



**AUDIT REPORT
ON
THE ACCOUNTS OF
GOVERNMENT OF SINDH
AUDIT YEAR 2013-14**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

ADB	Asian Development Bank
ADP	Annual Development Plan
ATE	Advertised Tender Enquiry
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
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 Section 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 2012-13, including some part based on the lean period audit after finalization of audit report 2012-13 during previous year of the Government of Sindh for the financial year 2011-12. The Directorate General of Audit Sindh conducted audit during 2013-14, 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 Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

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

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

Dated:

Muhammad Akhtar Buland Rana
Auditor General of Pakistan

EXECUTIVE SUMMARY

Director General Audit Sindh conducts various types of audit on behalf of the Auditor General of Pakistan to fulfil his statutory responsibility under Articles 169 and 171 of the Constitution of the Islamic Republic of Pakistan and in accordance with the provisions of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. These audits include Regularity (financial audit and compliance with authority audit), Performance and Special Audits of Principal Accounting Officers of departments of Government of Sindh, their attached departments, and 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 authorised 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 year 2012-13 was Rs660,566 million with the segregation of Non-development budget of Rs478,156 million and Development budget of Rs182,410 million. The actual expenditure was Rs505,323 million including Rs403,070 million out of non-development budget and Rs102,253 million out of development budget. The combined percentage of utilization of budget comes to 76.50 %.

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 2012-2013, total expenditure under the jurisdiction of Director General Audit Sindh was Rs505,323 billion covering 39 PAOs and 8,095 formations (including 4,770 formations transferred from District Governments). Out of which, an expenditure of Rs454.790 billion was audited, which in terms of percentage, is 90% of auditable expenditure. In addition, accounts of 11 foreign aided projects and 11 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 Rs7,979.95 million were pointed out, out of which Rs212.64 million was affected during the year 2012-13 at the time of compilation of report. The same recoveries included Rs4.89 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 39 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 - Rs1,039.39 million¹
- ii. Non maintenance of records and non-production of records - Nil²
- iii. Instances of wasteful expenditures identified - Rs194.26 million³
- iv. Significant instances in which propriety principle and rules were violated - Rs11,489.84 million⁴

¹Paras-10.4.7, 15.4.8

²Paras-11.4.1, 19.4.1, 22.4.1, 31.4.1, 26.4.1, 28.4.1, 32.4.1, 29.4.1, 3.4.1, 18.4.1, 5.4.1, 6.4.1, 7.4.1, 8.4.1, 10.4.1, 15.4.1, 16.4.1, 21.4.1, 25.4.1, 34.4.1, 9.4.1, 17.4.1, 4.4.1, 30.4.1

³Paras-9.4.4, 34.4.13

v. Weak internal control instances - Rs2,844.23 million⁵

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.
 - (iv). establishment of an independent internal audit mechanism.
2. The Principal Accounting Officers further need to take steps to:
 - (i). investigate cases of losses, embezzlements, unauthorized payments and non-accountal of cash and stores and take appropriate corrective action;
 - (ii). effect recovery of government dues and deposit into government treasury;

⁴Paras-5.4.14, 14.4.1, 26.4.4, 2.4.3, 26.4.2, 4.4.13, 23.4.3, 4.4.7, 4.4.20, 19.4.4, 34.4.8, 22.4.8, 15.4.6, 4.4.2, 5.4.15, 5.4.18, 9.4.7, 4.4.4, 19.4.5, 9.4.2, 29.4.3, 11.4.8, 17.4.2, 9.4.12, 15.4.10, 12.4.2, 23.4.2, 11.4.12, 29.4.2, 21.4.5, 11.4.10, 9.4.10, 28.4.8, 34.4.6, 34.4.10, 19.4.6, 5.4.23, 22.4.13, 4.4.16, 9.4.17, 16.4.6, 28.4.7, 22.4.11, 5.4.5, 13.4.1, 8.4.2, 28.4.4, 31.4.5, 31.4.8, 19.4.10, 20.4.3, 4.4.10, 9.4.9, 21.4.3, 15.4.3, 28.4.6, 14.4.2, 9.4.8, 17.4.6, 26.4.3, 22.4.2, 15.4.4, 25.4.4, 22.4.14, 9.4.15, 28.4.5, 5.4.3, 4.4.15, 9.4.3, 15.4.9, 16.4.3, 24.4.1, 5.4.9, 11.4.11, 34.4.15, 22.4.10, 11.4.7, 11.4.13, 5.4.8, 11.4.14, 19.4.2, 22.4.7, 21.4.6, 34.4.3, 31.4.4, 22.4.3, 31.4.3, 34.4.7, 19.4.12, 22.4.5, 12.4.8, 12.4.7, 34.4.2, 19.4.3, 22.4.4, 4.4.18, 5.4.16, 5.4.2, 34.4.4, 9.4.13, 19.4.13, 4.4.6, 5.4.19, 12.4.13, 5.4.20, 4.4.9, 16.4.8, 9.4.5, 34.4.9, 27.4.1, 15.4.5, 25.4.5, 30.4.2, 25.4.3, 25.4.2, 17.4.5, 11.4.9, 4.4.5, 17.4.4, 28.4.3, 15.4.11, 5.4.25, 2.4.1, 9.4.14, 5.4.22, 22.4.15, 5.4.6, 5.4.24, 11.4.2, 2.4.2, 13.4.3, 11.4.3, 11.4.4, 19.4.7, 31.4.6, 19.4.8, 17.4.3, 5.4.4, 4.4.14, 9.4.6 & 5.4.21

⁵Paras-5.4.10, 11.4.5, 19.4.9, 4.4.19, 19.4.11, 16.4.7, 20.4.2, 31.4.1, 13.4.2, 12.4.5, 33.4.1, 21.4.4, 5.4.17, 12.4.12, 16.4.4, 4.4.12, 24.4.2, 21.4.2, 34.4.12, 5.4.7, 12.4.4, 4.4.3, 4.4.8, 31.4.7, 5.4.11, 15.4.7, 32.4.2

- (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 and directives of Public Accounts Committee;
 - (vii). improve the compliance with directives of Public Accounts Committee (PAC) by the Principal Accounting Officers was poor and despite of reminding again and again by audit, no improvement was made/shown in this regard. Principal Accounting Officers should give special attention to this issue and develop mechanism to monitor the compliance of PAC directives in their departments;
 - (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:
- (i). build up institutional capacity in financial matters.
 - (ii). take cognizance of the weak internal control environment in different departments of the Government.

Summary, Tables & Charts

SUMMARY TABLES & CHARTS

Table 1:

I Audit Work Statistics

(Rupees in million)

Sr. No	Description	Nos.	Expenditure 2012-13
1	Total Entities (PAOs) in Audit Jurisdiction	39	505,323
2	Total formations in audit jurisdiction	9021	505,323
3	Total Entities(PAOs) Audited	34	454.790
4	Total formations Audited	1050	454.790
5	Audit & Inspection Reports	1050	-
6	Special Audit Reports	0	-
7	Performance Audit Report	0	-
8	Other Reports (Foreign Aided Projects)	11	-

Table 2:

II Audit observations regarding financial management

(Rupees in million)

Sr. No	Description	Amount Placed under Audit Observation
1	Unsound asset management	12,529.23
2	Weak financial management	194.26
3	Weak Internal controls relating to financial management	2,844.23
4	Others	7,979.95
Total		23,547.67

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	5,224.03	103,538.76	(36,103.14)	382,130.48	454,790.12	444,784.06
2	Amount Placed under Audit Observation /Irregularities of Audit	3,942.55	9,264.11	5,833.10	4,507.90	23,547.67	62,885.52
3	Recoveries Pointed Out at the instance of Audit	2,014.14	2,597.47	3,130.53	237.80	7,979.95	13,379.28
4	Recoveries Accepted /Established at the instance of Audit	2,014.14	2,597.47	3,130.53	237.80	7,979.95	13,379.28
5	Recoveries Realized at the instance of Audit	42.99	54.33	96.17	19.14	212.64	59.00

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.	11,489.84
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	1,039.39
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.	194.26
4	If possible quantify weaknesses of internal control systems.	2,844.23
5	Recoveries and overpayments, representing cases of established overpayment or misappropriations of public monies	7,979.95
6	Non -production of record.	-
7	Others, including cases of accidents, negligence etc.	-
	Total	23,547.67

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

Table 5

V Cost-Benefit

Sr. No	Description	Rs in million
1	Outlays Audited (Items 1 of Table 3)	454,790.12
2	Expenditure on Audit	212.02
3	Recoveries realized at the instance of audit	4.89
	Cost-Benefit Ratio	0.02

CHAPTER - 1
PUBLIC FINANCIAL MANAGEMENT ISSUES
1.1 AUDIT PARAS WITH ILLUSTRATIONS

1.1.1 Development Grants of totalling Rs72.10 billion are not reported on object basis

As per **Accounting Policies and Procedures Manual** para **10.2.3** 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.

Also refer **Accounting Policies and Procedures Manual** para **3.3.7.4**, which states:

The level at which development project budgets will be submitted is as follows:

- development grant and scheme (project) within each grant
- at detailed function and object level for those heads pertaining to project expenditures within each primary unit of appropriation.

Further refer **Accounting Policies and Procedures Manual** para **10.4.1.2**, which states:

“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.”

Also Refer **Hand Book of Accounting Guidelines** issued by AGP in which para **4.2.2** states:

“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.”

All Development Grants including SC12052, SC12053, SC12054, SC12055, SC12056, SC12057, SC12058 and SC12059 totaling Rs72.10

billionaire being reported on function basis rather than function cum object-wise basis in the appropriation account of the government which is in contravention of the above.

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, above reporting is against the requirements made in the above mentioned provisions of APPM.

We recommend that all development grants should be reported on function cum object basis in the appropriation account of the government so that the nature of development expenditure incurred in various account heads is comprehensible and analysis of the financial statements could be accurately performed.

1.1.2 Physical Assets of Rs1.72 billion not taken in assets register

According to para 13.4.1.1 of APPM;

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

This section as whole defines the rules laid down for fixed asset management and numerous articles of the section deal with following;

13.4.1.2 The 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

13.4.1.3 The above data is the minimum required for the proper management of fixed assets.

13.4.1.4 Every fixed asset purchased or improvement/extension made above Rs100,000 shall be recorded in the Fixed Assets Register. This threshold should be subsequently adjusted in the light of experience and better defined management information requirements.

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.

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.

All Current Capital and Current Revenue Grants contain the account head A09 – Physical assets totaling Rs1.72 billion (2011-12: Rs5.49 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
F03107

Civil Works
Office / Computer Equipment

Due to this non presentation, total assets of the government can never be determined with accuracy.

- Error conditions that could occur due to above may include:
 - Overstatement of revenue or expenditure
 - Misclassification of accounting records
 - Doubt in existence of assets
 - Wrong or over/under valued of assets
 - Inaccuracy in account or amount of accounting records
 - Wrong disclosures or representations
- The detail or break-up of cost is the basic cost control in asset management. The same is absent in the present disclosure.
- 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.
- Further, financial statements may lack consistency and completeness, as certain information will be presented using object-wise classification and other as function-wise classification.
- This is also inconsistent with the requirements of Financial Reporting Manual (FRM).

A.G office should follow the Accounting Policies and Procedures Manual in order to verify existence and proper valuation of long term assets. All assets should be recorded and classified object wise.

1.1.3 State trading stock (current capital expenditure) capitalized in long term assets

According to para 20 of IPSAS 12, Inventories;

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 of the same Standard elaborates 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, labor, 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
- (d) Selling costs.

According to para 22, “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.”

Also as per para 13.4.1.1 of APPM;

All departments/entities will maintain a "Physical Assets Register" (form 13A) for the categories of physical assets, for which they are responsible.

During the year 2012-13, an amount of Rs2,487.82 million (2011-12: Rs26.20 billion) relating to State Trading was capitalized to long term assets. This amount refers to the difference in total expenditure incurred, deducted 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 breakup of the net capitalized amount is as under:

Rs in million	
	Amount
A01 – Pay and Allowances	564.66
A03 – Operating Expenses	900.93
A05 – Grants, Subsidies and Write off	3.00
A07 – Interest Payments (Charged)	5,000.00
A09 – Physical Assets	32,760.09
A13 – Repairs and Maintenance	1.06
Total	39,229.74

Less	
C01– Receipts and recoveries	(35,741.92)
C01 – Wheat Subsidies from head – 042602 (Subsidy)	(1,000.00)
Total Receipts	(35,308.82)
NET PAYMENTS	2,487.82

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.

All of the above account heads as have been capitalized should not be included in the cost of purchase of Wheat and Rice Stock rather they should be expensed out in the current period through revenue grant and an expense of Rs6.470 billion should not be carried forward in future year which include all above expenditure items excepts cost of physical assets.

Alternatively the stock of wheat at cost may be capitalized in current assets. Current presentation in long term assets envisages that long term assets have been overstated and/or misclassified.

Further, the stock has 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'.

		Rs in million
Trading Stock		Amount
F03105	Stock Closing	14,962.30
F03105	Stock Opening	12,474.48
F03105	Current Stock	2,487.82

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

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 Assessment of Budget and budgeting process

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

(Rs in million)

Particulars	FY2012-13	FY2011-12
Budget (original)	603,567	492,047
Actual Expenditure	505,323	492,693
Difference between budget and actual expenditure	16.277%	0.001%

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

(Rs in million)

Particulars	FY2012-13	FY2011-12
Budget (Final)	660,566	649,276
Actual Expenditure	505,323	492,693
Difference between budget and actual expenditure	23.50%	24.12%

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 24% 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 management 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

(Rs in million)

Particulars	FY2012-13	FY2011-12
Budget (original)	603,567	492,047
Budget (Final)	660,566	649,276
Difference between original budget and final budget	-9.44%	-31.95%

There was a positive difference of original budget with actual expenditure, but, despite keeping budget difference minimum, that was enhanced upto 9.44%, 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

(Rs in million)

Nature of Expenditure	Final Budget	Expenditure	Difference %
Charged	113,605	95,518	15.92%
Voted	546,961	409,805	25.08%
	660,566	505,323	23.50%
Nature of Expenditure	Final Budget	Expenditure	Difference %
Revenue	385,891	333,782	13.50%
Capital	274,675	171,541	37.55%
	660,566	505,323	23.50%
Nature of Expenditure	Final Budget	Expenditure	Difference %
Non Development	478,156	403,070	15.70%
Development	182,410	102,253	43.94%
	660,566	505,323	23.50%

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 for 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 expenditures were tried to be 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 Rs1 and more are explainable
- Savings more than 5% are explainable

Grant-wise budget variations have been shown in Annexure B of Management Report issued to Government of Sindh during Certification Audit 2012-13. Only two grants out of 69 grants have incurred excess expenditure of around Rs455 million out of Rs33.3 billion expenditure i.e. approximately only 1.39%. However, 67 grants have been showing savings, not surrendered in time, and out of this figure 59 grants had savings more than 5%. All these saving grants need explanation from the management. Some of these grants have incurred double savings during the current year, which shows necessary blockage of government resources, till the end of the year.

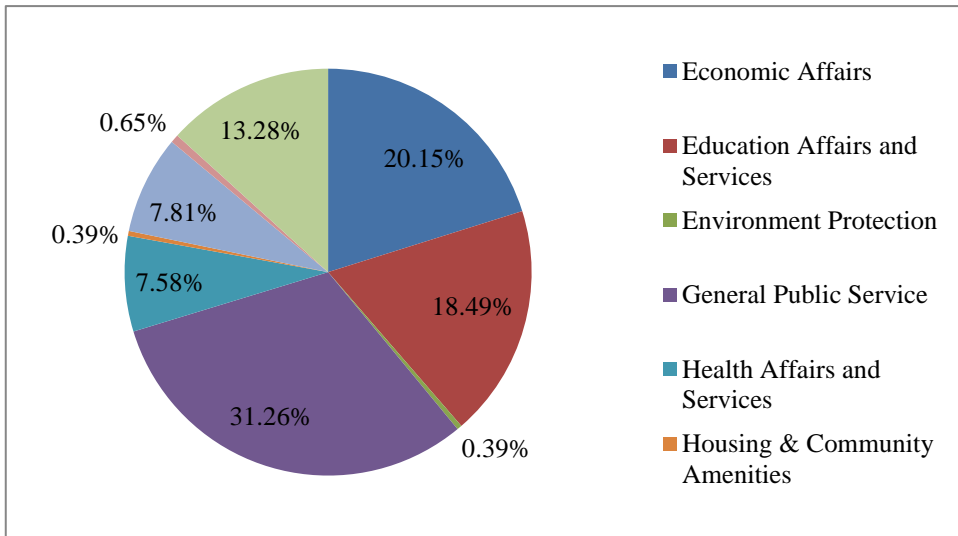
Debt Management

Increase in debt servicing principal and interest payment budget (Current Capital and Current Revenue Expenditure) is almost 24% of last year while that in actual expenditure is 8% of last year. This shows poor debt planning. Refer Annexure C of Management Report issued to Government of Sindh during Certification Audit 2012-13.

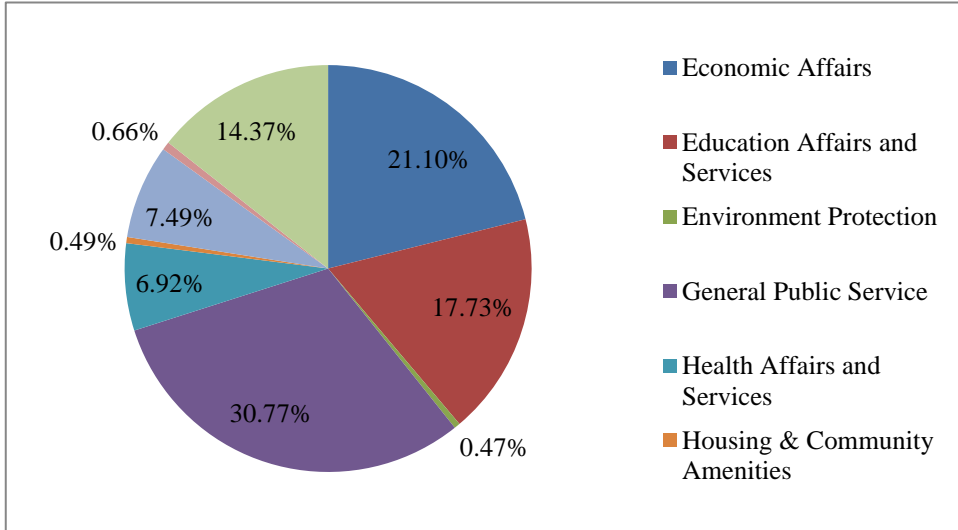
Function-wise budget and expenditure allocations with variances

Function-wise budget allocations and expenditure trends can be depicted in following pie charts;

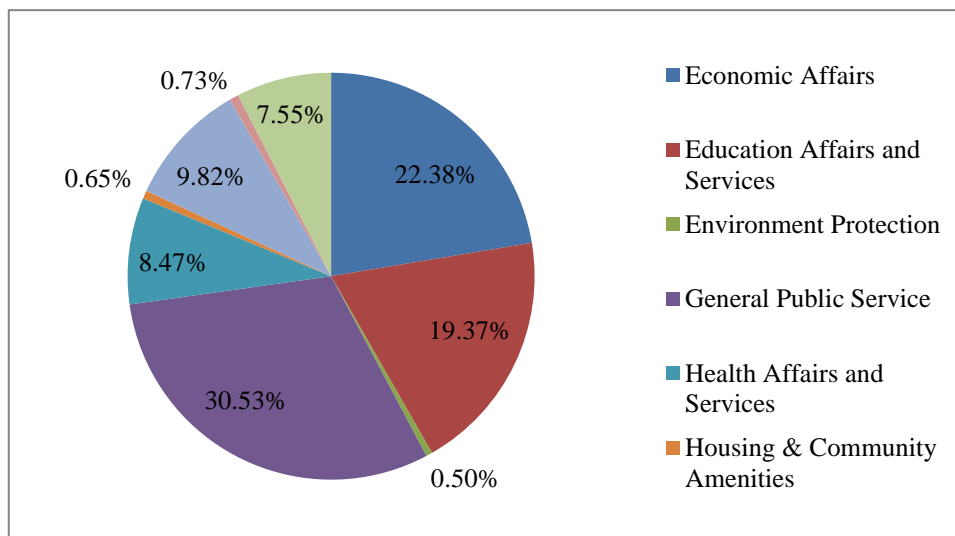
Function-wise allocation of Original Budget



Function-wise allocation of Revised Budget



Function-wise expenditure trend during fiscal year



Function-wise budget variations

Function	Budget		Expenditure	Rs in million	
	Original	Revised		Variance Original Budget	Variance Revised Budget
Economic Affairs	121,630	139,404	113,097	7%	19%
Education Affairs and Services	111,577	117,111	97,856	12%	16%
Environment Protection	2,333	3,102	2,507	-7%	19%
General Public Service	188,672	203,250	154,297	18%	24%
Health Affairs and Services	45,727	45,722	42,805	6%	6%
Housing & Community Amenities	2,335	3,227	3,269	-40%	-1%
Public Order and Safety Affairs	47,166	49,473	49,613	-5%	0%
Recreation, Culture and Religion	3,945	4,334	3,703	6%	15%
Social Protection	80,182	94,943	38,176	52%	60%
Total Payments	603,567	660,566	505,323		

The largest variation is in social protection function which completely pertains to grant 59 allocated to Finance Department under Development capital voted expenditure. The huge difference is questionable from Finance Department.

Object wise revenue budget variance

Object	Budget		Actual Revenue	Rs in million	
	Original	Revised		Variance Original Budget	Variance Revised Budget
Revenue					
Taxation	397,041	351,370	342,603	14%	2%
Non-Taxation	96,020	99,610	96,835	-1%	3%
Total Revenue Receipts	493,061	450,980	439,438	11%	3%
Capital					
Domestic Debt	34,125	39,000	30,350	11%	22%
Foreign Debt	56,923	32,485	1,941	97%	94%
Recovery of Loans & Advances	6,828	10,962	321	95%	97%
State Trading Activities	36,540	39,672	36,742	-1%	7%
Miscellaneous Recoveries	105	-	-	100%	-
Total Capital Receipts	134,521	122,119	69,354	48%	43%
	627,582	573,099	508,792	19%	11%

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

	Rs in million	
Analysis Results	2012-13	2011-12
Original Budget (Deficit)	24,015	(86,328)
Revised Budget (Deficit)	(87,467)	(127,608)
Actual Budget Surplus/(Deficit)	3,469	(73,298)
%age of original Vs. Actual variance	14%	15%
%age of revised Vs. Actual variance	-4%	43%

The above analysis clearly indicates the;

- Lack of reality based commitments by management;
- Inefficient resource utilization;
- Ineffective use of planning toolkit; and
- Waste of opportunities and loosening of strengths.

Audit recommends;

- 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 are costed, 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.

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

According to para 13.4.1.1 of APPM;

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

This section as whole defines the rules laid down for fixed asset management and numerous articles of the section deal with following;

13.4.1.2 The 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

13.4.1.3 The above data is the minimum required for the proper management of fixed assets.

13.4.1.4 Every fixed asset purchased or improvement/extension made above Rs100,000 shall be recorded in the Fixed Assets Register. This threshold should be subsequently adjusted in the light of experience and better defined management information requirements.

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.

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.

Long Term Assets amounting Rs655.91 billion (2012: Rs565.16 billion) are continuously being classified on functional basis rather than object wise. This represents accumulation of yearly expenditure as appeared in Capital Grants of Appropriation Account which are incurred on various schemes of the current and previous years. Object wise detail or break-up of assets in each scheme is not available. Detailed s

The Annexure-1 of Chapter-1 mentions the breakup of Note 28 of the Financial Statements of Government of Sindh as depicted in the Finance Account 2012-13 of the Province.

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.

This results in overstatement/understatement in the value of long term assets in the Financial Statement of Government of Sindh.

The classification error may be removed on time so that a pervasive effect in the financial statements does not appear in future years.

1.1.6 Transfers 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:

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

Rs in million

Object Head	Cost Centre Description and Code	Amount
A06-Transfers	KA9993 - Sindh Government Employees Group Insurance Fund	501.00
A06-Transfers	KA9988 - Sindh Pension Fund	1,000.00
A06-Transfers	KA9989 - General Provident Fund (GP Fund)	500.00
A06-Transfers	KA9995 - Investment Fund For HPA Advance	0.22
A06-Transfers	KA5825 - Sindh Social Relief Fund (SSRF)	250.00
A06-Transfers	KA5827 - Viability Gap Fund	1,500.00
A06-Transfers	KA9980 - Sindh Coal Development Fund	62.28
A11-Investment	KA9981 - Education City Fund (SERP)	0.10
Total		3,813.60

However, following objections are noted:

- 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 except one payment to SERP which was made through Account head A-11 Investments. Thus treating such payments as investment is wrong in accounting perspective.
- Payment to Sindh Education Reforms Program in investment account code A-11 is misclassification in strict accounting sense.

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

The classification error may be removed on time so that a pervasive effect in the financial statements does not appear in future years.

1.1.7 Investments under/overvalued without return on investments

Refer para 8.4.5 of Hand Book of Accounting under heading “valuation of assets”

“Under the modified cash method of accounting, assets will be recorded in the books at historical values. However, this does not preclude the establishment of more meaningful values where it is of use to managers. For example, it would be prudent to record the market value of land and building assets in the asset register.”

Since continuous noting in all previous Management Reports since 2006-07, no evidence has been provided by the Finance Department or AG Sindh regarding following government investments. The value of such investments as appearing in the breakup of Note 28 of the financial statements in Government’s Finance Accounts seems un-realistic. Apparently these investments in the financial statements represent the initial value at cost of investment and any increase/decrease in the market value of investments has not been accounted for. Material differences may arise in the value of investments reported and the actual position.

(Rupees in million)

Name of Investee	Amount
Sugar Mills Limited	3.00
Federal Bank for Cooperative	10.00
Sindh Provincial Co-operative Bank	21.42
Pakistan Textile City Limited	200.00
Karachi Urban Transport	15.00
Floor Mining Corporation	5.00
Total	254.42

Further we observed that none of the investments made above carried any return for any period of our review.

Further management has not made any representation that government has no other unaccounted investments.

This results in understatement/overstatement in the value of investment in the Financial Statement of Government of Sindh. Making investments in

non-profitable ventures is wastage of public money and incurs loss in the long run.

Reconciliation of Investments with respective institutions is necessary to mitigate the risk of variances. Proper maintenance of Investment record is needed.

1.1.8 Long outstanding loans and advances - Rs23.55 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.

Further, 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 as per para 4.10.11.2 of the same manual.

1. Huge loan balances long outstanding against various institutions are appearing in the Financial Statements of Government of Sindh. These loans/advances include:

(Rs in million)

Nature of Loan and Advances	Opening Balance	Payments	Receipts	Closing Balance
To district government	1,479	-	-	1,479
To financial institution	28	-	-	28
To non-financial institutions	18,507	403	263	18,647
To Government Servants	196	194	57	333
To private sector	175	-	-	175
DERA Loans (District)	2,892	-	-	2,892
	23,277	597	320	23,554

Payments of Rs403 million in respect of “loans and advances transferred to Non-financial Institutions” include payments to:

Rs in million

Account	DDO	Amount
A05	Production Bonus to district govt.	14
A05	Secretary (Cooperation Department)	29
A05	Secretary (Local Government)	100
A08	Secretary (Local Government)	260
Total		403

Payment of Rs194 million in respect of “loans and advances transferred to Government Servants” has been shown in Annexure-E of Management Report issued to Government of Sindh during Certification Audit 2012-13.

Receipts include:

Rs in million

Account Code	Account Head Description	Amount
E02401	Domestic Loans	263
E02501	House Building Advance	56
E02502	Motor Car Advance	1
Total		320

Detail of outstanding loans to District Government is attached in Annexure-A and outstanding loans to Non-Financial Institutions is attached in Annexure-B of Management Report issued to Government of Sindh during Certification Audit 2012-13.

1. No interest has been received 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 Rs303.35 million appearing in the Finance Accounts of Government of Sindh. During the course of our audit we observed no movement in these balances. Further, the authenticity of these loan balances could not be verified with AG Sindh record. (Refer Annexure A of Management Report issued to Government of Sindh during Certification Audit 2012-13).

This implies 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.

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.

1.1.9 Unadjusted/un-realized current assets

Under section V “Payment of government moneys into the public account” and T.O.7. of the Treasury Orders and Subsidiary Rules, 1922;

“except as provided in order 8, all moneys received by Government servants in their capacity, other than moneys withdrawn from the public account under the provisions of Section VIII below, shall without undue delay be paid in full into a treasury or into the Bank and shall be included in the general balances of Government. Departmental receipts shall not be appropriated to meet departmental expenditure except with the sanction of the Governor -General in Council.

T.O.8. In certain exceptional cases, Government servants may be permitted to open a separate account with a bank and to pay into it moneys received by them in their official capacity. The conditions on which such permission may be given are detailed in Appendix-A”

Further according to appendix A para II of the same rules, II. (a) Except as provided in clause (b) of this rule, every Government servant shall, without undue delay, pay into the public account all moneys received by him as dues of Government or for deposit in the custody of Government, and no Government servant shall deposit in a bank moneys withdrawn from the public account.

Current assets of the Government of Sindh have been classified into following sub headings;

- Civil Department Balances
- Receivables
- Other Receivables
- Other Assets

While reviewing the above current assets, following observations were noted:

I) Civil departments balance - Rs1.830 million

These accounts receive debit for the cash balance held by the departmental officers in Forest Department outside the generally available cash balance i.e. these are cash balance in the hands of disbursing officers of department and they do not form part of the cash balance of the Govt. The decrease / increase of departmental cash balance from month to month, is shown as credit /debit in these accounts.

Rs in million	
Account movement	Amount
Opening Balance	3.07
Add: Payment	33.73
Less: Receipt	(34.96)
Closing Balance	1.83

By nature these advances are short term in nature and should be adjusted in timely manner. While comparing opening and closing balances of Sindh Forest Department Rs1.830 million could not be adjusted during the year 2012-13.

II) Receivables

a. O.B. Advances (Civil) - Rs27.50 million

O.B. Advance (Civil) comprises mainly the payments on account of Pay and T.A. on transfer and payments of one month salary to the Government Servants on Eid festival. The Eid advance is recovered in 02 or 03 instalments and its recovery appears in next month payroll.

Rs in million	
Account movement	Amount
Opening Balance	31.50
Payment	40.00
Receipt	(44.00)
Closing Balance	27.50

The difference between opening balance and closing balance is minimal which shows that nearly nothing of Rs31.498 million could be recovered during the year. This shows poor cash management.

b. Special advances - Rs1.705 million

Special Advance records advance of the special nature under the orders of the Provincial Government. These advances except District Accounts Officer Khairpur relate to the period prior to 1970-71 and have not been repaid so far. The details are as under:-

Rs in million		
Sr. #	Particulars	Amount
1	Advances paid for test purchase made by Price Control Department.	0.004
2	Advances for Taravivh Prayer	0.001
3	Trap money advance for Anticorruption Department	0.070
4	Advance for Students of District Municipal Corporation Karachi	0.001
5	Advances to Board of Management of Muslim Education Cess, Karachi	0.012
6	Advances by revenue department for Flood Relief	0.185
7	Advances by Deputy Commissioner Lahore for Flood Relief	0.677
8	Advances for purchase of Coconut Seeds	0.005
9	Advances for Agri Depart for East Pakistani Families.	0.435
10	District Account Officer Khairpur	0.315
Total		1.705

Item Nos. 7 and 8 were transferred by A.G. West Pakistan, Lahore on disintegration of One Unit.

c. Payment for fertilizer - Rs1.84 billion

The debits received from Federal Government on account of supply of Fertilizer to Sindh Agriculture Supply Corporation are booked under this head pending recovery from the Corporation. The balance represents amount outstanding against the corporation. The acceptance of the balance is awaited. This is a stagnant balance.

III) Other Receivables

All the following balances are stagnant balances since more than three decades.

a. Permanent Advance - Rs5.41 million

According to Para 140 of General Financial Rules, permanent advances may be granted to officers who may have to make payments before they can place themselves in funds by drawing bills on the Accounts Offices. According to these rules, any advances made out of the permanent advance may be recovered out of the amounts drawn from the Bank on expense bills. An amount equal to Rs5,414,129 has been retained in the public account balance as permanent and no adjustment of the same has been made during the year.

b. Account with Government of India - Rs4.66 million

The above head records transaction between the Government of Sindh and the various Provincial Governments in India requiring settlement. The balance represents the outstanding balance for which settlement could not be carried out through the account of the State Bank up-to the year 1982-83.

c. Account with Government of Burma - Rs0.37 million

This head records transactions between the Government of Burma and the Government of Sindh requiring settlement through State Bank. The balance represents the outstanding for which settlement could not be carried out through the accounts of the State Bank up-to the year 1982-83 and is under investigation. The ledger balance is under agreement with broadsheet figures.

d. East Pakistan suspense - Rs4.54 million

This head is intended to accommodate payment on behalf of the Government of East Pakistan and their autonomous bodies after Separation of that Government with the Government of Pakistan. The balance will be settled only upon agreement between the two Governments.

IV) Other Assets

a. Account with the State Bank of Pakistan - Rs16.16 million

The account with the State Bank of Pakistan comprises of receipts and payments on behalf of State Bank which are taken to this head in the first instance and subsequently cleared monthly by the Area Account Officers with the Banks. The balance represents the net result of transactions at Provincial Treasuries or Sub-Treasuries. Although the ledger and broadsheet figures agree but still this balance has been appearing in accounts for many years and proof of monthly reconciliations could not be presented.

Non deposition of government moneys held by any government official in fiduciary trust is a legal mistrust on his part and he can be subject to legal and pecuniary obligations under such circumstances.

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

1.1.10 Un-reconciled long outstanding difference between book and bank balances

The State Bank of Pakistan and the National Bank of Pakistan, acting as an agent for the State Bank of Pakistan, are the Government's banker, unless otherwise authorized by the Government. For the purpose of Bank Reconciliation branches of the National Bank are described as follow:

- Category A branch - these are main branches of the NBP and are normally situated in urban areas

- Category B and C branch - these branches are normally situated in rural and remote areas.

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

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

The head office of SBP should 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:

- Finance Department, Sindh
- Accountant General, Sindh

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. Every DAO shall prepare a monthly reconciliation statement for expenditures and receipts. At the end of each day the DAO/AG office shall send payment advice notes to the Main Designated Branch of the bank it deals with.

On receiving the daily bank returns from the Main Designated Branch, the delegated officer in the Account Section of the DAO/AG 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.

Where there are any discrepancies in the bank scroll, the officer shall immediately inform the Main Designated Branch and resolve any differences in writing. 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. The delegated officer in the DAO/AG office shall also update the cheque register.

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

Bank reconciliation is an important control over the cash and bank balances maintained by an entity. This process covers reconciling the bank balances as per the entity's books with the balances as appearing in the bank statement issued by the entity's bank. This ensures that all transactions are intact between the entity and the bank.

During the course of our audit we observed that net un-reconciled difference in bank account is:

(Rupees in million)

Particulars	Amount
Provincial Account Current period 2012-13 (Cr)	(386.64)
Provincial Account Previous period 1995-12 (Dr)	955.28
Net (Dr)	568.64

Monthly bank reconciliations of Provincial A/C I and II are carried out by the Accountant General Sindh, therefore such differences should not arise. However, in District Cell neither Bank reconciliations are performed nor bank positions are maintained.

Moreover, this practice is a case of non-observance of the requirements of APPM for preparation of bank reconciliations on specified formats.

The non-adjustment of cash balances with bank may be explained as early as possible.

During the course of certification audit of CBC section for the year 2010-11, it has been observed that cash balance is un-reconciled for many years. The un-reconciled balance accumulates each year and no reconciliation

is being made for last many years. For reference following table would help management to take necessary action.

(Rs in million)

<i>Pertaining to the year</i>	Dr /Cr	Amount
Pertains to the year 2012– 2013	Cr	(386.64)
Pertains to the year 2011– 2012	Dr	417.30
Pertains to the year 2010– 2011*	Cr	(227.20)
Pertains to the year 2009 – 2010 *	Dr	309.89
Pertains to the year 2008 – 2009 *	Dr	166.23
Pertains to the year 2007 – 2008	Cr	(138.93)
Pertains to the year 2006 – 2007	Cr	(1.55)
Pertains to the year 2005 – 2006	Cr	(150.59)
Pertains to the year 2004 – 2005	Dr	64.55
Pertains to the year 2003 – 2004	Dr	488.59
Pertains to the year 2002 – 2003	Cr	(51.30)
Pertains to the year 2001 – 2002	Cr	(32.16)
Pertains to the year 2000 – 2001	Cr	(38.44)
Pertains to the year 1999 – 2000	Cr	(151.97)
Pertains to the year 1998 – 1999	Dr	110.90
Pertains to the year 1997 – 1998	Dr	44.28
Pertains to the year 1996 – 1997	Dr	108.34
Pertains to the year 1995 – 1996	Dr	22.98
Pertains to the year 1994 – 1995	Dr	14.35
Total		568.64

The difference of approximately half billion can only be adjusted with a coordinated effort between DAOs, Bank and AG Sindh.

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

Inadequate follow up procedures may result in long outstanding unresolved balances appearing in the financial statements and entail future complications.

These balances should be reconciled as soon as possible through a high level meeting in this regard to solve this public level issue.

1.1.11 Negative debt balances amounting Rs1,097 million appearing in permanent debt

Analysis of Public Debt reveals negative balances amounting to Rs1,096.829 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, no document clarifying this issue was provided to audit.

Description	Rs in million 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	-
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)	<u>1,096.83</u>

The negative balances represent posting of payments classified under inappropriate heads of account and as a result we have a debit (negative) balance against a liability thus the liability was understated. This implies weak controls over financial reporting and makes financial statements unreliable for decision making purpose.

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.

1.1.12 Long outstanding debt balances

The proper criteria for the management of public debt and other liabilities have been laid down in various legislations issued by the Federal Government, Finance Division, Economic Affairs Division and State Bank of Pakistan.

For instance, in respect of the public debt management, the federation has promulgated the Fiscal Responsibility and Debt Limitation Act, 2005 that covers the thrust of what the Constitution envisages.

Floating debt is principally applied to borrowing of temporary nature such as Treasury Bills or Ways and Means Advances from the State Bank of Pakistan which is to be paid within 12 months. However, there has been no movement in the opening balance during the year and no interest on the same has been paid.

(Rs in million)

Description	Amount
Opening Balance	26.70
Closing Balance	26.70

The term "Permanent Debt" covers such loans as are borrowed by the Government in open market for the period of more than twelve months. Initially an amount of Rs1,431,120 adopted on the 1st July 1971 in respect of the disintegrated West Pakistan transferred from Accountant General Punjab Lahore. The balance appearing in this account is debit i.e. over payment has been made of Rs1,102 million and approximately Rs22 million is still outstanding since 1958.

(Rs in million)

Description	Amount
Opening Balance	1,098.28
Closing Balance	1,096.83

This may result in overstatement of liabilities and understatement of interest expense. Further, monitoring and control measures on floating debt appear deficient.

We recommend that all loans raised are recorded and presented accordingly. Proper monitoring and control procedures should be established for financial reporting process.

1.1.13 General Ledger for loans not provided to audit

According to Section 14 (2) the Auditor-General's (Functions, Powers and Terms and Conditions of Service Ordinance, 2001), the officer In-charge of any office or Department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with all reasonable expedition.

In the office of the AG Sindh for the year 2012-13 it has been observed that estimates of various loans were mentioned in the budget of 2012-13. But the loan wise General Ledger was not provided to audit for verification.

Without having loan wise General Ledger, the updated position of loans could not be authenticated.

The relevant record must properly be maintained and kept updated.

1.1.14 Dividend from investments in Non-Financial Institutions

According to Para 5.6.2.3 of the APPM;

Dividends received - where the Government receives a dividend from any trading enterprises in which it is a shareholder, this will be recognized as Consolidated Fund revenue when the interim or final dividend is received.

As per Part 2: Financial Reporting under the Cash Basis of Accounting - Encouraged Additional Disclosures of IPSAS, Financial Reporting under Cash Basis of Accounting, it is encouraged that the general purpose financial statements of a government must classify their assets in their notes to the accounts on basis identified in part 2 of the standard and may take help for additional disclosures from other accrual basis IPSAS.

Further IPSAS 7, Accounting for Investments in associates, requires that An entity which prepares and presents financial statements under the accrual basis of accounting should apply this Standard in accounting by an investor for investments in associates where the investment in the associate

leads to the holding of an ownership interest in the form of a shareholding or other formal equity structure.

During the review of revenue receipts for the year 2012-13, it was observed that dividends from government investments (Non- Financial Institutions) has been received Rs19 million (2011-12 Rs20 million), whereas, no related investment against which such dividend could be received was reflected in the financial statements of Sindh Government.

It seems that such reporting is a misclassification of either revenue or asset. Recording of transactions without its legal form or substance indicates weak control of the departments over the recording of government transactions. In the absence of evidence such transactions may not be authenticated.

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

1.1.15 Recoveries of overpayments

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 2012-13, it was observed that a particular account head “Recoveries of overpayments” appears in the ledger. As the name suggests this head is allocated for recoveries of overpayments of expenditure.

Presence of such recovery in Tax Receipts seems out of question, as tax is not a payment on the part of the government. As the detail depicts, there is total of Rs13.38 million recovery of overpayment in tax revenue.

(Rs in million)

Object Code	Object Code Description	Amount
B01184	Taxes from Other Sources	13.38

Similarly, there are various recoveries in non-tax revenue heads but without evidence it cannot be determined whether these overpayment receipts are adjustments of previous financial years or current financial year. Detail of such recoveries is tabled below:

(Rs in million)

Object Code	Object Code Description	Amount
B01421	Recoveries of Overpayments	0.004
C02204	Recoveries of Overpayments	0.431
C02610	Recoveries of Overpayments	0.752
C02640	Recoveries of Overpayments	401.378
C02659	Recoveries of Overpayments	4.108
C02704	Recoveries of Overpayments	4.023
C02714	Recoveries of Overpayments	0.523
C03328	Recoveries of Overpayments	0.471
C03824	Recoveries of Overpayments	76.790
Total		488.480

Such reporting may mislead the users of the financial statements and 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 scrutinised in detail before they are booked and a strong internal audit function should prevail throughout the government machinery so that public finance may be accurately and transparently reported.

1.1.16 Amount shown under head of account C03870 - Other Receipts – Rs10.159 billion

According to Para 5.2.2.3 of the APPM, all receipts should be identified in accordance with the Chart of Accounts specifications. Further para 5.5.7.4 of same manual states that, it is the responsibility of the accounting officer to ensure the classifications made in respect of each receipt are correct. If not already done, the appropriate receipt head must be written on the receipt

voucher by the accounting officer. If in doubt, the concerned administrative department should be contacted for clarification on the proper receipt head to be used.

During the review of accounts records of Government of Sindh for the year 2012-13, it was observed that huge amount of Rs10.159 billion pertaining to Non-Tax Revenue (i.e. about 26%) has been reported as Other Receipts (Not elsewhere stated) and no proper identification of this amount is being appeared in subsidiary record of the government.

Placing huge amount of Rs10.159 billion in detailed head C03870 - Others entail serious misclassification issues in the accounts of the government. If no proper head of account in current classification of NAM exists for this nature of receipt then opening of a new and proper head of account is compulsory for the management.

Such reporting may mislead the users of the financial statements and revenues may be misclassified and proper decision making on such information may not be possible, although net surplus or deficit is not affected by such treatment.

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

1.1.17 Un-reconciled tax revenues and duties

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

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

During the course of audit for the financial year 2012-13, it was observed in various sections of AG Sindh that following taxes and duties were excess booked by Rs27.88 million which should have been properly reconciled / verified by the record of two offices.

(Rs in million)

Sr. No	Tax/Duty Head	Section	Memo Ref	Booking as per Department	Booking as per AG Office	Excess booking
01	Professional Tax	CAAI	113	262.54	264.64	2.09
02	Excise Enactment	Report	111	3,086.92	3,102.61	15.69
03	Entertainment Duty	CAAI	119	31.56	31.74	0.18
04	Hotel Tax	CAAI	116	160.85	160.87	0.02
05	Infra Structure Cess	Report	112	18,231.51	18,241.41	9.90
Total						27.88

During the course of audit for the financial year 2012-13, it was observed in various sections of AG Sindh that following taxes and duties were short booked by Rs845.81 million which should have been properly reconciled / verified by the record of two offices.

(Rs in million)

Sr. No	Tax/Duty Head	Section	Memo Ref	Booking as per Department	Booking as per AG Office	Short booking
01	Property Tax	CAA-III	117	1,483.00	931.13	551.87
02	Cotton Fee	CAA-III	114	143.95	143.39	0.56
03	Mot. Veh. Tax	CAA-III	110	3,597.57	3,304.19	293.38
Total						845.81

Excess or short reporting of revenues may mislead the users of the financial statements and revenues may be overstated or understated and net surplus or deficit shall be affected by such treatment and their significance may affect our audit opinion.

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

1.1.18 Less recovery of tax revenues and duties - Rs0.24 millions

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

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

During the course of audit for the financial year 2012-13, it was observed in various sections of AG Sindh that following taxes and duties were less deducted by Rs0.244 million which should have been properly deducted and reconciled / verified by the record of two offices.

(Rs in million)

Sr. No	Tax/Duty Head	Section	Memo Ref	Payment Due	Tax Deducted	Tax less deducted
01	Income Tax	Health-II	136	8,010,235	80,102	0.20
02	Sales Tax	Agriculture	103	0.170	0.010	0.02
03	Sales Tax	Health-I	172	0.168	-	0.03
Total						0.25

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 scrutinised 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.

1.1.19 Recoverable revenues and taxes

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.”. Further, in this manual, it is stated that, “All the transactions pertaining to each head of account should have been recorded to verify the authenticity of recovery”

During the course of audit for the financial year 2012-13, it was observed in various sections of AG Sindh that following revenue items were not recovered or promptly deposited into government treasury. These should be promptly recovered as arrears of land revenue and deposited into government treasury account.

(Rs in million)

Sr. No	Recovery on account of	Section	Memo Ref	Non recovery
01	Misc. PWD Advances	WAD-VII	46	1.07
02	Security Deposit	Health-III	76	19.37
03	Stamp Duty	Edu-III	129	0.00
04	Stamp Duty	Police-I	249	3.92
05	Taxes	WAD-I	263	52.30
06	Taxes	WAD-II	269	23.02
Total				99.68

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.

It is recommended that each government official should take it as his/her primary duty to ensure that dues of government are correctly and promptly assessed, quickly realized and immediately deposited into government treasury and public moneys are safeguarded against any possible misappropriation may be accurately and transparently reported.

1.1.20 Classification errors in the financial statements

According to paras 4.2.7.1 - 4 of APPM;

Every claim voucher (bill) must be certified by an officer in the relevant District Account Office/Accountant General Office and who shall be deemed to be the certifying officer. The certification (pre-audit) process comprises two functions; namely a verification function and an audit function. For claims above a certain threshold, as set by the Ministry of Finance/Auditor-General, both functions of the certification process shall be carried out. Conversely for claims below the set threshold, only the verification function will need to be performed.

The verification function involves:

- the certifying officer ensuring that the claim voucher has been duly approved by a delegated approving officer in the entity,
- the certifying officer verifying the validity of the claim voucher, in accordance with procedures set out in section 4.5.5, and ensure it correctly identifies the account head to which payment will be charged,
- the certifying officer initially checking that the funds are available to make the relevant payment.

The audit function involves:

- scrutinizing of the claim voucher to identify possible fraud and irregularities that a reasonable person would be expected to discover.

The certifying officer shall ensure that the claim must identify the head of expenditure to which the amount is chargeable.

During the course of audit for the financial year 2012-13, it was observed in the samples audited that there are various account items which had been booked in wrong head of account. A correction entry is required for Rs97.619 million in specified object codes. The correction may not be reflected in the financial statements as the financial statements are reported to the nearest million values.

(Rs in million)

S. #	Name of office	Memo Ref	Section	Incorrect account code	Correct Account Code	Error amount Rs
1	XEN, Prov. Building Division-I, Kar.	17	WAD-IV	A12	A13	25.00
2	XEN, Prov. Building, Dadu	159	Dev-I	A03921	A03902	0.06
3	Finance Department	217	CAA-III	A039	A012	45.00
4	DDO HQ Pakistan Rangers (Sindh)	253	CAA-II	A03970	A03302	27.56
					Total	97.62

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

1.1.21 Pre-numbering or serial numbering of vouchers in sections

Para 7.3.7 of Chapter 7 of Financial Audit Manual (FAM) requires the auditor to consider factors affecting audit risk. One of the factors involved in such factors is the ease of auditing which include the practical availability of audit evidence and the existence of an audit trail. In the absence of practical availability of claim voucher in chronological or any other suitable order implies auditor's limitation to obtain complete audit trail of the transaction. Absence of audit trail increases the auditor's risk to detect material misstatements in the financial statements and hence he has to place lesser reliance on the control environment and thus modify the nature, timing and extent of his audit procedures.

During all certification audits since 2006-07 to 2012-13, it is being observed and pointed in Management Reports that vouchers in each section are neither pre-numbered nor serially numbered and are lying in haphazard manner. Although Token Number is allotted to every bill passed though the SAP R/3 system but placing of bills in order of Document number is not the

norm. Further, it is not possible for the audit team to select bills token number wise as section do not contain any token number wise list of vouchers showing their amount and other information pertaining to the bill.

Selection of vouchers according to FAM is not possible due to this practice and no control of record maintenance can be established in this manner.

It is suggested that paid vouchers should be assigned a unique number and should be kept in shelves in appropriate order so that their retrieval could be easy and sure.

1.1.22 Reporting negative liabilities - Rs1,185 million

In para 7.4.1.4 of Accounting Policies and Procedures Manual, concerning key controls for financial reporting following controls must be observed before any periodic reports are generated;

- 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.

In any cash basis accounting system, there could be no negative receipt and no negative payment. Negative balances can only arise if any payment or receipt is excess booked in contra account and corresponding payment or receipt has not been booked or has been short booked. Thus it may be implied that any negative balance is a wrong entry which must be corrected in timely manner. During previous years, audit identified various negative balances which have been corrected and adjusted by the AG Office during these years. This exercise reduced negative balances of Rs28.947 billion to current balance of Rs1.185 billion (i.e. approximately 96% balances were corrected). This effort of AG Sindh is highly appreciable. However, it is expected that following negative balances as appearing in the books shall also be further investigated and cleared:

(Rs in million)

Head of Account	Amount
Public debt	
Payment of Principal to National Bank and MCB Bank for Imported Flood Machinery	(49.83)
Settlement of Claim of Federal Bank for Cooperatives against Sindh Cooperative Society	(201.19)
Redemption of SRTC Debentures	(867.70)
Insurance Fund	
Railways Reserve Fund	(66.07)
Total	(66.07)

The negative balances represent posting of payments/receipts in inappropriate heads of account and as a result we have a debit/credit (negative) balance against a liability/asset thus understating the liability/asset. This implies weak controls over financial reporting and makes financial statements unreliable for decision making purpose.

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.

1.1.23 Un-reconciled inter government balances

According to para 12.5.9.1 and para 12.5.9.2 respectively of APPM;

The Accountant General offices must perform monthly consolidation of department accounts within the Governments to control the complete and accurate recording of inter-department transfers.

The delegated officer in the Account Section of the DAO/AG office must prepare a bank reconciliation to control the complete and accurate transfer of funds between entities with different bank accounts.

Certain un-reconciled inter-governmental balances are appearing in the Finance Accounts. The reason is that the existing procedures to reconcile inter-governmental transaction have not been applied.

(Rs in million)

Sr. #	Head of Accounts	Account Code	Balance 2012-13	Balance 2011-12
1	Inter provincial settlement account	G05106	16.85	2.40
2	Adjusting accounts between Federal and Provincial Government	G05107	45.07	(361.19)
3	Miscellaneous Government Account blocked	G05108	0.67	0.67
4	State Bank Suspense	G05110	183.66	4,836.09
5	Adjusting Accounts b/w Provincial & Districts Government	G05115	(279.55)	(277.38)
6	Wages Clearing Account	G05105	(75.15)	(65.99)
Total			108.46	4,134.58

The un-reconciled inter government balances imply incorrect postings and inadequate controls. Misclassification or wrong booking of transaction may affect presentation of financial statements.

