Karachi	2013-14	1, 8	Lapsed deposit	105.55
6	XEN, Provincial Highway Division, Sukkur	2013-14	8	Lapsed deposit	102.42
7	XEN, Provincial Highway Division, Mithi	2013-14	1, 10	Un-claimed deposits	90.93
8	XEN District Roads Division, Sanghar	2013-14	4	Lapsed deposit	77.50
9	XEN, Provincial Coastal Highway Division, Hyderabad	2012-13	11	Lapsed deposit	74.13
10	XEN, Education Works Division, Sukkur	2013-14	10	Income and Professional tax	60.60
11	XEN, District Highways Division, Naushahro Feroze	2013-14	5	Lapsed deposit	55.52
12	XEN, Building Division, Sukkur	2012-13 & 2013-14	12, 10, 11	Income Tax, Stamp duty & other charges	49.53
13	XEN, Education Works Division, Jamshoro	2013-14	9	Lapsed deposit & Taxes	41.33
14	XEN, Education Works Division Kashmore – Kandhkot	2012-13	13&18	Income tax & Earnest money	39.83
15	Provincial Highway Division, Hyderabad	2013-14	9	Lapsed deposit	39.76
16	XEN, District Building Division-III, Karachi	2012-13	9	Lapsed deposit	30.15
17	XEN District Building Division Mirpurkhas	2013-14	4, 5	Income tax, unclaimed security deposit	27.50

(Rupees in million)

Sr. #	Name of Divisions	Year	AIR Para #	Particulars	Amount
18	XEN Building Division Kashmore – Kandhkot	2012-13	7	Income tax & call deposit	18.02
19	XEN, Highway Division, Khairpur	2013-14	1	Income tax & other charges	15.82
20	XEN, Building Division, Thatta	2012-13	8	Miscellaneous Deposits	13.42
21	XEN Roads & Transport Division, Karachi	2013-14	5, 7	Lapsed deposit, Income tax	12.72
22	XEN, Building Division, Badin	2012-13	4	Lapsed deposit	12.22
23	XEN, Provincial Building Division-II, Karachi	2013-14	4	Income tax	5.04
24	XEN, Education Works Division Khairpur	2013-14	5, 6,17	Stamp Duty, income tax, professional tax, PWD deposits	3.32
25	XEN, (R&T , W&S), Highway Division, Karachi	2012-13	9	Income Tax	3.09
26	XEN, District Building Division - II, Karachi	2012-13	8	Income Tax	2.87
27	Chief Engineer Special Projects, Works & Services Hyderabad	2013-14	15	Third Party Monitoring charges	2.67
28	XEN, Highways Division, Mirpurkhas	2013-14	6, 8	Lapsed deposit, Income tax	2.56
29	XEN, Provincial Building Division, Thatta	2013-14	2	Deductions from contractors	1.72
30	XEN Highway Division Badin	2012-13	2	Income tax	1.57
31	XEN, Building Division Dadu	2013-14	6	Income Tax/professional tax	1.52
32	XEN Education Works Division Larkana	2013-14	6, 8	Income tax, Stamp Duty	1.51
	XEN, Provincial Highway Division, Dadu	2013-14	9	Various revenue	1.30
33	XEN, Building Division, Kamber, Shahdaskot	2012-13	7	Stamp Duty	1.16
34	XEN Provincial Building Division Mirpurkhas	2013-14	1, 4	Income/ professional tax, other outstanding dues	1.03
35	XEN, Building Division,	2012-13	5	Income Tax &	1.00

(Rupees in million)

Sr. #	Name of Divisions	Year	AIR Para #	Particulars	Amount
	Ghotki			Stamp Duty	
36	XEN, Provincial Highway Division Sanghar.	2013-14	14	Un-claimed deposits of more than three year refunded to contractors	0.96
37	XEN, Education Works Division, Hyderabad	2013-14	10	Income tax & Sales tax	0.67
38	XEN, (R&T, W&S), Highway Division, Karachi	2012-13	10	Lapsed deposit	0.45
39	Comptroller Sindh House Islamabad	2012-13	16	Sales tax	0.32
40	XEN, Building Division Khairpur	2013-14	10	Stamp Duty	0.23
41	XEN, Building Division Tando Muhammad Khan	2013-14	5, 8	Stamp Duty & Professional tax	0.14
Total					1,587.19

Annexure-9

34.4.23 Non-recovery of government dues - Rs232.76 million

(Rupees in million)