Inter government reconciliations should be periodically performed and the balances settled accordingly.

1.1.24 Non-reporting of correct amount of Pension Fund

In para 7.4.1.4 of Accounting Policies and Procedures Manual, concerning key controls for financial reporting following controls must be observed before any periodic reports are generated;

- 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.

Pension is an important part of the budgeting process. A sum of Rs1 billion (grant no 47) was transferred in the pension fund this year. It was observed that an amount of 28.9 billion was transferred in all previous years since year 2002-03 including Rs5 billion last year in creating pension fund for future pension payments. But since inception of this fund no reporting has been

made in this regard. Upto current year only transfer made to Pension Fund Account amounts to Rs6 billion as investments in financial statements and there is no indication of previous transfers in the financial statements. Such disclosure in accounts shows that fund is only created in the previous year while it is not the fact and this treatment is a gross negligence on the part of the Finance department and AG Sindh.

Due to this non-disclosure during current year 2012-13 the amount of investment has been understated by the unreported amount.

It is suggested that disclosure be made in the financial statements of current financial year to depict a true and fair view of such statements.

1.1.25 Expenditure in excess of budget allocation

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”

According to Para-55 and 97 of General Financial Rules (GFR) Volume-I:

“No expenditure should be made for which no prescribed limit has been specified in the original budget estimate of the current financial year. In all applications for sanction of expenditures, it should be distinctly stated: whether provision for the proposed charge has, or has not been made in the budget estimate of the year and if it has not been made whether the funds can be validly re-appropriated.”

According to the Article 158 of Audit Code:

“audit is responsible for watching firstly that the total expenditure under a grant or appropriation does not exceed the amount of that grant or appropriation as specified in authenticated schedule of authorized expenditure and secondly that the total expenditure on each of the sub heads fixed as units of appropriation under a grant or appropriation does not exceed the allotment thereof as modified by orders of re-appropriation passed by competent authority from time to time.”

While scrutinizing the Appropriation Accounts for the financial year 2012-13, it was observed that an expenditure of Rs14,464.116 million was incurred in excess of the allocated budget. Grant wise and department wise details are depicted in Annexure-2 of Chapter-1.

Expenditures in excess of budget allocation reveal poor financial management and override of government policies and these are subject to clarification and reasoning on the part of the executing authorities.

We recommend that proper controls should be in place to ensure no excess expenditures being dispensed in any year and budgeting controls are needed to be strengthened to curb override of policies and controls.

1.1.26 Savings were not surrendered in time - Rs169 billion

According to the para 95 of General Financial Rules (GFRs) 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”

On scrutiny of Appropriation Accounts, it was observed that, a sum amounting to Rs169.71 billion as detailed in Annexure D of Management Report issued to Government of Sindh during Certification Audit 2012-13 was allocated in the annual budget and placed at the disposal of departmental authorities but it was observed that the funds were not fully utilized for the intended purposes.

This saving could have been used in some other useful objects or function of the government. Detaining government funds for so long implies;

- Inefficient budgeting system.
- Violation of the General Financial Rules (GFRs)
- Inefficient utilization of Government funds.

It is recommended that the Government resources should be efficiently and effectively utilized for the intended purposes. Further we recommend that the funds in excess of the needs of the departments should be surrendered as

soon as possible so that the Government resources can be used efficiently and effectively for some other purposes.

1.1.27 Net position of Public Account is unsatisfactory

Public Account comprises of receipt and disbursement transactions of the Provincial Government, which do not form part of the Provincial Consolidated Fund (PCF). The monies in the public account are in the nature of a trust. These amounts include Assets (bank balances and receivables), deposits and reserves, unfunded debt (deferred liabilities) and remittances.

As per Article 78 of the Constitution,

“(1) All revenues received by the Federal Government, all loans raised by that Government and all money received by it in repayment of any loan, shall form part of a consolidated fund, to be known as the Federal Consolidated Fund.

(2) All other money:

(a) received by or on behalf of the Federal Government: or

(b) received by or deposited with the Supreme Court or any other court established under the authority of the Federation: shall be credited to the Public Account of the Federation.”

Net position of Public Account Liabilities is as under:

Particulars	Rs in billion	
	2012-13	2011-12
<i>Total Public Account Liabilities</i>	86,761.12	90,297.98
Less: Total Assets of the Public Account	1,905.38	1,906.61
Net liability of Public Account	84,855.74	88,391.37
Less: Cash & Cash Equivalents available for payment (Overdraft)	(13,817.41)	(10,949.42)
Net position of Public Account Liabilities	98,673.15	99,340.79

The liabilities of the public accounts were significantly overweight during comparative years so as to get coverage by the available assets of the government in public accounts. Albeit circumstances of the government forced it to utilize overdraft facility in meeting its cash needs for the payments in public accounts by an amount of Rs6.37 billion (2011-12: Rs1.63 billion)

which even gulped the current year surplus of Rs3.47 billion.

The position deteriorated since last year when consolidated fund deficit raised upto Rs36.87 billion with an overall deficit of Rs38.50 billion after adjusting public accounts deficit. Even the available cash resources of the previous year, which stood at Rs27.55 billion, fell to Rs10.95 billion after adjusting the net deficit effect.

Government has a fiduciary duty in relation to public account. Ideally speaking government should have cash resources equating the liabilities of Public Account. It appears that Public Account money has been used to finance Consolidated Fund expenditure.

It is suggested that adequate controls be established over the financial reporting and reconciliation systems and dormant balances be dealt with accordingly.

It is suggested that a thorough scrutiny of Public Account should be undertaken. There is a need for separate bank account to manage the position of cash relating to Public Account.

1.1.28 Excess employee related expenses

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

During the certification audit of Government of Sindh for the financial year 2012-13, it was observed and calculated that in certain sections employee related expenses have not been appropriately pre-audited by the sections of AG Sindh and certain deviations from their calculations of employee related expenses have been determined by the audit. Details are tabled below:

Rs in million

M. No.	Particulars	Section	Amount
59	Excess Conveyance Allowance	Edu.-VII	0.38
65	Excess Seasonal Allowance	CAA-V	0.72
125	Excess Conveyance Allowance	Edu.-VIII	0.03
130	Excess salary payment	Edu.-III	0.01
143	Excess salary payment	Edu.-II	3.21
190	Excess Special Pay	Edu.-I	0.19

192	Excess Pay & Allowance	Edu.-I	2.62
Total			7.16

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

1.1.29 Excess retirement benefits

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

During the certification audit of Government of Sindh for the financial year 2012-13, it was observed and calculated that in certain sections retirement benefits have not been appropriately pre-audited by the sections of AG Sindh and certain deviations from their calculations of employee related expenses have been determined by the audit. Details are tabled below:

			Rs in million
Memo No.	Particulars	Section	Amount
08	Excess Pension Payment	Pension Cell	0.37
191	Excess Gratuity Payment	Edu.-I	0.23
Total			0.60

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 scrutinised 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.

1.1.30 Excess works related expenditure

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

During the certification audit of Government of Sindh for the financial year 2012-13, it was observed and calculated that in certain sections works related expenditures have not been appropriately pre-audited by the sections of AG Sindh and certain deviations from their calculations of works related expenses have been determined by the audit. Details are tabled below:

M. No.	Particulars	Section	Amount
163	Excess Payment on Cement Plaster	Police-II	11,757
164	Excess Payment on Cement Plaster	Police-II	1,654
165	Excess Payment on distemper	Police-II	33,234
166	Excess Payment on Excavation of Foundation	Police-II	30,504
			77,149

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

1.1.31 Non-compliance with MAP and APPM

During the course of certification audit of Government of Sindh, it was observed that following shortcomings exist in the system despite coming into force of MAP and APPM since February 1999. Similar observations were raised in previous audits for all the years from 2007-08 onwards, but corrective measures are yet to be taken:

1. Modified cash basis of accounting:

As per para 2.2.10.1 of Manual of Accounting Principles, the modified basis of accounting, not only records transactions on a cash basis but also takes into account the commitments, acquisition of fixed assets, and incurrence of liabilities during an accounting period.

Adoption of a modified cash basis of accounting in Pakistan

As per para 2.2.10.2 of MAP, the accounting system of the Government of Pakistan is based on a centralized system of accounting and reporting, with primary focus on ensuring due control over, and reporting against appropriations.

As per para 2.2.10.3 of MAP, so long as the primary accountability of accounting officers remained solely against appropriations, a cash basis of accounting was sufficient. However, the need to ensure the efficient and effective allocation of resources in addition to monitoring and ensuring due control over appropriations, has been revised in favour of a modified cash basis with the capacity to move to a full accrual system if and when appropriate.

As per para 2.2.10.4 of MAP, an initial step in this reform process is the memorandum recording of certain assets, liabilities and commitments.

As per para 9.3.2.1 of APPM, transactions forming the basis for the monthly summarized financial information reported to the Accountant General must be recorded on a modified cash basis (see Section 9.3.3) in accordance with the policies applied to centralized accounting entities.

During review, it was observed that despite requirements of MAP as well as APPM, commitment accounting, accounting of certain assets and liabilities and physical assets accounting have not been introduced yet. The financial statements of government of Sindh are still being prepared on cash basis rather than on modified cash basis. However, above non-compliance is disclosed in the Notes to the Financial Statements.

2. Tax reconciliations:

Under para 2.3.2.2 of reconciliation of tax revenue receipts to tax authority records should be timely maintained by Treasury Offices. No such exercise is being carried on.

3. Reconciliation of bank accounts:

As per para 3.4.2.12 of Manual of Accounting Principles, at the close of each month, the entity will reconcile its books of accounts with the Bank records. This reconciliation is to be performed in accordance with the policies and procedures set out in the Accounting Policies Procedure Manual, GFR and Provincial Treasury Rules.

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

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

However, no such reconciliation exercise is being carried out in AG Office.

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

We recommend that all above mentioned controls issues should immediately be brought in the notice executing authorities and proper measures should immediately be taken to ensure their compliances.

1.1.32 Non-compliance of recurring paras from all previous management reports

It has been observed and mentioned in their respective paras that some issues in this report are appearing for many years, but management response towards the corrective measures for them has always evasive. As a result these paras have become permanent feature and are persistently repeated over the years.

The detail of these issues is tabled below:

Para	Description of para
1.1.1	Development Grants are not being classified on object basis
1.2.2	State trading stock (current capital expenditure) capitalized in long term assets
2.1.1	Opening and closing balances of long term assets not object-wise
2.1.3	Investments under/overvalued without return on investments
2.1.4	Long outstanding loans and advances
2.1.5	Unadjusted/unrealized current assets
2.1.6	Un-reconciled long outstanding difference between book and bank balances
2.2.1	Negative debt balances appearing in permanent debt
2.2.2	Long outstanding debt balances
2.2.3	General Ledger for loans not provided to audit
2.4.1	Classification errors in the financial statements
2.4.5	Pre-numbering or serial numbering of vouchers in sections
3.1.1	Reporting debits in credit accounts and vice versa
3.1.2	Un-reconciled inter government balances
3.1.3	Non-reporting of correct amount of Pension Fund
4.1.1	Expenditure in excess of budget allocation
5.1.1	Review of Public Account
7.1.1	Irregular expenditure by way of splitting
7.1.2	No evidence of tendering through authority's website
7.1.3	Irregular payments without obtaining supporting documents
7.1.4	Required procedure not followed
7.1.5	Non maintenance of required accounting records
7.1.6	Un-authorized expenditure
7.1.7	Un-justified expenditure
7.1.8	Irregular payment of GP Fund final payment

7.1.9 Irregular payment of GP Fund Advance

7.1.10 Non-compliance with MAP and APPM

Lack of implementation of controls pointed out in the above mentioned observations will lead to inefficient financial management system. These lapses on recurring basis will lead to ineffective control over the system or may cause total collapse of system.

All audit paras of recurring appearance should immediately be brought in the notice of executing authorities and proper measures should immediately be taken to ensure their compliances.

1.1.33 Savings not surrendered-Rs1,034.82

As per Rule-128 of Sindh Budget Manual and Rule-95 of General Financial Rules, Vol-I, the Drawing & Disbursing Officers are personally responsible for surrendering the savings to the Government before the close of the financial year.

During audit of the following Departments of Government of Sindh for the year 2012-13, it was noticed that savings of Rs1,034.82 million were not surrendered. The details are as under:

Rupees in million		
Sr. #	Name of Department	Amount
01	Energy Department	984.18
02	Social Welfare Department	28.99
03	Mines & Minerals Department	10.22
04	Minorities Affairs Department	7.37
05	Forest & Wild Life Department	2.88
06	Population Welfare Department	1.18
Total		1,034.82

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 justification for non-surrendered the saving in time besides fixing the responsibility on the person(s) at fault.

1.1.34 Reconciliation process not carried out- Rs951.27

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 following Departments of Government of Sindh for the year 2012-13, it was noticed that it was noticed that reconciliation of expenditure of Rs951.27 million was not carried out during the year 2012-13. The details are as under:

Rupees in million		
Sr. #	Name of Department	Amount
01	BOR Department	14.24
02	Education Department	830.32
03	Energy Department	35.02
04	Excise and Taxation Department	12.42
05	Finance Department	40.56
06	Local Government	5.89
07	Rehabilitation Department	9.52
08	Special Education Department	3.30
Total		951.27

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 justification for non-surrendered the saving in time besides fixing the responsibility on the person(s) at fault.

1.1.35 Variation in the books of accounts - Rs96.97 million

As per Rule 34 (A) of Sindh Financial Rules, Volume-I, the Cash Book should be closed and balanced each day and balance of each column at the end of the month should be verified and a certificate to that effect should be recorded in the Cash Book under the signature of the Government Servant responsible for the money.

During audit of the following Departments of Government of Sindh for the year 2012-13, it was noticed that difference of closing balance of Rs96.97

million cash book and bank statement appears at the close of the financial year. The details are as under:

Rupees in million		
Sr. #	Name of Department	Amount
01	Health Department	92.89
02	Food Department	4.08
Total		96.97

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

1.1.36 Expenditure from wrong head of account - Rs158.21 million

As per Rule 70 (2) of GFR, “Each DDO shall be responsible for the expenditure actually incurred against the funds allotted to him”.

During audit of the following Departments of Government of Sindh for the year 2012-13, it was noticed that an amount of Rs158.21 million was incurred from irrelevant heads of account without re-appropriation. The details are as under:

Rupees in million		
Sr. #	Name of Department	Amount
01	Excise and Taxation Department	55.86
02	Finance Department	17.12
03	Home Department	78.61
04	Live Stock & Fisheries Department	6.62
Total		158.21

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 justification for incurred the expenditure from irrelevant heads of account without re-appropriation besides fixing the responsibility on the person(s) at fault.

1.1.37 Non-achievement of target - Rs2,387.79 million

- I- As per Para 10 (i) and (ii) of General Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”
- II- Targets for the collection/ achievement of objectives for the respective offices are specified for every financial year.

During the audit of the following Departments of Government of Sindh for the year 2012-13, it was noticed that objectives and receipts targets of Rs2,387.79 million were not achieved as fixed by the management. The details are as under:

		Rupees in million
Sr. #	Name of Department	Amount
01	Irrigation Department	5.59
02	Coal & Energy Department	982.35
03	Member RS&EP	105.21
04	Sindh Board of Revenue Department	2.06
05	Excise and Taxation Department	1,292.58
Total		2,387.79

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 justification for non-achievement the targets besides fixing the responsibility on the person(s) at fault.

1.1.38 Expenditure incurred without budget allocation - Rs349.48 million

As per General Financial Rules, 10(i) of Volume-I, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit of the following Departments of Government of Sindh for the year 2012-13, it was noticed that an expenditure of Rs349.48 million was incurred without budget allocation on account of pay and Allowances and others. The details are as under:

Rupees in million

Sr. #	Name of Department	Amount
01	Education Department	225.00
02	Sindh Board of Revenue Department	7.11
03	Home Department	110.45
04	Education Department	6.92
Total		349.48

The irregularity was pointed out to the department in March, 2013 to 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 that justification of incurring expenditure without budget allocation besides fixing the responsibility on the person(s) at fault.

1.1.39 Excess expenditure over & above budget allocation – Rs492.94 million

As per Para (111) Finance Department, Government of Sindh, Notification No BI-V/131/85 dated 09-04-1987; no expenditure should be incurred in excess and above the budget allocation without prior approval of the competent authority.

During audit of the following Departments of Government of Sindh for the year 2011-12 & 2012-13, it was noticed that an expenditure of Rs492.94 million was incurred in excess over and above the budget grant on account of pay and allowances. The details are as under:

Rupees in million

Sr. #	Name of Department	Amount
01	Services, General Admin & Coordination Department	460.70
02	Health Department	32.24
Total		492.94

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 justification of excess expenditure besides fixing the responsibility on the person(s) at fault.

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 2013-14. The accounts for the Financial Year 2012-13 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	Final Grant 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
9825.05	1,039.97	10,862.02	7,490.55	3,371.47

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs 232.27 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
594.00	785.00	724.00	61.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs61 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	% 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 and total 18 paras were discussed cumulatively in respect of Agriculture Department. The department made compliance of 07 paras and 11 paras were left unattended or compliance was not made. The percentage of compliance comes to 39%.

2.4 AUDIT PARAS

2.4.1 Un-authorized retention of funds into DDO account-Rs36.10 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 the audit of Agriculture, Supply and Prices Department, Government of Sindh, it was observed that expenditure of Rs 36.10 million was incurred on account of various heads, but the payment was made to DDO instead of crediting into the concerned payees’ account. It was further observed that an amount of Rs 22.58 million was kept unspent in DDOs Account till it was pointed out by the audit in April 2013. The details are at annexure-1 of Chapter-2.

The irregularity was pointed out to the Department during 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 justification for disbursement through DDO and undue retention of public funds and besides fixing responsibility for payment to DDO.

2.4.2 Unjustified expenditure under the “Cost of Other Stores” - Rs7.84 million

According to Rule 17(i) (ii) of Sindh Public Procurement Rules, 2010, “Procurement over 100,000 Rupees and upto one million rupees shall be advertised by timely notification on the authority’s website and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language”.

During the audit of the Department of Agriculture, Supply and Prices, Government of Sindh for the financial year 2011-12 and 2012-13, it was

observed that expenditure of Rs 7.84 million was incurred under the head, Cost of other Stores. The Department neither invited tenders nor entered the items in the Stock register. The details are at annexure-2 of Chapter-2.

The irregularity was pointed out to the Department during January 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 justification for not inviting tenders and non accountal of store purchased besides fixing responsibility on the person(s) at fault.

2.4.3 Disposal of crops and wheat seeds without open auction–Rs1.94 million

According to Rule 17(i) (ii) of Sindh Public Procurement Rules, 2010, “Procurement over 100,000 Rupees and upto one million rupees shall be advertised by timely notification on the authority’s website and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language”.

During the audit following offices of Agriculture, Supply and Prices Department for the year 2012-13, it was observed that various crops were disposed-of for Rs1.94 million without open auction.

(Rupees in millions)

Sr. #	Name of Office	Para #	Amount
01	Director, Agriculture Research Institute, Tandojam	02	1.45
02	Wheat Botanist, Agri. Research Station, Tandojam	01	0.49
	Total		1.94

The irregularity was pointed out to the Department during October to 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 justification for irregular disposal of wheat seed 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 shirnes, mosques and other waqf properties and to provide maximum facilities to zaireen, who pay visits to various shrines, dargahs etc.
- To construct musafir khanas, langar khanas, 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 2013-2014. The accounts for the Financial Year 2012-2013 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	Final Grant 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
517.31	19.25	536.56	304.29	232.27

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs 232.27 million was observed which was not surrendered in time.

3.3 Brief comments on the compliance of PAC directives

As no para was included in previous audit reports as such requires no comments.

3.4 AUDIT PARAS

3.4.1 Non production of record

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

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

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

During audit of Secretary, Zakat & Ushr Department, Karachi for the year 2012-13, it was observed that an amount of Rs1.50 million was paid on account of performance of Hajj duty to the Ministry of Religious Affairs through a demand draft dated 09.10.2012. However, the record pertaining to criteria of selection and the details of staff nominated for the duty was not supplied to audit. In absence of the detail and supporting documents, Audit could not verify the authenticity of the expenditure incurred by the department.

The matter was pointed out to the department in October 2013. The management in DAC meeting held on February 04, 2014 informed that budget on account of Haj duty is provided to the Auquaf, Zakat & Ushr Department being the Administrative Department and the same amount is forwarded to Ministry of Religious Affairs through a demand draft along with the list of nominated persons as selected by SGA&C Department. The management furnished the copies of relevant record in this regard before DAC for perusal. Audit was of the view that the selection criteria for nomination of officials for Haj Duty should be available with the budget utilizing/administrative department. The DAC directed the management to furnish selection criteria by obtaining record from SGA&CD for verification by Audit. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for production of record for audit scrutiny.

AIR-05

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 2012-2013. The accounts for the Financial Year 2011-2012 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	Final Grant 2011-12	Departmental Expenditure	Variation (Excess)/ Savings
3,069.46	2,687.09	5,756.55	4,835.67	920.89

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs 920.89 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
18,444.00	18,151.00	11,241.00	6,910.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs6,910 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	% of compliance made
22	0	22	0

Audit Reports for the year 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 22 paras were discussed cumulatively in respect of Board of Revenue. The department made no compliance of PAC directives as yet.

4.4 AUDIT PARAS

4.4.1 Non-production of record

According to Section 14 (2) & (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, states that the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

During audit of the various offices of Sindh Board of Revenue, the auditable record of Rs517.89 million was not produced to audit. Details are at Annexure-1 of Chapter-4.

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 immediate production of record besides fixing responsibility on person(s) at fault.

4.4.2 Excess expenditure on items of work – Rs 9.99 million

As per Para-711 Public Works Department Manual, "The officer competent to sanction tender can also accord sanction to the execution of extra items of work not provided in the tender, subject to the condition that the amount of the extra items together with the amount of the tender does not exceed the amount of the sanctioned estimate plus such excess as the officers concerned is competent to sanction".

During audit of office of the Project Director, Special Development Package, Khairpur, for the years 2011-12, it was observed that the Project Director incurred excess expenditure of Rs 9.99 million on the extra item of work, without approval and sanction of competent authority. The details are at Annexure-2 of Chapter-4.

The irregularity was pointed out 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 recovery of expenditure made on extra items of work besides fixing of responsibility on person(s) at fault.

4.4.3 Procurement without inviting tenders – Rs31.81 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 Board of Revenue for the year 2011-12 and 2012-13, it was observed that the offices incurred an expenditure of Rs31.81 million on procurement but the tenders were not called for. Further, no purchase committee was formed for this purpose. The details are at Annexure-3 of Chapter-4.

The irregularity was pointed out to the department from May to 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 regularization of expenditure besides fixing responsibility on person(s) at fault.

4.4.4 Excess payment to contractors/suppliers – Rs2.79 million

As per Para-711 Public Works Department Manual, "The officer competent to sanction tender can also accord sanction to the execution of extra items of work not provided in the tender, subject to the condition that the amount of the extra items together with the amount of the tender does not exceed the amount of the sanctioned estimate plus such excess as the officers concerned is competent to sanction".

During audit of following offices Sindh Board of Revenue for the year 2011-12, it was observed that an amount of Rs2.79 million was paid to contractors/individuals in excess of amount due. The details are at annexure-4 of Chapter-4.

The irregularity was pointed out 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 recovery of excess payment besides fixing of responsibility on person(s) at fault.

4.4.5 Un-authorized payment/non-adjustment of Mobilization advance – Rs35.51 million

According to the clause-60.14 of Section-2 Condition of Contract Mobilization Advance of 10% of the contract price stated in the letter of acceptance shall be paid by the employer to the contractor in two equal parts upon submission by the contractor of a mobilization advance guarantee for the full amount of the advance in the specified from the schedule bank acceptable to the employer.

During the audit of the accounts record of the office of the Project Director, Special Development Package, Khairpur for the year 2011-12, it was observed that 15% mobilization advance of estimated costs of Rs53.85 million was paid to the contractors for various works instead of 10% mobilization advance. This reflected that undue favour was extended by providing 5% excess Mobilization advance of Rs17.95 million which required to be recovered. It was further observed that mobilization advance of Rs17.56 million of mobilization advance was not recovered. This reflected that the contractors were not financially sound and credible to executed there work its own. Details are at Annexure-5 of Chapter-4.

The irregularity was pointed out 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 recover of advances fixing responsibility on the person(s) at fault

4.4.6 Non-recovery of outstanding dues - Rs154.02 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 various offices of Sindh Board of Revenue for the financial year 2011-12, it was observed that an amount Rs154.02 million was not recovered as detailed below:

(Rupees in millions)

Sr. #	Name of office	Particular	Para #	Amount
01	Deputy Commissioner, Khairpur	Abiana	01,04 & 35	3.79
02	PD, Special Dev. Package, Khairpur	Liquidated damages, Outstanding adjustment of Mobilization Advance, Interest on Mobilization Advance, Over-payment, Stamp Duty, etc.	03, 15, 17, 20, 25, 29, 30, 31, & 32	123.94
03	Deputy Commissioner, Tando Allahyar	Abiana, Land Tax, Conveyance Allowance and Past year revenue receipt	01,02,03, 06,09, & 10	9.98
04	Taluka Mukhtiarkar Khanpur, Shikarpur	Past year revenue receipt	20	1.19
05	Taluka Mukhtiarkar Garhi Yasin, Shikarpur	-do-	21	2.51
06	Taluka Mukhtiarkar Lakh, Shikarpur	-do-	22	6.12
07	Commissioner, Hyderabad	House Rent & 5% Maintenance.	01	6.48
08	Deputy Commissioner, Ghotki	Stamp duty	06	0.01
Total				154.02

The matter was pointed out to the department during May to 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 expeditious recovery of Government dues besides fixing responsibility on person(s) at fault.

4.4.7 Drawl of cash from bank through open cheque - Rs55.60 million

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

During audit of various offices of Board of revenue for the year 2011-12 and 2012-13, it was observed that an amount of Rs55.60 million was drawn from bank in cash through open cheque instead of issuing crossed cheques.

Rupees in million

Sr. No	Name of Offices	Para #	Year	Description	amount
1	Deputy Commissioner, Umerkot	06	2011-12	Various payments	5.39
2	Deputy Commissioner Tando Allahyar	11	2011-12	Purchase of medicines, wheat straw, POL and veterinary medicines	8.10
3	Deputy Commissioner, Matiari	04	2011-12	Open Cheques	17.87
4	Deputy Commissioner, Ghotki	19	2011-12	Paid in rain relief operation	11.35
	Director Survey & Settlement Hyderabad	07	2012-13	Misc. items	12.89
Total					55.60

The irregularity was pointed out to the department in May 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 that that utilization of funds for payment to various suppliers withdrawn through open cheques needs to be justified besides fixing of responsibility on person(s) at fault.

AIR#06

4.4.8 Procurements without provision in PC-I – Rs 2.67 million

According to prevailing procedure and guidelines of Planning & Development Department, the expenditure on Development Schemes/ Projects may be carried out as per approved PC-I.

During audit of office of the Project Director, Special Development Package, Khairpur, for the year 2011-12, it was observed that the expenditure of Rs 2.67 million incurred on various purposes as per details given below without provision in PC-I. The amount was also not included in the Project other charges and Project management cost:

(Rupees in millions)

Sr. #	Particulars	Para #	Amount
01	Remuneration of staff/consultant	02	2.20
02	Electricity charges	05	0.27
03	Purchase of furniture	08	0.20
Total			2.67

The following irregularities were also noticed in payment of remuneration of staff and consultant:

1. The payment was made from various schemes / projects without PC-1 Provisions.
2. The payment of salary from contingency head reflected misclassification and reflected undue favour.
3. The TORs were not produced to verify the purpose of appointment of project staff.
4. The payment was made without approval of Finance Department.
5. The bills were prepared / passed without authentication of project staff.
6. The acknowledgement of payments was not produced to audit.
7. The appointments orders, medical certificate, and other appointment related record was not produced to audit.
8. The monitoring / progress / inspection reports were not produced to verify the work of the project staff.
9. The evidence of income tax deducted and paid was not produced to audit.

10. The POL of Rs 30,700 was paid to Project Officer from veterinary schemes without justification. The logbook and petrol consumption account was not produced to audit.

The irregularity was pointed out 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 justification of expenditure without provision in PC-I besides fixing of responsibility on person(s) at fault.

4.4.9 Unauthorized award of work without fair competition – Rs 2.31 million

As per paragraph 6.3.2.2 PC-I, Page No.09, “Methodology for land development, the project provides for carrying out the land development activities by involving outer source. The works of land development as are in very small quantity will be awarded by calling tenders on package system approved by the competent authority. The package will be prepared by the divisional forest officer mentioning the location of forest, accessibility , items wise details of work , specifications etc. these packages will be approved by the competent authority will be awarded after calling tenders by making wide publicity either through forest staff or by issuing the notices”. As per policy the bidder offering the lowest rates would be awarded works.

During audit of office of the Project Director, Special Development Package Khairpur for the year 2011-12, it was revealed that consultancy work of Rs2.305 million was awarded to 2nd lowest bidder, M/s Umar Munshi Associates for the work “Rehabilitation of Veterinary Hospitals in District Khairpur”. The record revealed that the 1st lowest bidder, M/s Shahzad Associates who quoted rate of 1.95% of the project cost as consultancy charges was ignored and 2nd lowest M/s Umar Munshi Associates was awarded the contract against actual quoted rate of 2.4% of the project cost. The record also revealed that local office later bargained the rates offered with the 2nd lowest from quoted 2.4% to 1.90%, the 1st lowest bidder was not included in the negotiation. This reflected that undue favour was extended to the contractor, whereas the non-transparent award of contract was mis-procurement under the rules. Reasons for ignoring the 1st lowest bidder was not provided to audit

The irregularity was pointed out 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 justification of unauthorized award of work besides fixing on person(s) at fault.

AIR#04

4.4.10 Irregular expenditure under Rescue & Relief Fund – Rs 28.47 million

Rule 25 of Sindh Financial Rule Volume-I, states that “every voucher should also bear, or have attached to it, an acknowledgement of the payment, signed by the person by whom or in whose behalf the claim is put forward. No payment will be made in the absence of the necessary acknowledgement”. Para-113 of Sindh Financial Rules Vol-I, states that “all materials received should be examined, counted, measured or weighted as the case may be, when delivery is taken, and they should be taken in charge by a responsible Government Officer who should see that the quantities are correct and their quality is good, and record a certificate to that effect.”

During audit of expenditure under Rescue & Relief Fund incurred by office of the Deputy Commissioner, Ghotki for the year 2011-12, it was revealed that expenditure of Rs28.47 million was incurred on various procurements/hiring services without observance of following codal formalities:

- i. Requisition/indent was not obtained.
- ii. Sanction order were not available.
- iii. Details of utilization of medicine not produced to audit.
- iv. Video filming not produced.
- v. Acknowledgment receipt not obtained from suppliers.
- vi. Rs1.70 million paid to deceased persons, but details not produced to audit.
- vii. Purchase of ration bags worth Rs7.442 million was made but utilization report was not produced to audit.
- viii. Income tax Rs260,487 was not deducted and vouchers of Rs5.313 million was not produced to audit.

- ix. Purchase of machinery Rs6.00 million was made without inviting tender, stock register not maintained, and acknowledgment receipt not obtained.

The irregularity was pointed out to the department in May 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 justification of irregular expenditure besides fixing of responsibility on person(s) at fault.

4.4.11 Non-deduction of sales tax/income tax – Rs 8.08 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 Rs 350,000 to Rs 2,250,000, respectively.

During audit of the following offices of Board of Revenue, it was observed that sales tax and income tax was not deducted causing loss of Rs 8.08 million to government. Sales tax invoices were not available. The details are as under:

(Rupees in million)					
Sr.#	Name of Office	Para #	Tax not recovered	Year	Amount
01	DC, Khairpur	8, 18, 16, 13, 32, 29, 23, 36 & 38	Sale Tax	2011-12	1.84
02	DC, Ghotki	8 & 10	Sale Tax		1.70
03	Secretary Land Util. Hyd.	06	Income Tax	2012-13	2.14
04	Director Survey and & Settle. Hyd.	05	Sales Tax	2012-13	2.40
Total					8.08

The irregularity was pointed out to the department in May 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 recover of the amount besides fixing responsibility on person(s) at fault.

4.4.12 Non adjustment of advances - Rs48.78 million

Para-668 of Federal Treasury Rules Volume-I states 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 accounts record of following offices of Sindh Board of Revenue for the year 2011-12, it was observed that the an amount of Rs48.78 million was paid in advance to various DDOs on account of purchase of mobile oil, petrol etc but the adjustment of the same were not produced to audit for scrutiny.

(Rupees in millions)

Sr. #	Name of Office	Particulars	Para #	Amount
01	DCO, Tando Allahyar	Paid on 6/9/11 & 14/9/11 to Assistant Mukhtiarkar, Tando Allahyar.	19	0.08
		Paid on 5/9/11 to Asst. Mukhtiarkar,.	19	0.04
		Paid on 5/9/11 & 15/9/11 to Assistant Mukhtiarkar, Jhando Mari.	19	0.08
02	EDO (Revenue), Tando Allahyar	Paid in cash to Asst: Mukhtiarkar of Tando Allahyar, Chamber, Jhando Mari vide Chq No. 875021 dt: 13/10/11.	19	0.30
03	DDO (Revenue), Chambar	Paid for POL & hiring charges of excavator vide chq No. 875021 dt:10/10/11.	19	1.00
04	DC, Khairpur	Relief and Rescue Operation	02	10.00
05	DC, Khairpur	Paid to Mukhtiarkar Mirwah on account of purchase of POL	09	0.19
06	DC, Khairpur	Paid to IBA Campus	26	36.29
07	DC, Tando Allahyar	Paid to M/s Hassan Kiryana for supply of ration bags.	08	0.80
Total				48.78

The irregularity was pointed out to the department during May and 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 immediate adjustment of the advances besides fixing of responsibility on person(s) at fault.

4.4.13 Doubtful expenditure on relief and rescue – Rs 8.40 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 Relief & Rescue Funds spent by following offices for the year 2011-12, it was observed that an expenditure of Rs 8.40 million was incurred on POL, repair of vehicle, food, beverages items, etc., (as per details given below) rather than medical facilities, camps, and other items relevant to rescue work of rain affectees

(Rupees in millions)

Sr. #	Name of office	Particulars	Para #	Amount
1	DCO, Mithi	POL, repair of vehicle,	02	1.09
2	-do-	food and beverage items	04	0.37
3	Dist. Mirpurkhas.	Various items purchased	-	6.94
Total				8.40

The matter was pointed out to the department in May 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 justification of irregular expenditure besides fixing of responsibility on person(s) at fault.

4.4.14 Un-justified procurement and allocation of vehicles –Rs13.90 million

According to Rule-23 of General Financial Rules, Vol-I “every government officer should realized fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”. According to PC-I of Automation of Stamps & Registration the vehicle Toyota Corolla Car was allowed to Project Director.

During the audit of following offices of Sindh Board of Revenue, for the year 2011-12 and 2012-13, it was noticed that expenditure of Rs13.90 million was incurred on account of procurement of new vehicles.

Rupees in million					
Sr. #	Office	Particulars	Year	Para #	Amount
01	Program Coordinator Landless Harees Program Karachi	Procurement of vehicles and allowing vehicle to Technical Assistant	2008-09 to 2012-13	02 & 09	7.61
02	Member RS&EP (Automation of Stamps & Registration Phase-I)	Used by member RS&EP, Board of Revenue as POL was procured in Karachi, where as main office of project was in Hyderabad.	2012-13	01	3.50
03	Deputy Commissioner Matiari	Un-authorized expenditure on purchase of vehicles	2011-12	19	2.79
Total					13.90

In this regard the following irregularities were noticed:

- i. The Technical Assistant was appointed from 06/03/2010 to 05/03/2011, whereas vehicle was procured during January 2012 without physical availability and handing over taking over.
- ii. Almost all POL was procured in Karachi, despite the fact that the main office of project was in Hyderabad, thus audit hold the opinion that the vehicle was procured and being used by

member RS&EP board of revenue instead of project activities as there was no physical availability and handing over taking over.

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 justification of irregular expenditure besides fixing of responsibility on person(s) at fault.

4.4.15 Irregular payment of project allowance – Rs6.12 million

As per letter FD/(SR-III)5/29-2008(B) dated: 16/2/2009 the project allowance was allowed to officials working in projects or programs subject to fulfilling given conditions:

- The project allowance was required to be allowed to those projects having more than Rs 500 million cost.
- The appointment of full time Project Director was mandatory.
- The program/project was required to process and approved through competent forum i.e. P&D department Government of Sindh.

During audit of office of the Program Coordinator Landless Harees Program for the year 2012-13, it was observed that expenditure of Rs 6.12 million was incurred on account of payment of project allowance. The cost of project was more than 500 million. The following irregularities were noticed:

- i. The project allowance was required to be allowed to those projects having more than Rs 500 million cost, but the local office could not prove this condition as no PC-I was available as necessary provision of such was given in PC-I.
- ii. The appointment of full time Project Director was mandatory for payment of project allowance, but in such case no Project Director was appointed nor provision of the appointment was made.
- iii. The approved Job Description of officers/officials was neither available nor provided for authenticity.
- iv. Important record and basic details of activities was not available.

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 recovery of project allowance besides fixing of responsibility on person(s) at fault.

Para # 05

4.4.16 Irregular expenditure on a non-scheduled item – Rs2.69 million

As per Sr. No.4 of the Schedule of rate (composite) for finished items of work, 1996 “The non-schedule item costing upto Rs 1,000 should be sanctioned by the concerned Superintending Engineer and the items exceeding Rs 1,000 must be got approved and sanctioned by the Chief Engineer”,.

During the audit the office of the Project Director, Special Development Package, Khairpur for the year 2011-12, it was observed that an expenditure of Rs2.69 million was incurred on non-scheduled items without obtaining approval and sanction of competent authority on work “Rehabilitation of RHC Faiz Ganj” by M/s G.S. Construction against item of work “P/L Floor Verona Marble Tiles (24” x 12” x 3/4”) – 13183 sq.ft. @ Rs 204 Per Sq.ft. The rate analysis duly sanctioned by the competent authority was also not provided to audit.

The irregularity was pointed out 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 justification of expenditure on non-schedule items besides fixing responsibility on person(s) at fault.

AIR-10

4.4.17 Excess payment due to miscalculation – Rs 3.29 million

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

officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During the audit of the office of the Project Director, Special Development Package, Khairpur for the year 2011-12, it was observed that an amount of Rs3.29 million was paid by way of miscalculating the amount against the quantity executed for the item of work; “Rehabilitation of City Roads of Khairpur including side drains by M/s Umer Jan & Co.” and the item of work “Part B – Masonry Structure – Making & fixing grating in opening includes fixing at site with flat for 2”x3/8” and 3/4” at center to center”. The payment was made without proper pre-audit checks which resulted in undue favour to the contractor. Chances of misappropriation by the contractor and concerned staff could not be ruled out. Moreover, the department has no remedy in the form of security deposit as it was refunded to the contractor before this recovery could be made.

The irregularity was pointed out 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 recovery of excess payment besides fixing of responsibility on person(s) at fault.

AIR-15

4.4.18 Non-imposition of penalty upon contractors – Rs59.17 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 the audit of the accounts record of the office of the Project Director, Special Development Package, Khairpur, for the year 2011-12, it was observed that the works awarded to various contractors were not completed within stipulated date, and the same were still in progress/completed after due date of completion. Bu the penalty of Rs59.17 million was not imposed upon the contractors. The details are as under:

Rupees in million

Sr. No.	Name of work	Stipulated date of completion	Work status as on audit completion date (02.04.2013)	Cost of Work	Amount 10%
1	Rehabilitation of Road Thari Mir Wah to Pir Wasan	28.09.2012	In progress	90.34	9.03
2	Rehabilitation of city Road	11.07.2012	In progress	42.01	4.20
3	Costruction of gymkhana	15.02.2011	In progress	186.25	18.63
4	Construction of Bilawal Bhutto Park khairpur	23.08.2010	In progress	70.27	7.03
5	Construction of public park at Kotdigi	20.11.2009	In progress	25.49	2.55
6	Construction of bus terminal of old bus stand Khairpur	31.08.2010	In progress	120.15	12.02
7	Construction of Syed Ramzan Ali Shah Trade Centre Khairpur	08.09.2009	In progress	57.17	5.72
Total					59.18

The irregularity was pointed out 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 recovery of penalty besides fixing responsibility on person(s) at fault.

AIR-20

4.4.19 Excess expenditure without revising the estimate – Rs34.67 million

As per Para-532 of Public Works Department Manual Vol-I, “A revised estimate must be submitted when a sanctioned estimate is likely to be exceeded by more than 5 per cent”.

During the audit of office of the Project Director, Special Development Package, Khairpur for the year 2011-12, it was observed that payment of Rs34.67 million was made in excess of permissible limit of 5% against the estimate. The execution without approval of revised estimates was irregular. The details were as under:

(Rupees in millions)

Sr. #	Name of work	Estimated cost of Work	Actual cost incurred	% in excess	Amount
01	Rehabilitation of various roads Khairpur (Kotlalloo to Akro by M/s Friends Enterprises – 8 th RA Bill	108.93	124.14	13.95%	15.21
02	Rehabilitation of various roads Khairpur (ThariMirwah to PirWassan by M/s Friends Enterprises – 8 th R.A. Bill	91.41	104.58	14.40%	13.17
03	Construction of Bus Terminal of Old Bus Stand Khairpur by M/s Asif & Co.	120.16	126.45	5.24 %	6.29
Total					34.67

The irregularity was pointed out 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 regularization of expenditure besides fixing of responsibility on person(s) at fault.

AIR-24

4.4.20 Excess consumption of Bitumen – Rs18.38 million

As per Clause 38 of the Contract Agreement “The quantities shown in the tender are approximate and no claim shall be entertained for quantities of work executed being 30% more or less than those entered in the tender or estimate”;

During the audit of the accounts record of the office of the Project Director, Special Development Package, Khairpur for the year 2011-12, it was observed that an excess consumption of bitumen of Rs18.38 million was made than the standard/due quantity as required under the rules.

The irregularity was pointed out 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 recovery of excess payment than due besides fixing responsibility on person(s) at fault.

AIR-30

CHAPTER-5

CHIEF MINISTER'S SECRETARIAT

5.1 Introduction

Chief Minister's Secretariat is a part of Organs of state which are strategic units of the government. Each 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.

This consortium consists of Chief Minister's Secretariat, 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);

- (a) Sindh Provincial Assembly.
- (b) Governor House/Secretariat.
- (c) Chief Ministers Secretariat.
- (d) Provincial Ombudsman.
- (e) Universities

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.

5.2 Comments on the Budget and Accounts (Variance Analysis)

The CM's Secretariat consists of 07 formations (DDOs), out of which 05 formations were selected and audited during the Audit Year 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess) / Savings
2,474.75	534.26	3,009.01	2,311.31	697.70

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs697.70 million was observed which was not surrendered in time.

5.3 Brief comments on the compliance of PAC directives

No para pertaining to Chief Minister's Secretariat was printed in the previous year's audit reports.

5.4 AUDIT PARAS

5.4.1 Non-production of record

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

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

During audit of accounts record of various universities and boards of education for the year 2011-12 and 2012-13, various auditable record amounting Rs1,537.79 million was not produced to audit for verification. The details are at Annexure-1 of Chapter-5.

The irregularity was pointed out 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 production of record besides fixing of responsibility on the person(s) at fault.

5.4.2 Non-Recovery of Advances – Rs220.85 million

As per Rule-668 of Central Treasury Rules, “Advances granted under the special orders of the competent authority to officers / officials for department or allied persons needs to 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 needs to be necessary”.

During audit of various universities and boards of education it was revealed that advances of Rs220.85 million were granted for various purposes but the same were not recovered. The details are as under:

Rupees in million

Sr. No	Name of university & Board	Year	Para #	Amount
1	Board of Intermediate and Secondary Education, Hyderabad	2012-13	05	3.17
2	Institute of Business Administration ,Karachi	2011-12	17	167.26
3	Mehran University of Engineering and Technology, Jamshoro	2011-12	01	3.25
4	University of Sindh, jamshoro	2011-12	75	37.16
5	NED university of Engineering and Technology Karachi	2011-12	13	6.90
6	Mehran University of Engineering & Technology Jamshoro	2011-12	35	2.07
7	of Liaquat University of Medical & Health Sciences Jamshoro	2011-12	03	1.04
Total				220.85

The irregularity was pointed out to the Department during December 2012 to 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 immediate adjustment/recovery of advances besides fixing of responsibility on the person(s) at fault.

5.4.3 Irregular payment of leave encashment Rs25.25 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 the audit of various universities and boards of education, it was revealed that an expenditure of Rs25.252 million was incurred on account of irregular payment of encashment of leave salary. The details are as under:

Rupees in million

Sr. No	Name of university and board	Year	Para #	Nature of Irregularity	Amount
1	Board of Intermediate and Secondary Education Hyderabad	2012-13	11	Leave encashment paid to employees who have not completed 30 years of service	2.17
2	NED University of Engineering and Technology, Karachi	2011-12	01	As per University Code Rule 16A (1), regular employees of university in BPS 1 to 22 having at least ten years continuous services shall be allowed leave encashment for one month (30 days) once in a calendar year, subject to the availability of funds. This is the only university in Pakistan which has adopted this procedure. As per Government orders leave can be encashed only in case of non-availing of LPR.	23.08
Total					25.25

The irregularity was pointed out to the Department during the months of June and 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 recovery of irregular payment of leave encashment besides fixing of responsibility on the person(s) at fault.

5.4.4 Un-justified personal loan/advances–Rs8.09 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 the audit of following universities and boards of education it

was revealed that the various personal loan of Rs8.09 million was paid to employees without observing codal formalities. The details are as under:

Rupees in million

Sr. No	Name of institute	Para No	Year	Observation	Amount
1	Board of Intermediate & Secondary Education Hyderabad	06	2012-13	Terms and conditions for loans were not produced to audit. Interest was not charged. Detail of adjustment was not given. Surety bond with guarantees was not obtained	2.54
2	University of Sindh, Jamshoro	93	2011-12	Certificate showing the applicant possesses full proprietary right in the land, Mortgage bond in Form No. 27, Record pertaining to advances given earlier and its recovery Proof of utilization of amount given in advance.	5.55
Total					8.09

The irregularity was pointed out to the Department during the month of 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 recovery of loans besides fixing of responsibility on the person(s) at fault.

5.4.5 Irregular expenditure on maintenance of building-Rs5.03 million

As per para-527 of Public Works Departmental Manual, volume-I, “no work shall begin unless proper detailed design and estimate have been sanctioned, allotment of funds made and order for its commencement issued by the competent authority.”

During audit of Chairman, Board of Intermediate & Secondary Education, Mirpurkhas, for the year 2012-13, it was observed that expenditure of Rs5.03 million was incurred on maintenance of building without observing following codal formalities:

1. The Measurement Book was not maintained.
2. The invoice was not in format of bill for construction / maintenance of building / civil work. The details of items of works were not available on invoices.
3. The contractors engaged were not registered with Government.
4. The estimates were not prepared.
5. The satisfactory work completion certificate was not available on record.
6. The work was executed by issuing advances to the Estate Officer. The expenditure incurred by the officer without observing any single codal formalities.

The irregularity was pointed out in the month of August 2013 but the reply was not received till finalization of this report.

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

AIR-10

5.4.6 Undue favour to the contractors – Rs514.71 million

As per Sindh Public Procurement Rules, 2010;

- (1) No bidder shall be allowed to alter or modify his bid(s) after the expiry of deadline for the receipt of the bids;

Provided that the procuring agency may ask the bidders for clarifications needed to evaluate the bids but shall not permit any bidder to change the substance or price of the bid;

During audit of Sukkur Institute of Business Administration, Sukkur for the year 2012-13, it was observed that the contracts of Rs514.71 million were awarded to the contractors by extending undue favour and without transparent competition. In most of the cases, the contracts were awarded to the favourite parties by obtaining discounts. By this way the 1st lowest bidder was ignored and favourite parties were selected in the tenders. The details are as under:

(Rupees in million)				
S #	Particulars	Original Bid	Rebate	Amount
01	Air conditioning system & ancillary works for Admin Block at SIBA – M/s Haier Pakistan being third lowest – after rebate selected as lowest bidder	9.73	1.20	8.53
02	Construction of Benazir Bhutto Shaheed Institute of Management Sciences, Dadu through M/s Maqbool Ahmed & Co.	498.62	0.89	497.73
03	False Ceiling Work of Admin Block – M/s Thermec Engineering Co. Karachi – 3 rd lowest (the 1 st & 2 nd lowest were rejected without sound reasons – copies attached)	6.63	--	6.63
04	Installation of Car Parking Shed with HR Roofing System at SIBA – 1 st lowest selected without obtaining rebate	1.82	--	1.82
Total				514.71

The irregularity was pointed out in the month of 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 justification for ignoring 1st lowest besides fixing of responsibility on the person(s) at fault.

AIR-01

5.4.7 Payment without tender process - Rs77.91 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 following offices, it was observed that an expenditure of Rs77.91 million was incurred on various works without calling open tenders. The details are at Annexure-2 of Chapter-5.

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 justification of non-tendering besides fixing of responsibility on the person(s) at fault.

5.4.8 Irregular sanction of loans -Rs2.42 million

IBA Karachi has established certain Standard Operating Procedures for operating and maintaining Staff Welfare Fund which is stated as under;

- 10.1. A separate bank account will be maintained and administered by Finance Department.
- 10.2. Finance Department will seek best possible options for investing partial amount of idle funds.
- 10.3. Finance Department shall maintain proper accounting records of Welfare Fund's Bank Account.
- 10.4. Obtain bank statement from the bank and prepares monthly bank reconciliation statements of the Welfare Funds Bank Account.
- 10.5. Finance Department shall prepare monthly, six monthly and annual forecasts of receipts and payments relating to Welfare Fund and asses the excess funds available for investments.
- 10.6. The funds available for investment shall be invested as per investment policy of IBA.

10.7. The Welfare Fund accounts shall be maintained separately in the books of accounts”.

During audit of Institute of Business Administration Karachi, for the year 2011-12, it was observed that loans amounting to Rs2.42 million were sanctioned from Staff Welfare Fund. The following irregularities were noted:

01. Though an account # 015-149000-6016 titled “Employees Welfare Fund” was opened in Faysal Bank Limited IBA Karachi but no transaction was made in this account during the period under audit.
02. No record of payments / sanctions was maintained by the Finance Department except computerized ledger, which was not authenticated by loan sanctioning authority / Internal Auditor. Further, the loan repayments by the employees do not show the date of sanctioning of loan.
03. Due to non-compliance of rules referred above, the sanctioning of loans and its repayments could not be authenticated.

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

AIR-16

5.4.9 Irregular payment on utility charges –Rs129.78 million

According to rule-23 of Sindh Financial Rules, volume-I, every payment including repayment of money previously lodged with Government for whatever purpose must be supported by vouchers setting forth full and clear particulars of the claims.

During audit of following Institutes for the year 2011-12 and 2012-13, it was observed that an expenditure of Rs129.78 million was incurred on payment of utility charges irregularly. Details are as under:

Rupees in million

Sr. No	Name of university	Para #	Year	Remarks	Amount
1	Institute of Business Administration, Karachi	37	2011-12	01. The payments were not reconciled with concerned agencies. 02. Two Photo Stat shops, two Canteens were using the Electricity and Gas but recoveries of the same were made at flat rate that is one rupee per unit instead of on the basis of actual rates. 03. The staff of IBA residing in government accommodation was using electricity without installation of meter and they were also paying at Flat rate that is one rupee per unit.	87.32
2	Sheikh Zayed Islamic Centre Karachi	11,15	2011-12	Recovery was not made from staff residing in government colony as separate meters were not installed.	7.32
3	Shaheed Muhtarma Benazir Bhutto Medical University Larkana		2012-13	Recovery was not made from staff residing in government colony as separate meters were not installed.	35.14
Total					129.78

The matter was pointed out to the department in June 2013. In reply the management of Sheikh Zayed Islamic Center Karachi stated that KESC and Sui Gas authorities have been requested since last two years to install separate meters on each house. The reply was not tenable as no efforts have been made for recovery of utility charges from employees. Reply from other department was not received till finalization of this report.

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

5.4.10 Ad hoc appointments continued for undue period of time-Rs3.88 million

According to *S/No.*, 81 of Chapter II “Recruitment/Appointments, Seniority and Promotions” of ESTA CODE, the maximum period for which an ad hoc appointment will be allowed to continue would be one year including the period of extension. Cases, however, continue to come to notice where either the requisitions were placed very belatedly with the FPSC or the matter was not pursued with the commission, with the result that ad hoc appointment has continued for unduly long period of time. In order to reduce the period of ad hoc appointments to the absolute minimum, it has been decided to:-

“In future, when a post is advertised by a Ministry or Division for the purpose of adhoc recruitment, a requisition to fill the post should simultaneously be placed with the commission.”

During audit of Sheikh Zayed Islamic Centre Karachi it was observed that following Lecturers were working on ad hoc basis for last seven years and payment of Rs3.88 million was made to them as salary in violation of above rules during the period under audit 2006-07 to 2011-12. The details are given as under.

(Rs in million)

S.#	Name	Designation	Period	Amount
1	Syed Abdul Khaliq Bari	Lecturer	02.01.2006 to date	1.94
2	Syed Ghazanfar Ahmed	Lecturer	02.01.2006 to date	1.94
Total				3.88

The matter was reported to the organisation in August 2013. The management in its reply in November 2013 stated that Chairman BoG had extended the above period. The management added that both lecturers had been confirmed and presently no employee was on adhoc basis. The reply is not tenable as adhoc appointment cannot be made beyond one year including extension period. Further, documentary evidence and basis of the confirmation was not provided to audit.

DAC meeting was not held despite pursuance with concerned PAO.

Audit requires justification for irregular continuation of the lecturers appointed on ad hoc basis besides fixing of responsibility on the person(s) at fault.

AIR-10

5.4.11 Short realization of revenue –Rs210.30 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 following universities and boards of education for the years 2011-12 and 2012-13 it was observed that an amount of Rs210.30 million was short realized on account of examination, semester and enrolment fee etc.

Rs in million

SR. No	Name of Institute	Para No	Year	Particulars	Amount
1	Sheikh Zayed Islamic Centre, Karachi	17 & 18	2011-12	examination, semester and enrolment fee etc.	13.75
2	NED University Karachi	17 & 18	2011-12	Fee of Self Finance Scheme	8.18
3	NED University Karachi	32 & 33	2011-12	Admission Fee	1.33
4	Shaheed Muhtarma Benazir Bhutto Medical University Larkana		2012-13	Student Fee (Regular and Self Finance)	62.5
5	Liaquat University of Medical & Health Sciences Jamshoro	11	2011-12	Rent of Shops, Shopping Centers, House rent, electricity and water charges etc	4.94
6	Shaheed Muhtarma Benazir Bhutto Medical University Larkana		2012-13	Fee of Foriegn Students (\$115,500*Rs106)	12.24
7	Shaheed Muhtarma Benazir Bhutto Medical University Larkana		2012-13	Fee of Foriegn Students (1,012,865*Rs106)	107.36
	Total				210.30

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

5.4.12 Less deduction of income/sales tax - Rs10.27 million

According to section 153 (1) (b) of Income tax Ordinance 2001, Every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person for the rendering of or providing of services shall, at the time of making the payment, deduct tax from the gross amount payable 6% of the gross amount payable as specified in Division III of Part III of the First Schedule.

As per Rule 2 of the Sales Tax Special Procedure (Withholding) Rules, 2007, issued from Ministry of Finance, Economics Affairs, Statistics and Revenue, Government of Pakistan vide SRO. 660(I)/2007 dated 30-06-2007 (The above SRO came into force w.e.f. 01-07-2007), “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 universities and boards it was observed that an amount of Rs10.27 million in respect of income tax and sales tax was not deducted on account of payment made to the various payees. The details are as under:

(Rupees in million)

Sr. No.	Name of Division	Taxes not deducted	Para #	Year	Amount
1	Quaid-e-Awam University, Nawabshah	Income Tax	03	2012-13	0.75
2		Income Tax	05	2012-13	0.46
3		Income Tax	24	2012-13	0.06
4	University of Sindh, Jamshoro	Income Tax and Sales Tax	49	2011-12	5.67
5	CM House Sindh, Karachi,	Sale Tax and Income Tax	1 & 8	2011-12	2.46
6	Liaquat University Jamshoro	Sale tax	33	2011-12	0.72
7	Liaquat University Jamshoro	Income tax	32	2011-12	0.15
Total					10.27

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

5.4.13 Non -Recovery of allowances and taxes- Rs510.66 million

I. As per Finance Department Government of Sindh Notification No. FD (Sr-IV)1(12)/77dated 13-05-1977 and Notification No.PA-DS(G)/41133/76 dated 27-07-1977 and No. S.O (INSP) S&GAD/VI (3)/79 dated 20-07-1979”, the Conveyance allowance is an allowance paid to the employee to enable them to reach the office.”

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

III. According to Finance Division (Regulation Wing) office memo # 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.

IV. According to Finance Division Letter No OM No. F.3(3)-R.1/88 Dated 01-07-88 Computer Allowance was enhanced the existing rate of Rs500 to Rs1000 per month w.e.f.1st July 1988, clarification regarding eligibility of computer allowance was issued by Finance Division (Regulation Wing) Islamabad vide their letter No F.5(1)R.5/2011 dated 07 May 2013 that computer allowance is allowed to computer personnel who fulfil the criteria:

During audit of various universities/Institutions for the year 2011-12 to 2012-13, it was observed that various allowances of Rs510.66 million were allowed irregularly. The details are at Annexure-3 of Chapter-5.

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 immediate recovery of allowances besides fixing of responsibility on the person(s) at fault.

5.4.14 Award of work on unapproved PC-I – Rs301.76 million

“Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from government money, as a person of ordinary prudence would exercise in spending his own money.”, according to rule-88 of Sindh Financial Rules, volume-I.

During audit of following universities it was observed that payment of Rs301.76 million was made but the PC-I of the scheme was either not approved or the work was not included in the PC-1. The details are as under:

Rupees in million					
Sr. No	Name of university	Para No	Year	Irregularities	Amount
	Quaid-e-Awam University	28	2012-13	PC-1 of A.D.P scheme	198.00
	Mehran University	24	2011-12	PC-I of Mega-III does not have any provision for construction of administration block but payment was made from Mega-III account	103.76
Total					301.76

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 justification of work on unapproved PC- besides fixing of responsibility on the person(s) at fault.

5.4.15 Excess payment due to excess execution of items of work-Rs15.42 million

According to Clause-38 of Contract Agreement, “The quantities shown in the tender are approximate and no claim shall be entertained for quantities of work executed being 30% more or less than those entered in the tender or estimate”.

During audit of following universities, it was observed that an amount of Rs15.42 million was paid in excess to the contractor over and above the sanctioned estimate in execution of items of work and rate, without change in the specification and design. Furthermore, approval from competent authority was also not got.

Rupees in million

Sr. No	Name of University	Para #	Year	Amount
1	HEJ University of Karachi	08	2011-12	6.11
2	Mehran University of Engineering & Technology Jamshoro	23	2011-12	3.67
3	Mehran University of Engineering & Technology Jamshoro	26	2011-12	2.59
4	Mehran University of Engineering & Technology Jamshoro	30	2011-12	0.54
5	Mehran University of Engineering & Technology Jamshoro	29	2011-12	2.51
Total				15.42

The matter was reported to the department in July 2013. In reply HEJ stated that, As per SPPRA rule no 16 (e), scope of work can be increased or decreased up to 15% of the original contract value, whereas the rule quoted related to the total contract value instead of increase in items of work. It was further replied that on recommendation and approval of Building Advisory Committee, rates were changed; whereas the competency of building advisory committee with reference to government rules and regulations was not provided. No reply was received from Mehran University of Engineering and Technology Jamshoro till finalization of this report.

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

5.4.16 Non-imposition of penalty - Rs6.42 million

As per Clause 2 of the Contract Agreement, time is the essence of work, if the work was not completed within stipulated period a penalty of 10 % of the estimate cost of compensation to the government may be imposed upon the contractor.

During audit following institutes, for the year 2012-13, it was observed that penalty was not imposed for various works which were not completed within the stipulated period of time by the contractor. The 10% penalty of Rs 6.42 million was not imposed upon the contractor.

Rupee in million			
Sr. #	Office	Para #	Amount
01	HEJ Institute of chemistry University of Karachi	09	4.29
02	Third World Centre of Chemicals University of Karachi	06	0.57
03	Sukkur Institute of Business Administration Sukkur	08	1.56
Total			6.42

The matter was reported to the department during July to September 2013. In reply HEJ institute of Chemistry stated that liquidated damages (penalty due to delay in works if justified) will be recovered from the final bills of the Contractors. No reply was received from remaining department.

DAC meeting was not held despite pursuance with concerned PAO.

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

5.4.17 Loss of University property due to unauthorized occupation of land

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 accounts record of University of Sindh, Jamshoro for the year 2011-12, it was observed the University administration failed to protect its land from unauthorized occupation. While discussing this matter with management, it was revealed that land grabbers are actually employees of university besides others. The cost of land cannot be ascertained as demarcation of the land was not provided.

The irregularity was pointed out to the department, but 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 land may be got vacated immediately form illegal occupants besides fixing of responsibility on the person(s) at fault.

AIR#54

5.4.18 Excess payment of pension due to higher rates –Rs60.47 million

Under Finance Division (Regulations Wing) office memorandum no.F.4 (2) R-4/05 dated 13 aug-2005, it has been decided that scheme of revised basic pay scales as well as revised pay scale/ commutation scheme will also be applicable as a package to the employees of autonomous / semi-autonomous bodies and corporations which have adopted the federal government's basic pay scales / schemes / pension scheme in totality.

In case of such organization, the revision in the existing pay scales and allowance of the employees shall be made with the concurrence of finance division after recommendations by the respective board of directors. As per Government rules commutation is admissible @ 35 %,

During audit of accounts record of NED University of Engineering and Technology Karachi for the year 2011-12, it was observed that commutation was paid @ 50% instead of 35%. It was also observed that the calculation of commutation was made on the rates prior to 2001. The details are as under:

Rupees in million

Sr. No	Name of university	Para No	Observations	Amount
1	NED University	06	Commutation was paid @ 50% instead of 35% resulting in excess payment of Rs 52.697	52.70
2	NED University	47	Commutation was calculated on rates prior to 2001	7.77
Total				60.47

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 recovery of excess payment besides fixing of responsibility for payment of commutation at higher rates.

5.4.19 Payment of salary to unauthorized appointed retired employees Rs23.18 million

According to Section 14 of ESTA Code, “A retired civil servant shall not be re-employed under, unless such re-employment is necessary in the public interest and is made with the prior approval of the authority next above the appointing authority. Provided that, where the appointing authority is the President, such re-employment may be ordered with the approval of the President”.

During audit of accounts record of NED University of Engineering & Technology, Karachi for the year 2011-12, it was observed that an amount of Rs23.18 million was disbursed on account of salary to the unauthorized appointed retired employees.

The matter was pointed out 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 justification of the matter besides fixing of responsibility on the person(s) at fault.

AIR-10

5.4.20 Unauthorized payment to insurance company Rs2.93 million

As per rule 10 of General Financial Rules, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. Public moneys should not be utilized for the benefit of a particular person or section of the community.

During audit of NED University of Engineering and Technology Karachi for the year 2011-12, it was observed that an amount of Rs2.93 million was drawn from A/c no 247-0 National Bank of Pakistan to make payment for life insurance.

The payment is held irregular due to following reasons.

1. The caution money is refundable to students which neither was refunded nor was deposited into the government account.
2. The amount was paid for life insurance of the employees which should have been deducted from the employees' salaries
3. An amount of Rs1.00 million was drawn for University Development Working Party UDWP as temporary loan.
4. The adjustment in the relevant account was not made.

The details are under:

(Rupees in million)

Sr. NO	Particulars	To whom paid	Vr.no. & Date	Amount
1	Temporary loan from caution money	M/s EFU life assurance	27/ 26-03-12	1.93
2	Temporary loan from caution money	Univ. dev. working party	29/ 02-04-12	1.00
Total				2.93

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 recovery of loan besides fixing of responsibility on person(s) at fault.

AIR-23

5.4.21 Working strength in excess of sanctioned strength - Rs48.00 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 accounts record of NED University Karachi for the year 2011-12, it was observed that 138 employees were working over and above the sanction strength on various posts and scales. This has resulted into unauthorized payment of salary amounting to Rs28.97 million every month. Details are at Annexure-4 of Chapter-5.

Moreover, 114 employees (01 Assistant Accounts Officer, 31 Khalasi and 82 watchmen) were working against the posts which do not exist. This has resulted into unauthorized expenditure of Rs19.03 million every year.

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 justification for employees working in excess of sanctioned strength besides fixing of responsibility on the person (s) at fault.

AIR-50 & 53

5.4.22 Unauthorized transfer of funds as temporary loan - Rs134.50 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 accounts record of NED University of Engineering and Technology Karachi for the year 2011-12 it was observed that funds from the endowment fund amounting to Rs134.50 million were transferred as temporary loan to recurring account. It is pertinent to mention that the endowment fund is only used for investment in order to earn profit and the same profit may be used for education or research purpose. The details are given as under.

(Rupees in million)

S. No	V. No.	Date	Bank Account	Description	Amount
1	401	7.7.11	106561 (sultan Qaboos)	Transferred to recurring account No: 138-1 temporary loan	18.00
2	421	26.9.11	106561 (sultan Qaboos)	Transferred to recurring account No: 138-1 temporary loan	12.00
3	448	23.12.11	106561 (sultan Qaboos)	Transferred to recurring account No: 138-1 temporary loan	12.00
4	657	7.7.11	Most Endowment Fund Account	Transferred from Askari Bank A/C# 0044-6 to recurring account No: 138-1 temporary loan	71.50
5	677	26.9.11	Most Endowment Fund Account	Rs9,000,000 transferred from Askari Bank A/C# 0044-6 and Rs9,000,000 from NBP A/C# 6638-4 to recurring account No: 138-1 temporary loan	18.00
6	696	23.12.11	Most Endowment Fund Account	Transferred from NBP A/c# 6638-4 to recurring account No: 138-1 temporary loan	3.00
Total					134.50

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 justification for unauthorized transfer of funds besides fixing of responsibility on the person(s) at fault.

5.4.23 Irregular expenditure from Endowment Funds - Rs12.68 million

According to rule-23 of Sindh Financial Rules, volume-I, every payment including repayment of money previously lodged with Government for whatever purpose must be supported by vouchers setting forth full and clear particulars of the claims.

During audit of accounts record of NED University Karachi for the year 2011-12, it was observed that an amount of Rs12.68 million was incurred in excess of profit received. The following observations were also noted.

1. The principal amount received and invested so far on account of endowment fund was not known.
2. The expenditure incurred in year was more than the profit received which shows that principal amount might have been drawn and spent as an expenditure
3. Details regarding purpose of establishment of endowment fund and for what purpose the profit may be utilized as expenditure was not furnished. (Details are given below)

(Rs in millions)

Account #	Profit received	Expenditure	Excess
6638-4	6.98	12.73	5.75
106561	0.27	7.20	6.93
Total	7.25	19.93	12.68

The matter was pointed out 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 into the matter besides fixing responsibility on the person(s) at fault of expenditure from endowment fund.

AIR-58

5.4.24 Undue high salary from endowment fund - Rs9.27 million

As per para 10 of General Financial Rules, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. Public moneys should not be utilized for the benefit of a particular person or section of the community.

During audit of accounts record of NED University of Engineering and Technology Karachi for the year 2011-12, it was observed that an amount of Rs9.27 million was paid as salary to 2 professors appointed on contract basis for computer teaching from endowment fund. Following irregularities were observed:-

- 1 Posts were not advertised in newspapers for competition.
- 2 Both the professors were allowed salary Rs800,000 and 375,000 per month.
- 3 2 Return tickets from Karachi to Sweden and New York were also allowed annually.
- 4 Facility of accommodation and vehicles with POL was also allowed.

Details are as under:

Name & Designation	Salary per month	(Rupees in million)	
		Total months	Total salary
Dr. Qamar-ul-Wahab (Professor Sultan Qaboos, I.T. Chair)	795.33	6	4.77
Dr. Shamsul Haq, Visiting Professor	375.00	12	4.50
Total			9.27

The matter was pointed out 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 justification of irregular payment besides fixing responsibility of irregular payment.

AIR-60

5.4.25 Unauthorized retention of funds into DDO account–Rs120.38 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 offices for the years 2011-12 & 2012-13, it was noticed that an amount of Rs120.38 million was realized on account of

Income tax, GST, SST and Stamp duty etc., but same was kept in DDO account rather than in Government treasury account. The details are as under:

(Rupees in million)

Sr. #	Year	Para #	Bank a/c (NBP)	Particulars	Amount
Provincial Coordinator Benazir Bhutto Shaheed Youth Development Program (BBSYDP) C.M Secretariat					
01	2012-13	18	3116-6	Income Tax	0.43
			3045-2	Income Tax	2.18
			3045-2	General Sales Tax	0.06
			3045-2	Sindh Sales Tax	0.20
			3116-6	Stamp Duty	0.01
02	2011-12	5	-	Income tax	0.27
03	2011-12	6	-	Sales tax	0.13
04	2011-12	7	-	Stamp duty	0.57
05	2011-12	1 & 3	-	Various Heads	111.50
Sub-Total					115.35
Japan Social Development Funds (JSDF) under BBSYDP Chief Minister's Sindh Secretariat					
06	2012-13	4.1.3	Income Tax & Sales Tax		1.20
07	2012-13	4.1.4	-	Income Tax	3.83
Sub-Total					5.03
Grand Total					120.38

The regularity pointed out 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 immediate deposit of amount into government treasury besides fixing responsibility on the person(s) at fault.

CHAPTER-6
COAL ENERGY DEPARTMENT

6.1 Introduction

Coal & 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.

6.2 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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
0	0	0	2.02	(2.02)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs2.02 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	% of compliance made
8	1	7	14

Audit Reports for the year 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 8 paras were discussed in respect of Coal and Energy Department. The department made compliance of 1 para and 7 paras were left unattended. The percentage of compliance comes to 14%.

6.4 AUDIT PARAS

6.4.1 Non-production of record

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

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

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

During audit of following offices of Coal and Energy Department, Government of Sindh, for the year 2012-13 it was observed that auditable record as detailed below was not produced to audit for verification.

(Rupees in million)

Sr. No	Name of offices	Description	Para #	Amount
1	Secretary Coal and Energy Department	Non production of record of expenditure of Rs 251.94 million	10	251.94
2	Director General Sindh Coal Authority, Karachi	Non-production of record of payment of electricity	02	5.15

The irregularity was pointed out to the department in November 2013. The management in DAC meeting held on February 12, 2014 informed the DAC that Rs30.930 million were released to Thar Coal & Energy Board (TCEB); whereas, Rs29.500 million and Rs191.511 million were released to Sindh Coal Authority as a single line grant for monthly salaries, operational expenditures and repair/maintenance of RO plants. The management added that audit of accounts of Sindh Coal Authority has been conducted by a team of office of the DG Audit Sindh from 18-07-2013 to 22-07-2013; whereas, the audit of accounts of TCEB was awaited. The DAC directed the management

to get the position of already completed audit of accounts against release of funds Rs29.500 million and Rs191.511 million verified from Audit. The DAC also directed that the audit of accounts of Thar Coal & Energy Board be expedited. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for submission of record for scrutiny.

6.4.2 Non-deduction of income tax – Rs2.88 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 2012-13, it was observed that an amount of Rs 48.00 million was paid to a contractor as advance as detailed below, but the income tax @ 6% amounting to Rs2.88 million was not deducted at the time of making payments resulting in loss of revenue to the Government.

(Rupees in million)

Sr. No.	Cheque No.	Particulars	Contractor's Name	Amount of bill	Amount of income tax
1	069079 10-06-2013	For operation and maintenance of 29 RO plants	M/s Pak Oasis Industries (Pvt) Limited.	48.000	2.88
Total					2.88

The irregularity was pointed out to the department in November 2013. The management in DAC meeting held on February 12, 2014 informed that due amount of income tax amounting to Rs5.040 million has been deducted from the payment to contractor against net expenditure of Rs81.289 million on account of operation & maintenance after excluding POL charges, which was not taxable. The management added that 3rd bill amounting to Rs48.00 million on account of POL charges did not require tax deduction. The DAC settled the Para subject to verification of the recovery/deposit of the due amount of tax. However, progress. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for supply of record for scrutiny.

AIR -01

6.4.3 Non-realization of electricity duty – Rs1, 369.59 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 following offices of Coal and Energy Department, Government of Sindh for the year 2012-13, it was observed that the electricity duty of Rs1,369.59 million from different entities was not realized, which was a loss to the Government. The details are as under.

(Rupees in million)

Sr. #	Name of office	Particulars	Para #	Amount
1	Electric Inspector, Karachi Region-I & II	Government dues from Licensee, M/s KESC Ltd, Karachi	01	1,368.86
		Govt. dues from Non-Licensees	02	0.34
2	Electric Inspector, Hyderabad	M/s Lucky Cotton	01	0.18
		M/s Al-Muqheet Textile Mills	02	0.12
		M/s Deewan Mushtaq Textile Mills	03	0.09
Total				1,369.59

The matter was pointed out to the department in July and Sep 2013. The DAC in its meeting held on February 12, 2014 directed the management to furnish working papers in respect of the audit observation to discuss the matter in a subsequent meeting. However, progress was awaited till finalization of this report.

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

CHAPTER – 7

COOPERATION DEPARTMENT

7.1 Introduction

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

7.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 41 formations (DDOs), out of which 3 formations were selected and audited during the Audit Year 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
231.52	51.76	283.28	243.90	39.38

The department was unable to control the expenditure as per allocated budget, as a result savings of Rs 39.38 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
10.00	5.00	2.00	3.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs3.00 million was observed.

7.3 Brief comments on the compliance of PAC directives

No para pertaining to Cooperation Department was printed in the previous year's audit reports.

7.4 AUDIT PARAS

7.4.1 Non-production of record

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

- (1) 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.
- (2) Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

During audit of Secretary Cooperation Department, for the year 2012-13, it was revealed that record of Rs. 22.98 million of salary and non-salary component as per revised budget estimate was not produced to audit.

The irregularity was pointed out to the Department, but 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 for not providing the same in violation of constitutional provisions.

CHAPTER – 8 CULTURE, TOURISM & ANTIQUITIES DEPARTMENT

8.1 Introduction

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

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

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

8.2 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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
971.10	0	971.10	624.24	346.86

The department was unable to control the expenditure as per allocated budget, as a result savings of Rs 346.86 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
-	163.00	27.00	136.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs 136.00 million was observed.

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	% of compliance made
18	18	0	100

Audit Reports for the year 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 18 paras were discussed cumulatively in respect of Culture Department. The department made compliance of all 18 paras. The percentage of compliance comes to 100.

8.4 AUDIT PARAS

8.4.1 Non-production of record

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

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

During audit of office of the Director Planning, Implementation, Monitoring & Evaluation Cell, Culture Department, Karachi for the year 2012-13, the auditable record of Rs13.21 million as detailed below was not produced to audit for examination.

- Total establishment & other cost at Clifton Kar. – Rs5.000 million.
- The record of Sindh Indigenous Traditional Crafts Company SITCO.
- The dues of machinery/equipments/books etc. Against contractors.
- Details and deposit of receipt challans.
- Protection, Preservation and Promotion of Archaeological Sites including;
 - Monuments in Sindh – Rs2.95 million.
 - Moen Jo Daro – Rs2.70 million.
 - Makli Hill Monuments – Rs1.93 million.
- Complete record of capital/civil work carried out by local office.
- Improvement of Sindhi Language Authority – Rs0.63 million.

The matter 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 production of record besides fixing responsibility on the person(s) at fault.

AIR-16

8.4.2 Irregular expenditure on purchase of machinery & equipment– Rs18.43 million

According to Rule-113 of S.F.R. Volume-I, all materials received should be examined, counted, measured or weighed as the case may be, when delivery is taken, and they should be taken incharge by a responsible Government Officer who should see that the quantity is correct and their quality is good and record certificate to that effect.

During audit of office of the Director Planning, Implementation, Monitoring & Evaluation Cell, Culture Department, Karachi for the year 2012-13, it was observed that an expenditure of Rs18.43 million was incurred on account of purchase of machinery and equipments. Following irregularities were noticed:

- i. The purchases were not accounted for in relevant stock register.
- ii. The NOC for those libraries under work by STEVTA was not attached with case file.
- iii. The procurement was made prior to completion of civil work/construction which showed that the purchases were made without genuine requirement and avoiding laps of funds.
- iv. The income tax and sales tax registration certificates were also not attached with case file.

The matter 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 regularization of the expenditure besides fixing responsibility on the person(s) at fault.

AIR-5

CHAPTER – 9

EDUCATION DEPARTMENT

9.1 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 and by an EDO Education at district 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) Technical Education Department
- (ii) Bureau of Curriculum and Extension Sindh
- (iii) Literacy and Non-Formal Education Sindh
- (iv) Provincial Institute for Technical Education Sindh.

9.2 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 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
108,402.99	6125.15	114,528.14	95,481.30	19,046.84

The department was unable to control the expenditure as per allocated budget, as a result savings of Rs 19,046.84 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
486.00	251.00	253.00	(2.00)

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	per cent of compliance made
46	33	13	72

Audit Report for the year 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 46 paras were discussed in respect of Education & Literacy Department. The department made compliance of 33 the paras. The percentage of compliance made was 72

9.4 AUDIT PARAS

9.4.1 Non-production of record

As per Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001; The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition. Further any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During audit of the offices of Education Department for the year 2012-13, it was observed that auditable record of Rs1,491.41 million pertaining to pay and allowances, vouchers, appointments was not produced to audit. Details are at Annexure-1 of Chapter-9.

The irregularity was pointed out to the Department in months January 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 production of record, besides fixing of responsibility against the person(s) at fault.

9.4.2 Excess stipend paid to the trainees- Rs26.72 million

According to the objective of the "Benazir Bhutto Shaheed Youth Development Program (BBSYDP) Manpower & Training Wing"

1. To train human resources in Sindh to cater to the needs of public and private sector in local and international markets.
2. To provide stipend to various categories of unemployed educated youth, with a view to provide them some income.

During audit of the office of Project Director, Benazir Bhutto Shaheed Youth Development Program (BBSYDP) Manpower & Training Wing (STEVTA), Karachi (Training Phase-IV) for the year 2012-13, it was observed that an amount of Rs26.72 million was excess paid on account of stipend to the

trainees. According to completion report Rs23.78 million was due for 1,585 trainees @ Rs 2,500 per student for 6 months but an amount of Rs 50.50 million was actually paid.

The irregularity was pointed out to the Department during 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 excess amounts may be recovered besides fixing the responsibility on the person(s) at fault.

AIR-35

9.4.3 Irregular payment of project allowance-Rs1.31 million

As per notification issued by Finance Department, Government of Sindh vide No. FD (SR-III) 5-85/ 2012 dated 18th May-2012, “The project allowance was discontinued with immediate effect.”

During audit of the Project Director, Benazir Bhutto Shaheed Youth Development Program (BBSYDP) Manpower & Training Wing (STEVTA), Karachi (Training Phase-IV) for the year 2012-13, it was observed that project allowance of Rs1.31 million was paid to various officers/ officials despite discontinuation of such allowance by government since May-2012.

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 excess amounts may be recovered besides fixing the responsibility on the person(s) at fault.

AIR-07

9.4.4 Difference in Cash Book and Bank Statement-Rs46.76 million

As per Rule 77 treasury rules, every officer, receiving money on behalf of the government, shall maintain a cash book in form T.R.4 all monetary transaction occurred should be entered in the cash book. The heads of the office should verify the totalling of the cash book or have this done by some responsible office / officer other than the writer of the cash books.

During the audit of Sindh Education Foundation for the year 2012-13, it was observed that difference of financial transactions of Rs46.76 was occurred between cash book and bank statements without any justification. The detail is as under:

(Rupees in million)

Sr. No.	Account Number	Bank	Cash Book Balance	Bank Statement figure	Difference Amount
01	1019-0118-003630-01-6	NBP, Clifton Branch	48.78	4.68	44.10
02	1019-0118-003726-01-1	NBP, Clifton Branch	2.81	0.15	2.66
Total					46.76

The matter was pointed out to the department in the month of 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 justification on variances between cash book and bank statements besides fixing the responsibility on the person(s) at fault.

AIR- 09 & 11

9.4.5 Un-authorized expenditure from non-government fund-Rs1.55 million

As per Para 2 of order No.EDU(B&A)1-I-1/89 dated: 13-04-2009 issued by Education Department, Government of Sindh, "Only essential and unavoidable item should be taken in hand in order of priority in cases where government funds under 410-Education head or sub-head classified object are not available."

During audit of Principal, Sindh Madressatul Islam College/ University, Karachi of Education Department for the year 2011-12, it was observed that an amount of Rs1.55 million was un-authorized utilized on various head of accounts from students' non-government funds in violation of above instructions. The detail is as under:

(Rupees in million)

Sr. #	Name of Office	AIR #	Expenditure incurred	Amount
1	Principal, Sindh	20	Advertisement charges	0.16
2	Madressatul Islam College/ University, Karachi	06	Stationery, printing, TA/DA & medical reimbursement	1.39
Total				1.55

The irregularity was pointed out to the Department in the months March to 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 justification of improper utilization of Non-Government funds, besides fixing responsibility for unauthorized expenditure.

9.4.6 Working strength above sanctioned strength - Rs39.91 million

As per Services and General Administration Department letter # 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 derailment basis on any other place other than their original place of posting".

During audit of the following offices of Education Department, for the year 2011-12 & 2012-13, it was observed that an amount of Rs39.91 million was paid on account of pay and allowances to teachers/lecturers working in excess to the sanctioned strength without approval of the competent authority. The detail is as under:

(Rupees in million)

Sr. #	Name of Office	Para #	Sanction strength	Working strength	Excess Posts	Amount
1	Govt. Dehli College, Karachi	2	-	-	03	5.76
2	Government Shah Latif Girls College, Latifabad # 06, Hyderabad	1	-	-	19	3.97
3	Govt. Girls College Hyderabad	1	Grade 18- 25 17- 66	Grade 60 96	Grade 35 30	3.80
4	Govt. Ghazali College Latifabad No.11, Hyderabad 1	1	08	12	04	3.46
5	Govt. Degree College Tando Jam	3	47	72	25	11.99
6	Govt. Degree College, Tandojam	1 & 2	29	30	01	10.22
7	Govt. SachalSarmast Commerce College, Hyd.	5	13	14	01	0.54
8	Government Boys Degree College, Matiari	1	-	-	03	0.17
9	Govt. Boys Degree College Sakrand	5	60	64	4	0.00
Total						39.91

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 justification for excess payment besides fixing of responsibility on the person(s) at fault.

9.4.7 Excess payment on trainings of students - Rs1.05 million

According to the objective of the “Benazir Bhutto Shaheed Youth Development Program (BBSYDP) Manpower & Training Wing”

1. To train human resources in Sindh to cater to the needs of public and private sector in local and international markets.
2. To provide stipend to various categories of unemployed educated youth, with a view to provide them some income.

During audit record of office of Project Director, Benazir Bhutto Shaheed Youth Development Program (BBSYDP) Manpower & Training Wing (STEVTA), Karachi (Training Phase-IV) for the year 2012-13, it was observed that an amount of Rs1.05 million was excess paid on account of 1,332 trainees @ Rs300 each. The detail is as under:

(Rupees in million)

Particulars of transaction	Amount
Amount Released	1.000
Payment amount sanctioned for claim	0.77
Actual due payment for 1332 trainees @ Rs300 each	0.40
Excess retained in DDO Account	0.23
Excess payment booked	0.37
Extra demand made	0.45
Total excess amount against work executed	1.05

The irregularity was pointed out to the Department in the months from March, 2013 to 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 justification of excess payment besides fixing the responsibility upon person(s) at fault.

AIR-36

9.4.8 Irregular expenditure without open tenders - Rs98.99 million

As per condition of contract clause (12) SPPRA circulated vide NO. SORI (SGA&CD) 2-30/2010 dated 8th March, 2010. Limitation on Splitting or Regrouping of Proposed Procurement (1) Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11 above, all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan; and further As per condition of contract clause 17

Methods of Notification and Advertisement (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.

During the audit of the offices of Education Department, for the year 2011-2012, it was observed that the an expenditure of Rs98.99 million was incurred on supply of various items without inviting open tenders and splitting up the sanction orders to avoid open tenders. Details are at Annexure-2 of Chapter-9.

The irregularity was pointed out to the Department in the months July 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 justification of making expenditure without open tenders and split up the sanction orders besides fixing the responsibility on the person at fault.

9.4.9 Irregular expenditure without approval of Finance Department- Rs43.55million

I-As per Finance Department, Karachi letter # 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".

II-As per para no 6(a) notification No #FD(B&E-XIII)7(3)/2009-10 Finance Department, Government of Sindh dated 11-07-2009 regarding communication of budget grant for the year 2009-10, " No advance would be drawn on abstract bill without prior approval of Finance Department, as restrictions imposed under letter # 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 no dated 26-04-2007".

During audit of the of the following offices of Education Department for the year 2011-12, it was observed that an amount of Rs46.55 million was incurred on purchases of vehicles on pre-receipted bills and paid salaries to the

contingent paid staff without approval of Finance Department. The detail is as under:

(Rupees in million)

Sr. #	Name of Office	Para #	Particulars	Amount
01	Project Director, BBSYDP	04	Contingent paid staff	16.60
02	Project Director, BBSYDP Manpower Wing Phase-IV, Karachi	02		8.81
	Sub Total			25.41
03	Principal, Sindh Madressat-ul - Islam College/ University, Karachi	1	07Vehicles	10.73
04	Director/ District Education Officer Larkana	2	01Vehicles	7.41
	Sub Total			18.14
				43.55

The irregularity was pointed out to the department in April to 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 justification of payment without approval of Finance Department besides fixing responsibility on persons at fault.

9.4.10 Irregular drawl of Funds - Rs7.94 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 offices of Education Department for the year 2012-13, it was observed that an amount Rs7.94 million was drawn in the name of different officials instead of actual payee. Details areas under:

(Rupees in million)

S #	Name of Office	Para #	Amount
1	Government Polytechnic Institute (Boys), Sukkur	03	3.20
2	Director non-formal education Karachi	02 & 06	1.95
3	Government Boys Degree College, Daharki	02 & 03	0.70
4	Government Habib College of Technology, Nawabshah	06	0.49
5	ADO (Female) Daurr	09	0.52
	Sub total		6.86
6	Government Boys Degree College Daharki	04	0.45
7	DO, Education Quality Assurance Jacobabad	05	0.36
8	Government Boys Degree College Pano-Akil	03	0.27
	Sub total		1.08
	Total		7.94

The irregularity was pointed out to the department in April to 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 justification of matter besides fixing responsibility on persons at fault.

9.4.11 Short remittance of Government revenue into Treasury - Rs1.94 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 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 the audit of various offices of Education Department, it was observed that an amount of Rs1.94 million on account of student and admission fee was less deposited into Government account. Due to this

negligence Government was deprived from an amount of Rs1.94 million. The detail is as under:

(Rupees in million)

S #	Name of Office	Particulars	Para #	Amount
1	Govt Habib College of Technology, Nawabshah (Evening)	Student Fees	4	0.35
2	Govt Habib College of Technology, Nawabshah (Morning)			1.18
3	Abdul razak Gabol Govt Degree College Razzakabad Bin Qasim Town Malir, Karachi	Tuition and Admission Fess	2	0.23
4	Govt Mono Technic Institute, Tando Allahyar	Student Fees deposited into Private Account	3	0.11
5	Govt Mono Technic Institute, Daherki	Self-Financing less recorded -cash book	3	0.07
Total				1.94

The irregularity was pointed out to the Department in the months from March, 2013 to 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 into the matter, besides fixing responsibility for short deposit of Government fee may justify.

9.4.12 Irregular Appointment of employees-Rs17.58 million

As per Service, General Administration and Cooperation 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". Further, as per Chief Minister Sindh, Karachi letter # 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 Education Department for the year 2012-13, it was observed that various officials were appointed subsequently they were paid pay and allowances through manual bills amounting to Rs17.58 million. Following irregularities were observed:

- The orders regarding constitution of selection committee were not provided for verification.
- Approved selection criteria and recruitment policy was not provided for verification.
- Application of candidates, list of short listed candidate, results of written and viva voice and copy of final approved merit list candidates from the competent forum was not provided for verification.
- Posting order of the appointing authority along with prescribed criteria for posting of the Director, Bureau of Curriculum & Extension Wing Sindh was not provided for verification.
- The Medical certificates of the various candidates were not obtained from the Civil Surgeon of the concerned.
- Degrees/certificates were not verified.

Rs in million

Sr.#	Name of Office	Para #	Amount
1	Govt Girls College Latifabad Hyderabad	3	10.87
2	ADOE (Male) Daherki	2	4.30
3	Director non-formal Education Karachi	7	1.98
4	Director, Bureau of Curriculum & Extension Wing Sindh, Jamshoro	1	0.43
5	District Officer Education, Tando Allahyar.	3	-
Total			17.58

The irregularity was pointed out to the department in July 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 justification of irregular appointment, besides fixing responsibility on persons at fault.

9.4.13 Non-recovery of Government dues –Rs56.21 million

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

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

III- As per notification of Finance Department, Government of Sindh vide # FD/(SR-III)5/30-2006 dated 07-06-2010, “ Government of Sindh has been pleased to sanction qualification based Teaching Allowance to all School Teachers employed in Government Educational Institutions, with effect from 10-04-2010, those who have already availed benefits of higher grade shall not be entitled. Rs500 are allowed on Matric with PTC/ equivalent, Rs750 on FA/FSC with CT/ equivalent whereas Rs1,000 on qualification of BA/MA with B.Ed/ M.Ed/ equivalent.

During audit of various offices of Education Department, for the year 2011-12, it was observed that an amount of Rs56.21 million was outstanding against the students, officials and officers on account of pay and allowances fees loan. Details are mentioned in Annexure-3 of Chapter-9.

The irregularity was pointed out to the Department in the months from March, 2013 to 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 expeditious recovery, besides fixing responsibility on person(s) at fault.

9.4.14 Un-authorized retention of government money - Rs7.314 million

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

During audit of the offices of Education Department for the year 2011-12 and 2012-13, it was observed that an amount of Rs7.314 million was drawn from government treasury and kept into bank account till close of the financial year. The details are as under:

(Rupees in million)

Sr. #	Name of Office	Para #	Year	Amount
1	District Education Officer, Umerkot	1	2011-12	3.173
2	Project Coordinator, BBSYDP, C. M. Secretariat. Govt of Sindh, Karachi	18	2012-13	2.873
3	District Officer, Education (Male), Tharparkarat	02	2012-13	1.268
Total				7.314

The irregularity was pointed out to the Department in February to March 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 justification of retention of government money besides fixing responsibility on the person(s) at fault.

9.4.15 Irregular payment of honoraria - Rs8.85 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 offices of Education Department, for the year 2011-12, it was observed that honoraria Rs8.85 million was paid to various

officers/officials in excess of the prescribed limit and procedure. The details are as under:

(Rupees in million)

Sr. #	Name of Office	Para #	Nature of objection	Amount
1	Project Director, BBSYDP Manpower & Training Wing, Phase –IV, Karachi	09	Honorarium was paid without assigning any special task and approval from finance department.	7.40
2	Project Mangement Unit, BBSYDP Manpower & Training Wing, Karachi	03	Honorarium was paid without assigning any special task and approval from finance department.	0.95
3	Director/ District Edu: Officer, Larkana	03	Honorarium was paid twice in the period of six months equal to two month pay at each occasion.	0.10
4	Regional Director Colleges, Hyderabad	10	Honorarium was paid without assigning any special task and approval from finance department.	0.40
Total				8.85

The irregularity was pointed out to the Department in the months from March, 2013 to 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 that amount in question may be recovered, besides fixing the responsibility up on person(s) at fault.

9.4.16 Short recovery of rent - Rs1.81 million

According to per Para 2 letter No. SSGGC/Admn/2010, dated: 08.06.2010 of Principal Sir Syed Government Girls College Nazimabad, Karachi A meeting was held on 28th May 2010 with Pakistan State Oil Company Ltd and decided that

- (1) Lease will be registered for 20 years.
- (2) Rent: Rs30,000 p.m. with 10 % increase after every 3 years
- (3) Rent will be paid on annual advance basis.

During audit of Principal Sir Syed Government Girls College Nazimabad, Karachi it was observed that rent of Rs1.811million was not recovered. Further, rent assessment was not made and ten leases was not executed/got approved from the competent authority. The details are as under:

(Rupees in million)

Sr. #	Period	Rent due	Amount Due	Recovered on	Shortfall
1	Jan to 2007 to Dec, 2009	30,000 pm	1.08	820,000 at the rate of 10,000/-	1.81
2	Jan to 2010 to Dec, 2012	33,000 pm	1.19		
3	Jan to 2013 to Oct, 2013	36,300 pm	0.36		
Total			2.63	0.82	1.81

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 short recovery of rent may now be recovered besides fixing the responsibility on the person(s) at fault.

AIR -06

9.4.17 Irregular expenditure on closed hostel-Rs1.01 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 Government Boys Degree College, Shaheed Benizirabad for the year 2011-12, it was observed that an expenditure of Rs1.010 million was incurred on account of Sui gas and water charges on the hostel which was closed for last ten years.

The irregularity was pointed out to the Department in the months 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 justification of irregular payment inquiry into the matter besides fixing the responsibility on the person(s) at fault.

AIR-3

CHAPTER – 10
EXCISE & TAXATION DEPARTMENT

10.1 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.

10.2 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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
1,531.69	0	1,531.69	1,103.41	428.28

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs 428.28 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
27,389.00	27,132.00	26,392.00	740.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs740.00 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	% of compliance made
25	4	21	16

Audit Reports for the year 2006-07, 2007-08 and 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 25 paras were discussed cumulatively in respect of Excise and Taxation Department. The department made compliance of only 4 paras and 21 paras

were left unattended or compliance not made. The percentage of compliance comes out to 16%.

10.4 AUDIT PARAS

10.4.1 Non-production of record

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

During audit of following offices of the Excise and Taxation Department it was observed that auditable record as detailed below was not produced for audit.

Rs in million

Sr. No	Name of offices	Details of record not produced	Year	Para #	Amount
1	Excise & Taxation Officer J-I Division Karachi	Record pertaining to expenditure e of salary and non-salary component	2011-12	01	4.02
2	Excise & Taxation Officer Porfessional Tax Hyderabad	Daily collection registers Demands and recovery position of revenue receipts Survey Registers Demand Registers Recovery Registers Original challans Detail of court cases/embezzlement if any Reconciliation	2012-13	10	0.00

		Statement from DAO			
Total					4.02

The matter was reported to the department during May 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 production of record besides fixing responsibility for not providing the record in violation of constitutional provisions.

AIR-01

10.4.2 Non-realization of Property Tax – Rs179.11 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 various offices of Excise and Taxation Department Government of Sindh, it was observed that property tax amounting to Rs179.11 million was not recovered during the year 2012-13 from certain assesses, which resulted into loss of revenue to the government. Details are at Annexure-1 of Chapter-10.

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 expeditious recovery of property tax besides fixing responsibility on person(s) at fault.

10.4.3 Non-realization of Professional Tax – Rs12.53 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 Excise and Taxation Department Government of Sindh for the year 2012-13, it was observed that Professional Tax amounting to Rs12.53 million was not recovered from certain assesses, which resulted into loss of revenue to the government.

(Rupees in million)

S. No.	Name Of Office	Para #	Amount
1	ETO,(Property Tax-I), Benazirabad	6	0.05
2	ETO, (Property Tax-I), Sanghar	5	0.06
3	ETO, (Property Tax-I), Hyderabad	3,5,6,7,&8	2.42
4	ETO, Sukkur	4	0.17
5	ETO, Ghotki @ Mirpurmathelo	6	0.06
6	ETO, Thatta	1	0.12
7	ETO, Jamshoro	1	0.17
8	ETO, DiV-I, Karachi	1	1.72
9	ETO, DiV-III, Karachi	2	4.60
10	ETO, P-I, Karachi	3	1.40
11	ETO, P-II&IV, Karachi	4	0.21
12	ETO, P-II&IV, Karachi	5	1.31
13	ETO, P-III, Karachi	6	0.10
14	ETO, Badin	2	0.08
15	ETO, Badin	3	0.06
Total			12.53

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 expeditious recovery besides fixing responsibility for not taking appropriate steps to safeguard the interests of national exchequer.

10.4.4 Non-realization of Motor Vehicle Tax – Rs120.65 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 installments.

During audit of following offices of the Excise and Taxation Department for the year 2012-13, it was observed that Motor Vehicle Tax amounting to Rs120.65 million was not recovered, which resulted in loss of revenue to the government.

Rupees in million			
S. No.	Name Of Office	Para #	Amount
1	ETO (M.R Wing), Hyderabad	4-5	0.23
2	ETO Dy Director, Hyderabad	1	120.42
Total			120.65

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 expeditious recovery besides fixing responsibility for not taking appropriate steps to safeguard the interests of national exchequer.

10.4.5 Non-recovery of Hotel tax – Rs11.21 million

According to Section-8 of Sub-section (1) of Sindh Finance Act.1977, there shall be levied a tax on hotels to be called the Hotel Tax on ad-valorem basis at the rate of seven and half percent of room rent per lodging unit per day.

During audit of Excise & Taxation Officer “L” Division, Karachi for the year 2011-12, it was observed that Hotel Tax amounting to Rs11.21 million was not recovered. Details are given below:

(Rupees in millions)			
Sr. #	Para#	Name of hotels	Amount
01	01	M/s Avari Towers	6.34
02	02	M/s Air Port	1.82
03	03	M/s Beach Luxury	1.79
04	04	Various entities	1.26
			11.21

Audit pointed out the matter during 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 emphasizes expeditious recovery besides fixing responsibility for not taking appropriate steps to safeguard the interests of national exchequer.

10.4.6 Non-realization of Infrastructure Cess – Rs 34.95 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 following Excise & Taxation Officers for the year 2012-13, it was observed that infrastructure cess amounting to Rs 34.95 million was not recovered

Rupees in million			
Sr. #	Name of Office	Para#	Amount
1.	E.T.O., Q.I.A., KYC	04	1.59
2.	E.T.O K.P.T., KYC	01	3.57
3	E.T.O Infrastructure Cess Karachi Air Port	07	29.79
Total			34.95

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 expeditious recovery besides fixing responsibility for not taking appropriate steps to safeguard the interests of national exchequer.

10.4.7 Less recovery of Provincial Excise Duty – Rs667.80 million

As per Schedule of Rate provided in the Budget Book 2009-10 (Page-295), “The provincial Excise Duty rate was fixed at Rs 2,160 per LPG (Landon Proof Gallon)” and formula for LPG calculation is “LPG=Imperial/Bulk Gallon*Strength of rectified spirit*2 .

During audit of various offices of the Excise and Taxation Department Government of Sindh for the year 2011-12, it was revealed that the LPG (Landon Proof Gallon) was wrongly calculated while ascertaining the excise duty on medicated product and PMFL; thus an amount of Rs667.80 million was less recovered due to flawed calculation of provincial excise duty, which was a loss of revenue to the Government.

(Rs in million)

Sr. No	Name of office	Para No	Calculation made by department	Calculation as per rule	Diff.
	Dep. Dir./Sr. ETO, Prov. Excise, Karachi East	3	$16698.302 * 168\% * 2160 = \text{Rs } 6.059 \text{ m}$	$16698.302 * 168\% * 2 * 2160 = \text{Rs } 12.12 \text{ m}$	6.10
	Dep. Dir./Sr. ETO, Prov. Excise, Karachi South	1	$182334.68 * 168\% * 2160 = \text{Rs } 661.656 \text{ m}$	$182334.68 * 168\% * 2 * 2160 = \text{Rs } 1323.312 \text{ m}$	661.70
			Total		667.80

The matter was pointed out to the department in May 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 expeditious recovery besides fixing responsibility for wrong calculation.

AIR-02

10.4.8 Non recovery of establishment charges - Rs3.40 million

As per Rule 15-D of Sindh Ablari Act 1876, establishment charges in respect of excise staff posted at private bonded ware houses are required to be recovered from the management of such bonded ware houses.

During audit of office of the Deputy Director/Sr. Excise and Taxation Officer Provincial East Karachi for the year 2011-12, it was observed that establishment charges amounting to Rs 3.40 million were not recovered from the management of private bonded ware houses, which was a loss of revenue to the Government.

The matter was pointed out to the department in May 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 expeditious recovery besides fixing responsibility for not recovering the establishment charges from private bounded houses.

AIR-1 and 2

10.4.9 Bank guarantees cleared without cash realization – Rs1,036.48 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 for the year 2011-13, it was observed that office of the Deputy Director (CMDI), KPT Karachi for the years 2011-12, it was revealed that various importers were clearing their goods against furnishing 100% bank guarantee in respect of infrastructure cess. However, honorable Sindh High Court in its decision vide Misc No.7732/2011 dated 31-05-2011 directed that goods will be cleared by E.T.O on payment of 50% of the disputed amount by furnishing bank guarantee/security and cash will be paid for balance 50% 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% Cess through cash payment of Rs1,036.48 million was not available in the record. The non-recovery was a loss of revenue to the government.

The matter was pointed out to the department in May 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 emphasizes expeditious recovery besides fixing responsibility on the person(s) at fault for not taking appropriate steps to safeguard the interests of national exchequer.

CHAPTER – 11

FINANCE DEPARTMENT

11.1 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.

11.2 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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	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 control the expenditure as per allocated budget, as a result excess expenditure of Rs 93,662.35 million was observed.

(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.

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	% 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.

11.4 AUDIT PARAS

11.4.1 Non production of record

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

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

During the audit of the various offices of Finance Department, Sindh for the FY 2010-11, 2011-12 and 2012-13, it was observed that the following record was either not maintained at all or not produced to the audit for necessary verification. For details refer Annexure-11 of Chapter-11.

Audit was of the view that lack of effective internal controls and proper administrative measures led to this irregularity.

The irregularity was pointed out to the department in December 2011 to 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 for non-supply of the auditable record in violation of constitutional provisions.

11.4.2 Unjustified expenditure on shifting of utilities – Rs 276.56 million

RFP (Request for Proposal) provided that all Costs related to clearance of encroachment, shifting of utilities, etc within the ROW (Right of Way) shall be borne by RBOC. However, the Government of Sindh shall extend full legal and administrative support in such matters without assuming any financial burden.

During audit of Project Manager, Hyderabad-Mirpurkhas Dual Carriage Highway working under Public Private Partnership Unit Finance Department for the FY 2009-2010 and 2010-2011, it was observed that contrary to above provision of RFP, after the acceptance of bid, the Government of Sindh incurred an expenditure Rs 276.56 million on account of the utility reallocation, which being an undue expenditure was a loss to the government.

The irregularity was pointed out to the department in December 2011, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires recover besides fixing responsibility for unjustified payment on account of utility reallocation.

AIR-08

11.4.3 Unjustified favour to concessioner – Rs 56.15 million

Rule 19 (v) of G.F.R. provides that no contract involving an uncertain or indefinite liability or any condition of an unusual character should be entered into without the previous consent of the Ministry of Finance.

During audit of the accounts record of the office of Project Manager Hyderabad-Mirpurkhas Dual Carriage Highway working under Public Private Partnership Unit Finance Department for the FY 2009-2010 and 2010-2011, it was observed that debt equity ratio as proposed and evaluated by the vetting consultant was 70:30 in which the concessioner, M/s DEOKJAE (a consortium firm) had to arrange 30% equity while 70% finance had to brought up through loans by the concessioner. But, the government of Sindh provided equity to the concessioner to the extent of Rs 56.15 million without justification. By providing the equity, the department relieved the concessioner of the risk and assumed it at its own shoulders, which was an undue favour to the concessioner at the cost of public funds.