Sr. #	Name of office	Year	Para	Description of recovery	Amount
1	Comptroller Sindh House Islamabad	2012- 13	18	Recovery of electricity charges from employees	9.99
			22	Rent charges from officials	4.70
			10	Lodging & hire charges against officials	3.60
			8 & 21	Room rent against political persons	0.31
			15	Recovery of dismantle material	0.23
2	XEN, Building Div Ghotki	2012-13	2	Less deduction of Govt taxes from contractors bills	5.44
3	XEN, Education Works Division Kashmore - Kandhkot	2012-13	11, 33, 34 & 56	Stamp duty, Sales tax & Professional tax	1.94
4	PD, Dargah Hazrat Lal Shahbaz Qalander, Sehwan Sharif at Hyderabad	2012-13	1, 6 & 12	Stamp duty, Sales tax & Prof tax	4.05
5	XEN, Building Division Sukkur	2012-13	10	Stamp duty	2.43
6	XEN, Building Division Kashmore - Kandhkot	2012-13	5	Stamp duty	0.90
7	XEN, Highway Division Badin	2012-13	1 & 7	Stamp duty & Shrinkage allowance	0.39
8	XEN, Building Division Dadu	2012-13 & 2013-14	1, 7	Stamp duty	0.17
9	XEN, Building Division, Kamber, Shahdadt	2012-13	4	Stamp duty	0.31
10	XEN, Prov. Coastal Highway Division Hyderabad	2012-13	10	Stamp duty	0.96
11	XEN, Prov. Building Division, Karachi	2012-13	8	Stamp duty	0.11
12	XEN, Prov. Building Division, Hyderabad	2012-13	12	Stamp duty	0.10

(Rupees in million)

Sr. #	Name of office	Year	Para	Description of recovery	Amount
13	Chief Engineer Special Projects, Works & Services, Hyderabad	2013-14	01, 6, 21,26	Income tax, mobilisation advance, shrinkage allowance	37.50
14	PD, Special Development Package, Khairpur	2013-14	3, 5, 6	Interest on mobilisation advance, stamp duty, professional tax	64.67
15	XEN Education Works Division-I, Karachi	2013-14	10	Stamp duty	0.16
16	XEN, Prov. Highway Division Naushahro Feroze at Khairpur	2013-14	1, 2	Professional tax, Stamp duty	0.20
17	XEN, Provincial Highway Division, Mithi	2013-14	9	Stamp duty	0.45
18	XEN, Building Division, Larkana	2013-14	4	Non-deduction of shrinkage allowance	1.16
19	XEN, Highway Division, Khairpur	2013-14	9	Stamp duty	0.11
20	XEN Highway/Road Division, Tando Muhammad Khan	2013-14	3	Stamp duty	0.19
21	XEN, Building Division, Umerkot	2013-14	3, 9	Stamp duty, Sales Tax	13.71
22	XEN, Highway Division, Mirpurkhas	2013-14	10	Stamp duty	0.22
23	XEN, Provincial Building Division, Thatta	2013-14	6	Stamp duty	0.11
24	XEN, Provincial Highway Division, Sanghar	2013-14	6, 13	Professional Tax, Stamp duty	0.36
25	XEN, Highway Division, Umerkot	2013-14	3, 9, 12	Sales Tax, shrinkage allowance, Stamp Duty	64.01
26	XEN, Education Works Division, Hyderabad	2013-14	8	Stamp duty	0.17
27	XEN, Education Works Division, Jamshoro	2013-14	3	Stamp duty	0.15
28	XEN, Education Works Division, Sukkur	2013-14	7	Stamp duty	0.33
29	XEN, Provincial Highway Division, Hyderabad	2013-14	6	Shrinkage allowance	1.10
			7	Stamp duty	0.55
30	XEN, Provincial Highway Division, Sukkur	2013-14	6	Stamp duty	1.83

(Rupees in million)

Sr. #	Name of office	Year	Para	Description of recovery	Amount
31	PD, Hyderabad Development Package, Hyderabad	2013-14	8	Stamp duty	0.68
32	XEN, Highways Division, Mirpurkhas	2013-14	10	Stamp duty	0.22
33	XEN, Highways Division, Tharparkar at Mithi	2013-14	9	Stamp duty	0.12
			10	Shrinkage allowance	0.10
34	Project Director, Special Development Package, Khairpur	2013-14	3	Interest on mobilization advance	6.45
			5	Stamp duty	0.18
35	XEN District Roads ,Kamber Shahdadkot	2013-14	1	Shrinkage allowance	0.82
36	XEN District Roads Division, Jamshoro	2013-14	5	Shrinkage allowance	1.14
37	XEN District Roads Division, Jamshoro	2013-14	9	Stamp duty	0.10
38	XEN Roads & Transport Division, Karachi	2013-14	3	Stamp duty	0.12
39	XEN District Roads Division, Larkana	2013-14	1	Stamp duty	0.22
Total					232.76