The irregularity was pointed out to the department in December 2011, but 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 for inclusion of Government of Sindh equity component.

AIR#05

11.4.4 Unjustified grant of Soft loan at very low interest rate – Rs 1.75 billion

RFP (Request for Proposal) provided that the Concessioner shall, through the Project Company, invest at least 30% of the Project Cost while the debt component of the project financing shall not be in excess of 70 percent of the project Cost.

During audit of the accounts record of the office of Project Manager Hyderabad-Mirpurkhas Dual Carriage Highway working under Public Private Partnership Unit Finance Department for the FY 2009-2010 and 2010-2011, it was observed that contrary to the above provision of the RFP, a soft loan amounting to Rs 1.750 billion to the concessioner, M/s DEOKJAE (a consortium firm) at 4% interest rate was granted by the department. It is worth mentioning that Ms. Rachna Gupta (ADB Consultant) had proposed that the Government could consider providing the guarantees in the form of revenue shortfall loan at soft interest rates. But, no discussion was made over providing soft loan to the concessioner at 4% interest rate.

Due to providing loan at such a nominal interest rate, the authority had caused a loss of 6 to 8% interest as prevailing markup rate was ranging 12 to 14% in the wake of double digit inflation rate.

It is also pertinent to mention that the concessioner in its bidding document had calculated and prepared a schedule of payback of 70% loan at 10% interest rate. It means that the undue favour was extended to the concessioner after the bidding evaluation and bid acceptance process, thus depriving of the Government of competitive rates as other prospective bidders had no knowledge of the advantage of the soft loan.

The irregularity was pointed out to the department in December 2011, but 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 besides fixing responsibility for granting of soft loan at low interest rate.

AIR-07

11.4.5 Agreement of Mark-up Security Guarantee after tendering – Rs 755.86 million

The Public Private Partnership (PPP) Unit, Finance Department in the RFP (Request for Proposal) had provided that 70% finance would be made by the company, and Government of Sindh would consider to meet the revenue shortfall, if any, to ensure a pre-agreed fair return on investment to the Concessioner.

During audit of the accounts record of the office of Project Manager Hyderabad-Mirpurkhas Dual Carriage Highway working under Public Private Partnership Unit Finance Department for the FY 2009-2010 and 2010-2011, it was observed that the element of Mark-up Security Guarantee (MSG) was included after the process of bid evaluation.

The irregularity was pointed out to the department in December 2011, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires justification for inclusion of security guarantee after the process of bid evaluation besides fixing responsibility for inclusion of the same after tendering.

AIR#09

11.4.6 Non-recovery of the payment on work halted by court – Rs 1.49 million

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

During audit of the accounts record of the office of Project Manager Hyderabad-Mirpurkhas Dual Carriage Highway working under Public Private Partnership Unit Finance Department for the FY 2009-2010 and 2010-2011, it

was observed that for the collection of toll tax the contractor executed some item of work worth Rs 1.49 million. Later, consequent upon the court decree, the collection of toll tax was stopped and the court asked to roll back the instalment made for tax collection. The authorities compensated the contractor for the civil work which the contractor executed.

Audit holds the view that the civil work executed by the toll contractor was of permanent nature and could not be rolled back therefore the payment over portion of road where such a work was executed should have to be deducted from the payment of Concessioner, M/s DEOKJAE (a consortium firm) or the adjustment should be made.

The irregularity was pointed out in December 2011, but 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#12

11.4.7 Irregular payments of consultancy charges – Rs 23.21 million

As per Section 29 of Public private Partnership (PPP) guidelines the PPP Node was required to identify project, prepare feasibility study, selecting private sector partners and monitoring and implementation of project. In First meeting of Board it was decided that PPP node carry out pre-feasibility /initial screening of each project and submit the proposal to PPP unit. In second meeting of Board it was decided that the cost for hiring of financial analyst, environment and vetting consultants would be made out by the selected bidders.

During audit of the accounts record of PDF fund maintained by office of Public Private Partnership Unit Finance Department Government of Sindh for the FY 2011-12 and 2012-13, it was observed that an amount of Rs 23.21 million was paid on account of consultancy charges. The following observations were noticed:

- The pre-feasibility, feasibility, legal and technical consultants were hired and huge payments were made by way of violating approved PPP

Rules and regulations as outsourcing in development of projects was made at high cost besides making payments to PPP unit staff appointed in Finance Department for same purpose.

- The estimates/ technical sanction along with basis of estimates/cost analysis for such kind of job could not be elucidated by the management of PPP unit.
- Sub-consultants were hired by lead consultants and services were sub-let against the rules of SPPRA.
- The lead consultants and sub-consultants of consortium were hired/engaged, but the advertisement, tendering process, guarantees, engagement letters showing the nature of jobs to be performed by lead consultants and sub-consultants, registration certificates were not provided to audit, despite of several reminders.
- An amount of Rs 2.50 million for pre-feasibility study was made without having provision in schedule of payments of (Keenjhar Lake) agreement.
- An amount of Rs 537,000 paid to AA Quality Builders & Surveyors and Rs110,884 to M/s. Soil Testing Services raised by Ernest Young for topographic survey without having name in consultants consortium of (Keenjhar Lake).
- The cheques of sub-consultants were issued in the name of Ernst & Young without having provision in schedule and rule (Keenjhar Lake).
- The relevant reports i.e. inception, field work, pre-feasibility, progress, feasibility, environmental, legal reports were also not provided for verification.
- The jobs of consultants particularly lead adviser could not be clarified by the management.
- The expenditure from PDF was reimbursable from private party/investors but the source of reimbursement could not be narrated in case of non-participation of developers.

The irregularity was pointed out to the department in May 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 for irregular payment of consultancy charges.

AIR#16

11.4.8 Irregular advance payments from PDF – Rs 8.89 million

According to section 21 PPP guidelines the investor will finance, implement, and operate the PPP project. As per section 38 of PDF guidelines the disbursement from the PDF fund will be made in instalments based on milestones achieved by the consultants.

During audit of accounts record of the office of Public private Partnership Unit Finance Department Government of Sindh for the FY 2011-12 and 2012-13, it was observed that advance payments amounting to Rs 8.89 million were made to the consultants without having provision in the guidelines, and without obtaining security deposit, guarantee against the advance and mobilization report of site and soliciting approval from Board. Further the selection and bidding process of consultants, progress reports, pre-feasibility/feasibility reports, legal and environmental reports were also not provided to audit, despite serving various reminders.

The irregularity was pointed out to the department in May 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 advance besides fixing of responsibility for advance payment.

AIR#12

11.4.9 Un-authorized payment on foreign training – Rs 3.80 million

As per Annex-A; Memorandum for consideration of PDF guidelines: section (xvi) PDF Funding Requested: The amount requested from the PDF should exclude any expenses incurred by the Government Agency on its own staff and facilities.

During audit of the office of Public private Partnership Unit Finance Department Government of Sindh for the FY 2011-12 and 2012-13, it was revealed that an amount of Rs 3.80 million was incurred on account of foreign courses. Following irregularities were noticed:

- i. The payments were made for the officers/officials working in PPP

- unit and finance department against PPP guidelines.
- ii. The clarification with regard the association/ necessary training for particular PPP project and the contribution of such trainings towards development of that particular PPP projects could also not been clarified by the management, as the major task of projects were being carried out through outsourcing professionals and consultants.
 - iii. The approval from the PPP Board for obtaining such training on CM Summaries was neither obtained nor provided to audit.
 - iv. The selection criteria, nominations, course completion certificates, tickets along with travelling and lodging with complete adjustment may also need to be verified.
 - v. The recovery in this regard as per PPP guidelines were required to be made from private sector partners, but recovery process was not initiated.

The irregularity was pointed out to the department in May 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 recover besides fixing responsibility for irregular payment on training.

AIR#08

11.4.10 Irregular drawl of funds by the Secretary - Rs-3.50 million

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

During audit of the office of Public private Partnership Unit Finance Department Government of Sindh for the FY 2011-12 and 2012-13, it was revealed that an amount of Rs3.50 million was drawn in cash by the Ex-secretary of Finance Department for trip to Belgium & France for low cost vehicles project. The following observations were noticed:

- i. The payments were drawn by Secretary himself in cash without soliciting approval from Chairman Board on separate summary against given guidelines.
- ii. The clarification with regard to association/necessary trip for particular PPP project and the contribution of such trip along with qualification towards development of such PPP project could not be clarified by the management, as there was neither approval of Board for such Low cost vehicle project nor any development in this regard was initiated towards inception/ reconnaissance for given project.
- iii. The nomination, tickets, evidences of exchange in foreign currency and the kind of arrangement of study tour by foreign institute along with travelling and lodging could not be clarified.
- iv. The recovery in this regard as per PPP guidelines were not made from the private sector partners.

The irregularity was pointed out to the department in May 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 into the matter for fixing responsibility on the person(s) at fault besides taking remedial measures.

AIR#02

11.4.11 Irregular payment to consultant -Rs.2.05 million

As per section 38 of PDF guidelines the disbursement from the PDF fund will be made in instalments based on milestones achieved by the consultants.

During audit of the office of Public private Partnership Unit Finance Department Government of Sindh, it was observed that Payment to legal advisor M/s. Haidermota, Rs.2.05 million was made on account of legal consultation for Keenchar Lake Resort Project. In this connection the following observations were noticed:

- The details of legal input/ proposal provided by the legal consultant were not provided to audit for verification.
- As per office note the RFP, accompanying bid documents and concession agreement was required to be approved by Tourism

Department, which was not done till the date of audit. However the land around the Keenchar Lake Resort was declared protected area under wildlife Department and the amendments were proposed in Sindh Wildlife Ordinance 1972, but the same was also not made. Further the Tourism Department as well as Special Finance Secretary emphasized the amendments prior to payments to consultants, but no importance was given to such query and payment was made without justification.

The matter was pointed out to the department in the month of May 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 into the matter besides fixing responsibility making payments without amending rules and regulations.

AIR#021

11.4.12 Irregular award of work without inviting tenders – Rs 93.36 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 the audit of accounts record of following District Account Offices, Finance Department, Sindh for the year FY 2011-12 and 2012-13, it was observed that procurements amounting to Rs93.36million were made and expenditure incurred without supporting documents to indicate invitation of tenders.

(Rs in million)

S.#	Name of Office	Para #	FY	Amount
1.	DAO Sukkur	03	2011-12	0.39
2.	DAO Naushero Feroze	03	2011-12	0.48
3.	DAO Larkana	02	2011-12	2.02
4.	DAO Hyderabad	01	2011-12	10.75
5.	DAO Benazirabad	02	2011-12	1.48
6.	DAO Matiari	07	2011-12	0.33
7.	DAO Dadu	03	2011-12	0.79

8.	Secretary Finance	02	2011-12	4.65
9.	DAO Matiari	02	2011-12	3.34
10.	DAO T. M. Khan	10	2011-12	4.58
11.	DAO Hyderabad	05	2012-13	64.39
12.	DAO Dadu	04	2012-13	0.16
Total				93.36

The irregularity was pointed out in January to 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 inquiry into the matter besides fixing responsibility for not inviting tenders.

11.4.13 Irregular purchase of vehicles beyond entitlement – Rs9.38 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 the audit of accounts of the following District Accounts offices for the year 2011-12, it was observed that bills of following offices for procurement of vehicles were presented but the relevant DAOs passed the bills without observing entitlement of the officers.

Rs in million

S.#	Name of Office	Name of DDO	Purchase	Para #	Amount
1.	DAO Larkana	Director Edu.	Two corolla XLI	01	2.96
2.	DAO Larkana	AD, Herit. Res. Hyd.	One corolla XLI	02	1.48
3.	DAO Hyd.	DC Hyd.	Vehicle	02	3.40
4.	DAO Benazir	NH 4031	Vehicle	01	1.54
Total					9.38

The irregularity was pointed out to the department in January to 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 entitlement of officers for vehicle may be observed strictly besides fixing responsibility for purchase of vehicles for non-entitled officers.

11.4.14 Non deduction of sales tax /income tax – Rs 16.99 million

As per rule-2 of the Sales Tax Special Procedure (Withholding) Rules, 2007 issued vide SRO. 660(I)/ 2007 dated 30-06-2007 and w.e.f. 01-07-2007 provides that 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.

Section 153 (1) of Income Tax Ordinance 2001 provides that every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person- (a) for the sale of goods; (b) for the rendering of services; (c) on the execution of the contract, other than a contract for the sale of goods or the rendering service, shall, at the time of making the payment , deduct tax from the gross amount payable at the rate specified in division III of part III of the first schedule.

During the audit of following District Accounts offices, for the year 2011-12 and 2012-13, it was observed that sales tax and income tax amounting to Rs 16.99 million was not deducted from the bills of contractor / supplier. Sales tax invoice was not found attached with the bills, therefor 16% sales tax was required to be deducted at source. For details refer Annexure-2 of Chapter-11.

The irregularity was pointed out to the department in January to 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 that recovery may be made besides fixing of responsibility for non-recovery of government revenue.

CHAPTER – 12

FOOD DEPARTMENT

12.1 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 Federal Govt.
- b) Opening of wheat procurement centers throughout the province, at the provincial reserves centers/places with establishment of temporary bank booth to make payment to the growers, on the spot.
- c) Handling and transportation of 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 any eventuality or at the time of emergency.
- e) Release of wheat to flour mills and chakkies at the subsidized rate in order to ensure the wheat atta supply to the general public, at a affordable/ reasonable rate.
- f) To maintain stability in prices of wheat and its product in open market by releasing wheat stocks and to discourage hoarding of stocks

The Department procures wheat from the growers at the support price fixed by the Federal Government. Wheat stocks procured from growers are safely stored at the government godowns, and wheat so purchased is released to flour mills and atta chakkies at fixed price to maintain stability in the prices and availability of wheat and its bye products in the market.

Food Department's functions and methodologies to achieve the objectives are:

- (i). To procure wheat as per the target set by the Federal Government.
- (ii). To ensure payment of minimum support price to the growers
- (iii). To ensure sufficient wheat reserves for food security by maintaining operational reserves.
- (iv). To regulate the wheat purchase made by the private sector.

- (v). To ensure availability of wheat products at affordable price through release of wheat to flour mills at subsidized rates, fixation of flour price, establishment of fair price shops, sale at ex-mill price in Sunday/Friday bazaars government's policy of releasing wheat cascading price and its impact on flour price was also explained.
- (vi). To provide subsidized flour to the underprivileged through targeted programs like Food Stamp Scheme.
- (vii). To cater to the needs of other provinces through supply of wheat products by flour mills from the wheat released by public sector and transfer of wheat from government account for onward distribution by the concerned province.

12.2 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 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
39,916.89	5,373.79	45,290.68	35,382.55	9,908.13

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs 9,908.13 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
69,665.00	78,972.00	67,092.00	11,880.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs11,880.00 million was observed.

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	per cent of compliance made
9	6	3	67

Audit Reports for the years 2006-07, 2007-08, 2008-09 were discussed in the Public Accounts Committee (PAC) meetings and total 09 paras were discussed cumulatively in respect of Food Department. The department made compliance of 6 paras and 3 paras were left unattended or compliance not made. The percentage of compliance comes to 67 per cent.

12.4 AUDIT PARAS

12.4.1 Non recovery of outstanding bardana - Rs21.77 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 year 2011-12, it was observed that government sustained loss of Rs21.77 million due to non recovery of outstanding bardana issued to growers by center incharges.

(Rs in million)

Sr. #	Name of Division	Para #	Amount
1	District Food Controller Khairpur	06	9.05
2	District Food Controller Jacobabad	03	3.63
3	District Food Controller Ghotki	03	0.58
4	District Food Controller, Larkana	05	8.51
Total			21.77

The irregularity was pointed out 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 into the matter, besides fixing responsibility for person(s) at fault.

12.4.2 Irregular appointments and accumulating liability - Rs1.74 million

As per Rule 9 of General Financial Rules, volume-I, “As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders of the President or by any authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorized grants of appropriation for the year”.

During audit of office of the District Food Controller Larkana for the year 2012-13, it was observed that appointments were made and liability of salaries was accumulated on account of payment of salaries, wherein following irregularities were observed:

- The copy of advertisement was not provided.
- The letter of constitution of selection committee not attached.
- Total number of application applied for may be provided.
- The verification of degrees may be carried out under intimation to audit.
- Approved list of selected candidates needs be provided.
- The copies of offer letters as well as joining reports may be provided.
- Reasons of accumulating liability on account of payment of salaries.
- The detail of approved strength was also not provided for verification.
- Verification from Principle Accounts Officer/ Secretary may be carried out under intimation to audit.

The irregularity was pointed out to the department in November, 2011, but 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 into the matter besides fixing the responsibility on person(s) at fault.

AIR-25

12.4.3 Non-deduction of income tax – Rs1.11 million

As per the Income Tax Ordinance 2001, 3.5 per cent income tax is required to be deducted at source while making payment to Suppliers/ contractors; Tax on salary is to be deducted at the rates prescribed in I.T Ordinance and through finance bill amended from time to time; Deduction of 6 per cent withholding tax is to be made from payment for contractual services.

During audit of office of the District Food Controller Thatta, during the financial year 2011-12 and 2012-13, it was observed that Income Tax was not deducted from supplier's bills causing loss to government of Rs1.11 million. The detail is as under:

(Rs in million)

Sr. #	Year	Head	Particulars	Amount	%	Income Tax
01	2011-12	Transport Charges	Transport Charges	10.70	6%	0.64
		Other Godown charges	Other Godown charges	0.33	6%	0.02
		Fumigation Charges	Fumigation Charges	0.43	6%	0.03
02	2012-13	Transport Charges	Transport Charges	6.50	6%	0.39
		Fumigation Charges	Fumigation Charges	0.47	6%	0.03
Total				18.160		1.11

The irregularity was pointed out to the Department in the months from March, 2013 to 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 the recovery of income tax, besides fixing responsibility on person(s) at fault.

AIR- 08

12.4.4 Procurement without inviting open tenders - Rs17.20 million

As per Rule 15 of SPPRA Rules, 2010, “Open competitive bidding shall be the principal method of procurement”. 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 subordinate disbursing officers.”

During audit of office of the District Food Controller Thatta during the financial year 2011-12 and 2012-13, it was observed that procurement of service on account of Transportation of wheat of Rs17.20 million was made without inviting open tender detailed as under:

(Rs in million)

Sr.#	Year	Head	Particulars	Amount
01	2011-12	Transport Charges	Transportation of wheat	10.70
02	2012-13	Transport Charges	Transportation of wheat	6.50
Total				17.20

The irregularity was pointed out to the Department in the months from March, 2013 to 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 justification of procurement of transportation services without inviting open besides fixing responsibility on person(s) at fault.

AIR-11

12.4.5 Loss due to non issuance of old crop - Rs149.09 million

As per appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, “Means should be devised to ensure that every government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part”.

During audit of the accounts record of office of the District Food Controller Larkana for the year 2012-13, it was observed through physical verification report of government committee that the wheat bags of old crops 2008-09, 2009-10, 2010-11 and 2012-13 of Rs149.09 million were damaged due to un-necessary long storage and non-issuance in timely manner. It was clearly mentioned in policy that the old crop needs to be issued first and loss due to negligence of officials of food department may remain responsibility of District Food Controller.

(Rs in million)

Sr. #	Centre	Crop year	Qty	Rate	Amount
01	PRC Shadadkot	09-10	6225	2524	15.71
		09-10	8717	2524	22.20
		08-09	44050	2524	111.18
Total					149.09

The irregularity was pointed out to the department in November, 2011, but 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 into the matter besides fixing responsibility for loss due to weevil infestation of wheat bags.

AIR- 03

12.4.6 Non-recovery of wheat shortages - Rs10.72 million

As per 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”.

During audit of the accounts record of office of the District Food Controller Larkana for the year 2012-13, it was observed that while transferring of wheat from WPC to PRC shortage of wheat bags of Rs10.72 million was occurred. The reconciliation was also neither carried out nor provided. The detail is as under:

(Rs in million)

Sr. #	WPC/PRC	M. Ton	Total Bags	Rate	Amount
01	From Akil to Rehmatpur	276	276	0.003	0.83
02	From Akil to Wagan Road	2499	2499	0.003	7.50
03	Various centres as per Physical Verification Report	79.697	797	0.003	2.39
Total					10.72

The irregularity was pointed out 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 into the matter besides fixing responsibility till finalization of this report.

AIR- 06&07

12.4.7 Non-fixing responsibility for not lifting old crop - Rs53.94 million

As per Food policy that the old crop needs to be issue first and loss due to negligence of officials of food department may be remained in the shoulders of District Food Controller. As per appendix-18-A, Section-I of Sindh Financial Rules, volume-II, “Means should be devised to ensure that every government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part”.

During audit of following District Food Controllers for the year 2012-13, it was observed that wheat bags of old crop for the year 2011-12 of Rs53.94 million was kept in different flour mills and it was required to be lifted by them, but the management of flour mills did not lift the old crop of 2012, despite orders from DFC. The Mills management informed that the old crop has been weeklies and unhygienic for human beings. The audit suggests that the enquiry may be initiated for keeping crop at private mill and not taking efforts to save the same from weevlised along with fixing responsibility against the officials responsible for loss and mill owners not lifting old crop. This shows improper inventory management system, which resulted in possibility of misuse of government stocks and assets.

Rs in million

Sr. No	Name of office	Para No	Year	Description	Amount
1	District Food Controller Larkana	12	2012-13	14997 wheat bags of 2011-12 of Rs 42.741 million was not lifted from Amir Flour Mills	42.74
2	District Food Controller Larkana	06	2012-13	4000 wheat bags of 2011-12 of Rs 11.200 million was not lifted from Azeem Flour Mills	11.20
Total					53.94

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 into the matter, besides fixing till finalization of this report.

AIR- 12

12.4.8 Non-finalisation of disputed cases of wheat - Rs11.65 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 Larkana for the year 2012-13, it was observed through physical verification report that there were various disputed cases of wheat involving an amount of Rs11.65 million, which were required to be settled within given period of time, but same were not settled till the date of audit. The detail is as under:

(Rs in million)

Destination	Qty Wheat	Rate	Amount	Qty Bardana	Rate	Amount	Total
Karachi Malir	3,877	0.003	11.631	165	0.000124	0.0205	11.65

The irregularity was pointed out to the department in November, 2011, but 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 into the matter, besides fixing till finalization of this report.

AIR-23

12.4.9 Shortage of wheat - Rs89.50 million

As per 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”.

During audit of office of the District Food Controller Larkana for the year 2012-13, it was observed that there was huge shortage of wheat costing Rs89.50 million, but neither recovery was initiated nor action was taken against the officials found responsible.

(Rs in million)

Centre/details	Particulars	AIR	Crop	Quantity	Rate	Amount
Shortage of wheat in various centers (as)	Physical verification report	07	12-13	18,877	0.003	56.63
Missing of wheat stock at SASO (verification report)	Mr. Ghulam Shabbir Abro	01	Old Crop	11,532	0.002	29.11
	Awan Flour Mill			1,343	0.003	3.76
Total						89.50

The irregularity was pointed out 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 inquiry into the matter besides fixing responsibility till finalization of this report.

AIR-07

12.4.10 Recovery of excess payment against delivery of filled bags - Rs32.03 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 office of the District Food Controller Larkana for the year 2012-13, it was observed that payment of Rs 15.147 million was made to the growers for 50,492 wheat bags, whereas 39,817 wheat bags were supplied by the growers. An excess payment of Rs 32.03 million were made. The detail is as under:

(Rs in million)

Centre	Qty for payment made	Actual Qty supplied	Diff	Rate	Amount
Hamal	18985	16,903	2,082	0.003	6.25
Nasirabad	22637	19,934	2,703	0.003	8.11
Kot G. Shah	8870	2,980	5,890	0.003	17.67
Total					32.03

The irregularity was pointed out to the department in November, 2011, but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires recover besides fixing responsibility against for payment of excess amount.

AIR-08

12.4.11 Shortage of wheat bags - Rs 1,168.42 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. 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 various offices Food Department, for the year 2011-12, it was observed that wheat bags of Rs1,168.42 million were not found available in the inventory at various wheat procurement centers. The detail is as under:

(Rs in million)

Sr. #	Name of Division	Para#	Amount
1	District Food Controller Mirpurkhas	01 & 03	146.35
2	District Food Controller Khairpur	02, 05 & 09	15.87
3	District Food Controller Tharparkar at Mithi	03	10.77
4	District Food Controller Sukkur	01	4.09
5	District Food Controller Dadu	06-07	991.34
Total			1,168.42

The irregularity was pointed out 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 into the matter besides fixing responsibility till finalization of this report.

AIR- 06&07

12.4.12 Loss to government due to negligence -Rs56.33 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 office of the District Food Controller, Mirpurkhas for the year 2011-12, it was observed that wheat bags of Rs 56.33 million were damaged by the heavy rain. Thus government sustained heavy loss due to negligence and carelessness of the departmental officials. No efforts were made by the higher authorities to shift the wheat stock in a safe place, which shows improper internal control system of the department.

The irregularity was pointed out 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 into the matter, besides fixing responsibility till finalization of this report.

AIR-02

12.4.13 Payment through DDO account instead direct through cheque - Rs2.33 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 accounts record of office of the Secretary Food Department, Government of Sindh, for the year 2011-12 it was observed that various payments of Rs2.33 on account of others, purchase of various consumable articles, repair of machinery & equipment and repair furniture & fixture were made through DDO account instead of payment through cheques to actual payees, wherein following irregularities were observed:

1. Acknowledgement of payee was not obtained.
2. Consumption account was not maintained.
3. Items were purchased in piecemeal to avoid codal formalities.
4. Purchase of various hardware/electronic items were misclassified and charge to the head of “other” instead of relevant head of account.
5. Indent/requirement was not obtained from concerned department.
6. Stock register was not maintained.
7. Old spare parts register was also no maintained.
8. Suppliers vouchers were not marked as “paid and cancel”.
9. Satisfactory report after completion was not prepared.

The lapse indicates existence of weak internal controls.

The irregularity was pointed out 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 justification of irregular expenditure besides fixing responsibility on the person(s) at fault.

AIR-03, 04, 05 & 16

CHAPTER – 13

FOREST & WILD LIFE DEPARTMENT

13.1 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 provide abundant irrigational supplies in the canal commanded areas.
7. To retrieve lands under encroachment.
8. To Renovate and invigorate the institutions of RNR

13.2 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 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
3,973.88	958.72	7,932.60	3,843.06	1,089.54

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs1,089.54 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
120.00	120.00	141.00	(21.00)

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	% 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 and total 34 paras were discussed cumulatively in respect of Forest & Wildlife Department. The department made compliance of all 34 paras and the percentage of compliance comes to 100.

13.4 AUDIT PARAS

13.4.1 Irregular expenditure on purchase of Burma Teak Wood- Rs38.84million

As per clause-17 of the agreement, if 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”,

During the audit of office of the Director Conservation, Karachi for the year 2012-13, it was observed that an expenditure of Rs38.84million was incurred on purchase of Burma Teak wood without specification of quality, market survey report and rate analysis report and schedule rate from steering committee.

(Rupees in million)

S#	Name of Work	Description	Amount
01	Establishment of Museum at Karachi	P/L new Burma teak and other wood	13.872
02	Restoration of meetharam Hostel Karachi		10.206
03	Establishment of Museum at Karachi		5.576
	Establishment of Museum at Karachi		7.872
04	Conservations /Improvement of old mason lodges.		1.306
	Total		38.832

The matter 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 justification for non-observance of codal formalities besides fixing responsibility on person(s) at fault

AIR #02

13.4.2 Income Tax not deposited into treasury-Rs24.15 million

According to Para 399 (iii) of Central Public Works Accounts code, balances un-claimed for more than three complete account years should be credited to the Government as lapsed deposits.

During audit of office of the Director Conservation, Karachi for the year 2012-13, it was observed that an amount of Rs24.15 million was deducted on account of Income Tax from contractor's bills but the same was not deposited to concerned department as it was lying in P.W.D. Deposits till end of the June 2012.

The matter 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 that funds may be transferred to concerned department besides fixing responsibility on person(s) at fault.

AIR-04

13.4.3 Unjustified expenditure without preparing estimate-Rs24.10 million

According to Para-527 of Public Works Department Manual, volume-I, no work shall begin unless proper detailed design and estimate have been sanctioned, allotment of funds made and order for its beginning issued by competent authority.

During the audit of the office of Director Conservation, Karachi for the year 2012-13, it was observed that an expenditure of Rs24.10 million was incurred on repair and maintenance of various civil works without preparation of estimates.

The matter 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 reason of execution of civil works without preparation of estimates besides fixing responsibility on person(s) at fault

AIR-06

CHAPTER-14 GOVERNOR HOUSE

14.1 Introduction

Governor House is a part of Organs of state which are strategic units of the government and is run by the governor who being constitutional head of the provincial government and is designated by the Prime Minister and is appointed by the President. Governor appoints the designated Chief Minister of the provincial assembly and functions as the advisor to the government by coordinating between units of provincial and federal machinery and takes up the direct control when assembly is dissolved or has been inactive.

This Governor House functions under two wings, namely:

- (a) **Governor's Secretariat** headed by Principal Secretary to Governor. Special Secretaries, Additional Secretaries, Deputy Secretaries and Section Officers assist the Principal Secretary
- (b) **Military Secretary's Wing** headed by Military Secretary (serving officer of Pakistan's Armed forces)
Under the Military Secretary there is an ADC (also a serving officer of Armed Forces), a Deputy Secretary, Comptroller, Protocol Officer and Section Officer General).

Each Wing as mentioned above is allocated with separate budget and most of the activities of the House are related to general administration of the House and coordination for of the government.

14.2 Comments on the Budget and Accounts (Variance Analysis)

Governor House consists of 09 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2013-14. The accounts for the Financial Year 2012-13 were audited on test check basis. Following is the position of budget and expenditure of the House:

(Rupees in million)

Original Budget / Grant	Supplementary Grant	Revised Budget 2012-13	Departmental Expenditure	Variation (Excess) / Savings
420.79	80.27	501.06	334.75	166.31

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs166.31 million was observed which was not surrendered in time.

14.3 Brief comments on the compliance of PAC directives

No para was printed in the previous year's audit reports.

14.4 AUDIT PARAS

14.4.1 Cars purchased without approval of Finance Department - Rs18.68 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, no advance would be drawn on abstract bill without prior approval of Finance Department.

During the audit of office of the Secretary Provincial Assembly of Sindh, Karachi, for the year 2011-12, it was observed that an amount of Rs18.68 million was drawn through pre-receipted bills for purchase of thirteen 1300cc Toyota Cars without obtaining approval of Finance Department.

The matter was pointed out 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 justification for irregular expenditure besides fixing the responsibility on the person(s) at fault.

AIR-02

14.4.2 Irregular Expenditure without inviting Tender - Rs3.05 million

Rule 17 of SPPR, 2010 provides as under:

- (1) Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.
- (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

During the audit of office of the Governor House Secretariat, Karachi Sindh for the financial year 2011-12, it was observed that an expenditure of Rs3.05 million was incurred on repair of vehicles and furniture without inviting open tender. Details are given as under.

(Rs in million)

Sr. #	Name of Office	Particulars	Para #	Amount
1.	Military Secretary to Governor House, Sindh, Karachi	Repair of Vehicles etc.	04, 09 & 11	2.82
2.	Secretary Provincial Assembly of Sindh, Karachi	Repair of Furniture	06	0.23
Total				3.05

The matter was pointed out 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 justification for expenditure incurred without calling tenders besides fixing the responsibility on the person(s) at fault.

CHAPTER – 15
HEALTH DEPARTMENT

15.1 Introduction

The main functions of the department under the Sindh Government Rules of Business, 1986 are:

1. To control medical drugs and dangerous drugs (Drugs Act & Rules).
2. To manage medical education, including medical schools, colleges, institutions for dentistry and Medical social welfare projects.
3. Regulation of medical and other professional qualifications and standards; Medical registration, including medical council; Indigenous system of medicines; Medical attendance on government servants; and Levy of fees.
4. Pharmacy and nursing councils.
5. Prevention and control of infectious and contagious diseases; like Tuberculosis, malaria rabbies etc.; Safety from adulteration of food stuffs and acquiring nutrition; Vaccination and inoculation; and Maternity and child welfare and Primary Health.

15.2 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 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
47,045.06	331.96	49,377.02	45,569.13	3,807.89

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs3,807.89 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
250.00	134.00	151.00	(17.00)

15.3 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	% 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 and total 35 paras were discussed cumulatively in respect of Health Department. The department made compliance of only 21 paras and 14 paras were left unattended or compliance not made. The percentage of compliance comes to 60%.

15.4 AUDIT PARAS

15.4.1 Non-production of Record

According to Section 14 (2) and (3) of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, "the officer in charge of any office or department shall afford all facility and provide record for audit inspection and comply with requests for information in as complete form as possible and with reasonable expedition"; and "any person or authority hindering the auditoria function of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules".

During the audit of various offices of Health Department it was observed that an expenditure amounting to Rs717.89 million was incurred on account of various heads but the auditable record was not produced for verification. Details are given in Annexure-1 of Chapter-15.

The matter was pointed out to the department during March to 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 that record may be produced to the audit for verification besides fixing responsibility on person(s) at fault.

15.4.2 Non- recovery of Government dues - Rs177.94 million

As per Rule-20 of General Financial Rules Volume-I, "Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts it is the duty of the departmental controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account".

During the audit of various offices of Health Department, it was observed that an amount of Rs. 177.94 million was not deducted from the bills of contractors and salaries of officials on account of various heads. Details are given in Annexure-2 of Chapter-15.

The matter was pointed out to the department during January to May 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 that government dues may be recovered, besides fixing responsibility on person(s) at fault.

AIR - 35,9,10

15.4.3 Irregular expenditure without inviting open tenders - Rs77.62 million

Rule 17 of SPPR, 2010 provides as under:

- (1) Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.
- (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

During the audit of offices of Health Department, it was observed that an expenditure of Rs77.62 million was incurred on various supplies without inviting open tender and by splitting up the expenditure to avoid tendering process. Due to non-invitation of open tender the government was deprived of competitive rates. Details are given in Annexure-3 of Chapter-15.

The matter was pointed out to the department in March & May 2013 but no reply was received except office mentioned at serial number 10 of the Annexure-3. The office replied that it had invited tenders but reply was not tenable as no documentary evidence was produced.

DAC meeting was not held despite pursuance with concerned PAO.

Audit requires justification for incurring expenditure without inviting tender besides fixing responsibility on person(s) at fault.

15.4.4 Irregular payment due to excess consumption of steel - Rs 51.79 million

As per Para-528 of Public Works Departmental Manual, "No material alteration in sanctioned, still less in standards, designs may be made by a Divisional Officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction".

During the audit of office of the PD, Rehabilitation, DHQ/THQ Hospital, Health Department, Karachi for the financial year 2011-12, it was observed that an amount of Rs51.79 million was paid to the contractors on account utilization of steel over and above the estimated quantity without any change in design and specifications.

The irregularity was pointed out to the department in February 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 excess amount may be recovered besides fixing responsibility on the person(s) at fault.

AIR - 4

15.4.5 Un-authorized occupancy of government accommodation - Rs50.00 million

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

During the audit of the following offices of Health Department for the financial year 2011-12, it was observed that government bungalows having worth of Rs50.00 million were occupied by un-authorized persons, but no efforts were taken by the department to get the accommodations vacated.

(Rs in million)

Sr. No	Name of Office	Para #	Amount
1	M.S., Taluka Hospital, Matiari	3	30.00
2	M.S., Taluka H.Q. Hospital, Hala.	8	20.00
Total			50.00

The matter was pointed out to the department in the months of March & 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 that efforts may be made to get the government accommodations vacated, besides fixing the responsibility on the person(s) fault.

15.4.6 Excess execution of items of work -Rs44.01 million

As per Clause 38 of the Contract Agreement, “The quantities shown in the tender are approximate and no claim shall be entertained for quantities of work executed being 30% more or less than those entered in the tender or estimate.

During the audit of office of the PD, Rehabilitation, DHQ/THQ Hospital, Karachi for the year 2011-12, it was observed excess expenditure amounting to Rs44.01 million was incurred due to excess execution of items of work than estimate without obtaining sanction from the competent authority.

The irregularity was pointed out to the department in February 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 justification for excess execution of items without sanction of competent authority besides fixing the responsibility on the person(s) at fault.

AIR – 6

15.4.7 Short supply of medicine-Rs 5.93 million

According to Rule-10 (i) and (iv) of General Financial Rules, Volume-I, Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public moneys as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During the audit of following Hospitals of Health Department for the financial year 2011-12, it was observed that medicines worth Rs5.93 were less received. Details are as under:

Rupees in million

Sr. #	Name of Office	Para #	Cost of Medicine		
			Paid	Supp	Short Supplied
1.	M.S. Govt. Hosp. Kohsar, Hyd.	7	4.61	0.30	4.31
2.	M.S. Govt. Hosp. Preetabad, Hyd.	2	4.38	3.60	0.75
3.	M.S. CDF Hosp, Hyd.	6	3.75	2.88	0.87
Total			12.74	6.78	5.93

The matter was pointed out to the department in the month of March 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 into the matter for short supplied medicine for fixing responsibility on the person(s) at fault.

15.4.8 Doubtful appointment of a Field Monitoring Coordinator-Rs2.91 million

As per PC-I, Field Monitoring Coordinator (BPS-18) is to be appointed having the required qualification, “MBBS PMDC registered, post graduate qualification in Public Health, five years’ experience in Primary Health Care / Rural Health / Child Health”.

During audit of office of the Provincial Coordinator, Family Planning & Primary Health Care (FP&PHC), Health Department, Government of Sindh, Hyderabad for the Financial Year 2012-13, it was observed that an amount Rs2.19 million was paid to the officer on account of pay and allowances during

September 2010 to June 2013. Field Program Officer (BPS-17) from Federal Program Implementation Unit (FPIU), Ministry of Health, Islamabad vide letter F.No.6-89/96-PHC/Admn dated 25 June, 2011 was placed at the disposal of Provincial Program Implementation Unit (PPIU) Sindh, Hyderabad as per new PC-I (2010-2015) with the advice that he will draw salary and TA/DA claims from PPIU Sindh, Hyderabad from September 2010 onwards. The Officer was later on recommended for regularization in PPIU Sindh on the post of Field Monitoring Coordinator (BPS-18) by Provincial Coordinator, FP&PHC, Hyderabad vide letter No.NP/Estt-Sec/951/53 dated 08.03.2013. His name was recorded at Sl. No.1 with the designation as Field Monitoring Coordinator (BPS-18) and date of joining was shown as 01.08.1996 in the list of officers working in Implementation Unit Sindh as enclosed with the same letter dated 08.03.2013. Audit observed from Pay Bills that he was drawing salary against the post of Field Monitoring Coordinator (BPS-18) from December 2012, hence the date of joining of the officer shown as on 01.08.1996 against the post of Field Monitoring Coordinator (BPS-18) was doubtful. Following irregularities were noticed:

- 1) No detail of his initial appointment of as Field Program Officer (BPS-17) in FPIU, Personal File and LPC upon transfer of his services to PPIU Sindh was provided to audit.
- 2) Detail of his appointment as Field Monitoring Coordinator (BPS-18) was not provided to audit.
- 3) His date of joining as 01.08.1996 was not clarified to audit.
- 4) TA/DA payment by PPIU Sindh for the period of service of the officer in Federal Program was not justified.
- 5) Payment of Rs384,153 on account of pay & allowances for the month of June 2012 to the officer was made instead of his monthly salary of Rs85,400. The clarification of abnormal payment was not provided to audit.

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 inquiry in the matter to ascertain factual position of appointment of the officer besides production of record for audit scrutiny.

AIR-30

15.4.9 Irregular payment of salaries -Rs4.99 million

Ministry of Inter Provincial Coordination, Government of Pakistan, Islamabad vide O.M. NO F.S (3) 2012- HW/LHWS dated 18 December 2012 among other directives provided that the Prime Minister has been pleased to approve the effective strength of LHWS, etc., on cut-off date 01.07.2011 for all provinces, wherein the strength of 24,068 employees was fixed in respect of Sindh Province. It was added that post that may become vacant as a result of resignation, losing jobs or otherwise shall stand abolished for the purpose of federal funding and new recruitment w.e.f. 1.07.2011 will be financed by the Provincial Governments. Likewise, any new creation of posts/appointments or future need will be financed by the provinces from their own budget/ resources.

During audit of office of the Provincial Coordinator, NFPF & PHC, Government of Sindh, Hyderabad for the year 2012-13, it was observed that 27 persons were recruited in BPS-01 to 18 in December 2012, and salary amounting to Rs4.99 million was paid to them; whereas, the vacant posts stood abolished as on 01-07-2011. The department instead of creating posts and allocating budget from provincial fund, paid salary to the recruited persons from the federal fund in violation of the directive of the Federal Government. The details are mentioned in the Annexure.

Following irregularities were noticed by audit.

1. The recruitment was over and above the sanctioned strength which was a violation of the directives of the Federal Government dated 18-12-2012 mentioned above.
2. The recruitment committee was constituted vide letter dated 04 December 2012 issued by Health Department, Government of Sindh; whereas, as per prevailing procedure, the selection committee for recruitment of officers BPS-17 & above is to be constituted by Services General Administration and Coordination Department.
3. One of the four members Selection Committee was "Focal Person to Secretary Health for court matters". There was no relevancy of the officer in selection committee as it was not a court matter.
4. The selection committee while making recommendation for recruitment did not observe the quota of Urban and Rural @ 40:60.

5. The criteria for recruitment advertised by the department regarding age and experience was not observed by the selection committee; hence, the whole process was completed in a non-transparent manner.
6. The recommendation of selection committee for the recruitment was approved by Secretary Health Department vide letter No. F.O.A.(HD)10-104/2012 dated 19 December 2012. Whereas, recruitment of BPS-01 to 18 was beyond the purview of the Secretary Health Department. As per prevailing procedure, it required approval of Chief Executive of the Province.
7. The above recruitment included appointment of Audit Officer (BPS-17); whereas, according to Clause 19 of PC-1 of this project, the Audit Officer, Assistant Audit Officer and Cashier were required to be hired on deputation basis from AGP/CGA. Moreover, the department in December 2012 promoted Cashier (BPS-14) to Assistant Account Officer (BPS-16) and UDC (BPS-09) to Cashier (BPS-14). The recruitment and promotion were in violation of PC-1.
8. The verification of degrees of the selected/appointed persons was not carried out by the department.

The matter was pointed 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 inquiry in the matter of irregular recruitment/promotions for fixing responsibility on the person(s) at fault besides taking remedial measures.

AIR -29

15.4.10 Irregular appointment of lady health supervisors & drivers- Rs1.68 million

As per Clause A (iii) of PC-1 NPFP & PHC, Lady Health Workers Program (January 2010 to June 2015), Government of Pakistan, Ministry of Health, the selection committee for recruitment of LHWs will be as under.

- Medical Officer In-charge FLCF (Chairman).
- Women Medical Officer/Lady Health Worker (LHW)/Female Medical Technician (FMT) – FLCF.
- Male Health Technician (MHT) / Dispenser.

- One eminent member of the local committee.

Clause (IV) *ibid* provides that selection of LHWs made by the committee will be approved by EDO-H/DHO after verification by FPO/PPIU ensuring that selection criteria have been met.

Ministry of Inter Provincial Coordination, Government of Pakistan, Islamabad vide O.M. NO F.S (3) 2012- HW/LHWS dated 18 December 2012 among other directives provided that the Prime Minister has been pleased to approve the effective strength of LHWs, etc on cut-off date 01-07-2011 for all provinces, wherein the strength of 24,068 employees was fixed in respect of Sindh Province. It was added that post that may become vacant as a result of resignation, losing jobs or otherwise shall stand abolished for the purpose of federal funding and new recruitment w.e.f. 01-07-2011 will be financed by the Provincial Governments. Likewise, any new creation of posts/ appointments or future need will be financed by the provinces from their own budget/ resources.

During audit of office of the Provincial Coordinator, NPFP & PHC, Government of Sindh, Hyderabad for the year 2012-13, it was observed that an expenditure of Rs1.68 million was incurred salary upto 30th June 2013 on recruited officials from the Federal Funds; whereas, the vacant posts stood abolished as on 01-07-2011. The department created posts and allocated budget from provincial fund and paid salary from the federal fund in various districts on contract recruitment for the posts of Lady Health Supervisors and Drivers. Moreover, in districts Jamshoro and Karachi, the posts of Accounts Supervisors were also filled. However, the procedure laid down in PC-1 for selection of LHWs was not observed. The recruitment was made by the local office (Provincial Coordinator National Program) FP&PHC, Hyderabad in disregard of the regulations.

The matter was pointed 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 inquiry in the matter for irregular recruitment besides fixing responsibility on the person(s) at fault taking remedial measures.

AIR -36

15.4.11 Unauthorized reinstatement of lady health workers - Rs22.34 million

1- As per Para-‘v’ of PC-1, the LHWs not fulfilling the criteria would be liable to termination of the contract. However, once an LHW is terminated, then same LHW could only be reinstated with the recommendation of Provincial Program Implementation Unit (PPIU) (based on the findings of termination review committee at PPIU or findings of inquiry committee constituted by Provincial Coordinator). To ensure transparency in the process of reinstatement for those cases which are recommended by District Program Implementation Unit (DPIU) for reinstatement, DPIU will forward such cases on the reinstatement proforma duly verified by the concerned Lady Health Supervisors (LHS), District Coordinator National Program (DCNP) & Field Program Officer (FPO) and counter signed by the Executive District Officer Health. The committee will only take up those cases for which reinstatement proforma have been filled and submitted by DPIU to PPIU within 3 months of termination.

II- Moreover, Ministry of Inter Provincial Coordination, Government of Pakistan, Islamabad vide O.M. No F.S(3)2012-HW/LHWS dated 18th December 2012 among other directives, provided that the Prime Minister has been pleased to approve the effective strength of LHWs, etc on cut-off date 01-07-2011 for all provinces, wherein the strength of 24,068 employees was fixed in respect of Sindh Province. It was added that post that may become vacant as a result of resignation, losing jobs or otherwise shall stand abolished for the purpose of federal funding and new recruitment w.e.f. 1.07.2011 will be financed by the Provincial Governments. Likewise, any new creation of posts/ appointments or future need will be financed by the provinces from their own budget/ resources.

During audit of office of the Provincial Coordinator, NFPF & PHC, Government of Sindh, Hyderabad for the year 2012-13, it was observed that an amount of Rs22.34 million was paid on account of salaries from Federal Fund to 266 LHWs, those earlier terminated from their job before 01-07-2011, were reinstated in services without meeting the condition laid down in PC-1 as given above.

Moreover, posts in respect of the terminated LHWs were supposed to be treated as abolished in the light of directives of the Federal Government

vide circular dated 18 December 2012. Funds were required to be arranged by the Government of Sindh instead of the Federal Government.

The matter was pointed 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 inquiry in the matter of irregular reinstatement for fixing responsibility on the person(s) at fault besides taking remedial measures.

AIR -32

CHAPTER – 16

HOME DEPARTMENT

16.1 Introduction

Home Department plays a pivotal role in devising the policy leading towards the maintenance of law and order and internal security of the province.

The departments attached with the Home Department are;

- (i). Police
- (ii). Civil Defense
- (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.

16.2 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 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	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.

16.3 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	% 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 %.

16.4 AUDIT PARAS

16.4.1 Non-production of record

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

During audit of various offices of Home Department for the year 2011-12 & 2012-13, it was observed that auditable record of involving expenditure of Rs 5.10 million was not produced to audit. Details are mentioned in Annexure-1 of Chapter-16.

The matter was pointed out to the department in August 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 production of record besides fixing responsibility for non-production of the auditable record.

16.4.2 Non recovery of dues – Rs117.91 million

As laid down in Rule 28 of General Financial Rules, vol-I, "No amount due to government should be left outstanding without sufficient reasons, and where any dues appear to be irrecoverable, the orders of competent authority for their adjustment must be sought."

During the audit of following offices of Home Department for the year 2011-12 & 2012-13, it was observed that an amount of Rs117.91 million was outstanding against various agencies/employer, which was not recovered. Details are mentioned in Annexure-2 of Chapter-16.

The matter was pointed out department during March 2012 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 justification for non recovery of government dues, besides fixing responsibility on the person(s) at fault.

16.4.3 Irregular Payment on pre-receipted bills – Rs151.68 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 the audit of office of the Inspector General Sindh Police Karachi for the year 2011-12 and 2012-13, it was observed that an expenditure of Rs 151.68 million was incurred on purchase of vehicles through pre-receipted bills and without approval of Finance Department.

Rupees in million

Sr. #	Name of Office	Para #	Year	Particular	Amount
1	Inspector General of Police Sindh, Karachi	02	2011-12	Vehicles	7.24
2		01	2012-13	Purchase of various Arms & Equipment	144.44
Total					151.68

The irregularity was pointed out to the department in August 2012 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 justification for irregular expenditure through pre-receipted bills besides fixing responsibility on the person(s) at fault.

16.4.4 Loss to government due to unauthorised Chingchi Rickshaw

Any public transport vehicle cannot be operated on the road without Registration mark, Token Tax, Fitness Certificate, Route permit and without obtaining a driving license as per Motor Vehicle Ordinance, 1965

Further, no vehicle can be operated without fulfilling the requirements laid down in the Motor Vehicle Ordinance. The requirements are as follows.

- | | |
|---------------------------------------|-------------|
| 1. Without Registration No. | U/s 23 |
| 2. Without Payment of Road Tax | (Token tax) |
| 3. Driver without any Driving License | U/s 03 |
| 4. Without Route Permit | U/s 44 |
| 5. Without Fitness Certificate | U/s 39 |

During the audit of following offices of Home Department, for the year 2012-13, it was observed that a large number of 'Chingchis' are operating on the roads without registration. Due to non-registration of Chingchis, government was deprived of registration fee. Further, no penalty was imposed on Chingchis' operators for their default of non-meeting the requirements stated in the Motor Vehicle Ordinance, 1965.

Following offices are responsible for imposition of fine on the illegally operated Chingchis.

(Rupees in million)

Sr. #	Name of Offices	Para #	Particulars
1.	Senior Superintendent of Police, Traffic Zone-III Karachi	02	Illegal running of Chingchi (Motor Cycle Rickshaw)
2.	Senior Superintendent of Police, Traffic Zone-IV Karachi	02	Illegal running of Chingchi (Motor Cycle Rickshaw)

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 justification of the matter besides fixing responsibility for non imposing penalty on the person(s) at fault.

16.4.5 Non-deposit of government weapons

According to Rule-23 of GFR Vol-I, every Government officer should realize fully and clearly that he will be that he will be personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence

on the part of any other Government official to the extent of which it may be shown that he contribute to the losses by his own action or negligence.

During the audit of office of SSP, Mirpur Khas for the year 2012-13, it was observed that some police officers had taken away government weapons with them illegally.

The matter 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 into matter besides fixing responsibility for non-deposition of government weapons on the person(s) at fault.

AIR – 01

16.4.6 Irregular expenditure on feeding charges-Rs.1.25 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 SSP, Larkana for the year 2012-13, it was observed that expenditure of Rs.1.25 million was incurred on account of feeding charges during June 2013. The funds were required to be surrendered instead the funds were spent to avoid lapse of funds.

The matter was pointed out to the department in the month of 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 that justification may be provided and responsibility may be fixed on the person(s) at fault.

AIR-12

16.4.7 Expenditure without inviting open tenders-Rs147.94 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 offices of Home Department, for the year 2012-13, it was observed that an amount of Rs 147.94 million was incurred on account of feeding charges, repair works, and procurement of uniforms without inviting open tender.

Rupees in million

Sr. #	Name of Office	Para #	Year	Particular	Amount
1	SSP, Nousharoferoze	3	2012-13	Feeding charges	0.60
2	AIG, Security Sindh (SSU) Sindh, Karachi	2	2012-13	Repair & renovation of building	3.00
3	SSP, Nausheroferoze	2	2012-13	Repair & renovation of building	1.00
4	SSP, Shikarpur	5	2012-13	Repair & renovation of building	1.00
5	Director Anti Encroachment Force, Karachi	5	2012-13	Repair of transport	1.10
6	Director Anti Encroachment Force, Karachi	2	2012-13	Purchase of uniform	1.24
7	IG Police Sindh, Karachi	2	2012-13	Purchase of 02GSM Locators	140.00
Total					147.94

The irregularity 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 justification procurement and other works without open tenders besides fixing the responsibility on the person at fault(s).

16.4.8 Un-authorized drawl of cash - Rs 49.10 million

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

During the audit of accounts record of various offices of Home Department, for the year 2011-12 & 2012-13, it was observed that cash of Rs49.10 million was drawn from the bank on account of various head of accounts instead of issuing cross cheques to the payees.

Rupees in million

Sr. #	Name of Office	Para #	Year	Particular	Amount
1	SSP, Thatta	17	2011-12 & 2012-13	salaries	47.83
2	SSP, Investigation West Karachi	3	2011-12	various head of accounts	1.27
Total					49.10

The irregularity was pointed out to the department in November 2012 and January 2014 but no reply received till finalization of the report.

Audit requires inquiry for drawl of cash instead of payment through cross cheques into the matter besides fixing responsibility.

CHAPTER – 17

INDUSTRIES & COMMERCE DEPARTMENT

17.1 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.

17.2 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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	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)

17.3 Brief comments on the compliance of PAC directives

As no para was included in the previous audit reports, hence requires no comments.

17.4 AUDIT PARAS

17.4.1 Non-production of record

Section 14(2) & (3) of the Auditor General's (Functions, Powers & Terms & Conditions of the Service) Ordinance, 2001 state that;

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

(3) Any person or authority hindering the auditoria functions of the Auditor General regarding inspection of accounts shall be subjected to disciplinary action under efficiency and discipline rules.”

During audit of office of the Secretary Industries & Commerce Department for the year 2011-12, it was observed that an amount of Rs128.98 million was paid to various payees but the auditable record were not produced to audit. The authenticity of the expenditure could not be verified by audit due to non-production of record.

The irregularity was pointed out in Jan 2013. The management in DAC meeting held on February 07, 2014 informed that the amount was disbursed during financial year 2010-11 and the relevant account has already been audited. The DAC directed the management to produce evidence to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for submission of record for scrutiny/verification.

AIR- 01

17.4.2 Irregular appointment of consultants - Rs56.70 million

According to Rule 17(i) (ii) of Sindh Public Procurement Rules, 2010, “Procurement over 100,000 Rupees and upto one million rupees shall be advertised by timely notification on the authority's website and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language”.

During the audit of office of the Managing Director, SITE, Karachi for the year 2011-12, it was observed that an amount of Rs56.70 million was paid to the various consultants appointed without open advertisement and recommendation of proper Selection Board.

Rupees in million		
S. #	Name of Consultant	Amount
01	M/s. IDG Consultant	42.69
02	M/s. R.C.C Consultant	14.00
Total		56.69

The matter was pointed out to the department in October 2012. The management in DAC meeting held on February 07, 2014 informed that the consultancy contract was awarded after approval of the competent authority and the expenditure was within the allocated budget. The DAC was not satisfied with the clarification and observed that competitive tendering process for appointment of consultant as per SPPR 2010 was required to be observed. The DAC decided to hold an inquiry at the level of Industry & Commerce Department to ascertain factual position and fixing of responsibility on the person(s) at fault. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for conducting inquiry in the matter.

AIR-12

17.4.3 Unjustified payment to the contractor –Rs106.82 million

According to the Clause-60.14 of Section-2 ‘Condition of standard Contract’, Mobilization Advance @ 10% of the contract price stated in the letter of acceptance shall be paid by the employer to the contractor in two equal parts upon submission by the contractor of a mobilization advance guarantee for the full amount of the advance in the specified from the schedule bank acceptable to the employer.

During the audit of office of the Managing Director, SITE, Karachi for the year 2011-12, it was revealed that an amount of Rs106.82 million was paid to the contractor, while his performance bond and mobilization advance documents were in process of confirmation.

The irregularity was pointed out to the department in October 2012. The management in DAC meeting held on February 07, 2014 clarified that the

contractor was already working on different works; therefore, the payment of Mobilization Advance was released to him before finalizing the process of verification of Performance Bank Guarantee. They added that the contractor has now completed the work. The DAC observed that irregularity has occurred, and decided to hold an inquiry to ascertain factual position and to fix responsibility on the person(s) at fault. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for conducting inquiry in the matter.

AIR-4

17.4.4 Unauthorized purchase of vehicles –Rs3.30 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 issued by Finance Department, Government of Sindh, no advance would be drawn on abstract bill without prior approval of Finance Department.

During the audit of Managing Director, SITE, Karachi for the year 2011-12, it was revealed that an expenditure of Rs3.30 million was incurred for purchase of vehicles without approval of Finance Department.

The irregularity was pointed out to the department in October 2012. The management in DAC meeting held on February 07, 2014 clarified that the payment on account of vehicle was initially made but it was later deducted from bills of the contractor. The DAC being not satisfied with the clarification directed the management to submit a revised reply along with supporting documents to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for furnishing revised reply for scrutiny/verification.

AIR- 03

17.4.5 Unauthorized payment on execution of extra items of work – Rs48.69 million

As per Para-711 Public Works Department Manual, “The officer competent to sanction tender can also accord sanction to the execution of extra items of work not provided in the tender, subject to the condition that the amount of the extra items together with the amount of the tender does not exceed the amount of the sanctioned estimate plus such excess as the officers concerned is competent to sanction”.

During the audit of office of the Managing Director, SITE, Karachi for the year 2011-12, it was revealed that the an amount of Rs48.69 million was paid to contractors on account of extra items of works without sanction of the revise estimates.

The irregularity was pointed out to the department in October 2012. The management in DAC meeting held on February 07, 2014 clarified that they had obtained approval of extra item of work. The DAC directed the management to produce revised PC-I to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for furnishing revised revised PC-1 for scrutiny/verification.

AIR- 1

17.4.6 Irregular expenditure without provision of funds-Rs23.39 million

According to Para-12 of General Financial Rules, volume-I, “A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided”.

During the audit of office of the Managing Director, SITE, Karachi for the year 2011-12, it was observed that an amount of Rs23.39 million was paid against the work “Water supply pipe line from Keenjhar lake to SITE Nooriabad”, but it was found in the file (Note sheet’s minute No. 87, 89, 90) that no funds were available in the relevant scheme.

The irregularity was pointed out to the department in October 2012. The working papers submitted before DAC in the meeting held on February 07, 2014 did not contain response in respect of this para. The DAC directed the management to submit a revised reply along with supporting documents to Audit. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for furnishing revised reply along with documents for scrutiny/verification.

AIR- 9

CHAPTER – 18

INFORMATION & ARCHIVES DEPARTMENT

18.1 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.

18.2 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 2012-13. The accounts for the Financial Year 2011-12 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 2011-12	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.

18.3 Brief comments on the compliance of PAC directives

As no para was included in the previous audit reports, hence requires no comments.

18.4 AUDIT PARAS

18.4.1 Non Production of record

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

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

During audit of office the Secretary Information & Archives Department, Karachi for the year 2012-13, it was observed that an expenditure of Rs1,294.66 million was incurred on campaign of death anniversary of Benazir Bhutto Shaheed and other advertisement but department did not provide auditable record. Details are as under:

(Rupees in million)

S. #	Name of office	AIR #	Year	Details	Amount
01	Secretary Information & Archives Department Karachi	3	2012-13	Expenditure incurred on campaign of death anniversary of Benazir Bhutto Shaheed	45.55
02		5	2012-13	For advertisement published in 36 news- papers.	20.62
03		01	2012-13	On account of advertisement.	1,228.49
Total					1,294.66

The matter was pointed out to the department in October 2013. The management in DAC meeting held on February 04, 2014 informed that the allocated budget of Rs1,228.49 million was made under head “Advertisement of various departments as well as various schemes” which was utilized with due observance of rules and the record is available which may be verified by Audit. The DAC directed the management to produce the relevant record to Audit for scrutiny. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for production of record for scrutiny.

CHAPTER – 19

IRRIGATION DEPARTMENT

19.1 Introduction

Irrigation Department came into being in 1970 with the dissolution of One Unit. Major tasks performed by the Irrigation and Power 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. On the power side, the department performs the role of regulatory authority. 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 Balochistan 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 Rs.12445 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

The 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. Rs.1086
- (ii). Construction of Makhi Farash Link Canal Project (Chotiari Phase – II). Rs.2037
- (iii). Installation of 100 tube wells of saline water around Chotiyaroon. Rs.192
- (iv). Recouping deficiencies along Chotiari Reservoir. Rs.305

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.

19.2 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 2013-2014. The accounts for the Financial Year 2012-2013 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 2011-12	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.

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	% 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 and total 31 paras were discussed cumulatively in respect of Irrigation Department. The department made compliance of 18 paras and 13 paras were left unattended or compliance not made. The percentage of compliance comes to 58.

19.4 AUDIT PARAS

19.4.1 Non production of record

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

During the audit of the offices of Irrigation Department for the years 2011-12 and 2012-13, it was noticed that various type of auditable record of Rs379.29 million were not produced to audit. Details are given in the Annexure-1 of Chapter-19.

The irregularity was pointed out to the Department during September 2012 to November 2103 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires justification for non-production of relevant record besides fixing responsibility.

19.4.2 Non-adjustment of advance payment - Rs209.50 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 the audit of the offices of Irrigation Department, Government of Sindh for year 2012-13, it was observed that the advance payments of Rs-Rs209.50 million were made to various divisions/ suppliers on account of desilting and other works but the adjustment accounts were not obtained. Details are given in the Annexure-2 of Chapter-19.

The matter was pointed out to the department during November 2012 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 justification of the matter besides fixing the responsibility for non-adjustment of advance.

19.4.3 Non-imposition of penalty - Rs88.31 million

As per clause-2 of the Contract Agreement, “The quantity of the work is to be done within particular time as specified within the proportionate limit of time, such as 1/4th work in 1/4th of the time. In the event of contractor failing to comply with this condition he shall be liable to pay as compensation an amount equal one percent, or such smallest amount as the Superintending Engineer (whose decision in writing shall be final) may decide of the said estimated cost of the whole work for every day that the due quantity of work remains incomplete. Provided that, the total amount of compensation to be paid under the provisions of this clause, shall not exceed 10 percent of the estimated cost of the work, as shown in the tender”.

During the audit of the offices of Irrigation Department for the financial year 2012-13 it was observed that department did not impose penalty upon the contractors for not completing various works within the stipulated time. Details are as under:

(Rupees in million)

Sr. #	Name of office	Financial Year	Para #	Amount
1.	XEN, KalriBaghar Division, Thatta	2011-12	04	1.92
		2012-13	07	4.74
2.	XEN, Shahbaz Division Sehwan	2011-12	05	1.58
		2012-13	01	12.63
3.	XEN, Drainage Division Mirpurkhas	2012-13	01	25.25
4.	XEN, Lower pinyari Division Sajawaj	2012-13	01	14.90
5.	XEN, Rice canal Division Larkana	2012-13	01	12.59
6.	XEN, West Division Khairpur	2012-13	03	4.00
7.	XEN, Drainage Division Thatta	2012-13	07	10.08
8.	XEN, Tube well Division Ghotki	2012-13	10	0.62
Total				88.31

The matter was pointed to the department during November 2012 to 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 of the penalty besides fixing responsibility on the person(s) at fault.

19.4.4 Excess execution of items of work - Rs26.76 million

Clause 38 of the Contract Agreement, states that, “the quantities shown in the tender are approximate and no claim shall be entertained for quantities of work executed being 30% more or less than those entered in the tender or estimate.”

During the audit of following offices of the Irrigation Department for the financial year 2012-13, it was observed that the quantities of work were executed in excess of permissible limit of 30% of the estimated cost which resulted in payment of Rs26.76 million to the contractors without approval of the competent authority.

(Rupees in million)

Sr. #	Name of office	Financial Year	Para #	Amount
1.	XEN, Mithrao Division Mirpurkhas	2011-12	07	1.44
2.	XEN, Drainage Division Thatta	2012-13	05	25.32
	Total			26.76

The matter was pointed out to department in February and 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 justification on excess execution item of work, besides fixing responsibility on the person(s) at fault.

19.4.5 Excess payment to the contractors/employees – Rs140.09 million

As per Rule-28 of General Financial Rules, volume-I, “No amount due to Government should be left outstanding without sufficient reason and where

any dues appear to be irrecoverable, the order of the competent authority for their adjustments must be sought.”

During the audit of following offices of the Irrigation Department for the financial year 2012-13, it was observed that an amount of Rs140.09 million was paid to contractors/consultants in excess of due amount. Details are given in the Annexure-3 of Chapter-19.

The matter was pointed out to the department during November 2012 and 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 that excess payment to the contractors may be recovered besides fixing responsibility on the person(s) at fault.

19.4.6 Irregular execution of work over the sanctioned estimate - Rs55.02 million

As per Para-532 of Public Works Department Manual, “A revised estimate may be submitted when a sanctioned estimate is likely to be exceeded by more than 5%”.

During the audit of the offices of Irrigation Department for the financial year 2012-13, it was observed that excess payment of Rs55.02 million was made to the contractors over and above the sanctioned estimates and permissible limit of 5% without approval of revised estimates. The details are as under:-

(Rupees in million)				
Sr. #	Name of office	Financial Year	Para #	Amount
1.	XEN, Drainage Division Thatta	2012-13	06	54.45
2.	XEN, Jamrao Division Mirpurkhas	2011-12	09	0.57
Total				55.02

The matter was pointed out to the department in January and 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 justification of the matter besides fixing responsibility for irregular execution of work over the sanctioned estimate.

AIR-03

19.4.7 Unjustified payment of Topographic Survey - Rs62.76 million

As per charter of Geological Survey of Pakistan, the department is responsible for the study of geology of the country in all pertinent details and to assess its resource potential. It undertakes:

- Geological mapping and other geo-scientific surveys,
- Basic and applied research in earth sciences,
- Scientific investigations for an accurate understanding of the country's geological resources and their prudent management, and
- Environmental geology and hydro-geological studies

During the audit of the office of the Project Director Lining for the 2011-12, it was observed that an expenditure of Rs62.76 million was incurred on account of topographic survey but reasons for non-executing the work either from Geological Survey of Pakistan, or GIS Cell of Irrigation Department were not available on the record supplied to audit. The Topographic Survey Report was also not provided to audit.

The irregularity was pointed out to the Department during December 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 justification of the matter, besides fixing the responsibility.

AIR-06

19.4.8 Unjustified payment to the consultant - Rs22.13 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 the audit of the office of Project Director, Lining for the year 2011-12, it was observed that an expenditure of Rs22.13 million was incurred on account of salaries of employees of consultant. It was observed that the same employees had taken different pays against different designations in the same accounting period. Even, in some cases two to three times payment was made.

The irregularity was pointed out to the Department during December, 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 justification of irregular payment, besides fixing responsibility on the person(s) at fault.

AIR-09

19.4.9 Vehicle cost charged to work instead of manufacture account- Rs12.06 million

Under Para 333, 334 of CPWA Code, a manufacture account is debited directly with;

- (1) the value of raw material issued from stock or obtained otherwise,
- (2) the cost of the labour employees, and
- (3) Other identical charges connected with the operations.

During the audit of the office of Executive Engineer, Central Sindh, Mechanical Division, Irrigation Department, Jamshoro for the financial year 2012-13, it was observed that cost of vehicles Rs12.06 million was directly charged against the work instead of the manufacture account of the suspense head of stock for its eventual clearance with the outturn account.

The irregularity was pointed out to the Department during 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 justification on irregular charging to the work, besides fixing responsibility.

AIR-28

19.4.10 Irregular expenditure out of release issued-Rs1.20million

The Finance Department vide letter No.FD/B&E-I/2(360)Ban/2013 dated 05.06.2013, advised not to incur expenditure out of budgetary release under the head “Others”.

During the audit of the office of the Executive Engineer, Upper Pinyari Division, Hyderabad, it was observed that an expenditure of Rs1.20 million was incurred on account of hiring casual labour under the head of account “Others” out of release issued by S.E. Pinyari Circle, Hyderabad vide No. TC/G-55/932 dated 12.06.2013.

The irregularity was pointed out to the Department during 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 justification for irregular use of funds, besides fixing responsibility

AIR-01

19.4.11 Expenditure without inviting open tender - Rs1,028.76 million

As per Para 17 of SPPRA 2010, “Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules”.

During the audit of the offices of Irrigation Department for the years 2011-12 and 2012-13, it was revealed that expenditure of Rs1,028.76 million was incurred on various heads without inviting open tenders in contravention to above rule. Due to this government was deprived of competitive rates. Details are given in the Annexure-4 of Chapter-19.

The irregularity was pointed out to the Department during August to November 2103 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires justification of the matter besides fixing responsibility for expenditure without inviting tenders.

19.4.12 Non-Crediting of Government Revenue - Rs191.66 millions

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 the audit of the offices of Irrigation Department for the years 2011-12 and 2012-13, it was observed that an amount of Rs191.66 million was deducted as income tax and other miscellaneous revenue but the same was not deposited into the government treasury. Details are given in the Annexure-5 of Chapter-19.

The irregularity was pointed out to the Department during September to November 2103 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires justification for non deposition of revenue into treasury besides fixing responsibility.

19.4.13 Non-Recovery of Government Revenue – Rs80.43 million

1. 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".

II. Item at Sr. No.8 (2) (b) of the Introduction of the Schedule of Rates (Composite) for finished items of works 1995, states that deduction for settlement (Shrinkage) be made from the bank measurements when the earthwork is done by machines (tractors and Scraper) at the rate of 3 to 6%.

III. As per the Standing Rates Committee # Rates/69/948/42/66 dated 29th Oct 1969, "25 % voids are required to be deducted from the bills of the contractors".

During the audit of the offices of Irrigation Department for the years 2011-12 and 2012-13, it was noticed that government revenue amounting to Rs80.43 million was not realized/less deducted from private contractors / agencies / employees. Details are given in the Annexure-6 of Chapter-19.

The irregularity was pointed out to the department during November, 2012 to November 2103 but neither was the reply received nor was the DAC meeting convened despite pursuance with the concerned PAO till finalization of this report.

Audit requires justification for non recovery of government dues, besides fixing responsibility.

CHAPTER –20
LAW & PARLIAMENTARY AFFAIRS & HUMAN RIGHTS
DEPARTMENT

20.1 Introduction

The main role of the Law & Parliamentary Affairs & Human Rights Department is:

1. To monitor and control the activities of legal system of the province
2. 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.

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 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
4,606.10	1,859.23	6,465.33	5,770.289.71	695.04

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs695.04 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
125.00	232.00	80.00	152.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs152.00 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	% 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 and total 14 paras were discussed cumulatively in respect of Livestock & Fisheries Department. The department made compliance of only 3 paras and 11 paras were left unattended or compliance not made. The percentage of compliance comes to 21.

20.4 AUDIT PARAS

20.4.1 Non recovery of sales tax - Rs 44.45 million

According to Rule-2 of the Sales Tax Special Procedure (Withholding) Rules, 2007 notified by Ministry of Finance, Government of Pakistan vide No. SRO.660(I)/2007 dated 30-06-2007, "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 High Court of Sindh, Karachi for the year 2011-12, it was revealed that an amount of Rs277.823 million was paid to various suppliers, but sales tax of Rs44.45 million was not deducted at source and if firms were registered with Sales Tax Department, an amount of Rs8.890 million equal to one-fifth of the total sales tax was not deposited into government treasury. Details of firm were also not provided to Audit.

The matter was pointed out to the department in March 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 that amount of Sales Tax may be recovered besides fixing responsibility on the person(s) at fault.

AIR- 02

20.4.2 Expenditure without Tenders - Rs 2.35 million

As per Para 17 of SPPRA 2010, "Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules".

During audit of High Court of Sindh, Karachi for the year 2011-12, it was observed that an expenditure of Rs2.35 million was incurred on purchases of stationery items without inviting tenders.

Rupees in million		
Sr. #	Particulars	Amount
01	M/s CS Stationery	1.65
02	M/s Virtual Host Communication	0.70
Total		2.35

The matter was pointed out to the department in March 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 justification of irregular expenditure besides fixing responsibility on the person(s) at fault.

AIR - 06

20.4.3 Irregular expenditure through Pre-receipt bills - Rs 316.16 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 Department, for the year 2011-12, it was revealed that an amount of Rs 316.16 million was paid to M/s Pak Suzuki, Indus Motors and Atlas Honda on account of cost of vehicles/motor cycles.

Rupees in million			
Sr. #	Name of office	Para #	Amount
01	High Court of Sindh, Karachi,	01	308.07
02	Advocate General Sindh, Karachi	02	8.09
Total			316.16

Following irregularities were observed:

- i. The amount was drawn on pre receipt bills without prior approval of Finance Department.
- ii. Vehicles were not accounted for.
- iii. Acknowledgement receipts were not found attached.

The matter was pointed out to the department in March & 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 justification for incurring expenditure on pre receipted bills besides fixing responsibility on the person(s) at fault.

CHAPTER – 21
LIVESTOCK AND FISHERIES DEPARTMENT

21.1 Introduction

The main role of the Livestock & Fisheries Department is:

1. Collection and compilation of Livestock statistics.
2. Improvement of the livestock including poultry and introduction of new breeds.
3. Livestock farms.
4. Prevention of animal diseases.
5. Prevention of cruelty to animals.
6. Veterinary.
7. Fisheries.

21.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 90 formations (DDOs), out of which 41 formations were selected and audited during the Audit Year 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
5,683.978	265.655	5,949.633	2,682.013	3,267.619

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs3,267.62 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
20.00	27.00	28.00	(1.00)

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	% 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 and total 14 paras were discussed cumulatively in respect of Livestock & Fisheries Department. The department made compliance of only 3 paras and 11 paras were left unattended or compliance not made. The percentage of compliance comes to 21.

21.4 AUDIT PARAS

21.4.1 Non-production of record

Section 14(2) & (3) of the Auditor General's (Functions, Powers & Terms & Conditions of the Service) Ordinance, 2001, state that;

1. The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with responsible expedition.
2. Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subjected to disciplinary action under efficiency and discipline rules.

During the audit of the offices of Livestock & Fisheries Department, the auditable record was not produced to audit for Rs34.69. Details are given in Annexure-1 of Chapter-21.

The matter was pointed out to the department in September 2012 and 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 production of the record for verification besides fixing responsibility on the person(s) at fault.

21.4.2 Non deposit of call deposits into treasury - Rs 32.35 million

According to Para 63 of CPWA Code, when money is received by Government officers on behalf of the Government it should be at once brought to account. Furthermore, as per rule 75 and 76 of CPWA code, the officer incharge of call deposit should keep a book in form-4 in which all remittances to the treasury should be entered upon and account of call deposit transactions should be maintained in form-I of call deposit as regular arrangement.

During Audit of the office of the Secretary Live Stock & Fisheries Karachi for the year 2011-12, it was observed that an amount Rs32.35 million was deposited by contractors on account of call deposit through pay orders in

the name of Secretary Livestock and Fisheries. The call deposits were not deposited into bank as same were kept in the office which were expired.

The irregularity was pointed out to the department in September 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 the justification on the issue besides fixing responsibility on the person(s) at fault.

AIR-10

21.4.3 Irregular expenditure without inviting open tenders - Rs 39.98 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 the audit of the following offices of the Livestock & Fisheries Department for the year 2012-13 it was observed that an expenditure of Rs 39.98 million was incurred without inviting tenders. Details are given in Annexure-2 of Chapter-21.

The matter was pointed out to the department in September 2012 and 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 justification for non calling of tenders besides fixing the responsibility on the person(s) at fault.

21.4.4 Loss of livestock due to non-taking precautionary measures - Rs6.41 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 the office of the Deputy Director, Livestock, Jacobabad for the year 2011-12, it was observed that 302 numbers of various livestock (buffalo, cow, goat, etc.) died due to non taking precautionary measures against contagious disease.

The matter was pointed out to the department in September 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 justification for lack of the precautionary measures besides fixing responsibility on the person(s) at fault.

AIR-2

21.4.5 Irregular drawl by DDO instead of actual payee - Rs 2.57 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 the audit of following offices of Livestock & Fisheries Department for the year 2012-13, it was revealed that an expenditure of Rs2.57 million was incurred on account of various heads but the payment was made through DDO instead of cross cheque crediting into the actual person.

Rs in million

Sr. #	Name of Formation	Para #	Amount
01	Deputy Project Director Poultry Production Hyderabad	10	1.84
02	Deputy Director Animal Husbandry Matiari	03	0.39
03	Project Director Dairy Development Dadu	03	0.34
Total			2.57

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 justification of payment through DDO instead of cross cheque besides fixing responsibility on the person(s) at fault.

21.4.6 Non-adjustment of advances - Rs1.23 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 the audit of following office of the Livestock and Fisheries Department, Sindh, it was observed that an amount of Rs1.23 million was paid as advance to HESCO but the said amount was neither adjusted nor recovered, as detailed below:-

Rupees in million				
Sr. #	Name of Entity	Para #	F. Year	Amount
01	Deputy PD, Poultry Prod. Sindh, Hyd.	10	2011-12	0.13
02	Deputy PD, Poultry Prod. Sindh, Hyd.	03	2011-12	0.50
03	Deputy PD, Poultry Prod. Sindh, Hyd.	06	2012-13	0.60
Total				1.23

The matter was pointed out to the department in September 2012 and 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 justification for non-adjustment the advances besides fixing the responsibility on the person(s) at fault.

CHAPTER –22

LOCAL GOVERNMENT, RURAL DEVELOPMENT, PHE, HTP DEPARTMENT

22.1 Introduction

Under the Devolution Plan 2001, the Local Government System was adopted with the aim to provide and improve the civic amenities including water supply, sanitation and infrastructure at the grassroots level. In latest notification of Finance Department 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 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 (Executorial Role).

HTP Department is responsible to facilitate provision of housing inputs including land, finance, building materials through institutional and legal frame-work and develop indigenous and cost effective approaches to implement regional housing policy of the government and provide affordable, cost efficient housing schemes especially for the low income group and families out of the Revolving Fund.

22.2 Comments on the Budget and Accounts (Variance Analysis)

The Department consists of 13 formations (DDOs), out of which 12 formations were selected and audited during the Audit Year 2013-14. The accounts for the Financial Year 2012-13 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	Final Grant 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
40,614.81	2,429.66	43,044.46	42,476.37	568.09

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs568.09 million was observed which was not surrendered in time.

22.3 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	% 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 and total 7 paras were discussed cumulatively in respect of Local Government Department. The department made compliance of 4 paras and 3 paras were left unattended or compliance not made. The percentage of compliance comes to 57.

22.4 AUDIT PARAS

22.4.1 Non production of record

According to Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001; the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition. Further, any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules.

During the audit of offices of Local Government department, did not produce the auditable record of Rs2,654.76 million for the year 2012-13. Details are given in the Annexure-1 of Chapter-22.

The matter was pointed out to the department during July and 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 production of record for scrutiny besides fixing responsibility on the person(s) at fault.

22.4.2 Irregular expenditure without tenders-Rs3,815.63 million

According to Rule-17(1) and (2) of SPPR, 2010; "Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of the offices of Local Government Department for the year 2012-2013, it was observed that an amount of Rs3,815.63 million was incurred on account of purchases medicine, stationery articles, uniform and advertisement & publicity but tender was not called to obtain economical / competitive rates. Details are given in the Annexure-2 of Chapter-22.

The irregularity was pointed out to the department August and 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 justification for purchases of articles without tendering process besides fixing the responsibility on person(s) at fault.

22.4.3 Non-adjustment of miscellaneous public work advances - Rs1.30 million

According to Para 360 of Central Public Works Account Code, “Items in the Miscellaneous Public Works Advance accounts are cleared either by actual recovery or by transfer, under proper sanction or authority to some other head of account items or balances which may become irrecoverable should not be transferred until ordered to be written off.”

During the audit of office of the Executive Engineer, Public Health Engineering Division, Ghotki for the year 2012-13, it was observed that it did not adjust miscellaneous public works advances amounting to Rs1.30 million till the close of financial year.

The irregularity was pointed out 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 that adjustment of advances may be carried out, besides fixing the responsibility on the person(s) at fault.

22.4.4 Non-imposition of penalty - Rs105.87 million

As per Clause-2 of the contract Agreement “the quantity of the works was to be done within particular time limit as specified within the proportion of time limit, such as $\frac{1}{4}$ of the work in $\frac{1}{4}$ 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 percent, 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 the audit of following offices of .Public Health Engineering Department for the year 2012-13, it was observed that various contracts were awarded and these were not completed within the stipulated period. But

department did not impose penalty amounting Rs105.87 million on contractors. Details are given in the Annexure-3 of Chapter-22.

The matter was pointed out to the department during July and 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 recovery of the penalty besides fixing responsibility on the person(s) at fault.

22.4.5 Non-crediting of lapsed deposit - Rs312.83 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 the audit of offices of the Public Health Engineering Department for the year 2012-13, it was observed that unclaimed deposits of Rs312.83 million lying for more than three years were not deposited into government treasury. Details are given in the Annexure-4 of Chapter-22.

The matter was pointed out to the department during July and 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 that un-claimed deposits may be deposited into government treasury, besides fixing responsibility on the person(s) at fault.

22.4.6 Non-deduction/deposit of government dues – Rs45.04 million

- i. According to S. # 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 machines (tractors and bulldozer) at the rate of 3 to 6%.”
- ii. 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 paise per hundred rupees of the value of the agreement or against tender cost.”

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

During the audit of the offices of Public Health Engineering Department for the year 2012-13, it was observed that the department did not deduct/deposit an amount of Rs45.04 million on account of shrinkage allowance, stamp duty and income tax. Details are given in the Annexure-5 of Chapter-22.

The matter was pointed out to the department during July and 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 that dues may be recovered from the contractors, besides fixing the responsibility on the person(s) at fault.

22.4.7 Non-adjustment of advance-Rs10.68 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 the audit of following offices of Public Health Engineering Department for the year 2012-13, it was observed that advance payment of Rs10.68 million was made to different agencies for various works but these advances were not adjusted. Details are given as under.

(Rupees in million)

Sr. #	Name of offices	Para #	To whom paid	Amount
01	XEN, PHE Div, Naush. Fer.	08	SEPCO	3.18
02	XEN, PHE Div.,Mirpurkhas	05	Commanding Officer 18-Division HQ Hyd.	7.50
Total				10.68

The matter was pointed out to the department during July and 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 that advances may be adjusted, besides fixing the responsibility on the person(s) at fault.

22.4.8 Excess execution of items of work – Rs32.07 million

According to Clause 38 of the standard Contract Agreement, the quantities shown in the tender are approximate and no claim shall be entertained for quantities of work executed being 30% more or less than those entered in the tender or estimate.

During audit of the offices of Local Government Department for the year 2012-2013, it was observed that excess quantities of works of Rs32.07 million were allowed than the permissible limit of 30% of the estimated cost, without prior approval of competent authority. Details are as under;

Rupees in million			
Sr. #	Name of Offices	Para #	Amount
01	XEN,PHE Division, Ghotki	03,06,07&10	3.50
05	DG, Sehwan Dev. Authority, Jamshoro	09	14.80
06	XEN, PHE Division, Division Noush. Fer.	07	1.15
		Sub Total	19.45
01	XEN, PHE Division, Division, Matiari	05	2.64
02	XEN, PHE Division, Division, Karachi	01	9.98
		Sub Total	12.62
	Total		32.07

The matter was pointed out to the department in August & 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 justification for excess payment besides fixing the responsibility on the person at fault.

22.4.9 Cost of land and development charges not recovered - Rs1,766.60 million

As laid down in Rule 28 of General Financial Rules, volume-I, “no amount due to government should be left outstanding without sufficient reasons, and where any dues appear to be irrecoverable, the orders of competent authority for their adjustment must be sought.”

During the audit of offices of Local Government Department for the year 2012-13 it was observed that an amount of Rs1766.60 million was not recovered from the departments, agencies and allottees of various Housing Schemes.

Rupees in million

Sr. #	Name of office	Para #	Particulars	Amount
01	Director General Sehwan Development Authority Jamshoro	03	Dues related to land from various Departments and agencies.	1,074.00
02		04	A contractor was appointed to collect outstanding dues from allottees of various Housing Schemes but the same was not recovered.	684.60
03	Lyari Development Authority Karachi	03	Cost of land and development charges (LDA)	8.00
Total				1,766.60

The irregularity was pointed out to the department in August & 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 justification of land related dues not recovered besides fixing responsibility on the person at fault.

22.4.10 Irregular payment without execution of work-Rs15.42 million

According to Clause-17 of the agreement, if at any time before the security deposit is refunded to the contractor, it shall appear to the Engineer-in-Charge or his sub-ordinate in charge of the work, that any work executed with

unsound, imperfect or unskillful workmanship or with materials of inferior quality or that any materials or articles provided by him for the execution of work are unsound, or quality inferior to that contracted for or are otherwise not in accordance with the contract, it shall be lawful for the Engineer-in-charge to intimate this fact in writing to the contractor and then notwithstanding ,the fact that the work materials or articles complained of, may have been inadvertently passed, certified and paid for, the contractor shall bound forthwith to rectify or remove and reconstruct the work so specified in, whole or part, as the case may require.

During the audit of the office of Executive Engineer Public Health Engineering, Jamshoro Division for the year 2012-13, it was noticed that payment of Rs15.42 million was made to the contractor on account of providing pipes without execution of works in accordance of job description “Providing Fibre pressure Pipe & met joint of class Band Fixing in tranches cutting fitting and joining with rubber I/C testing “ vide work order # T.C /428 dated 15-3-2013 but neither the work executed prior to laying the pipes or after supplied the pipes.

Rupees in million			
Sr. #	Name of division	Para #	Amount
1	XEN, PHE Division, Jamshoro	07	15.09
2	XEN, PHE Division, Jamshoro	08	0.33
Total			15.42

The irregularity was pointed out to the department in August & 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 justification of payment on supply of item without execution of works besides fixing responsibility on the person at fault.

22.4.11 Irregular expenditure on land acquisition-Rs10.00 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 Executive Engineer Public Health Engineering, Jacobabad for the year 2012-13, it was observed that expenditure of Rs 10.00 million was incurred on account of acquisition of land for construction of ‘urban water supply scheme Thul’ but location of land which was planned was changed without approval of competent authority.

The irregularity 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 justification of payment of land without approval besides fixing responsibility on the person at fault.

AIR – 11

22.4.12 Excess payment due to miscalculation- Rs0.94 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 audit of accounts record of office of Executive Engineer Public Health Engineering Jamshoro Division for the financial year 2012-13, it was noticed that irregular payment of Rs1.04 million was made to the contractor instead of Rs0.11 million on account of excavation of 15594 cft @ Rs6670%0 cft, resulting an amount of Rs0.94 million was paid in excess to the contractor on work construction of water supply scheme Sari Taluka Thana Bula Khan, District, Jamshoro vide work order TC/WO/960 of 2012 dated 25.05.2012.

The irregularity was pointed out to the department 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 justification for excess payment besides fixing the responsibility on the person at fault.

AIR - 02

22.4.13 Irregular expenditure from general public funds- Rs192.77 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",

In the office of Director General, Sehwan Development Authority, Jamshoro, it was observed that an amount of Rs192.77 million was expended in day-to-day transaction of SDA, whereas these funds were collected from general public for construction of different category of Bungalows joint venture with Hussain (Private) Ltd. An amount of Rs331.29 million was recovered from general public upto June 2013 in various installments and only Rs138.52 million was released to firm for construction of houses and remaining amount of Rs192.77 million was expended by the SDA. Thus 58% of the amount of recovery was expended for other purposes hence the scheme could not be completed.

The irregularity was pointed out to the department 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 justification for excess payment besides fixing the responsibility on the person at fault.

AIR-06

22.4.14 Irregular payment of earthwork-Rs9.76 million

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

In the office of Director General, Sehwan Development Authority, Jamshoro, it was noticed that an amount of Rs9.76 million was incurred in 2nd R.A bill on item of work “Earth work for berm from Barrow pits in all type of soils i/c laying in 6”thick layers clod breaing ramming dressing etc. complete upto 100ft lead lift upto 5ft in ordinary soil” from M/S. Manohar Lal in work “Repair and Maintenance of internal/external Roads for different sectors of Gulshan-e-Shahbaz”. The same was not included in estimate.

The irregularity was pointed out to the department 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 justification of execution of earthwork for berm from barrow pits besides fixing the responsibility on the person at fault.

AIR-10

22.4.15 Un-due favour to consultant-Rs9.02 million

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

In the office of Director General, Sehwan Development Authority, Jamshoro, it was observed that an amount of Rs9.02 million was allowed to the contractor M/S. Hussain Private Ltd. on account of consultancy charges @5.30% on cost of land which was recovered by the Authority. The responsibility vested on SDA was shared with the above consultant thus the recovery was accordingly distributed without any justification.

Recovery from contractor 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 recommends that responsibility may be fixed against the person(s) at fault. Amount should be recovered and intimate to audit.

AIR-11

CHAPTER –23
MINES & MINERALS DEPARTMENT

23.1 Introduction

The Mines and Minerals Department, Government of the Sindh aims for the development of mineral resources to enhance the exploration, exploitation of mines and mineral resources in a safe and environmentally sound manner in order to support a more productive economy in Pakistan. Pertaining to this mission, Mines and Minerals Department:

- Enhances the contribution made by the mining economic activity to GDP.
- Supports the social uplift programs.
- Expands the employment opportunities.
- Sustains development of minerals bearing areas.
- Expands business opportunities for local industries.
- Increases revenue flow to the Provincial and Federal Government.
- Develops regional infrastructure and an improved data base of Pakistan’s mineral resources.
- Grants and transfers prospecting licenses and mining leases

23.2 Comments on the Budget and Accounts (Variance Analysis)

It is a newly created Department, consists of only 02 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
15,444.00	0	15,444.00	6,997.68	8,446.32

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs8,446.32 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
230.00	141.00	131.00	10.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs10.00 million was observed.

23.3 Brief comments on the compliance of PAC directives

In the Audit Report for the years 2011-12, 8 paras were printed. The report has not yet been discussed in the Public Accounts Committee (PAC) meetings. The department has not yet responded to the printed paras.

23.4 AUDIT PARAS

23.4.1 Non recovery of outstanding Government dues – Rs207.73 million

As laid down in Rule 28 of General Financial Rules, vol-I, “No amount due to government should be left outstanding without sufficient reasons, and where any dues appear to be irrecoverable, the orders of competent authority for their adjustment must be sought.”

During audit of office of the Director General, Mines and Minerals, Karachi for the year 2011-12, it was observed that an amount of Rs207.73 million on account of royalty collection, imposing penalty and forfeiting of security deposit, etc., was not recovered from various contractors. Details are mentioned in the Annexure-1 of Chapter-23.

The irregularity 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 recovery of the dues besides fixing of responsibility on person(s) at fault.

23.4.2 Irregular award of Contract – Rs454.55 million

Under Sub-rule 5 of Para 98 of Sindh Mining Concession Rules 2002, “royalty on coal will be realized through public auction.”

During audit of accounts record of the Director General, Mines and Minerals Karachi for the year 2011-12, it was observed that contract for collection of royalties amounting Rs454.55 million was awarded to the contractors. Following observations were noticed. Details are mentioned in the Annexure-2 of Chapter-23.

- Less receipt collected against reserved price.
- Awarding contracts to sitting contractors instead of re-tendering for collection of royalties.
- Collection of royalties was awarded without calling open auction through newspapers.
- The income tax @ 5% was not deposited by the contractor.

The irregularity 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 person(s) at fault for irregular award of contract.

AIR – 12

23.4.3 Drawing cash from bank through open cheque – Rs3.63 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 made 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 Mines and Minerals Development Department for the year 2011-12, it was observed that an amount of Rs3.63 million was drawn from bank in cash through open cheque instead of issuing cross cheques in the name of payee. The details are as under:-

Rupees in million			
S. #	Name of Office	Para #	Amount
1.	Secretary Mines and Minerals Depart, Kar.	15	1.49
2.	Secretary Mines and Minerals Depart, Kar.	4	2.14
Total			3.63

The irregularity was pointed out to the department in April 2013, but no reply was received till finalization of this report.

Audit requires justification of payment through open cheque besides fixing of responsibility on the person(s) at fault.

AIR# 08

CHAPTER – 24 MINORITIES AFFAIRS DEPARTMENT

24.1 Introduction

The major functions of the department are:

- To safeguard the rights of minorities.
- To promote welfare of minorities.
- Meetings of the Provincial/ District Minorities Committee.
- Coordination with the Federal Government on matters relating to welfare of minorities.
- All other matter relating to minorities.

24.2 Comments on the Budget and Accounts (Variance Analysis)

It is a newly created Department, consists of only 02 formations (DDOs), out of which 02 formations were selected and audited during the Audit Year 2013-2014. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
0	0	0	0.76	(0.76)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs0.76 million was observed.

24.3 Brief comments on the compliance of PAC directives

In the Audit Report for the years 2011-12, 8 paras were printed. The report has not yet been discussed in the Public Accounts Committee (PAC) meetings. The department has not yet responded to the printed paras.

24.4 AUDIT PARAS

24.4.1 Irregular payment on pre-receipted bills - Rs2.36 million

According to letter No.B-1/7-1/98-98, dated 13th July 1998 and letter No.FD/B & E-1/41/88/2006 dated 30.10.2006 as well as letter of even number dated 26.04.2007, “No advance would be drawn on abstract bill without prior approval of Finance department”.

During audit of office of the Secretary, Minorities Affairs Department, Government of Sindh, Karachi for the year 2011-12, it was observed that an amount of Rs2.36 million was paid through pre-receipted bills for purchase of various vehicles without obtaining prior approval from the Finance Department.

Irregularity was pointed out to the department in September 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 justification of payment on pre-receipted bills besides fixing responsibility on the person(s) at fault.

AIR-01

24.4.2 Non depositing of income tax - Rs116.69 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 office of the Secretary, Minorities Affairs Department, Government of Sindh, Karachi for the year 2011-12, it was observed that an amount of Rs116.69 million was deducted from various contractors’ bills @ 6% but the same was not deposited in Government Account.

The irregularity was pointed out to the department in September 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 justification for non-depositing of income tax into Government treasury besides fixing the responsibility on the person(s) at fault.

AIR- 07

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 2013-2014. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
399.24	5.45	404.70	368.17	36.53

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs36.53 million was observed which was not surrendered in time.

25.3 Brief comments on the compliance of PAC directives

No para was printed in previous years Audit Reports.

25.4 AUDIT PARAS

25.4.1 Non-production of record

According to Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001; "The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition. Further, any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules".

During audit of the offices of the Planning and Development Department for the year 2009-10 to 2011-12, it was observed that an expenditure of Rs1,074.55 million was incurred but the auditable record was not produced. The details are given in Annexure-1 of Chapter-25.

The irregularity was pointed out to the department in December, 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 production of auditable record besides fixing of responsibility on the person(s) at fault.

25.4.2 Un-authorized payment of House Rent Allowance – Rs4.51 million

As per Rule-11 of General Financial Rules, "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 office of the Secretary Planning and Development Department, Government of Sindh, Karachi for the years 2009-10 to 2011-12, it was observed that an expenditure of Rs4.51 million was incurred on account of payment of house rent allowance to the officers/ officials who were also drawing the house hiring charges from SGA&CD.

Rupees in million

S #	Name of Employee	Designation	Amount
01	Abdul Fateh Tunio	Additional Secretary (BPS-19)	0.32
02	Ishtiaq Ahmed	Assistant Chief (BPS-18)	0.21
03	Ghulam Murtaza Abro	Assistant Chief (BPS-18)	0.21
04	Anwar Ali Mughal	Assistant Chief (BPS-18)	0.21
05	Saeeda Rasheed	Chief (BPS-19)	0.32
06	Syed Ghulam Murtaza	Chief (BPS-19)	0.32
07	M. Faheem Akhtar	Chief (BPS-19)	0.32
08	Mehtabul Haq	Chief (BPS-19)	0.32
09	Farooq Ahmed Mehesar	Chief (BPS-19)	0.32
10	Muhammad Hanif	Section Officer (BPS-17)	0.16
11	Kadir Bux Sangi	Assistant Chief (BPS-18)	0.21
12	Piara Khan Naich	Assistant Chief (BPS-18)	0.21
13	M. Adnan Nazir	Assistant Chief (BPS-18)	0.21
14	Yar Muhammad Jatoi	Assistant Chief (BPS-18)	0.21
15	Zia Bano	Planning Officer (BPS-17)	0.16
16	Memoona Memon	Planning Officer (BPS-17)	0.16
17	Roshan Aram Memon	Planning Officer (BPS-17)	0.16
18	Dr. Saima	Planning Officer (BPS-17)	0.16
19	Bushra	Planning Officer (BPS-17)	0.16
20	Amir Sheikh	Planning Officer (BPS-17)	0.16
Total			4.51

The irregularity was pointed out to the department in May 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 unauthorized payment besides fixing responsibility upon the person(s) at fault.

AIR-02

25.4.3 Unauthorized payment of Honorarium – Rs14.20million

As per item No:19 of Annexure II to the Finance Division O.M of 11th Mar 1981, the amount of honorarium should not exceed one month's pay of the Government Servant concerned on each occasion.

During audit of office of Planning and Development Department, Government of Sindh, Karachi, it was observed that an expenditure of Rs14.20 million was incurred on payment of Honorarium. Following irregularities were noticed:

Rupees in million				
Name of office	Irregularity	Para #	Year	Amount
Secretary, P&D Department	Paid equal to four and six basic pay to 302 employees.	01	2010-11	9.77
	Paid to retired officers.	04	2011-12	0.30
	Paid to officers not entitled.	05		2.80
DG, M&E Cell, P&D Department,	Paid to employees appointed on the market rate. Paid to contractual employees.	05	2012-13	1.33
Total				14.20

The irregularity was pointed out to the department in May 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 justification of irregular payment besides fixing responsibility upon the person(s) at fault.

25.4.4 Irregular payment exceeding sanctioned pay– Rs3.10 million

According to the Office Memorandum issued vide # FD(SR-III)5/29-2008(A) dated 16-02-2009 issued by the Finance Department, Government of Sindh following standard pay package 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 upto maximum)
2	21	125,000 to 150,000 (5% annual increment upto maximum)
3	20	100,000 to 118,000 (5% annual increment upto maximum)
4	19	75,000 to 90,000 (5% annual increment upto maximum)
5	18	50,000 to 75,000 (5% annual increment upto maximum)
6	17	45,000 to 50,000 (5% annual increment upto maximum)
7	16	30,000 to 35,000 (5% annual increment upto maximum)
8	11-15	15,000 to 25,000 (5% annual increment upto maximum)
9	5-10	10,000 to 15,000 (5% annual increment upto maximum)
10	1-4	7,000 to 10,000 (5% annual increment upto maximum)

During audit of office of the Director General, Monitoring & Evaluation Cell, Planning and Development Department, Government of Sindh, Karachi for the year 2012-13, it was observed that excess payment of Rs1.960 million was made to the various employees under scheme “Strengthening of Monitoring & Evaluation Cell” in Planning & Development Department including Third Party Monitoring by allowing the maximum limit of pay instead of minimum of the pay package. In addition to above, it was also observed that the actual pay was drawn and paid at enhance rate of Rs1.132 million without any justification.

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 justification of over payment besides fixing responsibility on the person(s) at fault.

AIR-01

25.4.5 Un-authorized payment of Adhoc Relief Allowance - Rs2.15 million

According to the instructions of the Government, Adhoc Relief Allowance for the year 2011 and 2012 was allowed to all the employees including contingent paid staff and contract employees employed against civil post in Basic Pay Scales on standard terms and conditions of contract appointment.

During audit of office of the Director General, Monitoring & Evaluation Cell, Planning and Development Department, Government of

Sindh, Karachi for the year 2012-13, it was observed that Adhoc Relief Allowance amounting to Rs2.15 million was paid to the employees appointed on the standard pay package for projects in violation of above rule.

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 justification besides fixing responsibility on the person(s) at fault for above irregularity.

AIR-02

25.4.6 Non-deduction of Income Tax from salaries– Rs1.22 million

As per Income Tax Ordinance 2001, Income Tax in respect of the salaried persons is required to be deducted at source on the following rates during the financial year 2012-13:

Taxable Income between two amounts		Rate Of Tax	Additional tax
Nil	400,000	0.00%	
400,000	750,000	5.00%	
750,000	1,500,000	10.00%	17,500
1,500,000	2,000,000	15.00%	95,000

During audit of the Director General, Monitoring & Evaluation Cell, Planning and Development Department for the year 2012-13, it was observed that Income Tax amounting to Rs1.22 million was not deducted at source.

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 recovery of due amount of tax besides fixing of responsibility on the person(s) at fault.

AIR-03

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 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
102.22	0	102.22	1811.70	(1,709.48)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs1,709.48 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	% of compliance made
14	10	4	71

Audit Reports for the years 2009-07, 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

According to Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, states that the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition. Further, any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

During audit of offices of Population Welfare Department, auditable record involving financial impact of Rs3.69 million was not produced to audit. Details are mentioned in Annexure-1 of Chapter-26.

The irregularity was pointed out in September 2013. The management in DAC meeting held on February 06, 2014 clarified that Service Books for the unit at Sl. No.1 (of the Annexure) were available for verification by Audit. As regard units at Sl. No.2 to 7 (of the Annexure), the management informed that due process of recruitment and all requirements, pointed out by Audit, have already been met. The DAC decided to settle the Para subject to verification of record from Audit. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for supply of record for audit scrutiny.

26.4.2 Doubtful expenditure on procurement of medicines – Rs24.36 million

As per Rule 15(b) of SPPR, 2010, direct contracting method is allowed in any of following conditions:

- i. Standardization of equipment or spare parts, to be compatible with the existing equipment, provided that the competent authority certifies in writing the compatibility of the equipment or spare part(s) to be procured;

- ii. The required item(s) is of proprietary nature and obtained only from one source, provided that the Head of the Department certifies in writing the proprietary nature of the item(s) to be procured;
- iii. In case of emergency; provided that the Head of the Department or any other officer not below BS-20 to whom such powers were delegated by the Head of the Department, declares that a situation of emergency has arisen and reasons for making such a declaration shall be recorded in writing.

During audit of office of the Secretary Population Welfare Department, Karachi for the year 2012-13, it was observed that an expenditure of Rs24.36 million was incurred on procurement of medicines, but following irregularities were noticed:

1. Medicines were purchased at the end of financial year, in the month of June 2013. It was evident that the medicines were not utilized for the specified period.
2. Medicines were purchased from inexperienced general order supplier instead of from company/firm.
3. Registration documents of supplier with sales tax department and industries department were not provided.
4. Performance security of supplier was not obtained.
5. Past performance certificate of supplier was not provided.
6. Physical verification/inspection of the procured medicine was not carried out.

The irregularity was pointed out in September 2013. The DAC in its meeting held on February 06, 2014 directed the management to furnish revised reply to Audit for verification. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for furnishing revised reply for audit scrutiny.

AIR-01

26.4.3 Irregular expenditure without Tenders - Rs8.08 million

According to Rule-17(1) and (2) of SPPR, 2010; “Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules”.

During audit of the office of Secretary Population Welfare Department, Karachi for the year 2012-13, it was observed that an expenditure of Rs8.08 million was incurred on account of purchase of medicine, stationery, articles, uniform and advertisement & publicity but tender was not called to obtain economical/competitive rates.

The irregularity was pointed out to in September 2013. The management in DAC meeting held on February 06, 2014 informed that due tendering process was observed and lowest bids were accepted in respect of items pointed out by Audit. The DAC decided to settle the Para subject to verification of record from Audit. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for furnishing the record for audit scrutiny.

AIR-04

26.4.4 Cash payment of salaries through DDO - Rs2.10 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 District Population Welfare Officer (DPWO), Sukkur, Population Welfare Department for the year 2012-13, it was observed that the salaries of Rs2.10 million was paid in cash by the DDO instead of crediting into bank accounts of social male mobilizers.

The irregularity was pointed out in September 2013. The management in DAC meeting held on February 06, 2014 informed that salary of Male Mobilizers is subject to performance as they were not regular employees. The payment in cash was made by the office of DPWO, Sukkur due to non-opening of bank account of the persons and the payment was now being made through crossed cheque. The DAC decided to settle the Para subject to verification of record from Audit. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for furnishing the record for audit scrutiny.

AIR-07

26.4.5 Non deposit of revenue – Rs1.76 million

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

During audit of following offices of Population Welfare Department for the year 2012-13, it was observed that revenue of Rs1.76 million was realized from the sale of contraceptive but same amount was not deposited into government treasury.

Rupees in million

S.#	Name of office	Para #	Amount
01	District Population Welfare Office, Umerkot	01	0.80
02	District Population Welfare Office, Noush. Fer.	01	0.48
03	District Population Welfare Office, Badin	01	0.14
04	District Population Welfare Office, Sanghar	01	0.09
05	District Population Welfare Office, Sukkur	08	0.08
06	District Population Welfare Office, Mithi	03	0.06
07	District Population Welfare Office, Nawabshah	04	0.06
08	District Population Welfare Office, Khairpur	05	0.05
Total			1.76

The irregularity was pointed out to the department in September 2013. The management in DAC meeting held on February 06, 2014 informed that the amount of Rs0.80 million in respect of DPWO, Umarkot was not on account of Contraceptive (C.C.) Sale but it was balance in the month of June 2013. As regard, the remaining units at Sr. No. 2 to 8, the management clarified that the sale and deposit of revenue on account of C.C. Sale is a continuous process.

They added that the entire amount, pointed out by Audit, had already been deposited in Government Account through treasury challans. The DAC directed the management to produce the record of deposit for verification by audit and settlement of the Para. However, progress was awaited till finalization of this report.

Audit requires compliance of DAC directives for furnishing the record for audit scrutiny.

CHAPTER – 27

REHABILITATION DEPARTMENT

27.1 Introduction

Relief and rehabilitation activities in Sindh province are traced back 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 had been undertaking the relief activities till recent past. After devastating flood 2010 in the River Indus, Provincial Relief Commissionerate 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 had been 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 2013-14. The accounts for the Financial Year 2012-13 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 2012-13	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 Rs 435.322 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	% of compliance made
21	10	21	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 21 paras and 10 paras were left unattended or compliance not made. The percentage of compliance comes to 48.

27.4 AUDIT PARAS

27.4.1 Un-authorized expenditure on POL – Rs1.652 million

According to Para-20 of the West Pakistan Government Staff Vehicles use and maintenance, 1969, “The following books shall be maintained for each motor vehicle:

- Log Book
- History Sheet
- Petrol Account Register”

During the audit of the office of Secretary, Rehabilitation Department Karachi for the financial year 2012-13, the budget of Rs2.00 million was allocated to the office on account of travelling and transportation, POL head of account. The vouchers of an expenditure of Rs1.652 million were shown to the audit against the expenditure of Rs1.99 million depicting the incurrence of same amount on purchasing the POL for the government vehicles but the log books, consumption account and history sheets were not maintained. Besides this the vouchers produced to audit depicted that some unknown vehicles were also benefited with POL.

The irregularity 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 into the matter besides fixing responsibility for unauthorized expenditure on POL.

AIR-09

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 2013-14. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
1,313.00	232.58	1,545.58	1,110.26	435.32

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs435.32 million was observed which was not surrendered in time.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
100.00	150.00	40.00	110.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs110.00 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	% of compliance made
21	10	21	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 21 paras and 10 paras were left unattended or compliance not made. The percentage of compliance comes to 48.

28.4 AUDIT PARAS

28.4.1 Non production of record

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

During the audit of the following offices of Services, General Administration & Coordination Department, it was observed that an expenditure of Rs5.31 million was incurred but the auditable record was not produced to audit. The details are as under:

(Rupees in million)

S.#	Name of office	AIR #	Year	Details	Amount
01	Secretary, SGA&CD, Karachi	11	2012-13	Vouchers of purchase of Plant and Machinery	4.54
02	Secretary IPC Department	01	2011-12	Tender documents of seminars/conferences	0.77
03	Secretary, SGA&CD, Karachi	126	2012-13	Personal files/Service books.	0.00
Total					5.31

The above 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 the record besides fixing responsibility on person(s) at fault.

28.4.2 Non recovery of government dues – Rs151.34million

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

During audit of following offices of Services, General Administration & Coordination Department, it was observed that an expenditure of Rs151.34 million was incurred on account of payment for self-hiring/private hiring and conveyance allowance to the employees those drawing house rent allowance and allotted official vehicles but the same were not recovered. The details are as under:

(Rupees in million)

S. #	Name of office	Para No.	Year	Particulars	Amount
01	Secretary, SG&CD (Estate office) Karachi	15	2012-13	House rent Allowance	150.56
02	Secretary, SG&CD Karachi	01	2012-13	Conveyance allowance	0.78
Total					151.34

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 of government dues besides fixing responsibility on the person(s) at fault.

28.4.3 Unauthorized re-appropriation of funds – Rs33.94 million

According to the notification issued by the Government of Sindh, Finance Department Karachi vide No.B/2 (63)/78 part-II/20 dated 30th November, 1981, “the funds allocated for one unit of appropriation cannot be utilized for another unit without prior approval of the competent authority”. Further, Para-178 of Sindh Budget Manual states that an officer of the Government has no power to sanction any appropriation out of funds placed at his disposal for a central (agency) subject. The administration department may

re-appropriate funds from one primary unit to any other such unit provided that:

1. No re-appropriation is made from one grant to another.
2. Funds allotted for non-voted expenditure items or vice versa: and
3. No re-appropriation is made to meet any expenditure other than contingent expenditure, which is likely to involve further outlay in a future financial year.

During audit of the office of the Secretary, Services, General Administration & Coordination Department, Government of Sindh, Karachi, for the year 2011-12, it was observed that an amount of Rs33.94 million was re-appropriated to a miscellaneous head of account “others” from various heads of account in absence of any indication towards future commitment payment or for any need. Further, budget allocation under utilities was re-appropriated for purchase of vehicles despite availability of an additional amount of Rs14.80 million in the grant.

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 justification for irregular re-appropriation besides fixing responsibility on the person(s) at fault.

AIR-03

28.4.4 Irregular expenditure on purchase of vehicles – Rs20.09 million

According to letter No.B-1/7-1/98-98, dated 13th July 1998 and letter No.FD/B & E-1/41/88/2006 dated 30.10.2006 as well as letter of even number dated 26.04.2007, “No advance would be drawn on abstract bill without prior approval of Finance department”.

During audit of the office of the Secretary, Services, General Administration & Coordination Department, Government of Sindh, Karachi for the year 2012-13, it was observed that an amount of Rs20.09 million was paid on pre-receipt bill without concurrence of Finance Department. Moreover, the purpose of purchase of vehicles, i.e., for whom the purchase was made and the

physical condition of existing vehicles were not mentioned. Details are as under:

(Rupees in million)

S.#	Cheque #	Date	Particulars	Quantity	Amount
01	1182987	02-11-12	Camery	01	9.76
02	1193450	12-12-12	Toyota corolla Gli	01	1.67
03	1186675	21-11-12	Toyota corolla Xli	01	1.54
04	1181454	07-11-12	Toyota corolla Xli	01	1.54
05	1193114	10-12-12	Toyota corolla Xli	01	1.54
06	1407436	29-05-13	Toyota corolla Xli	04	1.54
07	1185838	21-11-12	Cultus VXR	02	1.97
08	1186674	21-11-12	Motorcycles	08	0.54
Total					20.09

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 justification on irregular purchase of vehicles besides fixing responsibility on the person(s) at fault.

AIR-13

28.4.5 Irregular payment of Honorarium –Rs16.99 million

According to Fundamental Rule 46-48 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 Rs2000 and Rs1000 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 the audit of the following offices of Services, General Administration & Coordination Department, it was observed that an expenditure of Rs16.99 million was incurred on account of grant of Honorarium to the officials and officers of the department without mentioning

their extra ordinary works and duties other than their own regular official works. Furthermore, it was also noticed that honorarium was paid up to three basic pays to each employee in violation of the rules.

(Rupees in million)

S. No.	Name of office	AIR No.	Year	Amount
01	Secretary, SGA&CD, Karachi	06	2012-13	16.29
02	Section Officer, Estate	16	2011-12	0.70
Total				16.99

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 justification of irregular payment besides fixing responsibility for unauthorized payment of honorarium.

28.4.6 Irregular expenditure without inviting tender - Rs7.38 million

According to Rule-17(1) & (2) of Sindh Public Procurement Rules, 2010, the 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.

According to Rule-12 of Sindh Public Procurement Rules, 2010, a procuring agency shall prepare, 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 office of the Secretary, Services, General Administration & Coordination Department, it was observed that an expenditure of Rs7.38 million was incurred on purchase of furniture, fixture and repair of vehicles but expenditure was split-up to avoid tenders.

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 justification on procurement and repair works without inviting open tenders besides fixing responsibility on the person (s) at fault.

AIR-14 & 02

28.4.7 Irregular expenditure on hiring Transport – Rs3.31 million

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

During the audit of the office of the Secretary, Services, General Administration & Coordination Department, Government of Sindh, Karachi for the year 2012-13, it was observed that an expenditure of Rs3.31 million was incurred on hiring of transportation. The following irregularities were noticed:

1. Excess expenditure was made over and above the budget allocation
2. The transport company was not registered with the sales tax department and its 18% GST was also not deducted at source by the department.
3. Income tax at the rate of 2% on transport services was also not deducted.

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

AIR-08

28.4.8 Irregular drawl of Non-practicing Allowance – Rs1.94 million

Rule 10 (i) and (iv) of General Financial Rules, volume-I states that every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During audit of the office of the Secretary, Services, General Administration & Coordination Department, Government of Sindh, Karachi for the year 2012-13, it was observed that non-practicing allowance amounting to Rs1.94 million was paid to Minister of Law without admissibility and entitlement as the Finance Department, Government of Sindh, Karachi has discontinued said allowance. Furthermore undertaking or affidavit of non-practice was also not obtained as required under the rules.

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 discontinuation of un-authorized allowances along with recovery of irregular payment besides fixing responsibility on the person (s) at fault.

AIR-10

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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
614.67	51.13	665.80	672.41	(6.61)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs6.61 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
10.00	19.00	-	19.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs19.00 million was observed.

29.3 Brief comments on the compliance of PAC directives

No PAC was held for the department

29.4 AUDIT PARAS

29.4.1 Non production of record

According to Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, states that:

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

During the audit of the offices of Secretary, Social Welfare Department for the financial year 2011-12 and 2012-13, it was observed that an expenditure of Rs 8.18 million was incurred but auditable record not produced. Details as under:

Rupees in million					
S.#	Name of office	Particulars	Para #	Year	Amount
01		Combined cheques, drawn instead cheques for specified heads of accounts for vendors and copies of cheques.	20	2012-13	2.77
02	Secretary, Social Welfare Department	Details of utilization of funds were drawn from the DDO account in small instalment during the period 01.07.2012 to 09.08.2012.	27	2012-13	2.41
03	Deputy District Officer Social Welfare, Nara	2011-12, it was observed that complete record of financial transactions.	57	2011-12	2.00
04	District Officer, Social Welfare, Khairpur	Relevant record of paymet to indus craft Foundation on 10.01.2013 videscheaque 1790136.	02	2012-13	1.00
Total					8.18

The irregularity was pointed out to the Department in September and 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 that record may be produced besides fixing responsibility on the person(s) at fault.

29.4.2 Irregular commuted pension paid through DDO Account- Rs1.85 million

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

During the audit of the Secretary, Social Welfare Department, Government of Sindh, Karachi for the financial year 2012-13, it was observed that an amount of Rs1.85 million was paid to the Deputy Secretary vide cheque No.2640672 dated 07-01-2013 through DDO account instead of direct payment from the AG Sindh Karachi. The bill of pension commutation was also not produced to audit team in order to authenticate the payment so made.

The irregularity was pointed out 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 justification of payment through DDO Account besides fixing responsibility.

AIR -33

29.4.3 Irregular Advance payment-Rs1.24 million

According to Para No 6(a) of Notification No F.D (B&E-XIII)7(3)/2009-10 issued by Finance Department, Government of Sindh regarding communication of budget grant for the year 2009-10, “ No advance would be drawn on abstract bill without prior approval of Finance Department.”

During audit of the following offices of Social Welfare Department for the financial year 2012-13, it was observed that following offices incurred an expenditure of Rs1.24 million on account o purchase of vehicles through pre-receipted bills without approval of Finance Department.The details are as under.

(Rupees in million)

S #	Name of Office	Para #	Supplier	Amount
01	District Officer Social Welfare, Khairpur	08	M/S Suzuki Motors Sukkur	0.62
02	District Officer Sports, Khairpur	10	M/S Suzuki Motors Sukkur	0.62
Total				1.24

The irregularity was pointed out to the department in October and 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 justification of payment without approval from Finance Department besides fixing responsibility on the person at fault.

AIR-08&10

CHAPTER – 30

SPECIAL EDUCATION

30.1 Introduction

Education & Literacy 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. Being the primary concern sector for any government this sector is controlled by a number of secretaries at the province level and by EDOs Education at district level. These secretaries include;

1. Secretary Higher, Technical Education & Research,
2. Secretary School Education, and
3. Secretary Special Education

Core functions of this secretary 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.

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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
0	0	0	0.53	(0.53)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs0.53 million was observed.

30.3 Brief comments on the compliance of PAC directives

No para was printed in the Audit Reports of the Auditor General of Pakistan.

30.4 AUDIT PARA

30.4.1 Non-production of record

As per Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition. Further any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

During audit of the office of Special Education Department for the year 2012-13, following offices did not produce the auditable of Rs39.10 million to audit. The details are as under:

(Rs in million)

Sr. #	Name of Office	AIR #	Amount
1	Secretary Special Education Department, Karachi	1 & 2	38.20
2	Deputy Director/ Principal, Model Centre for Inclusive Handicapped Impaired children (HIC), Mirpurkhas	1	0.38
3	Director, Shah Latif Special Education Centre for mentally retarded children (MRC), Hyderabad	1	0.29
4	Deputy Director/ Principal, Chandka Special Education Centre for visually handicapped children (VHC), Larkana	1	0.16
05	Director/ Principal, Special Education Centre for Hearing Impaired children (HIC), Sukkur	1	0.07
Total			39.10

The irregularity was pointed out to the Department in the months March, to 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 justification of non production of record besides fixing the responsibility on the person(s) at fault.

30.4.2 Unauthorized payment of deputation allowance-Rs1.28million

As per paragraph 2 of Establishment Division Office Memorandum dated 4.4.2007 referred above, "As per the judgment of Federal Services Tribunal in Appeals No. 39 and 40 R (CS)/20003(M/S Liaquat Ali Chaudary and others. Federation of Pakistan), upheld by Supreme Court of Pakistan, all the incumbents who are deputed to work in any agency foreign to the service to which they are entitled to draw deputation allowance".

During audit of the accounts record of office of the Special Education Department for the year 2011-12, it was observed that deputation allowance of Rs1.28 million was paid to officers who are posted in local offices and not on deputation. The details are as under:

(Rs in million)

Sr. No.	Name of Office	AIR No.	Amount
1	Chandka Special Education Center for Visually Handicapped Children (VHC) Larkana	10	0.72
2	Government Special Education Center for Hearing Impaired Children (HIC) Sukkur	9	0.29
3	Model Center for Inclusive Handicapped Impaired Children (HIC) Mirpurkhas	8	0.19
4	Shah Latif Special Education Center for Mentally Retarded Children (MRC) Hyderabad	13	0.08
Total			1.28

The irregularity was pointed out to the Department in the months March to 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 that unauthorized payment of deputation allowance may be justified or the amount may be recovered besides fixing the responsibility on the person(s) at fault.

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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
0	0	0	0.39	(0.39)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs0.40 million was observed.

31.3 Brief comments on the compliance of PAC directives

As no para was included in the previous Audit Reports, hence requires no comments.

31.4 AUDIT PARAS

31.4.1 Non production of record

According to letter of agreement of M/s The School of Writing and M/s. Head Way were engaged to provide the following services to the capacity builders under the ABP Scheme 2073 “Career Counseling for Youth”:

- Material development for various learning and training programs.
- Material development for all published materials including website and publications.
- Development training framework.
- Technical assistance in development of assessment test.
- Policy level dialogue-material and program development.
- Development of advocacy strategy.
- Technical assistance for institution development.

During audit of the office of Secretary Youth Affairs Department for the year 2012-13, it was observed that an expenditure of Rs2.08 was incurred on account of activities under the ABP Scheme 2073 “Career Counseling for Youth” but the specified material, training and assistance were not provided.

(Rupees in million)

Sr. #	Name of Company	Date & Invoice #	Para #	Amount
01.	M/s. Head Way 120	120 &22.11.2012	11	1.45
02.	M/s. The School of Writing	065/12 & 19.11.2012	09	0.45
03.	M/s. The School of Writing	052/12 & 18.08.2012	08	0.18
Total				2.08

The irregularity was pointed out 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 justification that specified material; training and assistance were not provided besides fixing the responsibility on the person(s) at fault.

31.4.2 Expenditure without tenders – Rs5.34 million

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

During audit of following offices of Sports & Youth Affairs, for the year 2011-12, it was observed that expenditure of Rs5.34 million was incurred on account of sports material, computer & furniture without inviting open tenders.

(Rupees in million)

Sr. #	Name of office	Particulars	Year	Para No.	Amount
01	Sindh Sports Board, Karachi	Sports Material	2009-10 to 2011-12	01,02,03 & 22	4.85
02	Director Youth Affairs.	Computer & Furniture	2011-12	02	0.49
Total					5.34

The above irregularity was pointed out 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 justification of purchases without inviting open tenders besides fixing the responsibility on the person(s) at fault.

31.4.3 Non-clearance of PWD deposits-Rs2.78 million

Para-170 of Accounts Code, Volume-III states, “outstanding items under Deposit Register should be cleared/adjusted at the close of financial year”, further Para-399 (iii) Central Public Works states, “The balances unclaimed for more than three complete account years should be credited to the Government as lapsed deposits”.

During audit of Executive Engineer, Sports Sindh, Karachi for the year 2011-12, it was observed that an amount of Rs2.78 million was lying in PWD

Deposits (Deposits Misc. Part-V) Form-78 as on 30.06.2012 without any adjustment.

The irregularity was pointed out to the department in September, 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 non clearance of deposit accounts may be justified besides fixing the responsibility on the person(s) at fault.

AIR #02

31.4.4 Non-adjustment of advances – Rs2.50 million

According to Para 668 of Federal Treasury Rules, “Advances granted under special orders of the competent authority to officers/officials for Departmental or allied purposes may be drawn on the responsibility and receipt of the Officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary”,

During the audit of the office of Director Youth Affairs Department for the year 2012-13, it was observed that an amount of Rs2.50 million was paid to M/s Arts Counsel, Karachi during 3rd Youth Festival through cheque #0842210 dated 19-10-2012 but adjustment account was not obtained.

Irregularity was pointed out 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 justification for non-adjustments of advances besides fixing responsibility on the person(s) at fault.

AIR-01

31.4.5 Irregular expenditure on various activities – Rs1.40 million

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

During audit of the office of Secretary Youth Affairs Department for the year 2012-13, it was observed that an expenditure of Rs1.40 million was incurred various sports related activities as detailed below:-

(Rupees in million)			
Sr. No.	Description	Para #	Amount
01.	Youth Leadership Conference	07	0.45
02.	Kashmir Day	06	0.35
03.	Quaid-e-Azam Debate Competition	05	0.30
04.	Youth Musical Festival	09	0.29
	Total		1.39

Following observations were noticed:

1. The activity was not advertised in media so that to ensure maximum participation of youth.
2. List of the participant was not provided to audit.
3. Leather bags were distributed on Kashmir Day among the participants but acknowledgements were not produced.
4. The expenditure was incurred without inviting tenders.

The irregularity was pointed out 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 justification on the irregular expenditure besides fixing responsibility on the persons(s) at fault.

31.4.6 Un-justified payment on third party monitoring charges – Rs1.12 million

Para 10(i) of General Financial Rules, Volume-I, states that, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary providence would exercise in respect of expenditure of his own money.

During audit of the office of Executive Engineer Sports, Sindh for the year 2011-12, it was observed that an amount of Rs1.12 million was drawn on

account of third party monitoring and transferred to Director, Planning and Monitoring without preparation of vouchers, bills, invoices and other document to verify the actual transfer of funds.

The irregularity was pointed out in May, 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 justification for irregular transfer of funds besides fixing responsibility upon the person(s) at fault.

AIR-04

31.4.7 Repeated snatching of government vehicles-Rs1.10 million

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

During audit of the office of Director Youth Affairs Karachi for the year 2011-12, it was noticed that vehicle bearing No.GS-5470 Suzuki Cultus of Rs1.10 million was snatched during field duty. FIR was lodged, but the vehicle could not be recovered. Another vehicle was also snatched in the year 2009-10. The act of repetition of snatching of vehicles implies that necessary safety measures to avoid such incidence were not applied rather than lodging of FIR.

The irregularity was pointed out to the Department during 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 conducting the inquiry on the above matter to fix the responsibility on the persons(s) at fault.

AIR-10

31.4.8 Irregular expenditure on youth delegation - Rs1.08 million

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

During audit of the accounts record of the office of Director Youth affairs Department Government of Sindh, Karachi for the year 2012-13, it was observed that an amount of Rs1.08 million was incurred on youth delegation of Azad Jammu Kashmir under inter-provincial youth exchange program. The following observations were noticed:

1. That total number of members of delegate was 19 whereas expenditure on the food was claimed 300 for persons.
2. An amount of Rs180, 000 was paid to M/s Day Inn but no supporting record was obtained.
3. An amount of Rs144, 000 was incurred for hiring of a vehicle for 08 days @ of 18,000 per day but details of tour program and activities were not provided.
4. 50 leather bags @ of Rs1, 000 were purchased but detail of distribution was not furnished.

The irregularity was pointed out 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 justification irregular transfer of funds besides fixing responsibility upon the person(s) at fault.

AIR-08

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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	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	% 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.

32.4 AUDIT PARAS

32.4.1 Non production of record

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

(1) 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.

(2) 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.

The Secretary, District Regional Transport Authority, Karachi did not produce the record of pay & allowances and operating expenses. The details are as under:

(Rupees in millions)

Sr. #	Particulars	AIR #	Amount
01	Pay & Allowances	10	5.88
02	Operating expenses	11	0.3080
Total			6.18

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 that the record may be produced to audit for scrutiny besides fixing the responsibility on the person(s) at fault.

AIR-10&11

32.4.2 Shortfall in Revenue target - Rs10.83 million

As per Rule, Target of Route Permit Fee for the year 2012-13 was fixed by the Government at Rs35 million.

During audit of the accounts record of office of the Secretary, District Regional Transport Authority, Karachi for the year 2012-13, it was observed that government fixed target of recovery of Rs35.00 million on account of

route permit fee whereas as the office only recovered Rs24.17 million this resulted into short realization of route permit fee Rs10.83 million.

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 that the justification on non-achievement of targets besides fixing the responsibility on the person(s) at fault.

AIR-02

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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
369.25	2.47	371.72	54.95	316.77

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs316.77 million was observed which was not surrendered in time.

33.3 Brief comments on the compliance of PAC directives

No para was printed in the Audit Reports of the Auditor General of Pakistan.

33.4 AUDIT PARAS

33.4.1 Loss due to theft of a Government vehicle – Rs1.29 million

According to rule-23 of General Financial Rules, 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 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 accounts record of office of the Secretary, Women Development Department, Karachi for the year 2012-13, it was observed that that vehicle Toyota Corolla, GS-9872 worth Rs1.29 million allotted to the then Secretary, Women Development Department was stolen. The FIR was lodged on 03-03-2013 by the officer who relinquished the charge of his post. Further, actual date of theft, copy of FIR and departmental enquiry report were not produced

The irregularity was pointed out 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 inquiry into the matter for fixing responsibility on the person(s) at fault besides taking effective steps for recovery of the vehicle.

AIR-03

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 midsixties, 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 retained at Provincial level. The Foreign Aided Projects of Education Engineering Works under Project Director (Education Works) are 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 2013-2014. The accounts for the Financial Year 2012-2013 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 2012-13	Departmental Expenditure	Variation (Excess)/ Savings
9,256.41	1,021.55	10,277.96	12,487.88	(2,209.92)

The department was unable to control the expenditure as per allocated budget, as a result excess expenditure of Rs2,209.92 million was observed.

(Rupees in million)

Budget Estimate	Revised Estimate	Actual Receipt	Variation
1,647.00	2,021.00	327.00	1,694.00

The department was unable to collect the estimated receipt in time. As a result shortfall of an amount Rs1,694.00 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	% 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 and total 38 paras were discussed in respect of Works & Services Department. The department made compliance of 21 paras and 17 paras were left unattended or compliance not made. The percentage of compliance comes to 55.

34.4 AUDIT PARAS

34.4.1 Non-production of record

As per Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 "The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition (3)Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under Efficiency and Discipline Rules".

During audit of the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2012-13, it was observed that management did not produce auditable record of Rs2,493.75 million. Details are mentioned in Annexure-1 of Chapter-34.

The irregularity was pointed out to the department in August 2012, September 2013 and 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 the responsibility on the person at fault.

34.4.2 Non-imposition of penalty for the delayed work-Rs685.26 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 $\frac{1}{4}$ of the work in $\frac{1}{4}$ 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 the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2011-12 to 2012-13, it was

observed that various works awarded to the contractors during the financial year 2011-12 to 2012-13 were required to be completed within the stipulated period. The contractors failed to complete the works in time but penalty of Rs685.26 million was not imposed which tantamount to extending undue favour to the contractors Details are mentioned in Annexure-2 of Chapter-34.

The irregularity was reported to the department during August 2012 to 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 justification for non imposition of penalties besides fixing responsibility upon the person(s) at fault.

34.4.3 Non-adjustment of advances – Rs157.76 million

According to Para-668 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 the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2011-2012 to 2012-13, it was observed that advance payment of Rs157.76 million was made to different agencies for various works without obtaining their subsequent adjustment accounts Details are mentioned in Annexure-3 of Chapter-34.

The irregularity was pointed out to the department in the month of August 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 justification of non-adjustment of accounts besides fixing responsibility upon the person(s) at fault.

34.4.4 Non-recovery of government dues – Rs63.03million

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 paisa per hundred rupees of the value of the agreement or against tender cost before execution of the agreement.

As per Para-228 of CPWA Code “Cases in which contractor whose contract is for finished work requires as advance on the security of the material brought to site Divisional Officer in such case sanction advance upto 75% of value of such material provided that they are of imperishable in nature and that the formal agreement is drawn with the contractors under which government secures a lien on materials.”

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.

According to S. #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 the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2011-12 to 2012-13, it was observed that government dues of Rs63.03 million were not recovered from the contractors. Details are mentioned in Annexure-4 of Chapter-34.

The irregularity was pointed out to the department in the months of August 2012 and 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 justification of government dues not recovered besides fixing responsibility upon the person(s) at fault.

34.4.5 Non-deposit of government dues – Rs1,196.43 million

According to Rule 26 of General Rules provides that it is the duty of controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to public account”

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 the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2011-12 to 2012-13, it was observed that the department deducted various government dues amounting to Rs1,196.43 million from contractors bills but the same were not deposited into the government treasury which resulted in un-authorized retention of government funds Details are mentioned in Annexure-5 of Chapter-34.

The irregularity was pointed out to the department during July 2012 to 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 justification on government dues not deposited besides fixing the responsibility on the person(s) at fault.

34.4.6 Irregular excess consumption of steel – Rs36.40million

As per Para-528 of Public Works Departmental Manual, that no material alteration in sanctioned, design may be made by a divisional officer in carrying out any work without the approval of the Superintending Engineer. Should any alteration of importance, involving any additional expense, be considered necessary, a revised or supplementary estimate should be submitted for sanction.

During audit of the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2011-2012 to 2012-13, it was observed that payments were allowed to contractors for excess quantities of steel in disregard of estimates without any change in design and specifications,

resulting in extra cost of Rs36.40 million Details are mentioned in Annexure-6 of Chapter-34.

The irregularity was pointed out in the month of July 2012 to 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 justification of excess payment besides fixing the responsibility on the person at fault.

34.4.7 Non-competitive tendering process – Rs303.54million

As per Rule 12 (1) of Sindh Public Procurement Rules, 2010, “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”.

According to Rule 17 of Sindh Public Procurement Rules, 2010 states that (1) Procurement over one hundred thousand rupees shall be advertised by timely notification 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 the at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

During audit of the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2011-2012 to 2012-13, it was observed that development works amounting to Rs303.54 million were carried out, but the competitive tendering process was not done in disregard of the rules Details are mentioned in Annexure-7 of Chapter-34.

The irregularity was pointed out to the Department in the month of October 2012 and 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 justification expenditure without open tenders on the person(s) at fault besides fixing the responsibility.

34.4.8 Excess execution of items of work – Rs27.13 million

According to Clause 38 of the standard Contract Agreement, the quantities shown in the tender are approximate and no claim shall be entertained for quantities of work executed being 30% more or less than those entered in the tender or estimate.

During audit of the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2012-2013, it was observed that excess quantities of works of Rs27.13 million were allowed than the permissible limit of 30% of the estimated cost, without prior approval of competent authority. Details are mentioned in Annexure-8 of Chapter-34.

The matter was pointed out to the department in July and 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 justification for making payment in excess of the approved estimated cost besides fixing the responsibility on the person at fault.

34.4.9 Unauthorized expenditure on non-scheduled items – Rs169.81 million

According to Sr # 4 of the Schedule of Rate (Composite) for finished items of works, 2004, the non-schedule item costing upto Rs1000 should be got sanctioned by the concerned Superintending Engineer and the items exceeding Rs1000 must be got approved and sanctioned by the Chief Engineer.

Para 128 of CPWA Code provides that the escalation will not be allowed without preparation of rate analysis and got approved by the government.

During audit of the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2011-12 to 2012-13 it was observed that an expenditure of Rs169.81 million was incurred on non-scheduled items for various works without approval from competent authority. The rates of these items were required to be obtained from market and to be analysed after adding contractor's profit. Details are mentioned in Annexure-9 of Chapter-34.

The matter was pointed out to the department in September 2012 and 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 justification for excess payment on non-schedule items besides fixing the responsibility on the person at fault.

34.4.10 Irregular excess payment on scheduled items - Rs151.54 million

According to the letter of Chief Engineer Highways Department Government of Sindh vide # No. Misc/169-PC-IIC(i)/128 dated 03-03-1998, receipt of purchase of bitumen was an essential requirement to procure from National Refinery.

As per Rule 356 of PWD Manual Volume-I that recovery from the individuals or losses may be kept under the head Misc. PW Advances pending recovery.

During audit of the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2012-13, it observed that excess payment of Rs151.54 million was made on account of excess cost of bitumen and scheduled items. Details are mentioned in Annexure-10 of Chapter-34. Moreover, bitumen was not purchased from National Refinery Ltd. Further, laboratory test report and the supporting vouchers to ascertain the quantity and rates of bitumen were also not produced to audit.

Irregularity was pointed out in September 2012 and 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 justification for excess payments and purchase of bitumen from other than National Refinery Ltd besides fixing the responsibility on the person at fault.

34.4.11 Excess payment due to calculation mistakes – Rs2.99 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 the offices of the Works & Services Department, Government of Sindh, Karachi for the year 2011-12 to 2012-13, it was observed that excess payment of Rs2.99 million was made due to calculation mistake of various items of work. The Department did not exercise due care while making payments, which caused loss to government.

Rupees in million				
Sr.	Particulars	Year	Para	Amount
01	PD, Japanese Assisted Rural Road Construction Project-II (Sindh), Hyd.	2011-12	04	2.54
02	XEN District Education, Thatta	2011-12	08	0.32
03	XEN Edu. Works Division, Larkana	2012-13	09	0.13
Total				2.99

The irregularity was pointed out to the department in September 2012 and 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 of the excess payment besides fixing the responsibility on the person at fault.

34.4.12 Payment to contractors before laying of panels – Rs1.10 million

As per paragraph-208 of CPWA code, payments for the work done otherwise than by daily labor and for all supplies are made on the basis of measurement recorded in the measurement book.

During the audit of the office of Project Director Hyderabad Development Package, it was observed that an amount of Rs1.10 million was paid to the contractors before laying panels. Moreover, material at site account was also not maintained. Thus the payment made on account of un-laid panels was un-justified.

The irregularity was pointed out 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 justification for payment on un-laidpanles besides fixing the responsibility on the person at fault.

Para # 06

34.4.13 Blockage of Public money – Rs147.50Million

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 the audit of the office of Benazir Bhutto Housing Cell, Works & Services Department, Government of Sindh, Karachi, it was observed that Government of Sindh purchased 368 flats in the year 2009 @ Rs692,500 each from Pakistan Housing Authority, Government of Pakistan. Out of 368 flats, 155 were allotted up to the year 2011-12 to the families of Shuhadas of Karsaz and remaining 213 flats having cost of Rs147.50 million were lying vacant since 2009 which may result in deteriorating.

The matter 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.

The audit requires justification of 213 flats lying vacantsince 2009 besides fixing the responsibility on the person at fault.

AIR-02

34.4.14 Doubtful double payment to contractor – Rs2.49 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 the audit of the office of the Executive Engineer, Highways Division, Kashmore @ Kandh Kot for the financial year 2012-13, it was observed that double payment for same bill amounting to Rs2.49 million was made to contractor on work “Construction of link road from Mehrab Khan to village Muhammad Hashim Gabol road mile 0/0-0/5” as there were no work Order number, name of contractor and particulars of work was mentioned, which created a doubt of double payment for same work to contractor.

The matter was pointed out to the department in the month of 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 that matter may be investigated and reasons of double payment made may be stated besides fixing the responsibility on the person at fault.

AIR-19

34.4.15 Irregular payment without authorization of Officer Incharge– Rs58.61 million

Para-51 of Central Public Work Department Code states that the Division is divided into sub-division, and incharge of sub-divisional office is responsible to the Divisional Officer for the management and execution of works within his sub-division. Further, a written permission of the competent authority authorizing the sub-engineer to record the measurement is required to be obtained each year.

During audit of the office of the Resident Engineer, Sindh House, Islamabad for the year 2012-13, it was observed that an amount of Rs58.61 million was paid to various contractors for works done on the basis of measurement recorded by the sub-engineer instead of Assistant Executive Engineer (Incharge of the sub-divisional office). No written permission was obtained from the competent authority for recording of measurements by sub-engineer.

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 taking remedial measure besides fixing responsibility on the person(s) at fault

(AIR- 2)

ANNEXURES

Annexure-1

Memorandum for DAC (MFDAC)

Si. No.	Name of Department & Observation	Amount	Nature of Irregularity
	AGRICULTURE, SUPPLY & PRICES DEPARTMENT		
1	Irregular Expenditure on POL	0.97	Violations of Rules
2	Irregular payment on salaries of drivers	0.91	Violations of Rules
3	Irregular expenditure on purchase of articles	0.80	Violations of Rules
4	Irregular expenditure on repair of dead weight by splitting up work orders	0.54	Violations of Rules
5	Irregular expenditure on publicity and advertisement	0.46	Violations of Rules
6	Irregular expenditure on conference / seminar	0.42	Violations of Rules
7	Un-authorized advance payment to HESCO authorizes	0.25	Violations of Rules
8	Irregular expenditure on repair	0.24	Violations of Rules
9	Splitting up of expenditure	0.16	Violations of Rules
10	Excess consumption of P.O.L. above the ceiling	0.25	Recovery
11	Non-deduction of income tax	0.36	Recovery
12	Non-realization of license / verification fee	0.41	Recovery
13	Non-recovery of outstanding government dues	0.47	Recovery
14	Non-receipts of printing and stationery material	1.10	Violations of Rules
15	Non-accountal of procured articles	0.47	Non accountal
16	Non-reconciliation of revenue receipt	41.38	Violations of Rules
17	Non-reconciliation of challans	17.62	Violations of Rules
18	Unauthorized expenditure on account of POL	12.79	Violations of Rules
19	Non- recovery of interest on mobilization advance	7.80	Recovery
20	Non-accountal of procured articles	6.61	Non accountal
21	Expenditure repair of vehicle machinery & equipment	2.98	Violations of Rules
22	Non-recording of receipt into cash book	5.04	Violations of Rules
23	Non-reconciliation of expenditure	5.47	Violations of Rules
24	Non accountal of stores items	7.59	Non accountal
25	Non-reconciliation of figures from district accounts office.	6.20	Violations of Rules
26	Irregular expenditure on account of POL	1.11	Violations of Rules
27	Irregular expenditure on purchase of fertilizer	0.69	Violations of Rules
28	Excess expenditure over & above the budget grant	0.57	Violations of Rules
29	Irregular expenditure under head of account	0.23	Violations of Rules

	Seminar Fair and Exhibition		
30	Misclassification of expenditure	0.23	Misclassification of expenditure
31	Irregular expenditure on repair of vehicles	0.18	Violations of Rules
32	Irregular expenditure on Printing & Publication	0.14	Violations of Rules
33	Irregular payment of house rent allowance	0.09	Violations of Rules
34	Irregular expenditure on publicity and advertisement	0.04	Violations of Rules
35	Expenditure in excess of budget allocation	8.21	Violations of Rules
36	Irregular expenditure without third party monitoring	5.18	Violations of Rules
37	Irregular expenditure without supporting voucher	4.97	Violations of Rules
38	Recovery of TA/DA allowance	4.26	Recovery
39	Wasteful expenditure of salaries	1.24	Violations of Rules
40	Irregular procurement of pesticide & fertilizer	1.92	Violations of Rules
41	Irregular expenditure on various procurement	3.53	Violations of Rules
	AUQAF, RELIGIOUS AFFAIRS & ZAKAT & USHR DEPARTMENT		
1	Irregular payment on open cheques	0.64	Violations of Rules
2	Irregular expenditure on other office	0.38	Violations of Rules
3	Non-accountal of stores articles	0.22	Violations of Rules
4	Unauthorized retention of funds in DDO account	0.29	Non accountal
	BOARD OF REVENUE		
1	Where about of goods / articles purchased	0.64	Fraud
2	Non-production of record	0.00	Non Production of record
3	Non-production of record regarding the purchase of vehicles	1.48	Non Production of record
4	Excess consumption of steel	0.68	Violations of Rules
5	Expenditure incurred in excess of sanctioned estimate	0.52	Violations of Rules
6	Internal audit not conducted	0.00	Violations of Rules
7	Irregular clearance of previous year's liability	0.71	Violations of Rules
8	Irregular execution of work without approved rate analysis	0.16	Violations of Rules
9	Irregular expenditure by way of misclassification	0.35	Violations of Rules
10	Irregular expenditure incurred on account of purchase of fans	0.07	Violations of Rules
11	Irregular expenditure incurred on account of TA / DA	0.20	Violations of Rules
12	Irregular expenditure on purchase of P.O.L	0.46	Violations of Rules
13	Irregular Expenditure over charges on POL	0.05	Violations of Rules

14	Irregular expenditure without supporting vouchers	0.12	Violations of Rules
15	Irregular expenditure without supporting vouchers	0.17	Violations of Rules
16	Irregular expenditure without supporting vouchers of	0.33	Violations of Rules
17	Irregular payment of stationery and printing charges	0.32	Violations of Rules
18	Irregular procurement of stones	1.03	Violations of Rules
19	Irregular purchase of stationery by split up of purchase orders	0.23	Violations of Rules
20	Irregularities on store articles	0.20	Violations of Rules
21	Non maintenance of service books	0.00	Violations of Rules
22	Non-maintenance of consumption account	0.44	Violations of Rules
23	Non-maintenance of consumption account of consumable articles	0.11	Violations of Rules
24	Non-maintenance of Leave Account	0.00	Violations of Rules
25	Non-receipt of printing material from Government printing press	0.05	Violations of Rules
26	Non-receipt of stamps from assistant superintendent of stamps	0.16	Violations of Rules
27	Non-receipt of stationery material from Government printing press	0.20	Violations of Rules
28	Non-reconciliation of challan	0.85	Violations of Rules
29	Payment of surcharge on utility bills of	0.01	Violations of Rules
30	Purchase of Stationery/Printing without NOC from Government printing press	0.61	Violations of Rules
31	Unauthorized expenditure on Honorarium	0.25	Violations of Rules
32	Un-authorized expenditure without re-appropriation	0.14	Violations of Rules
33	Unauthorized payment of previous year liability	0.10	Violations of Rules
34	Un-authorized payment of surcharge on electricity bills	0.02	Violations of Rules
35	Un-necessary burden on government exchequer	0.29	Violations of Rules
36	Creating of liability for next financial year	1.10	Violations of Rules
37	Irregular and un-justified appointment of Technical Assistant/Consultant and payment of	1.86	Violations of Rules
38	Irregular expenditure on other office	1.87	Violations of Rules
39	Irregular expenditure on Repair	1.33	Violations of Rules
40	Irregular payments on account of law charges	1.26	Violations of Rules
41	Late deposit of revenue into government account	1.25	Violations of Rules
42	Non-maintenance of consumption account	1.89	Violations of Rules

43	Unauthorized allotment of Government vehicles to member (RS&EP)	1.30	Violations of Rules
44	Un-authorized appointments of contingent paid staff	1.12	Violations of Rules
45	Unauthorized payment of other offices	1.51	Violations of Rules
46	Unauthorized payment on account of honorarium to the staff	1.38	Violations of Rules
47	Un-necessary procurement of items	1.27	Violations of Rules
48	Non-adjustment of advances	1.60	Recovery
49	Non-adjustment of payments	1.30	Recovery
50	Non-deduction of income tax	1.29	Recovery
51	Loss of government due to non-assessment of agriculture income tax	0.00	Recovery
52	Non recovery of sales tax	0.80	Recovery
53	Non-adjustment of advances	0.06	Recovery
54	Non-deduction of Income Tax	0.07	Recovery
55	Non-realization of capital value tax of	0.21	Recovery
56	Non-realization of municipal tax of	0.49	Recovery
57	Non-realization of stamp duty	0.01	Recovery
58	Non-recovery of arrears of Agriculture Income Tax	0.33	Recovery
59	Non-recovery of conveyance allowance	0.24	Recovery
60	Non-recovery of conveyance allowance	0.24	Recovery
61	Recovery of un-justified allowing POL amounting to	0.49	Recovery
62	Short recovery of income tax	0.01	Recovery
63	Non- accountal of survey material	0.24	Non accountal
64	Non-accountal of purchased material amounting	0.04	Non accountal
65	Non-accountal of stationery articles	0.24	Non accountal
66	Non-accountal of various items amounting	0.01	Non accountal
67	Non-distribution of Uniform and Liveries amounting	0.20	Non accountal
68	Non-accountal of various articles	46.57	Non accountal
69	Irregular expenditure without obtaining quotations	23.59	Violations of Rules
70	Unauthorized expenditure on account of POL	2.36	Violations of Rules
71	Non/Improper maintenance of record	2.98	Non-maintenance of record
72	Procurement of bitumen other than national refinery	63.28	Violations of Rules
73	Irregular expenditure without NOC of Mechanical Division	2.96	Violations of Rules

74	Unauthorized expenditure without execution of agreement	2.11	Violations of Rules
75	Un-justified re-appropriation of funds	376.28	Violations of Rules
76	Irregular expenditure on POL	2.59	Violations of Rules
77	Irregular procurement of survey equipments	6.08	Violations of Rules
78	Non-accountal of stores articles	3.86	Non accountal
79	Non-reconciliation expenditure	29.50	Violations of Rules
80	Unauthorized expenditure on account of POL	40.03	Violations of Rules
81	Savings not surrendered in time –Rs469.984 million	469.98	Weakness of internal controls
82	Non-reconciliation of electricity charges – Rs2.964 million	2.96	Weakness of internal controls
83	Irregular expenditure without preparation of escalation chart –Rs7.519 million	7.52	Violations of Rules
84	Unauthorized expenditure without supporting vouchers –Rs32.986 million	32.99	Violations of Rules
85	Un-authorized award of work over estimated cost –Rs154.828 million	154.83	Violations of Rules
86	Expenditure without observing codal formalities –Rs9.809 million	9.81	Violations of Rules
87	Unauthorized expenditure on repair of vehicles – Rs4.844 million	4.84	Violations of Rules
88	Irregular Registration of urban immovable property without clearance certificate –Rs15.965 million	15.97	Violations of Rules
89	Late deposit of government receipt –Rs14.195 million	14.20	Violations of Rules
90	Irregular expenditure without sanction of competent authority- Rs34.50 million	34.50	Violations of Rules
91	Unauthorized expenditure on non-scheduled items –Rs2.971 million	0.28	Violations of Rules
92	Lapse of funds amounting to-Rs168.056 million	168.06	Weakness of internal controls
93	Illegal registration of document without obtaining sale certificates Rs3.080 million	3.08	Violations of Rules
94	Excess payment on account of higher rates	43.62	Recovery
95	Non-accountal of consumption account	17.88	Non accountal
96	Un-justified refund	2.48	Violations of Rules
97	Un-justified huge demand of funds	1,526.27	Violations of Rules
98	Irregular expenditure on refreshment	1.47	Violations of Rules
99	Unauthorized procurement of various items	13.01	Violations of Rules
100	Expenditure incurred without revision of PC-I	46.79	Violations of Rules

101	Expenditure incurred without delivery of goods	7.53	Violations of Rules
102	Non obtaining of bank guarantee for mobilization advance	53.85	Violations of Rules
103	Non-obtaining of performance security from contractors	47.48	Violations of Rules
104	Irregular payment on extra lead	8.15	Violations of Rules
105	Registration of properties without NOC	29.46	Violations of Rules
106	Unauthorized expenditure on account of printing of stamps	66.60	Violations of Rules
107	Irregular expenditure without lease of land	22.28	Violations of Rules
108	Expenditure on development works without PC-I	120.00	Violations of Rules
109	Unauthorized retention of government funds	10.56	Violations of Rules
110	Irregular expenditure without observing codal formalities	41.27	Violations of Rules
	CHIEF MINISTER'S SECRETARIAT		
1	Irregular advance payment to consultant – Rs0.250 million	0.25	Violations of Rules
2	Irregular clearance of previous year liability – Rs0.255 million	0.26	Violations of Rules
3	Irregular expenditure incurred under the head of a/c uniform & liveries –Rs0.209 million	0.21	Violations of Rules
4	Irregular payment of monitoring charges, unjustified burden on public institutes- Rs0.160 million	0.16	Violations of Rules
5	Irregular payment of sales tax – Rs0.311million	0.31	Violations of Rules
6	Irregular payment without quotations Rs0.217 million	0.22	Violations of Rules
7	Irregular refund of security deposit amounting to Rs0.913 million	0.91	Violations of Rules
8	Irregular re-imburement of medical charges- Rs0.846 million	0.85	Violations of Rules
9	Unauthorized payment of Sunday allow: Rs0.504 million	0.50	Violations of Rules
10	Unauthorized use of vehicles- Rs0.550 million	0.55	Violations of Rules
11	Less / non recovery of stamp duty – Rs0.038 million	0.04	Recovery
12	Less /non-deduction of GST & income tax – Rs0.478 million	0.48	Recovery
13	Non recovery of stamp duty –Rs0.139 million	0.14	Recovery
14	Non-adjustment of advances – Rs0.373 million	0.37	Recovery
15	Non-imposition of penalty upon the contractor Rs0.623 million	0.62	Recovery

16	Non-invitation of open tender on account of purchase of office equipment– Rs0.191 million	0.19	Recovery
17	Non-realization of annual renewal fee from affiliated institution Rs0.898 million	0.90	Recovery
18	Non-recovery of professional tax Rs0.231 million	0.23	Recovery
19	Non-recovery of students’ loan Rs0.307 million	0.31	Recovery
20	Irregular purchase of Admission software – Rs0.400 million	0.40	Violations of Rules
21	Expenditure without inviting open tender – Rs0.932 million	0.93	Violations of Rules
22	Non-recovery of electricity charges from the contractor –Rs0.191 million	0.19	Recovery
23	Irregular payment of mobilization advance	0.42	Violations of Rules
24	Non-recovery of outstanding dues –Rs0.935 million	0.94	Recovery
25	Un-authorized expenditure on POL –Rs0.376 million	0.38	Violations of Rules
26	Non recovery of stamp duty- Rs0.182 million	0.18	Recovery
27	Non imposition of penalty- Rs0.949 million	0.95	Recovery
28	Non-recovery of spent amount over scholarship from Mr. Aslam Parvez Memon, AP, IMCS.	0.00	Violations of Rules
29	Utilization of self-finance income tangential to intended purpose	0.00	Violations of Rules
30	Irregular payment in terms of reimbursement of “publication charges” for research articles amounting Rs271,289/-	0.27	Violations of Rules
31	Irregular payment on medical reimbursement without medical prescription amounting Rs76,060/-	0.08	Violations of Rules
32	Doubtful payment over fake claims amounting Rs183,110/-	0.18	Violations of Rules
33	Unjustified working of teaching staff of university as faculty member of private colleges	0.00	Violations of Rules
34	Unjustified increase in Ph.D. allowance	0.00	Violations of Rules
35	Non-verification of Income Tax amounting Rs659,424/-	0.66	Violations of Rules
36	Excess payment in terms of conveyance allowance to the teachers of Model School, Old Campus amounting Rs463,745/- for single year only	0.46	Violations of Rules
37	Irregular expenditure for last three years without	0.00	Violations of Rules

	approved budget and annual accounts		
38	Non-deposit of income tax amounting Rs150,510/-	0.15	Violations of Rules
39	Unjustified expenditure over computer training amounting Rs60,000/-	0.06	Violations of Rules
40	Non-recovery of house rent from outsiders residing in the University colony	0.00	Violations of Rules
41	Payment of excess rates for the sanitary material amounting Rs793,626/-	0.79	Violations of Rules
42	Non-deduction of 5% rent charges from employees having University accommodation amounting Rs558,336/-	0.56	Violations of Rules
43	Non-maintenance of record of stationery by controller examination	0.00	Violations of Rules
44	Use of buses/vehicles without fitness certificate	0.00	Violations of Rules
45	Non-deduction of Income Tax amounting to Rs417,600/-	0.42	Violations of Rules
46	Un-authorized use of green number plate vehicles	0.00	Violations of Rules
47	Unjustified payment in Universities/Board Fund of Sindh Governor's Secretariat amounting Rs72,000/-	0.07	Violations of Rules
48	Irregular promotion of Assistant Professors posts of Associate Professors	0.00	Violations of Rules
49	Irregular appointment of Mr. Jhamat, Advocate, Sindh High Court, Hyderabad as Dean, Faculty of Law	0.00	Violations of Rules
50	Unjustified award of two advance increments to Ms. Paras Bashir, Lecturer IBA	0.00	Violations of Rules
51	Award of dual annual increments i.e in September & December amounting Rs200,000/-	0.20	Violations of Rules
52	Misuse of powers to benefit the select employees	0.00	Violations of Rules
53	Irregular appointment of Assistant Professors and Professors having Ph.D. by not appointing them in tenure track system.	0.00	Violations of Rules
54	Irregular appointment of retired officials and staff against the rules and Supreme Court's orders	0.00	Violations of Rules
55	Irregular Appointments without observing codal formalities	0.00	Violations of Rules
56	Difference in Cash Book and Bank Statement amounting to Rs90,424/-	0.09	Violations of Rules

57	Undue favour to Assistant Professors who returned unsuccessful after getting scholarship	0.00	Violations of Rules
58	Improper maintenance of cash books	0.00	Violations of Rules
59	Unjustified expenditure over the publicity of Vice Chancellor Dr. Nazir A. Mughal amounting Rs100,000/-	0.10	Violations of Rules
60	Excess payment of House Rent Charges amounting Rs0.049 million	0.05	Violations of Rules
61	Non-verification of Professional Tax amounting Rs118,650/-	0.12	Violations of Rules
62	Non-deduction of Sales Tax amounting to Rs0.431 million	0.43	Violations of Rules
63	Unjustified start of BBA (Hons.) course at SU Old Campus without recruitment of teachers	0.00	Violations of Rules
64	Irregular sanction of study leave	0.61	Violations of Rules
65	Irregular payment of monitoring charges, unjustified burden on public institutes	0.16	Violations of Rules
66	Irregular expenditure on tour	0.15	Violations of Rules
67	Unauthorized drawl of POL charges for the vehicles not existing on the strength of University	0.85	Violations of Rules
68	Unauthorized payment of conveyance allowance to officers	0.75	Violations of Rules
69	Unauthorized benefit of pension commutation	0.55	Violations of Rules
70	Non-accountal of stores articles –Rs19.790 million	19.79	Non accountal
71	Expenditure without supporting vouchers – Rs1.570 million	1.57	Violations of Rules
72	Non-maintenance of vehicles record –Rs3.211 million	3.21	Violations of Rules
73	Un-authorized advance payment to supplier – Rs2.0 million	2.00	Violations of Rules
74	Non-accountal of stores articles –Rs9.800 million	9.80	Violations of Rules
75	Irregular clearance of previous years liability – Rs2.990 million	2.99	Violations of Rules
76	Irregular expenditure without measurement – Rs20.145 million	20.15	Violations of Rules
77	Irregular expenditure without sanction of estimates –Rs16.939 million	16.94	Violations of Rules
78	Non-maintenance of contractor ledger –Rs15.381 million	15.38	Non-maintenance of record
79	Irregular expenditure on purchase of Diesel	3.77	Violations of Rules

	General Set –Rs3.770 million		
80	Irregular payment without sanction of B-I agreement Rs14.205 million	14.21	Violations of Rules
81	Payment without check measurements of work done by XEN Rs17.524 million	17.52	Violations of Rules
82	Non-reconciliation of expenditure Rs9.950 million and revenue Rs3,600.880 million	3,600.88	Weakness of internal controls
83	Un-audited accounts of Endowment Fund-Rs18.543 million	18.54	Violations of Rules
84	Payment of salary without verifying degrees of officers and officials-15.674 million	15.67	Weakness of internal controls
85	Errors in G.P. Fund, pension & other account balances –Rs4.302 million	4.30	Violations of Rules
86	Non-reconciliation of revenue –Rs7.593 million	7.59	Violations of Rules
87	Non-utilization of Scholarship head of account Rs1.500 million	1.50	Violations of Rules
88	Suspicious pre-qualification of the contractor – Rs97.998 million	98.00	Violations of Rules
89	Irregular payment on account of purchase of Chemicals-Rs7.317 million	7.32	Violations of Rules
90	Irregular payment on procurement of scientific equipments-Rs29.941 million	29.94	Violations of Rules
91	Un-authorized payment without agreement – Rs32.950 million	32.95	Violations of Rules
92	Non maintenance of security deposit register – Rs2.001 million	2.00	Non-maintenance of record
93	Loss to university due to missing of library books	0.00	Weakness of internal controls
94	Lack of transparency in the appointments	0.00	Weakness of internal controls
95	Transport contract lacks transparency in formation	0.00	Weakness of internal controls
96	Excess billing from HESCO amounting Rs4.285 million	4.29	Violations of Rules
97	Difference in revenue figures –Rs75.984 million	75.98	Violations of Rules
98	Non-disclosure/hiding of bank accounts	0.00	Violations of Rules
99	Irregular expenditure without budget amounting Rs2.051 million	2.05	Violations of Rules
100	Non-maintenance proper record of examination fee –Rs326.672 million	326.67	Violations of Rules
101	Political favouritism in university expenditure – Rs27.088 million	27.09	Weakness of internal controls

102	Concealment of bank accounts from syndicate and senate –Rs183.199 million	183.20	Violations of Rules
103	Irregular award/appointment of Professors as Meritorious Professors	0.00	Violations of Rules
104	Non-reconciliation of withholding tax Rs36.382 million	36.38	Weakness of internal controls
105	Defective preparation of budget –Rs346.559 million	346.56	Violations of Rules
106	Non-maintenance of deposit register-Rs2.319 million	2.32	Non-maintenance of record
107	Internal Audit of expenditure was not carried out –Rs1,401.667 million	1,401.67	Violations of Rules
108	Irregular repair of vehicles Rs1.592 million	1.59	Violations of Rules
109	Unjustified uncashed cheques of scholarship award Rs3.587 million	3.59	Violations of Rules
110	Irregular payment without obtaining G.S.T. invoice cum paid up challan	0.10	Violations of Rules
111	Deficiencies pointed out in Financial statement	0.00	Violations of Rules
112	Loss to government due to allowing rates higher than prevailing market rates	0.74	Violations of Rules
113	Unauthorized expenditure on account of stationery articles	0.66	Violations of Rules
114	Unauthorized Expenditure on Account of Computer Stationery Articles	0.57	Violations of Rules
115	Unauthentic purchase of Hardware	0.49	Violations of Rules
116	Excess Payment of Conveyance Allowance	0.47	Recovery
117	Non deduction of Income Tax	0.30	Recovery
118	Procurement without inviting open tenders	0.15	Violations of Rules
119	Non-adjustment of advance	0.12	Violations of Rules
120	Irregular payment against procurement of furniture & fixture on quotations instead of detailed bill	0.11	Violations of Rules
121	Unjustified expenditure on repair of Laptops	0.09	Violations of Rules
122	Irregular expenditure on repair of furniture & fixture	0.07	Violations of Rules
123	Detention of project's vehicle (Nissan Sunny GS-2147) by Government of Punjab	0.00	Violations of Rules
124	Irregular appointment of 76 numbers of staff in ban period	0.00	Violations of Rules
125	Non-achievement of targets	0.00	Violations of Rules
126	Unjustified operation of two DDO accounts	0.00	Violations of Rules
127	Irregular expenditure by way of misclassification	13.70	Violations of Rules

	Rs13.704 million		
128	Irregular expenditure on purchases by split up Rs1.221 million	1.22	Violations of Rules
129	Irregular expenditure on stipends / scholarships Rs11.720 million	11.72	Violations of Rules
130	Irregular expenditure on false ceiling work Rs3.389 million	3.39	Violations of Rules
131	Irregular expenditure on procurement Rs49.053 million	49.05	Violations of Rules
132	Expected loss on investments of Rs7.627 million	7.63	Violations of Rules
133	Irregular payment without approval of director finance Rs1.891 million	1.89	Violations of Rules
134	Unauthorized transfer of funds from QUEST to ECL Rs54.470 million	54.47	Violations of Rules
135	Allowing excess Payment of Premium –Rs1.325 million	1.33	Recovery
136	Irregular purchase of oil through direct contracting-Rs1.310 million	1.31	Violations of Rules
137	Non-accountal of stores items –Rs32.891 million	32.89	Non accountal
138	Irregular refund of security deposit- Rs2.001 million	2.00	Violations of Rules
139	Un-authorized transfer of funds Rs479.267 million	479.27	Violations of Rules
140	Unjustified perquisites allowed to high-ups – Rs1.195 million	1.20	Violations of Rules
141	Adjustment of advances without supporting vouchers amounting 12.038 million	12.04	Violations of Rules
142	Loss incurred due to favoritism- Rs10.068 million	10.07	Violations of Rules
143	Less recovery of various charges amounting Rs27.51million	27.51	Recovery
144	Unjustified exaggeration in budget estimates by including vacant posts amounting to Rs149.042 million	149.04	Violations of Rules
145	Non-accountal of various materials Rs54.015million	54.02	Non accountal
146	Loss due to non-collection of inspection fee – Rs2.750 million	2.75	Recovery
147	Non-maintenance of books of accounts regarding Assets and Liabilities	0.00	Non-maintenance of record
148	Free use of university premises by commercial banks	0.00	Violations of Rules

149	Wasteful expenditure over Quality Assurance Cell unit –Rs1.013 million	1.01	Violations of Rules
150	Expenditure without supporting vouchers – Rs136.698 million	136.70	Violations of Rules
151	Payment of general sales tax without verification of accounts/registrations-Rs3.153	3.15	Violations of Rules
152	Irregular purchases of gold medals Rs2.300 million	2.30	Violations of Rules
153	Non-obtaining / deduction of performance guarantee –Rs8.074 million	8.07	Violations of Rules
154	Irregular award of contract to “NTS” –Rs1.805 million	1.81	Violations of Rules
155	Non-maintenance of consumption account – Rs16.512 million	16.51	Non-maintenance of record
156	Non-deduction of performance security Rs1.410 millionu	1.41	Recovery
157	Irregular award of advance increment	0.63	Violations of Rules
158	Budgetary deficit due to wrong financial policies of the university	945.00	Violations of Rules
159	Loss to univristy due to unauthorized payment of house rent	0.15	Violations of Rules
160	Excess over sanctioned strength	164.51	Violations of Rules
161	Un-authorized transfer of fund	10.00	Violations of Rules
162	Expenditure in excess of budget allocation	18.95	Violations of Rules
163	Non-reconciliation of challan	213.11	Weakness of internal controls
164	Bid evaluation report not hoisted on SPPRA’s website	1.19	Violations of Rules
165	Irregular payment of pension and commutation	8.40	Violations of Rules
166	Expenditure without appropriate bank account for HEC funds	142.60	Violations of Rules
167	Excess expenditure over availability of funds	96.39	Violations of Rules
168	Unauthorized construction of buildings	730.25	Violations of Rules
169	Unjustified expenditure on establishment charges	1,257.93	Violations of Rules
170	Unauthorized re-appointment of retired employee	64.89	Violations of Rules
171	Irregular creation of liability	478.17	Violations of Rules
172	Improper maintenance of accounts	1,418.83	Violations of Rules
173	Conveyance allowance to employees residing in office premises	2.30	Recovery
174	Variation in cash book and bank statement	2.33	Weakness of internal controls
175	Unauthorized re-appropriation of funds	2.50	Weakness of internal

			controls
176	Excess expenditure over budget provision	1.88	Violations of Rules
177	Irregular purchases/renewal of agreement	14.48	Violations of Rules
178	Irregular expenditure on purchase of generator	2.99	Violations of Rules
179	Un-justified payment of incentive award	2.55	Violations of Rules
180	Irregular payment of electricity charges	8.71	Violations of Rules
181	Excess expenditure	36.48	Violations of Rules
182	Unauthorized expenditure without vouchers	81.49	Violations of Rules
183	Irregular expenditure on difference of cost	38.25	Violations of Rules
184	Missing diesel from SU Petrol Pump amounting	37.26	Violations of Rules
185	POL provided to Private Vehicles	8.50	Violations of Rules
186	Doubts in transfer of funds from one University A/c to another	8.61	Violations of Rules
187	Embezzlement	37.43	Violations of Rules
188	Irregular up gradation / promotion of various employees	4.01	Violations of Rules
189	Un-justified establishment charges	23.87	Violations of Rules
190	Unauthorized appointment of officers	2.30	Violations of Rules
191	Unjustified loan / investment by the University	1,146.71	Violations of Rules
192	Unauthorized scheme of group insurance / life insurance	7.06	Violations of Rules
193	Unnecessary appointment of special advisor	1.02	Violations of Rules
194	Variation in deficit shown to audit	829.74	Violations of Rules
195	Constructive liabilities of the universities not paid	20.21	Violations of Rules
196	Variation in bank statement & Expenditure Statement	43.21	Weakness of internal controls
197	Variation in cash book & Bank statement	40.51	Weakness of internal controls
198	Variation in cash book & expenditure statement	2.71	Weakness of internal controls
199	Variation bank statement & overall expenditure	65.66	Weakness of internal controls
200	Irregular promotion of grade over and above the sanctioned strength	0.00	Violations of Rules
201	Unjustified transfer of funds from hec account to other accounts	222.47	Violations of Rules
202	Doubtful Transfer Of Funds From Salary Account	18.27	Violations of Rules
203	Non-Accountal Of Various Articles	0.35	Non accountal
204	Non-Maintenance Of Consumption Account	0.49	Non-maintenance of record

205	Irregular Payment Of Ph.D Allowance	0.24	Recovery
206	Non-Utilization/Distribution Of Endowment/ Scholarship Fund To Students	0.67	Violations of Rules
207	Irregular Refund Of Security Deposit	0.91	Violations of Rules
208	Irregular Expenditure On Account Of Entertainment	0.14	Violations of Rules
209	Irregular Purchase Of Hardware Items On Higher Rates	0.52	Violations of Rules
210	Irregular Payment Of Law Charges	0.20	Violations of Rules
211	Irregular Expenditure On Repair Of Furniture & Fixture	0.10	Violations of Rules
212	Irregular Payment On Account Of Security Charges	2.27	Violations of Rules
213	Wasteful expenditure over consultancy charges	0.11	Violations of Rules
214	Irregular Purchase Of Hardware/ It Equipments	2.72	Violations of Rules
215	Irregular Expenditure On Account Of Printing & Publication	0.44	Violations of Rules
216	Irregular Payment Of Advertisement Charges	0.58	Violations of Rules
217	Irregular Purchase Of Plant & Machinery	1.89	Violations of Rules
218	Unjustified Purchase Of Same Items On Different Rates	1.72	Violations of Rules
219	Irregular Payment Of Double Claim	0.34	Violations of Rules
220	Doubtful expenditure	1.77	Violations of Rules
221	Non-Reconciliation Of Utility Charges	48.38	Weakness of internal controls
222	Non-Reconciliation Of Challan With Bank	5.31	Weakness of internal controls
223	Irregular Payment Without Obtaining Sales Tax Invoice-Cum- Return Challan (Recovery Thereof)	0.16	Recovery
224	Irregular Expenditure On Account Of Plants	0.45	Violations of Rules
225	Unjustified Health Insurance Policy For University Employees	19.06	Violations of Rules
226	Unjustified Payment/ Refund To HEC	2.10	Violations of Rules
227	Unauthenticated Purchase Of Five Hino Buses	32.50	Violations of Rules
228	Irregular Expenditure Without Supporting Vouchers	0.20	Violations of Rules
229	Irregular Procurement Of Furniture & Fixture	6.98	Violations of Rules
230	Payment Without Agreement With The Contractors	6.82	Violations of Rules
231	Non-Deduction Of 10 Per Cent Security Deposit	1.68	Violations of Rules
232	Irregular Excess Payment Through Wrong	0.16	Violations of Rules

	Calculation		
233	Irregular execution of work without mentioning the items of work	2.08	Violations of Rules
234	Misclassified expenditure on execution of m&r of external Development of main campus	5.71	Violations of Rules
	COAL &ENERGY DEPARTMENT		
1	Irregular expenditure on food Items	0.37	Violations of Rules
2	Irregular expenditure on account of repair of vehicles	0.32	Violations of Rules
3	Irregular expenditure of repair of building	0.15	Violations of Rules
4	Non-imposition of penalty up on the contractor	0.14	Recovery
5	Irregular payment without supporting vouchers-Rs5.150 million	5.15	Violations of Rules
6	Splitting of sanction order to avoid sanction of higher authority	0.73	Violations of Rules
	CULTURE, TOURISM & ANTIQUITIES DEPARTMENT		
1	Irregular server renewal/maintenance charges Rs0.9 Million	0.90	Violations of Rules
2	Unjustified Expenditure on printing of books Rs0.282 Million	0.28	Violations of Rules
3	Less non- affixing of stamp duty Rs0.989 Million	0.99	Recovery
4	Non-Recovery of credit book sale account Rs0.063 Million	0.06	Recovery
5	Non-Adjustments of outstanding advance Rs0.176 Million	0.18	Recovery
6	Non deduction of income tax Rs0.007 Million	0.01	Recovery
7	Non-Accountal of various articles Rs0.486 Millions	0.49	Non accountal
8	Increase in cost due to revision of schemes	0.00	Violation of principle of propriety
9	Irregular expenditure on printing of books	0.00	Violations of Rules
	EDUCATION (HIGHER, SECONDARY & TECHNICAL AND RESEARCH)		
1	Recovery of un-attractive area allowance – Rs0.960 million	0.96	Recovery
2	Expenditure by transgression of financial powers – Rs885,000/-	0.89	Violations of Rules
3	Doubtful and un-authorized expenditure from the head of other	0.78	Violations of Rules

4	Loss to government due to allowing rates higher than prevailing market rates o	0.74	Recovery
5	Non-deduction of income tax	0.73	Recovery
6	Blockage of government money	0.56	Violations of Rules
7	Misuse of Government Vehicle	0.50	Violations of Rules
8	Overpayment of medical allowance	0.49	Recovery
9	Irregular payment of salaries to officers/ officials appointed through illegal transfer	0.36	Violations of Rules
10	Non-recovery of professional tax	0.35	Recovery
11	Payment of honorarium and TA/DA to unauthorized person	0.30	Recovery
12	Expenditure on account of TA,DA without counter signature/ sanction order by controlling officer	0.23	Violations of Rules
13	Irregular Expenditure incurred on exhibition/Sports without	0.14	Violations of Rules
14	Irregular payment on account of courier services	0.12	Violations of Rules
15	Non-imposition of penalty	0.11	Recovery
16	Unauthorized retention of Income Tax into DDO bank account instead of crediting into Government Account	0.10	Violations of Rules
17	Unjustified expenditure on repair of Laptops	0.09	Violations of Rules
18	Misuse of Government money on purchase of Samsung Galaxy Notepad	0.09	Violations of Rules
19	Unjustified expenditure on Electronic Communication	0.08	Violations of Rules
20	Un-authorized payment to HESCO instead of other sub-offices	0.07	Violations of Rules
21	Un-authorized and un-justified expenditure from college caution money	0.05	Violations of Rules
22	Non-recovery of Stamp duty	0.03	Recovery
23	Unjustified operation of two DDO accounts	0.00	Violations of Rules
24	Irregular appointment of 76 numbers of staff in ban period	0.00	Recovery
25	Detention of project's vehicle (Nissan Sunny GS-2147) by Government of Punjab	0.00	Violations of Rules
26	The Proposed Students-Teacher ratio not maintained at 20:1	0.00	Violations of Rules
27	Un-authorized use of government property –	0.00	Violations of Rules
28	Hiring of new ID during the year 2012-2013	0.00	Violations of Rules
29	Employees have not been allotted GP fund number having service more than ten years	0.00	Violations of Rules

30	Appointment of teaching and non-teaching staff on various posts without sanctioned SNE and local police verification during 2012-13.	0.00	Recovery
31	Non utilization of Non-Government Funds	0.75	Violations of Rules
32	Irregular drawl of teaching allowance during the vacation period	0.52	Violations of Rules
33	Irregular purchase of POL	0.50	Violations of Rules
34	Unauthorized payment of conveyance allowance	0.44	Violations of Rules
35	Irregular payment on account of Pay of Establishment	0.43	Violations of Rules
36	Irregular expenditure incurred on others by splitting up	0.38	Violations of Rules
37	Unjustified expenditure incurred on stationery & printing	0.33	Violations of Rules
38	Irregular payment of difference/ arrears	0.33	Violations of Rules
39	Irregular expenditure on Repair of Government transport	0.20	Violations of Rules
40	Drawl of cash from bank through open cheque	0.18	Violations of Rules
41	Irregular payment to Mr. Pardeep Kumar assistant without having any workshop	0.16	Violations of Rules
42	Irregular expenditure incurred without supporting vouchers	0.16	Violations of Rules
43	Irregular expenditure without obtaining quotations	0.10	Violations of Rules
44	Non-recovery of income tax from suppliers Rs99,907	0.10	Recovery
45	Misclassification of expenditure –Rs89,000/-	0.09	Violations of Rules
46	Blockage / wastage of government funds amounting to due to non receipt of stationary & printing material Rs52,891	0.05	Violations of Rules
47	Non-deduction of sales tax Rs29,897	0.03	Recovery
48	Non recovery of professional tax Rs21,000	0.02	Recovery
49	Excess payment of house rent allowance – Rs13,948/-	0.01	Recovery
50	Irregular fresh appointment without observing the Government rules.	0.00	Violations of Rules
51	Loss to Government due to closed school	0.00	Recovery
52	Working of staff more than sanctioned strength	0.00	Violations of Rules
53	Pending liability register was not maintained of Rs83.817 million	83.82	Violations of Rules
54	Non-deduction of performance security Rs1.410 million	1.41	Violations of Rules

55	Unauthenticated expenditure on account of stipend paid to trainees of Rs50.494 million	50.49	Violations of Rules
56	Unauthorized purchase without inspection Rs3.383 million	3.38	Violations of Rules
57	Wastage of government money by not providing teachers Rs66.766 million	66.77	Violations of Rules
58	Non-deposit of receipt amount in to government account well in time –Rs. 4.492 million	4.49	Violations of Rules
59	Irregular expenditure on printing and Stationery without obtaining NOC from Government press Rs1.682million	1.68	Violations of Rules
60	Payment of liability on account of electricity charges Rs21.305 million	21.31	Violations of Rules
61	Unauthorized payment of salaries working on detailment Rs31.62 million	31.62	Violations of Rules
62	Savings not surrendered in time Rs143.796 million	143.80	Violations of Rules
63	Loss to government property and education by closed of schools Rs25.8 million	25.80	Violations of Rules
64	Non-accountal of stores articles of Rs1.564 million	1.56	Non accountal
65	Expenditure without quotations Rs8.811 million	8.81	Violations of Rules
66	Expenditure in excess of budget allocation Rs430.711million	430.71	Violations of Rules
67	Irregular expenditure on POL charges Rs124.393 million	124.39	Violations of Rules
68	Expenditure without receipt acknowledgement Rs7.279million	7.28	Violations of Rules
69	Irregular expenditure on Repair of Government transport –Rs2.206 million	2.21	Violations of Rules
70	Non-accountal of stores articles of Rs65.989 million	65.99	Violations of Rules
71	Savings not surrendered in time Rs59.44 million	59.44	Weakness of internal controls
72	Irregular payment of officials working on detailment Rs20.988 million	20.99	Violations of Rules
73	Contract for Rs12.360 million not executed resulting into a loss on stamp duty –Rs28,693	12.39	Violations of Rules
74	Payee’s acknowledgement not obtained – Rs11.472 million	11.47	Violations of Rules
75	Expenditure incurred without budget allocation Rs7.316 million	7.32	Violations of Rules

76	Excess expenditure over & above the budget allocation –Rs6.597 million	6.60	Violations of Rules
77	Irregular payment on purchases without inspection –Rs4.899 million	4.90	Violations of Rules
78	Excess payment due to increase in basic pay of staff –Rs2.706 million	2.71	Violations of Rules
79	Non-production of rate analysis for works	0.71	Violations of Rules
80	Non-production of record regarding the court cases	0.64	Violations of Rules
81	Irregular expenditure without supporting vouchers	0.56	Violations of Rules
82	Irregular payment of electrical work without obtaining required electrical license	0.54	Violations of Rules
83	Blockage of money and major repair without fitness certificate	0.52	Violations of Rules
84	Non-deduction of water charges	0.51	Violations of Rules
85	Irregular Expenditure over charges on POL	0.50	Violations of Rules
86	Unjustified expenditure over Audit Fee	0.47	Violations of Rules
87	Irregular repair of vehicle amounting	0.40	Violations of Rules
88	Non-production of record regarding the court cases	0.38	Non Production of record
89	Non-deduction of Sales Tax	0.24	Recovery
90	Loss due to late payment/surcharge	0.23	Recovery
91	Unjustified payment water tanker	0.19	Violations of Rules
92	Non-recovery of dismantled material	0.16	Recovery
93	Non-maintenance of Consumption account of stationery Articles	0.13	Non-maintenance of record
94	Non-recovery of Income Tax at the time of sale by auction	0.11	Recovery
95	Unjustified payment over the mobile communication reimbursement	0.05	Violations of Rules
96	Non-recovery of dismantled bricks	0.05	Recovery
97	Less affixing of Stamp Duty	0.04	Recovery
98	Non-deduction of Professional Tax	0.02	Recovery
99	Non-recovery of stamp duty during auction	0.01	Recovery
100	Irregular allotment of five (5) vehicles to Managing Director STEVTA	0.00	Violations of Rules
101	Unjustified allotment of vehicles to C.M House and a Minister	0.00	Violations of Rules
102	Irregular Appointments without observing codal formalities	0.00	Violations of Rules
103	Un-authorized use of green number plate	0.00	Violations of Rules

	vehicles		
104	Non-preparation of Financial Statements	0.00	Non-maintenance of record
105	Non-maintenance of Ledger for payments of	90.26	Non-maintenance of record
106	Stipend paid without maintaining attendance of	2.08	Non-maintenance of record
107	Non-posting of tender on SPPRA's website for	16.09	Violations of Rules
108	Expenditure incurred from wrong head of account	38.32	Violations of Rules
109	Un-authorized expenditure without contract agreement	64.30	Violations of Rules
110	Non maintenance of cash book	131.48	Non-maintenance of record
111	Expenditure on Electricity charges without meter reading	1.00	Violations of Rules
112	Non-obtaining sales tax return invoices	3.92	Violations of Rules
113	Irregular expenditure on water charges	2.92	Violations of Rules
114	Cash payment of salaries for	6.59	Violations of Rules
115	Irregular expenditure on account of salaries	15.66	Violations of Rules
116	Manual payment of salary	9.89	Violations of Rules
117	Non utilization of Non-Government Funds	4.81	Violations of Rules
118	Irregular award of contract without pre-qualification	4.90	Violations of Rules
119	Missing fixed assets	81.85	Violations of Rules
120	Irregular appointment of Staff without Degree verification	6.00	Violations of Rules
	EXCISE TAXATION & NARCOTICS DEPARTMENT		
1	Expenditure without supporting vouchers – Rs0.21 million	0.21	Violations of Rules
2	Irregular Payment of Rent of Office Buildings Rs0.93 million	0.93	Violations of Rules
3	Irregular assessment without obtaining balance sheet from limited companies	0.00	Violations of Rules
4	Irregular expenditure against “Rent of Office Building” – Rs0.117 million	0.12	Violations of Rules
5	Irregular expenditure on account of pay & allowances without verification of documents – Rs0.132 million	0.13	Violations of Rules
6	Irregular expenditure on purchase of stationery without NOC from government printing press	0.04	Violations of Rules

	Rs0.03999 million		
7	Irregular Payment of Pol Charge Rs0.739152 million	0.74	Violations of Rules
8	Non-invitation of open tenders – Rs0.315 million	0.32	Violations of Rules
9	Non-maintenance of accounts as per chart of accounts/classification	0.00	Violations of Rules
10	Non-maintenance of measuring instrument in retail off and whole seller shops	0.00	Violations of Rules
11	Saving not surrendered well in time to government of Rs0.302 million	0.30	Violations of Rules
12	Unauthorized cash withdrawal from DDO account instead of cheque payment Rs0.563 million	0.56	Violations of Rules
13	Unauthorized DDO account in private bank	0.00	Violations of Rules
14	Unauthorized drawl of fund in favour of DDO instead of payee account – Rs0.838 million	0.84	Violations of Rules
15	Unauthorized expenditure on account of POL – Rs0.249 million	0.25	Violations of Rules
16	Unauthorized retention of government money into DDO account Rs0.530772 million	0.53	Violations of Rules
17	Loss of government revenue due to non-registration of chingchi (motor cycle rickshaw)	0.00	Recovery
18	Loss of rupees of Government revenue due to non assessment/under assessmentof Professional tax	0.00	Recovery
19	Non realization of entertainment duty – Rs0.556 million	0.56	Recovery
20	Non realization of hotel tax Rs0.12 million	0.12	Recovery
21	Non realization of infrastructure cess on free baggage declaration	0.00	Recovery
22	Non realization of property tax due to non-issuance of demand notices Rs0.336501 million	0.34	Recovery
23	Non-realization of verification /re-verification fee Rs0.955 million	0.96	Recovery
24	Non-reconciliation of payment of electricity charges Rs0.15 million	0.15	Recovery
25	Non-recovery of sales tax –Rs0.077 million	0.08	Recovery
26	Non-accountal of store articles – Rs0.24 million	0.24	Recovery
27	Non-adjustment of advance payment to HESCO Rs0.11 million	0.11	Recovery
28	Non-deduction of income tax – Rs0.013 million	0.01	Recovery
29	Non-recovery of conveyance allowance Rs0.045	0.05	Recovery

	million		
30	Recovery of over payment allowed for inadmissible allowances – Rs0.094 million	0.09	Recovery
31	Recovery of un-attractive area allowance – Rs0.047 million	0.05	Recovery
32	Short realization of professional tax due to under assessment Rs0.7 million	0.70	Recovery
33	Short realization of property tax – Rs0.39 million	0.39	Recovery
34	Non reconciliation of expenditure –Rs34.036 million	34.04	Weakness of internal controls
35	Lack of internal control for proper utilization of government money –Rs5.752million	5.75	Weakness of internal controls
36	Excess expenditure over budget allocation of Rs8.500 million	8.50	Weakness of internal controls
	FINANCE DEPARTMENT		
1	Un-authorized appointments of contingent paid staff- Rs0.220 million	0.22	Violations of Rules
2	Irregular payment of house rent allowance – Rs0.516 million	0.52	Violations of Rules
3	Irregular payment on account of catering charges – Rs0.282 million	0.28	Violations of Rules
4	Repair of office building beyond jurisdiction – Rs1.00 million	1.00	Violations of Rules
5	Environment hazards of non-plantation	0.00	Violations of Rules
6	Need of independent Quality Inspection or Review in Works& Services	0.00	Weakness of internal controls
7	Concession agreement without provision of government audit	0.00	Violations of Rules
8	Inconvenience to the people who pay toll tax.	0.00	Violations of Rules
9	Non-availability of Audit Certificates regarding Utility Instalments	0.00	Violations of Rules
10	Irregularities in GP Fund advance	0.00	Violations of Rules
11	Overpayment of G.P. Fund-Rs 0.752 million	0.75	Recovery
12	Payment of salaries to employee after retirement of Rs0.209 million	0.21	Recovery
13	Recovery of FATA travelling allowance – Rs0.013 million	0.01	Recovery
14	Recovery of Mess allowance – Rs0.108 million	0.11	Recovery
15	Recovery of Qualification allowance – Rs0.070 million	0.07	Recovery
16	Recovery of un-attractive area allowance – Rs0.053 million	0.05	Recovery

17	Recovery of Other allowance – Rs0. 421 million	0.42	Recovery
18	Recovery of fix TA/DA allowance Rs0.087 million	0.09	Recovery
19	Recovery of High Risk allowance –Rs0.430 million	0.43	Recovery
20	Recovery of Instruction allowance –Rs0.055 million	0.06	Recovery
21	Non Recovery of Professional Tax –Rs0.045 million	0.05	Recovery
22	Recovery of Maintenance allowance –Rs0.024 million	0.02	Recovery
23	Recovery of Computer allowance –Rs0.018 million	0.02	Recovery
24	Recovery of teaching allowance- Rs0.229 million	0.23	Recovery
25	Non – adjustment of advances – Rs0.075 million	0.08	Recovery
26	Recovery of Hard Work allowance –Rs0.946 million	0.95	Recovery
27	Non-affixing of stamp duty –Rs0.348 million	0.35	Recovery
28	Loss to government due to investment at lower rate of interest as compared to higher –Rs45.071 million	45.07	Recovery
29	Irregular consultancy charges for MTBF Rs25.496 million	25.50	Violations of Rules
30	Loss sustained to government Rs16.00 million	16.00	Violations of Rules
31	Loss due to non-investment of funds in time – Rs25.436 million	25.44	Violations of Rules
32	Non- accountal of stores items –Rs1.141 million	1.14	Violations of Rules
33	Savings not surrendered in time –Rs2.053 million	2.05	Violations of Rules
34	Irregular payment on account printing / publication work –Rs7.217 million	7.22	Violations of Rules
35	Irregular payment without conducting inspection –Rs663.094 million	663.09	Violations of Rules
36	Irregular expenditure on POL –Rs6.252 million	6.25	Violations of Rules
37	Non-achievement of targets	6.67	Weakness of internal controls
38	Unjustified acceptance of revenue projection at the time of bidding	0.00	Violations of Rules
39	Execution of Project without detailed feasibility study	6,482.00	Violations of Rules
40	Irregular award of PPP contract	6,482.00	Violations of Rules
41	Loss due to delay in the construction time frame	70.28	Violations of Rules

42	Excess provision in estimates by the bidder	222.80	Violations of Rules
43	Excess provision on re-vegetation/plantation	2.77	Violations of Rules
44	Less equity provided by the concessioner	98.59	Violations of Rules
45	Non-recovery of dismantled material from PTCL	7.35	Violations of Rules
46	Irregular expenditure on sewerage treatment plant	24.43	Violations of Rules
47	Irregular incurrence of expenditure on banking sector	33.01	Violations of Rules
48	Excess payment against agreement schedule	14.80	Violations of Rules
49	Unauthorized retention of receipts	84.07	Violations of Rules
50	Irregular payment of G.P. Fund by manual bills	12.76	Violations of Rules
51	Un-authorized payment of Special Additional Allowance, 2007	10.81	Violations of Rules
52	Irregular payment on account of cash reward	1.39	Violations of Rules
53	Un-authorized payment of Grant-in-Aid without details	20.00	Violations of Rules
54	Expenditure by transgression of financial powers	19.09	Violations of Rules
	FOOD DEPARTMENT		
1	Unjustified accumulation of liability	1.00	Violations of Rules
2	Non-Recovery Of Bardana (Jute Bags) From Growers	0.84	Recovery
3	Non Disposal Of Damaged Bardana	0.83	Violations of Rules
4	Irregular drawn of salary on manual bills instead of through online system	0.78	Violations of Rules
5	Irregular Payment Of Transportation Charge	0.64	Recovery
6	Current year opening balance not reconciled with previous year closing balance	0.49	Recovery
7	Non-recovery of cost of iron patties	0.41	Recovery
8	Non-production of paid challan of income tax	0.33	Non Production of record
9	Un-authorized expenditure by splitting the supply order	0.24	Violations of Rules
10	Non-adjustment of advances	0.19	Recovery
11	Non-deduction of sales tax	0.16	Recovery
12	Private printing without obtaining NOC from government Press/workshop	0.16	Violations of Rules
13	Irregular purchase of computers on higher rates -	0.15	Violations of Rules
14	Less deduction of income tax	0.14	Recovery
15	Irregular payment of salaries in lump sum	0.13	Violations of Rules
16	Unauthorized Cash Balance In DDO'S Account -	0.11	Violations of Rules
17	Non Deduction Of Conveyance Allowance -	0.09	Recovery
18	Irregular Payment Of Honoraria -	0.06	Violations of Rules

19	Unauthorized Expenditure Without Supporting Vouchers -	0.05	Violations of Rules
20	Expenditure By Transgression Of Financial Powers -	0.05	Violations of Rules
21	Non-Accountal Of Store Items -	0.04	Non accountal
22	Non-achievement of C/Y wheat procurement targets – 4482 bags (448,200 Kg)	0.00	Violations of Rules
23	Non-production/non-maintenance of record	0.00	Non Production of record
24	Irregular payment of TA/DA	0.02	Violations of Rules
25	Non-accountal of stocks	0.04	Non accountal
26	Non-maintenance of consumption account	0.02	Violations of Rules
27	Excess expenditure over & above the budget allocation	0.46	Violations of Rules
28	Unauthenticated revenue realization on account of license & registration fee and miscellaneous receipts	0.31	Violations of Rules
29	Non-production of record	0.09	Non Production of record
30	Irregular expenditure without obtaining acknowledgment receipt	0.04	Violations of Rules
31	Payment of previous liability –Rs1.946 million	1.95	Violations of Rules
32	Non-maintenance of cash book –Rs18.627 million	18.63	Violations of Rules
33	Non-surrendering of savings well in time – Rs2.497 million	2.50	Weakness of internal controls
34	Un-authorized accumulation of liability on account of transportation-Rs17.543 million	17.54	Violations of Rules
35	Irregular expenditure without supporting vouchers –Rs18.160 million	18.16	Violations of Rules
36	Issuance of bardana against the prescribed limit-Rs7.626 million	7.63	Violations of Rules
37	Irregular expenditure on account of POL – Rs1.675 million	1.68	Violations of Rules
38	Unauthorised payment of liability –Rs2.594 million	2.59	Violations of Rules
39	Excess expenditure over budget grant –Rs2.454 million	2.45	Violations of Rules
40	Improper storage of wheat	101,908.04	Violations of Rules
41	Non-recovery of advance payments from growers/suppliers	82.36	Recovery
42	Irregular and un-authorized transfer of wheat	302.00	Violations of Rules

43	Irregular issuance of bardana without maintaining record	6.21	Violations of Rules
44	Non-achievement of wheat procurement targets	938.58	Violations of Rules
45	Irregular issuance of wheat without having paid challan	144.00	Violations of Rules
46	Irregular payment of arrears	1.47	Violations of Rules
47	Recovery of short supply of filled wheat bags	6.53	Violations of Rules
48	Storage of wheat in open space	262.88	Violations of Rules
FOREST & WILD LIFE DEPARTMENT			
1	Non-Confirmation of deposit of Sales Tax Rs0.378 Million	0.38	Violations of Rules
2	Unauthorized Expenditure on account of POL Rs0.100 Million	0.10	Violations of Rules
3	Un-Necessary purchases of Machinery Rs0.736 Million	0.74	Violations of Rules
4	Irregular Expenditure on purchases of Furniture and Computers Rs0.947 Million	0.95	Violations of Rules
5	Non-Receipts of Printing items Rs0.150 Million	0.15	Violations of Rules
6	Non-accountal of stores items	8.29	Non accountal
7	Secured Advance not recorded	18.20	Recovery
GOVERNOR HOUSE			
1	Loss to Government on the Purchase of Medicines due to Non-obtaining Of 10% Discount	0.08	Recovery
2	Payment without sanction of B-I agreement – Rs15.000 million	15.00	Violations of Rules
3	Non-maintenance of consumption account Rs2.781 million	2.78	Non-maintenance of record
4	Irregular expenditure on account of purchase of medicine	1.49	Violations of Rules
HEALTH DEPARTMENT			
1	Irregular expenditure / work done on supply of earth	0.70	Violations of Rules
2	Variation in the figure of total expenditure	0.68	Violations of Rules
3	Excess consumption on diet item	0.64	Violations of Rules
4	Non-deposit of call deposits into bank / treasury	0.34	Violations of Rules
5	Excess expenditure on account of conveyance allowance	0.29	Violations of Rules
6	Irregular expenditure incurred on account of night allowance	0.18	Violations of Rules
7	Unauthorized retention of departmental vehicles by the private persons and officers of other	0.00	Violations of Rules

	offices.		
8	Improper disbursement/utilization of operational costs / expenses to District Implementation Unit from Provincial Coordinator Office Hyderabad	0.00	Violations of Rules
9	Non-achievement of targets on Expanded Program on Immunization	0.00	Violations of Rules
10	Non-execution of contract agreement – Rs402.259 million	402.26	Violations of Rules
11	Irregular expenditure incurred on account of POL charges Rs. 60.751 million	60.75	Violations of Rules
12	Rush of expenditure in the month of June Rs. 10.389 million	10.39	Violations of Rules
13	Non-stamping of Sindh Government logo on purchased medicine Rs. 7.928 million	7.93	Violations of Rules
14	Irregular expenditure on clearance of previous year's liability –Rs4.913 million	4.91	Violations of Rules
15	Irregular expenditure incurred on pre-receipt bills –Rs3.527 million	3.53	Violations of Rules
16	Loss due to non-auction of off-road/condemn vehicles –Rs. 2.000 million	2.00	Violations of Rules
17	Non-disposal of excavated earth from foundation – Rs.1.756 million	1.76	Violations of Rules
18	Irregular expenditure due to non hoisting tender onSPPRA's website	180.11	Violations of Rules
19	Irregular purchases of medicines	120.66	Violations of Rules
20	Irregular expenditure due to non purchasing from the lowest bidders	17.95	Violations of Rules
21	Payment of salary to the officers working on deputation	15.21	Violations of Rules
22	Un-authorized payment on extra lead chart	4.73	Violations of Rules
	HOME DEPARTMENT		
1	Expenditure without cancellation of bills / vouchers –Rs0.394 million.	0.39	Violations of Rules
2	Expenditure without receipt acknowledgement – Rs33,000/-	0.03	Violations of Rules
3	Irregular expenditure under the head cash reward –Rs0.750 million.	0.75	Violations of Rules
4	Non Recovery of sales tax –Rs62,451/-	0.06	Recovery
5	Non-deduction of income tax –Rs0.146 million	0.15	Recovery
6	Non-verification of cheques –Rs0.425 million	0.43	Violations of Rules
7	Payment without maintaining trunk call register – Rs0.54 million.	0.54	Violations of Rules

8	Procurement of items without advertisement – Rs0.622-million	0.62	Violations of Rules
9	Shortfall of cash as per closing balance of cash book Rs0.133 million	0.13	Weakness of internal controls
10	Un-authorized expenditure on account of TA/DA –Rs0.821 million	0.82	Violations of Rules
11	Un-authorized of Service charges–Rs0.319 million	0.32	Violations of Rules
12	Unauthorized payment of various allowances – Rs0.970 million	0.97	Violations of Rules
13	Un-authorized payment on account of surcharge –Rs0.109 million	0.11	Violations of Rules
14	Un-justified payment of Land Revenue Collector’s Allowance – Rs94,600/-	0.10	Violations of Rules
15	Wastage of Government Money Rs21,906	0.02	Violations of Rules
16	Non-accountal of various articles –Rs2.214 million	2.21	Non accountal
17	Expenditure without execution of agreement – Rs13.564 million	13.56	Violations of Rules
18	Expenditure without fulfilling codal formalities – Rs12.062 million	12.06	Violations of Rules
19	Unauthorized expenditure on repair of vehicles – Rs3.371 million	3.37	Violations of Rules
20	Savings not surrendered Rs49.228 million	49.23	Weakness of internal controls
21	Expenditure without supporting vouchers – Rs15.087 million	15.09	Violations of Rules
22	Non verification of record regarding new appointments –Rs15.588 million	15.59	Violations of Rules
23	Un-authorized blockage of government money Rs14.34 million	14.34	Violations of Rules
24	Unauthorized expenditure on POL	74.72	Violations of Rules
25	Payment of salaries to officers/officials working on detailment	35.25	Violations of Rules
26	Non-hoisting of bid evaluation report on authority web site	6.05	Violations of Rules
27	Un-authorized payment of Pay & Allowances	2.30	Violations of Rules
28	Payment without completion Report	9.00	Violations of Rules
29	Loss to government due to illegal possession of government vehicles	0.00	Violations of Rules
30	Non-installation of electricity meters	0.00	Violations of Rules
31	Un-authorized possession of government vehicle	4.40	Violations of Rules

32	Un-authorized deductions of local funds from monthly salaries	5.37	Violations of Rules
33	Payment of salaries to officers/officials working on detailment	7.26	Violations of Rules
34	Irregular expenditure on office building	1.00	Violations of Rules
35	Excess payment	6.50	Violations of Rules
36	Non-accountal of various articles	2.03	Non accountal
37	Expenditure without obtaining quotations	0.91	Violations of Rules
38	Irregular expenditure on repair of furniture	0.40	Violations of Rules
39	Splitting up of expenditure	1.70	Violations of Rules
40	Non- crediting of Government Revenue	1.00	Violations of Rules
41	Irregular expenditure on repair of buildings	17.03	Violations of Rules
42	Un-authorized blockage of Government Money	15.23	Violations of Rules
43	Irregular expenditure without Joint Inspection Report	6.50	Violations of Rules
44	Expenditure without NOC from government printing press	0.47	Violations of Rules
45	Irregular expenditure on Liveries	5.91	Violations of Rules
46	Improper maintenance of Service Books	0.00	Violations of Rules
47	Irregular award of cash rewards of	0.10	Violations of Rules
48	Irregular expenditure on Medical Charges	0.07	Violations of Rules
49	Irregular expenditure on POL charges	3.27	Violations of Rules
50	Irregular payment to supplier	0.15	Violations of Rules
51	Mis-use of govt. vehicles by ex-officials by using POL	0.04	Violations of Rules
52	Conveyance allowance during leave	0.05	Recovery
53	Loss to Govt. due to not availing discount of medicine	0.04	Recovery
54	Transgression of financial power	0.50	Violation of principle of propriety
55	Irregular expenditure on Investigation	1.28	Violations of Rules
56	Irregular expenditure on feeding charges	0.30	Violations of Rules
57	Irregular Payment of Liabilities from current budget	2.74	Violations of Rules
58	Non Adjustment of withdrawal	2.40	Violations of Rules
	INDUSTRIES AND COMMERCE DEPARTMENT		
1	Un-authorized expenditure on purchase of various items	0.34	Violations of Rules
2	Misclassification of procurement as expenditure on repair of machinery and equipment	0.14	Violations of Rules

3	Irregular expenditure on repair of furniture –Rs	0.13	Violations of Rules
4	Irregular expenditure on repair of transport	0.31	Violations of Rules
5	Expenditure without approved technical sanction	1,232.52	Violations of Rules
6	Non accountal of items	30.15	Non accountal
7	Non-deposit of income tax	69.23	Violations of Rules
	INFORMATION & ARCHIVE DEPARTMENT		
1	Purchase of machinery without inspection of Technical Committee –Rs1.375 million	1.38	Violations of Rules
2	Unjustified Payment of Sales Tax	96.38	Violations of Rules
3	Unjustified demand of funds to meet liability	40.00	Violations of Rules
4	Non-recording of procured assets	195.87	Weakness of Internal Controls
5	Irregular expenditure on procurement of Hardware	32.16	Violations of Rules
6	Doubtful purchase of software	139.98	Weakness of Internal Controls
7	Unjustified Charge of 16% Sales Tax by contractor on Service	28.79	Weakness of Internal Controls
	IRRIGATION DEPARTMENT		
1	Unjustified expenditure for work of removing weed growth despite having 169 Beldars	0.86	Violations of Rules
2	Irregular expenditure on purchase of rubber sheet	0.78	Violations of Rules
3	Loss to government due to non-installation of CNG	0.66	Violation of principle of propriety
4	Wasteful expenditure for engaging private vehicle	0.49	Violations of Rules
5	Doubtful drawl of payment	0.48	Violations of Rules
6	Non/less retention of money/performance security from contractor running bills	0.40	Violations of Rules
7	Unjustified/Doubtful payment on supply of various items of work	0.37	Violations of Rules
8	Irregular expenditure on account of extra for slush daldal works	0.28	Violations of Rules
9	Non-clearance of manufacture account	0.27	Violations of Rules
10	Misclassification of expenditure	0.20	Violations of Rules
11	Irregular expenditure without supporting vouchers	0.15	Violations of Rules
12	Irregular purchases of stationery from local market without obtaining NOC from government Printing Press	0.11	Violations of Rules

13	Un-authorized expenditure on account of POL other than local office	0.11	Violations of Rules
14	Irregular expenditure on others	0.11	Violations of Rules
15	Non-accountal of call deposit in the cash book	0.11	Non accountal
16	Un-authorized use of green number plate vehicles	0.00	Violations of Rules
17	Non-maintenance of Cash Book	0.00	Violations of Rules
18	Unjustified provision of extra vehicle for Managing Director	0.00	Violations of Rules
19	Unjustified sanctioned post of Donkey man	0.00	Violations of Rules
20	Payment of electricity bills without reconciliation amounting Rs133.317 million	133.32	Violations of Rules
21	Irregular shifting of staff from one project to another	0.00	Violations of Rules
22	Payment to contractors without pre-audit of bill Rs2.803 million	2.80	Violations of Rules
23	Non observing codal formalities on purchase transactions Rs132.645 million	132.65	Violations of Rules
24	Unauthorized payment on previous year liabilities Rs41.517 million	41.52	Violations of Rules
25	Technical sanction revised without administrative approval of Rs493.014 million	493.01	Violations of Rules
26	Irregular and un-authorized allowing above percentage Rs10.607 million	10.61	Violations of Rules
27	Irregular expenditure on various job works Rs1.549 Million	1.55	Violations of Rules
28	Irregular purchases on repair of tube wells Rs1.486 million	1.49	Violations of Rules
29	Excess award of earth work to private contractors amounting to Rs1.596 million	1.60	Violations of Rules
30	Irregular payment of General Items without details amounting Rs1.456 million	1.46	Violations of Rules
31	Variation in the record amounting Rs129.596 million	129.60	Weakness of internal controls
32	Irregular expenditure on various job works Rs1.285 million	1.29	Violations of Rules
33	Doubtful expenditure on purchase of Diesel Rs4.732 million	4.73	Violations of Rules
34	Unauthorized expenditure on non-scheduled items –Rs7.479million	7.48	Violations of Rules
35	Irregular expenditure without sanction of estimates Rs1.304 million	1.30	Violations of Rules

36	Irregular award of work on de-silting	64.72	Violations of Rules
37	Irregular expenditure on purchase of POL	10.52	Violations of Rules
38	Irregular expenditure on transportation of material at site	16.65	Violations of Rules
39	Payment on reduced rates without approval	4.00	Violations of Rules
40	Unjustified payment of mobilization advance amounting	19.12	Violations of Rules
41	Irregular expenditure over Borrow pit item amounting	112.39	Violations of Rules
42	Payment without execution of B-I Agreement	83.00	Violations of Rules
43	Irregular expenditure on extra Items of work	27.14	Violations of Rules
44	Non-maintenance of consumption account	185.54	Non-maintenance of record
LAW & PARLIAMENTARY AFFAIRS & HUMAN RIGHTS DEPARTMENT			
1	Irregular Payment of Conveyance Allowance	0.62	Violations of Rules
2	Unauthorized payment of Honorarium	0.19	Violations of Rules
3	Non-Recovery of Professional Tax	0.20	Recovery
4	Blockage of Government Money	0.53	Recovery
5	Recovery of POL from Additional Session Judge Gambat	0.04	Recovery
6	Non-Adjustments of TA Allowances	0.60	Recovery
7	Unauthorized claim of previous year's Liability Rs13.439 million	13.44	Violations of Rules
8	Unauthorized expenditure on account of POL – Rs5.029 million	5.03	Violations of Rules
9	Non- maintenance of separate Bank Account for surety bond receipts	0.00	Violations of Rules
10	Irregular expenditure on account of purchases	56.57	Violations of Rules
11	Unauthorized expenditure on repair of Vehicles & Furniture	1.04	Violations of Rules
LIVESTOCK & FISHERIES DEPARTMENT			
1	Irregular expenditure on account of purchase of furniture	1.00	Violations of Rules
2	Excess expenditure on consumption over and above the ceiling of POL	0.81	Violations of Rules
3	Non-recovery of sales tax	0.77	Violations of Rules
4	Irregular Payment on account of water charges	0.60	Violations of Rules
5	Non recovery of motorcycle advance	0.50	Recovery
6	Irregular purchase of medicine without inspection	0.47	Violations of Rules
7	Irregular expenditure on account of training	0.44	Violations of Rules

8	Irregular Expenditure on account of Printing	0.38	Violations of Rules
9	Non recovery of outstanding balance	0.37	Recovery
10	Expenditure without supporting vouchers	0.36	Recovery
11	Short / Non recovery of Government charges	0.28	Recovery
12	Expenditure without obtaining acknowledgment receipt	0.26	Violations of Rules
13	Repetition of vouchers from various heads	0.23	Violations of Rules
14	Irregular sale of milk to the contractor without auction	0.23	Violations of Rules
15	Irregular payment of difference of Pay	0.23	Violations of Rules
16	Irregular expenditure against “Payment to Other for Services Render”	0.22	Violations of Rules
17	Irregular expenditure incurred on purchases without execution of agreement.	0.00	Violations of Rules
18	Recovery of inadmissible conveyance allowance	0.19	Recovery
19	Non-deduction of income tax	0.15	Recovery
20	Misappropriation of Government funds	0.09	Recovery
21	Non recovery of professional tax	0.09	Recovery
22	Non deduction of house rent allowance	0.07	Recovery
23	Non-deposit of tender fees	0.06	Recovery
24	Less / non-recovery on account supply of milk	0.06	Recovery
25	Loss due to non – registration of government vehicles	0.05	Recovery
26	Loss to government due to non-verification of challan	0.05	Recovery
27	Non-recovery of TA/DA allowance	0.04	Recovery
28	Non-maintenance of cash book –Rs36.981 million	36.98	Non-maintenance of record
29	Unauthorized expenditure on account of POL – Rs8.791 million	8.79	Violations of Rules
30	Non-observance of codal formalities –Rs5.505 million	5.51	Violations of Rules
31	Purchases without obtaining quotation –Rs2.266 million	2.27	Violations of Rules
32	Unauthorized expenditure on repair of vehicles – Rs2.229 million	2.23	Violations of Rules
33	Irregular expenditure on account of repair – Rs2.071 million	2.07	Violations of Rules
34	Non-reconciliation of expenditure Rs77.799 million	77.80	Weakness of internal controls
35	Savings not surrendered in time –Rs35.390 million	35.39	Weakness of internal controls

36	Expenditure in excess of budget allocation – Rs18.292 million	18.29	Violations of Rules
37	Irregular payment on purchases of medicines – Rs5.648 million	5.65	Violations of Rules
38	Non-maintenance of various registers Rs5.591million	5.59	Non-maintenance of record
39	Non-maintenance of consumption record of vaccine Rs4.227 million	4.23	Non-maintenance of record
40	Non-delivery of items Rs3.899 million	3.90	Violations of Rules
41	Loss to government due to low average of milk production –Rs2.521 million	2.52	Violations of Rules
42	Irregular expenditure on Fair & Exhibition – Rs2.345 million	2.35	Violations of Rules
43	Irregular expenditure by transgressing financial powers Rs1.910 million	1.91	Violations of Rules
44	Loss due to non – auction of animals –Rs1.450 million	1.45	Violations of Rules
45	Non-accountal of consumption account	55.17	Non accountal
46	Payment of advance without securing government money	27.78	Violations of Rules
47	Rush of Expenditure in the month of June	25.69	Violations of Rules
48	Irregular purchase of vaccine	13.00	Violations of Rules
	LOCAL GOVERNMENT, RURAL DEVELOPMENT, PHE & HTP		
1	Non-deposit of call deposit into Bank	0.30	Violations of Rules
2	Non-recovery of Professional Tax Rs0.105	0.11	Recovery
3	Unauthorized expenditure on account of POL – Rs1.799 million	1.80	Violations of Rules
4	Commencement of work without obtaining sanction of contract agreement Rs415.251 million	415.25	Violations of Rules
5	Payment without exercising check measurement –Rs142.496 million	142.50	Violations of Rules
6	Savings not surrendered in time –Rs705.787 million	705.79	Weakness of internal controls
7	Irregular execution of work without sanctioned estimate- Rs85.262 million	85.26	Violations of Rules
8	Irregular payment on extra lead	3.21	Violations of Rules
9	Unauthorized payment on account of escalation charges	1.92	Violations of Rules
10	Short deduction of security deposit	3.90	Recovery
11	Irregular payment to contractors	78.48	Violations of Rules

12	Irregular refund of security deposit	9.81	Violations of Rules
13	Execution of extra items of work - Rs 1.761 million	1.76	Violations of Rules
14	Irregular payment on extra lead Rs 0.18 million	0.18	Violations of Rules
15	Misclassification of expenditure Rs 0.114 million	0.11	Misclassification of expenditure
16	Unauthorized expenditure on repair of vehicles	0.94	Violations of Rules
17	Unauthorized expenditure on account of POL	0.17	Violations of Rules
18	Unauthorized payment on account of escalation charges	2.86	Violations of Rules
19	Expenditure without fulfilling codal formalities	0.35	Violations of Rules
20	Non accountal of articles	19.77	Violations of Rules
21	Commencement of work without obtaining sanction of contract agreement	168.05	Violations of Rules
22	Short deduction of security deposit	1.67	Violations of Rules
23	Un-authorized expenditure on account of TA/DA	0.24	Violations of Rules
24	Payment on reduced rates without approval	41.25	Violations of Rules
25	Excess payment on premium amounting	0.60	Violations of Rules
26	Unauthorized payment of honorarium	0.88	Violations of Rules
27	Un-justified payment on account of cartage	0.30	Violations of Rules
28	Un-justified payment on account of exorbitant rates	8.51	Violations of Rules
29	Irregular and unjustified withhold of payment from contractor bills	5.66	Violations of Rules
30	Un-justified payment on account of earth filling	0.42	Violations of Rules
31	Non-obtaining of black listing certificates from the bidders.	0.00	Violations of Rules
32	Mis-appropriation of fund - Rs 0.170 million	0.17	Violations of Rules
33	Irregular expenditure without requiring a certificate or a paid challan of professional tax from the contractors	194.93	Violations of Rules
34	Unauthorized expenditure on non-scheduled items	0.29	Violations of Rules
	MINES & MINERAL DEVELOPMENT DEPARTMENT		
1	Non-Withholding of Sales Tax	0.11	Recovery
2	Mis-classification of expenditure	0.11	Weakness of internal controls
3	Irregular expenditure on electricity charges	0.26	Violations of Rules
4	Unauthorized claim of previous year's liability-	0.07	Violations of Rules
5	Un-Authenticated Expenditure on Repair of	0.08	Violations of Rules

	Transport		
6	Non-recovery of house rent allowance	0.41	Recovery
7	Irregular Payment of Conveyance Allowance amounting to	0.09	Violations of Rules
8	Irregular Expenditure on Account of Purchase of Magazine	0.06	Violations of Rules
9	Irregular Expenditure on Purchase of Stationery/Printing	0.19	Violations of Rules
10	Non production audittable record	0.18	Non Production of record
11	Mis-Classification of Expenditure	0.07	Weakness of internal controls
12	Irregular payment of salaries and arrears 2.743 million	2.74	Violations of Rules
13	Payment for purchase of vehicles 1.537 million	1.54	Violations of Rules
14	Irregular expenditure incurred on purchase of P. O. L. 2.312 million	2.31	Violations of Rules
15	Irregular hiring of consultants	14.90	Violations of Rules
16	Non reconciliation of deposited challans of receipts	500.77	Weakness of internal controls
	MINORITIES AFFAIRS DEPARTMENT		
1	Irregular Payment without Quotations	0.08	Violations of Rules
2	Non recovery of Stamp duty	0.26	Violations of Rules
3	Non Recovery of professional tax	0.14	Recovery
4	Irregular Payment without Check Measurement by Executive Engineer Amounting 27.92 million	27.92	Violations of Rules
5	Irregular payment without sanction of B-I agreement 37.47 million	37.47	Violations of Rules
6	Non verification of challans from treasury	8.54	Violations of Rules
7	Non Maintenance of account of material at site	6.18	Non-maintenance of record
	PLANNING, DEVELOPMENT & SPECIAL INITIATIVES DEPARTMENT		
1	Excess execution of item of works	0.83	Violations of Rules
2	Excess consumption of steel	0.68	Violations of Rules
3	Unauthorized expenditure on account of POL of vehicles not in the pool of local office-	0.65	Violations of Rules
4	Excess payment on providing / fixing of swing jhola	0.59	Violations of Rules
5	Unauthorized expenditure of POL in excess of prescribed ceiling- 0.584 million	0.58	Violations of Rules
6	Un-authorized payment made to Contractor	0.52	Violations of Rules

7	Non-deduction of shrinkage allowance	0.35	Violations of Rules
8	Irregular re-imburement of utility charges	0.33	Violations of Rules
9	Irregular expenditure on non-scheduled items	0.28	Violations of Rules
10	Excess payment made on execution of works	0.28	Violations of Rules
11	Irregular expenditure on electricity charges	0.27	Violations of Rules
12	Irregular payment on purchase of furniture	0.19	Violations of Rules
13	Non-realization of professional tax	0.15	Recovery
14	Non recovery of pay and allowances on grant of EOL	0.08	Recovery
15	Non accountal of procured items of stock 10.071 million	10.07	Non accountal
16	Non-Utilization of Third Party Monitoring Funds 132.605 million	132.61	Violations of Rules
17	Non-Appointing Third Party validation consultants regarding monitoring of annual development schemes- 1.800 million	1.80	Violations of Rules
18	Non-purchase of various equipment for technical monitoring & testing purposes - 14.618 million	14.62	Violations of Rules
19	Non-execution of contract agreement - 570.198 million & subsequent loss on non-recovery of stamp duty - 1.710 million	1.71	Violations of Rules
20	Irregular expenditure without preparation escalation chart - 7.519 million	7.52	Violations of Rules
21	Non-recovery of interest on Mobilization advance - 5.385 million	5.39	Violations of Rules
22	Irregular incurrence of expenditure on POL Rs1.699 million	1.70	Violations of Rules
23	Un-authorized payment made to SEPCO Rs2.764 million	2.76	Violations of Rules
24	Irregular expenditure without sanction of estimate Rs120.155 million	120.16	Violations of Rules
25	Irregular expenditure without revision of PC-1 – Rs144.030 million	144.03	Violations of Rules
26	Un-justified procurement of vehicles	17.62	Violations of Rules
27	Irregular expenditure on pay and allowances	6.55	Violations of Rules
	POPULATION WELFARE DEPARTMENT		
1	Doubtful and unjustified expenditure on account of rent of building	0.80	Weakness of internal control
2	Unauthorized Re-imburement of Medical Charges	0.77	Violations of Rules
3	Expenditure on account of building rent without executing agreement	0.76	Violations of Rules

4	Unauthorized payment of deputation allowance	0.58	Violations of Rules
5	Expenditure without supporting vouchers	0.39	Violations of Rules
6	Unauthorized expenditure on POL	0.66	Violations of Rules
7	Irregular expenditure on repair of machinery & equipment	0.11	Violations of Rules
8	Irregular expenditure on unknown vehicles	0.06	Violations of Rules
9	un-authorized retention of government fund	0.93	Recovery
10	Non recovery of allowances/government dues	0.99	Recovery
11	Non reconciliation of utility bills	0.04	Recovery
12	Non deduction of income tax	0.27	Recovery
13	Non Accountal of articles	1.05	Non accountal
14	Unauthorized expenditure without obtaining Acknowledgement of payee – 5.043 million	5.04	Violations of Rules
15	Irregular expenditure on account of pay & allowances without verification of documents Rs1.44 million	1.44	Violations of Rules
16	Non- maintenance of consumption account	68.70	Non-maintenance of record
17	Unauthorized payment without renewal of contract	44.43	Violations of Rules
REHABILITATION DEPARTMENT			
1	Cheques issued in the name of DDO instead of payees	0.97	Violations of Rules
2	Un-authorized Cash drawn from bank	0.92	Violations of Rules
3	Irregular expenditure on purchases by split up	0.77	Violations of Rules
4	Non production of vouchers	0.48	Non Production of record
5	Irregular expenditure on purchase of machinery	0.38	Violations of Rules
6	Loss to government due to procurement at higher rates by obtaining fake quotations	0.26	Violations of Rules
7	Irregular expenditure without supporting vouchers	0.23	Violations of Rules
8	Irregular expenditure on other miscellaneous articles	0.19	Violations of Rules
9	Recovery of Conveyance Allowance	0.16	Recovery
10	Irregular expenditure through Transgression of financial powers	0.14	Violations of Rules
11	Doubtful expenditure on Repair of transport	0.12	Violations of Rules
12	Doubtful expenditure on repair of furniture	0.10	Violations of Rules
13	Un-authorized expenditure on Stationery charges	0.10	Violations of Rules
14	Misappropriation of government funds	0.10	Violations of Rules
15	Irregular expenditure on Repair of machinery	0.08	Violations of Rules

16	Irregular Expenditure on uniform & Liveries	0.08	Violations of Rules
17	Un-authorized expenditure on printing charges	0.04	Violations of Rules
18	Non-maintenance of cash book	0.00	Non-maintenance of record
19	Non-accountal of articles	1.40	Non accountal
	SERVICES GENERAL ADMINISTRATION & CO-ORDINATION DEPARTMENT		
1	Irregular expenditure on purchase of generator	0.75	Violations of Rules
2	Irregular allotment of two vehicles	0.00	Violations of Rules
3	Irregular expenditure under the head State Guests- 73.456 million	73.46	Violations of Rules
4	Non reconciliation of expenditure –Rs133.3 million	133.30	Weakness of internal controls
5	Non-accountal of articles- Rs3.946 million	3.95	Non accountal
6	Savings not surrendered in time –Rs2.005 million	2.01	Weakness of internal controls
7	Irregular Expenditure on Purchase of POL	8.42	Violations of Rules
	SOCIAL WELFARE DEPARTMENT		
1	Doubtful procurement from M/s Muhammad Ramzan & Company	0.52	Fraud
2	Doubtful purchase of POL	0.20	Fraud
3	Non-production/non-maintenance of record	0.00	Non Production of record
4	Defective and inaccurate budgeting causing non-utilization of funds	0.54	Violation of principle of propriety
5	Misuse of Government money	0.04	Violation of principle of propriety
6	Non-disposal of obsolete, surplus and unserviceable stock/ assets	0.00	Violation of principle of propriety
7	Unauthenticated cash payment of utility allowance	0.17	Violation of principle of propriety
8	Undue burden on Government Exchequer due to non-functional of Social Welfare Council	0.00	Violation of principle of propriety
9	Unjustified expenditure incurred on stationery and printing	0.06	Violation of principle of propriety
10	Blockage of Government money	0.12	Violations of Rules

11	Irregular expenditure from the head of 'others'	0.12	Violations of Rules
12	Irregular expenditure on account of printing & publication	0.11	Violations of Rules
13	Irregular expenditure on account of seminar	0.33	Violations of Rules
14	Irregular expenditure on repair of furniture & fixture	0.06	Violations of Rules
15	Irregular expenditure on repair of machinery & equipments	0.07	Violations of Rules
16	Irregular expenditure on repair of transport without observing codal formalities	0.20	Violations of Rules
17	Irregular expenditure on uniform & liveries	0.04	Violations of Rules
18	Irregular expenditure without obtaining acknowledgment receipt	0.32	Violations of Rules
19	Irregular payment of mobile charges	0.08	Violations of Rules
20	Irregular payment of TA/DA without maintaining of relevant register	0.20	Violations of Rules
21	Irregular purchase of newspapers	0.07	Violations of Rules
22	Irregular purchase of stationery & printing material from local market without obtaining NOC from controller printing press	0.20	Violations of Rules
23	Irregular repair of transport from local market without obtaining NOC from Government workshop	0.20	Violations of Rules
24	Non-adjustment of advance	0.05	Violations of Rules
25	Non-adjustment/non-obtaining of utilization	0.40	Violations of Rules
26	Non-maintenance of consumption account	0.30	Violations of Rules
27	Non-maintenance of contingent register	0.18	Violations of Rules
28	Un-authorized payment of salaries to Needle Craft Instructors	0.37	Violations of Rules
29	Unauthorized expenditure on account of POL	0.34	Violations of Rules
30	Unauthorized expenditure on account of stationery articles	0.09	Violations of Rules
31	Unauthorized expenditure on clearance of previous year's liability	0.41	Violations of Rules
32	Unauthorized expenditure under the budget head "Others"	0.35	Violations of Rules
33	Non-deduction of conveyance allowance	0.07	Recovery
34	Non-deduction of General Sales Tax	0.06	Recovery
35	Non-deduction of Income Tax	0.01	Recovery
36	Non-deposit of cheque well in time causing laps of budget and creation of liability	0.02	Recovery
37	Non-accountal of stocks	0.36	Non accountal

38	Un-reconciled figures with that of DAO office - 18.271 million	18.27	Weakness of internal controls
39	Irregular expenditure on account of POL of 1.273 million	1.27	Violations of Rules
40	Excess expenditure incurred over and above the budget grant –Rs2.215 million	2.22	Violations of Rules
41	Unauthorized retention of funds in various Bank Accounts	8.61	Violations of Rules
42	Unauthorized utilization of funds against proposal/ estimates	2.50	Violations of Rules
	SPECIAL EDUCATION		
1	Unauthorized expenditure on account of rent of building without agreement	0.74	Violations of Rules
2	Irregular expenditure on Repair of Government transport	0.26	Violations of Rules
3	Irregular expenditure on reimbursement of medical charges	0.19	Violations of Rules
4	Mis-classification of expenditure	0.03	Weakness of internal controls
5	Wasteful expenditure without any need assessment	6.01	Violations of Rules
6	Irregular expenditure on POL charges	1.46	Violations of Rules
	SPORTS & YOUTH AFFAIRS DEPARTMENT		
1	Non-production of record	0.20	Non Production of record
2	Expenditure without supporting vouchers	0.66	Violations of Rules
3	Irregular expenditure on account of hiring of vehicles	0.88	Violations of Rules
4	Irregular expenditure on account of hiring of vehicles	0.60	Violations of Rules
5	Irregular expenditure on account purchase of various items	0.44	Violations of Rules
6	Irregular expenditure on Career Counselling Program	0.50	Violations of Rules
7	Irregular expenditure on Kashmir Day and Quaid-e-Azam debate competition	0.65	Violations of Rules
8	Irregular expenditure on Seminars	0.34	Violations of Rules
9	Irregular expenditure on Seminars	0.26	Violations of Rules
10	Irregular expenditure on Sports activity	0.33	Violations of Rules
11	Irregular expenditure on training domestic and logistic / seminar	0.60	Violations of Rules

12	Irregular expenditure under the head out reach seminar	0.19	Violations of Rules
13	Irregular expenditure without supporting vouchers	0.14	Violations of Rules
14	Irregular payment of under the head program field cost	0.22	Violations of Rules
15	Irregular payment of under the head silver & gold award	0.83	Violations of Rules
16	Irregular payment on purchase printing material and Air conditioner material	0.32	Violations of Rules
17	Non-accountal of articles	0.11	Violations of Rules
18	Non-accountal of articles	0.11	Violations of Rules
19	Non-maintenance of consumption account	0.39	Violations of Rules
20	Savings not surrendered in time	0.95	Violations of Rules
21	Split up of expenditure	0.49	Violations of Rules
22	Un-authorized drawl of cash	0.32	Violations of Rules
23	Unauthorized expenditure on account of POL	0.19	Violations of Rules
24	Unauthorized payment of consultancy charges	0.79	Violations of Rules
25	Un-justified payment	0.50	Violations of Rules
26	Wasteful expenditure on youth leadership conference and youth festival	0.74	Violation of principle of propriety
27	Non-realization of Stamp Duty	0.24	Recovery
28	Irregular clearance of previous liability- 4.300 million	4.30	Violations of Rules
29	Un-authorized retention of vehicle and consuming POL- 1.744 million	1.74	Violations of Rules
30	Non-production of supporting vouchers - 1.017 million	1.02	Non Production of record
31	Irregular payment without supporting vouchers Rs4.226 million	4.23	Violations of Rules
32	Irregular expenditure under the head technical cost –Rs1.450 million	1.45	Violations of Rules
33	Un-justified payment of secured advance	2.95	Violations of Rules
	TRANSPORT AND MASS TRANSIT DEPARTMENT		
1	Non-realization of route permit fee 0.822 million	0.82	Recovery
	WOMEN DEVELOPMENT DEPARTMENT		
1	Mis-use of Government vehicles	0.00	Weakness of internal controls
2	Misuse of Government Funds - 0.232 million	0.23	Weakness of internal controls

3	Irregular expenditure without supporting vouchers- 0.118 million	0.12	Weakness of internal controls
4	Non-maintenance of vehicles record- 0.370 million	0.37	Weakness of internal controls
WORKS AND SERVICES DEPARTMENT			
1	Non-accountal of purchased articles - 47.439 million	47.44	Non accountal
2	Irregular expenditure on account of POL - 13.948 million	13.95	Violations of Rules
3	Non-recovery of interest on mobilization advances - 37.702 million	37.70	Recovery
4	Payment without exercising check measurement - 328.713 million	328.71	Violations of Rules
5	Excess payment due to calculation mistakes.	0.96	Recovery
6	Irregular payment on extra lead.	0.93	Violations of Rules
7	Short/Non-recovery of stamp duty.	0.72	Recovery
8	Irregular excess consumption of steel resulting in extra cost of works.	0.72	Violations of Rules
9	Non-adjustment of advances.	0.37	Violations of Rules
10	Non-recovery of outstanding dues.	0.18	Recovery
11	Non-deduction of shrinkage allowance from earthwork.	0.13	Recovery
12	Non-recovery of professional tax from contractors.	0.10	Recovery
13	Non-deposit of call deposit into treasury Rs93.338 million	93.34	Violations of Rules
14	Loss on work execution due to allowing higher rates –Rs1,064.424 million	1,064.42	Violations of Rules
15	Excess payment on account of premium Rs3.604 million	3.60	Violations of Rules
16	Un-authenticated clearance of past due liability- Rs2.400 million	2.40	Violations of Rules
17	Irregular payment to contractors without compaction test report-Rs195.478 million	195.48	Violations of Rules
18	Un-authorized creation of liability –Rs6.473 million	6.47	Violations of Rules
19	Expenditure incurred in excess of sanctioned estimate Rs558.327 million	558.33	Violations of Rules
20	Excess expenditure on extra items Rs2.773 million	2.77	Violations of Rules
21	Irregular execution of earthwork from private contractors Rs6.306 million	6.31	Violations of Rules

22	Loss to government due to allowing higher rate over and above the provision in PC-I –Rs78.973 million	78.97	Violations of Rules
23	Irregular expenditure by transgression of financial powers –Rs50.220 million	50.22	Violations of Rules
24	Commencement of work without obtaining sanction of contract agreement-Rs858.702 million	858.70	Violations of Rules
25	Irregular expenditure without observing codal formalities –Rs683.315 million	683.32	Violations of Rules
26	Unjustified preparation of estimates –Rs20.241 million	20.24	Violations of Rules
27	Irregular award of work by way of pooling – Rs7.931 million	7.93	Violations of Rules
28	Irregular execution of work Rs1.468 million	1.47	Violations of Rules
29	Irregular payment by transgression of financial powers –Rs24.962 million	24.96	Violations of Rules
30	Irregular excess payment on account of premium –Rs33.270 million	33.27	Violations of Rules
31	Irregular payments without observing codal formalities –Rs1204.435 million	1,204.44	Violations of Rules
32	Commencement of work without sanction – Rs181.042 million	181.04	Violations of Rules
33	Irregular refund of security deposit without work completion report Rs1.019 million	1.02	Violations of Rules
34	Expenditure incurred in excess of sanctioned estimate – Rs4.366 million	4.37	Violations of Rules
35	Non-recovery of interest/excess payment on mobilization advances Rs38.112 million	38.11	Recovery
36	Short deduction of security deposit	296.04	Recovery
37	Irregular payment on extra lead	31.24	Violations of Rules
38	Irregular payment on reduced rates	230.50	Violations of Rules
39	Security deposit refunded without work completion report	85.95	Violations of Rules
40	Doubtful payment on hand receipts	6.64	Violations of Rules
41	Irregular payment to consultant	73.88	Violations of Rules
42	Non-deduction of security deposit	3.76	Violations of Rules
43	Irregular payment of secured advance	26.44	Violations of Rules
44	Defective execution of work	48.94	Violations of Rules
		154,318.26	

Annexures for Chapters

Chapter-1 Public Financial Management

Annexure-1

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

Rs in billion

Asset	Grant No.	2012-13
Investments	Grant 47	37.80
State Trading	Grant 50	14.96
Finance Department	Grant 52	0.04
Board of Revenue	Grant 52	0.09
General Public Services	Grant 52	0.65
Other General Services	Grant 52	0.66
Administration (Works)	Grant 53	0.11
Agriculture & Food	Grant 53	7.18
Buildings & Structures	Grant 53	61.61
Fuel & Energy	Grant 53	3.86
Highways, Roads & Bridges	Grant 53	159.02
Irrigation	Grant 53	89.56
Manpower	Grant 53	0.24
Mining & Manufacturing	Grant 53	21.98
Environment Protection	Grant 54	13.37
Water Supply	Grant 55	32.73
Health	Grant 56	15.36
Cultural Services	Grant 57	4.31
Education	Grant 58	45.26
Civil Defense	Grant 59	0.33
Social Protection	Grant 59	125.94
Transfers		0.76
Statistics		0.01
Planning & Development		0.19
Rural Development		0.02
Printing & Publishing		0.14
Urban Town Planning & Regulatory Services		0.72
Religious Affairs		0.08
Commutation of Pension		0.02
District Administration		18.91
Total		655.91

Annexure-2

1.1.25 Expenditure in excess of budget allocation

Grant wise

(Rs in million)

Grant No.	Fund Code	Name of Grant / Appropriation	Final Grant	Expenditure	Excess
1	SC24001	Organs of State- (Excl. Law Depart. & Others)	425.71	480.91	(55.20)
6	SC21006	Superan. & Pension	29,645.00	29,898.49	(253.49)
13	SC21013	Justice Law Courts	3,204.97	3,406.70	(201.73)
28	SC21028	Soc. Secu. & Soc. Wel.	856.17	884.71	(28.55)
43	SC21043	Transport & Comm.	20.49	20.90	(0.41)
44	SC21044	Subsidies	-	1.66	(1.66)
45	SC21045	Grants & Subventions	290.34	576.59	(286.25)
48	SC11048	Loans & Advances	262.48	389.04	(126.57)
51	SC22051	Development (Revenue)	4,858.50	7,896.58	(3,038.07)
53	SC12053	Economic Affairs	11,785.38	22,257.59	(10,472.21)
			51,349.04	65,813.16	(14,464.12)

Department wise

(Rs in million)

Grant No.	Name of Department	Final Grant	Expenditure	Excess
44, 45	Agriculture With Supply & Prices	-	8.75	(8.75)
45	Auqaf, Relig. Aff., Zakat & Ushr	-	0.07	(0.07)
45	Board Of Revenue, Land Utilization, Relief	-	3.64	(3.64)
1, 45	Chief Minister's Secretariat	425.71	482.03	(56.33)
45	Coal Energy	-	2.02	(2.02)
45, 48	Cooperative	27.93	29.41	(1.48)
45	Culture & Tourism & Antiquities	-	0.08	(0.08)
45	Education	141.00	190.42	(49.42)
45	Excise, Taxation & Narcotics	-	7.47	(7.47)
6	Finance	29,645.00	29,898.49	(253.49)
45	Food	-	0.76	(0.76)
28, 45	Forest, Environment & Wildlife	190.36	215.24	(24.88)
45, 51	Health	4,766.28	6,144.13	(1,377.85)
43, 45	Home	20.49	56.86	(36.37)
45	Industries & Commerce	-	2.39	(2.39)
45	Information & Archives	134.98	136.54	(1.56)

45	Info., Science & Technology	-	0.83	(0.83)
45, 53	Irrigation	7,698.16	14,631.39	(6,933.22)
45	Labour & Human Resources	-	2.15	(2.15)
13	Law, Parliamentary Affairs & Human Rights	3,204.97	3,406.70	(201.73)
45	Livestock & Fisheries	3.76	79.48	(75.72)
28, 45, 48	Local Government, Rural Development, PHE & HTP	240.17	369.62	(129.45)
45	Mines & Mineral Development	-	0.54	(0.54)
45	Minorities Affairs	-	0.76	(0.76)
45	P&D & Special Initiatives	-	3.12	(3.12)
45, 51	Population Welfare	102.22	1,811.70	(1,709.48)
45	SG&CD	0.60	23.31	(22.71)
28, 45	Social Welfare	660.18	665.08	(4.91)
45	Special Education	-	0.27	(0.27)
45	Sports & Youth Affairs	-	0.39	(0.39)
44, 45	Transport & Mass Transit	-	0.48	(0.48)
45	Women Development	-	0.01	(0.01)
45, 53	Works & Services.	4,087.22	7,639.05	(3,551.83)
		51,349.04	65,813.16	(14,464.12)

Chapter-2 Agriculture, Supply and Prices Department
Annexure-1

2.4.1 Un-authorized retention funds into DDO accounts – Rs36.10 million
(Rupees in millions)

Sr. #	Name of Office	Para #	Year	Amount
01	PD, Special Program for Food Security Enhanced (Corp Maximization Project-II Sindh) Hyderabad.	02	2011-12	11.47
02	PD, Agriculture Research Institute, Tandojam.	01	2011-12	7.76
03	Horticulture Training Project to Support Affected & Substance Farmers of Taluka Tharimirwah, District Khairpur.	11	2011-12	2.09
04	Director, Farm & Major Crops, Hyderabad.	02	2011-12	1.20
05	Additional Director Agriculture, Khairpur.	06	2011-12	0.05
06	Director, Farm& Major Crops, Hyderabad	06	2012-13	5.85
07	Entomologist Research Institute, Mirpurkhas	01	2012-13	2.59
08	Horticulture, Sindh Horticulture Research Institute, Mirpurkhas	05	2012-13	2.14
09	Agriculture Chemist, Soil Agriculture Research Institute, Tandojam	06	2012-13	1.24
10	Director, Quaid-e-Awam Agriculture Research Institute, Naudero	10	2012-13	1.00
11	Soil Fertility Officer, Agriculture Research Institute, Tandojam	05	2012-13	0.71
Total				36.10

Annexure-2**2.4.2 Unjustified expenditure under the “Cost of Other Stores” –
Rs7.86million**

(Rupees in million)

Sr. #	Name of Office	Para #	Amount
01	Cotton Botanist, Agriculture Research Institute, Tandojam	01	0.45
02	Deputy Director, Agriculture Extension, Larkana	04	0.40
03	Agriculture Chemist (SF), Agriculture Research Institute, Tandojam	04	0.38
04	Deputy Director, Agriculture Extension, Umerkot	02	0.20
05	Deputy Director, Agriculture Extension, Tando Allahyar	01	0.06
06	Directorate of Wheat Research Institute Sindh, Sakrand.	03	0.34
07	DG Agriculture Research Sindh, Tandojam	02, 05 & 09	0.67
08	Deputy Director, Agriculture Extension, Sanghar	02	0.12
09	Director, Quaid-e-Awam Agriculture research Institute, Naudero	09	2.46
10	Project Director, Special Program for Food Security for Small Farmers, Hyderabad	01	1.37
11	Director, Agriculture Research Institute, Tandojam.	03	1.28
12	Project Director, Agriculture Research Institute, Tandojam	04	0.13
Total			7.86

Chapter-4 Board of Revenue

Annexure-1

4.4.1 Non-Production of record – Rs517.89 million

Rs in million

Sr. #	Office	Particulars	Year	Para	Amount
1	Director Survey & Settlement, Hyderabad	i. Cash Book. ii. List/record of officials appointed during audit year 2012-13. iii. Sanctioned and Working Strength. iv. Details of survey conducted for non-surveyed area during 2012-13 and computerization of record. v. List of Vehicles (off road/on road) along with allotment vi. Record of Stationery- Rs.350,930 vii. Record of printings Rs.386,340 viii. Record of Cost of other stores-Rs.2.118 million. ix. Record of Others Rs.2.05 million. x. Record of Service Rendered-Rs.56.0599 million	2012-13	15	60.97
2	Program Coordinator Landless Harees Karachi	i. Details and complete record of total number of land to be allotted and the land allotted thereon during the period under audit. ii. Position of Annual Physical Verification of Store / Stock iii. The progress reports of SRSP be provided. iv. The approval of Landless Harees Package be provided. v. The approval and copy of lifting of Ban on Distribution of land by the competent authority be provided. vi. Details/Record of appointments regular/contingent during period under audit.	2008-09 to 2012- 13	24	300.31

		vii. Details of cases of enquiry and decision there on if any. viii. Details and complete record of assignment account Rs.300.312 million paid to Sindh Rural Support Organization.			
3	member RS&EP (Automation of Stamps & Registration Phase-I)	i. Record of payment of M/s. Planet APPS Rs739,190 ii. Expenditure through DDO account deposited cheques Rs2,441,824 iii. Officials appointed during period under audit. iv. Bank Statement	2012-13	09	3.18
4	Deputy Commissioner Tharparker @ Mithi	Bills, vouchers releases etc,	2011-12	08	24.45
5	Project Director Special Development Package, Khairpur	The Original / Umbrella PC-1 of the Special Development Package, Khairpur. Detailed expenditure statements regarding Veterinary, RHC and Road Sector Schemes Cash Book & Call deposit register. TOR's of the project staff. Monitoring / Inspection Reports. Original releases of the budget for each scheme / project. Reply of Defalcation & losses memo. Incumbency Logbooks, Petrol consumption account, etc. Evidence regarding deduction / deposit of taxes. Stock registers Counterfoils of cheque Books / Bank statement of DDO account Monthly accounts of the Highway and Building Division who actually executed various schemes / project.	2012-13	02	0.00
6	Sindh Board of Revenue	Payees record	2011-12	--	128.98
Total					517.89

Annexure-2

4.4.2 Excess expenditure on items of work–Rs9.99 million

(Rupees in millions)

Sr. #	Name of work	Item of work	Quantity as per bill	As per 1 st coat	Excess	Rate	Para #	Amount
1.	Execution of various works	Laying to proper line and grade plant mixed asphalt concrete paver finished	467514 cft	302822 cft	164692 cft 54%	3201.81% cft	16	6.32
Sub total								6.32
	Name of work	Item of work	Quantity	Rate	Amount paid	Rate due	Para #	Amount due
2	Rehabilitation of city Roads of Khairpur including side drains	Excavation in existing berm for widening road providing sand cushion	49017 cft	174.4 %cft	0.09	174.4%0 cft	19	0.01
		providing sand cuss	36092 cft	473.70 %cft	0.17	473.70 %0 cft		0.02
		Total			0.26			0.03

		Add 19.8 % above			0.05			0.01
		Grand Total			0.31			0.03
		Excess Payment (Rs 0.031 million - Rs 0.03 million i.e. 900%)						0.28
	Name of work	Item of work	Qty as per bill	Qty as per BOQ	Excess	Rate	Para #	Amount
3	Construction of Syed Ramzan Ali shah trade center, Khairpur	P/L 1:4:8	6071 cft	4315 cft	1756 cft	90 p. cft	11	0.16
		P/L in Situ	1618.40 cft	950 cft	668.40 cft	140 p. Cft		0.09
		Supplying earth from outside source	38297.40 cft	15425 cft	22877.40 cft	9 p. cft		0.21
		P/L RCC first Floor	2806.60 cft	1735 cft	1071.60 cft	200 p. Cft		0.21
		P/L RCC ground Floor	2882.60 cft	2085 cft	797.9 cft	200 p. cft		0.16
		Sub total						
4.	Construction of Shaheed Benazir Bhutto Park at Khairpur	Execution of various items of work					23	2.56
Grand Total								9.99

Annexure-3

4.4.3 Procurement without inviting tenders – Rs31.81 million

(Rupees in millions)

Sr.#	Name of Office	Para No.	Year	Particulars	Description	Amount
01	DC, Khairpur	22	2011-12	Steel Cabinet & Computer table Purchase of furniture		0.21
02	DC, Khairpur	17	2011-12	UPS & Microscope etc.		0.70
				Purchase of Computer hardware Purchase of furniture		0.23
03	DC, Khairpur	07	2011-12	Hiring Charges and work awarded Hiring Charge		0.12
				Civil work of Govt. Faiz Higher Secondary School Kot Digi		4.97
05	DC, Central, Karachi	01	2011-12	Machinery & Equipment Purchase of machinery and equipment		0.68
06	DC, Matiari	01	2011-12	Fair & Exhibition Fair & Exhibition		19.29
07	IG Reg, Hyd.	02	2011-12	Purchase of plant & Machinery		1.50
08	-do-	07	2011-12	Furniture Purchase		0.15
09	-do-	09	2011-12	Repair of furniture		0.12
10	DC, Matiari	20	2011-12	Diet charges	0.56	0.56
11	DC, Sanghar	04	2012-13	Diet Charges	3.28	3.28
Total						31.81

Annexure-4

4.4.4 Excess payment to contractors/suppliers – Rs2.79 million

(Rupees in millions)

Sr. #	Name of office	Name of work	Para #	Item of Work	Rate allowed	Rate due	Diff	Quantity	Amount
1	DC, Khairpur	Renovation of Govt. HSS KotDigi	11	CC	5840%	759.20%	5080.80%	4800sft	0.24
				CC	10400	5941	4458.90	3240	0.14
				Brick Masonry	10515	3079.2	7074.80	2055	0.15
				Cement Plaster	2150	817.03	1332.97	2160	0.03
				Marble Floring	21500	5941.10	15558.96	5543	1.00
				Marble counter top	650	250	400	152	0.06
		Sub Total							1.62
2	-do-	Labour charges	31		700	400	300	1307	0.57
3	PD, Special Development Package Khairpur	Construction of SBB Park Khairpur	22	Swing Jhola	330,000	33,000	297,000	2	0.59
Total									2.78

Annexure-5

4.4.5 Un-authorized payment/non-adjustment of Mobilization advance – Rs35.51 million

(Rupees in millions)

Excess payment of mobilization advance					
Sr. #	Name of work	Para #	15% Mobilization advance paid	Admissible Advance (10%)	Excess 5%
1	Rehabilitation of various roads (ThariMirwah to PirWassan mile 0/0-6/6)	25	13.55	9.04	4.52
2	Rehabilitation of various roads – (KotLaloo)		16.19	10.79	5.40
3	Rehabilitation of various roads – Gambat		14.44	9.63	4.81
4	Rehabilitation of city roads of Khairpur incl. side drains		9.67	6.45	3.22
	Sub total		53.85	35.91	17.95
Mobilization advance not recovered					
1	Rehabilitation of various roads – Gambat	31	14.44	2.65	11.79
2	Rehabilitation of city roads of Khairpur incl. side drains		9.67	4.69	4.99
3	Rehabilitation of various roads of District Khairpur		3.52	2.74	0.78
	Sub-total		27.63	10.08	17.56
					35.51

Chapter-5 Chief Minister's Secretariat

Annexure-1

5.4.1 Non Production of record

(Rupees in million)

Sr. #	Name of University	Description	Para #	Year	Amount
01	University of Sindh, Jamshoro	Non-production of physically available books in departmental seminar libraries.	25	2011-12	-
2	-Do-	Non-production of investments	08	2011-12	-
3	-Do-	Non-production of application forms	72	2011-12	-
4	-Do-	Non-production of Annual Statement of Accounts	37	2011-12	-
5	-Do-	Non-production of admission details	41	2011-12	-
6	-Do-	Non-production of Approved Statutes	59	2011-12	-
7	-Do-	Non-production of admission record of Mirpurkhas and Badin campuses	64	2011-12	-
8	-Do-	Non-production of the court cases	84	2011-12	0.61
9	-Do-	Non-production of BBSYDP record	70	2011-12	1.07
10	-Do-	Non-production of relief expenditure record	66	2011-12	1.35
11	-Do-	Non-production of research	31	2011-12	6.37
12	-Do-	Non-Production of purchase of vehicles record	78	2011-12	3.15
13	-Do-	Non-production of deposit of withholding Tax	85	2011-12	4.07
14	-Do-	Non-production of deposit of withholding Tax	86	2011-12	2.14
15	-Do-	Non-production of issuance record of POL	76	2011-12	20.04
16	NED University, Karachi	Non-Production of List of Appointment on non-gazetted staff	64	2011-12	-

17	Japan Social Development Funds (JSDF)	Non-production of payment record made by HBL to candidates	4.1.2	2011-12	30.60
18	Provincial Coordinator, Benazir Bhutto Shaheed Youth Development Program	Record to authenticate payment to M/S R.S.P.S.	02	2011-12	40.00
19	-Do-	Record of release orders, cheques, utilization reports etc. regarding payment to PMUs.	01	2012-13	39.31
20	-Do-	POL payments made but no vehicle record was produced in the form of. 01 The Log Book of the Vehicle in Form-A. 02 History Sheet of the Vehicle in Form-B. 03 The Petrol Consumption Account in Form-C.	05	2012-13	18.95
21	-Do-	Advertisement and publicity charges	8 & 13	2011-12 & 2012-13	13.08
22	-Do-	Record pertaining to purchase of Corolla-XLI	05	2012-13	1.54
23	Mehran University of Engineering and Technology Jamshoro	Details of staff engaged by the contractors in civil works	21	2011-12	211.11
24	Liaquat University of Medical & Health Sciences Jamshoro	1. Record of M&R works i.e. Monthly Physical reports sent to HEC, List of M&R works completed against annual M&R program,	13	2011-12	-

		<p>Case files of M&R Work Orders.</p> <ol style="list-style-type: none"> 2. Record pertaining to development schemes and its achievements along with case files and PC-I 3. Log Books, History Sheets and other record of vehicles. 4. Position of unserviceable stores i.e. Machinery & Equipment, Transport etc, with opening and closing balance for the year 5. Record of sale proceeding of unserviceable stores or any other items, if any 6. Consumption account of POL 7. Report of Defalcation and Losses 8. Establishment related record 9. Information regarding new appointments on regular and tenure track basis during the year 10. Record of tenders invited 11. Accountal of revenue collected on account tender fees and its deposit in to proper head of account. 			
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25	-Do-	Non-production of record of Endowment Scholarship	14	2011-12	4.14
26	-Do-	Non-production of record regarding purchase of books	17	2011-12	4.09
	-Do-	Non-production of record regarding purchase of laboratory articles	45	2011-12	3.60
27	-Do-	record of various accounts	48	2011-12	1,115.69
28	Shah Abdul Latif University Khairpur	Evidence of implementation of escalation clause was not provided	14	2012-13	6.62
29	-Do-	Rate analysis on non-schedule items	18	2012-13	10.28
Total					1,537.79

Annexure-2

5.4.7 Payment without tender process–Rs77.91 million

Rupees in million

Sr. No	Name of offices	Description of work	Year	Para #	Amount
1	DUHS, Karachi	Payment of service and maintenance charges	2012-13	05	6.39
2	IBA, Karachi	Payment of Food and decoration charges	2011-12	08	0.59
3		Purchase of furniture and fixture	2011-12	32	0.86
4	Mehran University of Engineering and Technology	Purchase of medals, electronic articles , pumps etc.	2011-12	06	5.54
5		Purchase of books	2011-12	45	1.03
6	NED University, Karachi	Various work	2011-12	15,17 & 18	20.45
7	Chief Minister Secretariat	Entertainment and Gifts	2011-12	11	8.67
8		Publicity and Advertisement	2011-12	14	6.64
9		Repair of Transport	2011-12	06& 08	3.16
10	Sindh University Jamshoro	Purchase of Sports Articles	2011-12	88	0.13
11		Purchase of Sports Articles	2011-12	79	0.13
12		Purchase of Sports Articles	2011-12	74	0.99
13	LMC Jamshoro	Procurement of goods and services	2011-12	10	23.33
Total					77.91

Annexure-3

5.4.13 Non -Recovery of allowances and taxes- Rs510.66 million

(Rupees in million)

Si . #	Name of University/Institute	Particulars	Year	Para #	Amount
01	Institute of Business Administration Karachi	Conveyance allowance. Paid to the employees who have been allotted official vehicles.	2011-12	19	1.04
02		Overtime allowance was paid to the employees of BPS-1-16(other than drivers and DR)	2011-12	21	11.65
03		House rent allowance to the extent of 45% of Basic Pay was paid.	2011-12	01	14.16
04	Sindh Agriculture University, Tando Jam	Medical allowance by mixing the Medical Allowance sanctioned by Sindh Government at standard rates with additional Medical Allowance sanctioned by the university authorities.	2011-12	01	
05	Quaid-e-Awam University of Engineering Science & Technology, Benazirabad,	Computer allowance was paid to various officers/officials who were not assigned data entry function.	2012-13	01	60.52
06		Officers/officials have been allotted bungalows/quarters, but house maintenance charges @ 5% of the basic pay were not deducted from the occupants in violation to government rules.	2012-13	07	5.11

07		Officers / faculty members were paid qualification allowance but the copy of relevant degrees / qualifications were not produced to verify the authenticity of the payment of the subject allowance.	2012-13	08	5.73
08		Deanship/Chairmanship/ Headship) Allowance paid , following points were noted. -Approval of this allowance from Senate/Syndicate was not available. -Office orders in support of expenditure were not provided. -Additional charge allowance is paid against a vacant post while in this case, it is not so.	2012-13		1.28
09		House rent was paid to the employees @ 45% instead of 30% of the basic pay	2012-13	02	7.98
10	Quaid-e-Awam University of Engineering Science & Technology, Benazirabad,	Part Time Allowance	2012-13	04	7.61
11	Mehran University of Engineering & Technology, Jamshoro	Conveyance allowance to the officers/officials who were provided government accommodation in university premises, besides this the officers/officials who	2011-12	03	1.84

		either were allotted government vehicles or allowed ceiling of POL on privately owned vehicles were also being benefited by getting conveyance allowance without any justification.			
12	Mehran University of Engineering & Technology, Jamshoro	Medical allowance by mixing the Medical Allowance sanctioned by Sindh Government at standard rates with additional Medical Allowance sanctioned by the university authorities.	2011-12	16	1.90
13	University of Sindh, Jamshoro	Computer allowance paid those who possesses degree in Computer Science or degree in Mathematics/Physics/Statistics and Economics from recognized University as per Government .Notification was untenable because as per the government notification allowance is only admissible to Programmers, Database administrators, Computer operators and all the employees purely associated with the computer work and not to those who possesses computer qualification or having subject	2011-12	61	2.04

		specialization in Mathematics/Physics/Statistics and Economics.			
14	University of Sindh, Jamshoro	University administration realized that their allowed medical allowance was less than medical allowance allowed to employees of grade 19 to 22 of the Federal and Provincial Government (Given in Budget 2010-2011) they decided to develop a mixed medical allowance structure and allowed existing medical allowance as per notification of Special Secretary to Governor Sindh vide letter No. GS/11-6/2011 (SO-207) dated March 4, 2011 which provided that “An amount of 500/- per month be allowed in addition to the already announced medical allowance of Rs 500-per month by the Government for Grade-1 to Grade-16 employees as a very special case and the extra budgetary expenses be met from their own resources of the Universities.”	2011-12	07	99.22
15	University of Sindh, Jamshoro	Ph.D. allowance to various staff members without obtaining HEC verified Ph.D. degrees.	2011-12		16.16

16		Non-practicing allowance 1. Registration certificate from P.E.C in case of each incumbent was not available/produced 2. Undertaking for non-practicing in each case was not produced.	2011-12.	41	1.82
17	NED University of Engineering & Technology, Karachi	House ceiling allowance with salary instead of paying house rent during the year 2011-12. The rental ceiling for hiring residential accommodation can only be allowed in case of acquiring house on rent and by providing relevant documents by the officers / officials concerned, but no such directives of government were considered before making the payment.	2011-12	43 & 44	194.62
18		NED University of Engineering & Technology, Karachi, paid overtime amounting 9.949 million to the employees during the year 2011-12.	2011-12	09	9.95
19	University of Sindh Jamshoro	Payment of orderly allowance to the teachers in violation rules	2011-12	60	5.56
20	Board of Intermediate and Secondary Education Mirpurkhas	Payment of House Rent Allowance @ 45% instead of 30% of the basic pay	2012-13	03	23.06

21	Liaquat University of Medical & Health Sciences Jamshoro	Double payment of medical allowance	2011-12	06	7.91
22	Liaquat University of Medical & Health Sciences Jamshoro	Payment of post graduate allowance without any government notifications	2011-12	07	4.03
23	Liaquat University of Medical & Health Sciences Jamshoro	Payment of teaching allowance without any government notifications	2011-12	09	1.68
24	Shah Abdul Latif University Khairpur	Payment of House Rent Allowance	2012-13	04	11.13
25		Payment of Part-Time Salary	2012-13	07	7.44
26		Income tax	2012-13	06	4.68
27		Computer Allowances	2012-13	02	1.48
Total					510.66

Annexure-4**5.4.21 Working strength in excess of sanctioned strength - Rs48.00 million**
Rupees in million

Sr. #	Post	BP S	Posts as on 30.06.2012				Pay per year
			Sanctioned strength	Working strength	Pay Drawn by	Excess	
1	Computer attendant / Machine operator / Record keeper	7	131	122	199	68	11.87
2	Senior Driver/ test Driver	7	3	3	26	23	4.59
3	Lab Technician	14	2	1	13	11	3.95
4	Lab Technician	11	35	22	41	6	1.35
5	Jr. store keeper	7	1	1	3	2	0.36
6	Junior DEO	11	40	31	68	28	6.85
7							
Total			212	180	350	138	28.97

Chapter-9 Education Department**Annexure-1****9.4.1 Non-production of record - Rs1,492.37 million**

Rs in million

Sr. #	Name of Office	AIR #	Particular	amount
1	ADEO (Male), Daherki	1 & 5	Pay & allowances & SMC fund	96.30
2	Principal Government Girls Degree College, Larkana	3	Cash book	75.55
3	ADO Edu. (M), Manjhand	5, 11 & 18	Cash book	70.25
4	ADEO (female), Lakhi	4, 5	Non- production of service books SMC funds	60.07
5	ADOE female, Daurr	2	Whole record F/Y 2011-13	45.26
6	ADEO (male) KN Shah	7	Various head of accounts	44.41
7	Principal Government Boys Degree College, Larkana	3	Various head of accounts	42.42
8	DEO, Jamshoro	1	Various head of accounts	29.95
9	ADEO (male), Lakhi	2, 3 & 5	Non- production of service books GP Fund final payment.	27.25
10	ADEO female ,Dehrki	1,02	accounts record	20.56
11	ADEO (Female) Daherki	1 & 2	Pay & allowances & SMC fund	20.56
12	ADEO (male) Kashmore	3	Non- production of service books	19.26
13	Principal, Government Girls College, Khairpur Nathan Shah	1	Non- production of service books	12.54
14	DO Edu. (Secondary), Jacobabad	5	Bank statement	11.55
15	DO Secondary Education, Thatta	1 & 6	Various head of accounts, cash book	9.90
16	ADEO (female) Khairpur Nathan Shah	3	Non- production of service books	7.93
17	DEO Elementary, Kandhkot	5	Non- production of service books	7.38

18	Principal, Government Degree College, WahiPandhi	5 & 6	Non- production of service books	6.40
19	Principal, Government Degree College, QaziArif	4	Non- production of service books	5.40
20	ADEO (Female) GharrhiYasin	5	accounts record	4.41
21	DO Edu. (SEMIS) Jacobabad	7	Bank statement	4.00
22	DEO, TandoAllahyar	4	Purchase of furniture	3.94
23	Government Boys Degree College Daharki	8	Contingency & Pay & allowances	2.02
24	ADOE Male Lakhi	2	communication charges	1.79
25	ADO Edu. (Male) GhariYasin	2	Salary expenditure	1.47
26	ADEO (male) Khairpur Nathan Shah	7 & 8	Non- production of rent of building vouchers	1.42
27	ADEO (Female), Karachi	1	Various head of accounts	1.35
28	ADEO (male) Kandhkot	6	Non- production of service books	1.18
29	DEO, Matiari	5	Other	1.11
30	ADOE Male KN Shah	8	difference bills	0.90
31	Regional Director Colleges, Hyderabad	1	Expenditure on Sport week activities	0.80
32	ADO Edu. (Female) BhariaCityKharo Chan	3	contractual staff	0.63
33	ADO Edu. (Male) GhariYasin	1	Medical charges	0.16
34	Principal, Government Habib College of Technology, Nawabshah	14	Contingency	0.12
35	Regional Director Colleges, Hyderabad	8	Medical charges	0.11
36	DEO, Umerkot	5	Publicity & Printing	0.04
37	DO Education Higher Secondary, Mirpurkhas	4	Contingency	0.03
38	ADO Edu. (Female) BhariaCityKharo Chan	2	various head of accounts	0.02
39	ADO Edu. (Male) Sajawal	7	Salary expenditure	-

40	ADOE Male Kandhkot	8	SMC record	-
41	ADEO (male) Kandhkot	8	Non- production of SMC record	-
42	ADEO Female Tangwani (District Kashmore at Kandhkot)	1	All record was not produced.	-
43	ADEO Male Tangwani (District Kashmore at Kandhkot)	1	All record was not produced.	-
44	DEO, Umerkot	10	Details of Appointments	-
45	DO Education Academic & Training Benazirabad	6	Various vital record	-
46	DO Elementary Education, Thatta	8	Various vital record	-
47	Govt. High School Kambar	4	Non- production of SMC record	-
48	Govt. Mono Technich Institute Dahrki	1	whole accounts record for the year 2011-12	-
49	Govt. Mono Technich Institute Sanghar	1	whole accounts record for the year 2011-13	-
50	Principal, Government Mono Technic Institute, Daharki	6	Pay & allowances	-
			Sub total	638.43
51	Sindh Technical Education & Vocational Training Authority	10	details of estimates were not provided	396.94
			Sub total	396.94
52	PD, BBSYDP, Manpower & Training Wing, Karachi	03, 16 & 21	Ledgers list of trainees. Monthly progress report.	90.36
53	ADEO (Female), Sehwan	3	Service Books	68.64
54	DEO Elementary, Kamber.	7	Service Books	65.87
55	DEO, Thatta	4	Pay and allowances vouchers and bills.	35.87
56	ADEO (Male), Dadu	3	Service Books	34.52
57	ADEO (Male), Hyderabad Rural	3	Salaries/ appointments of staff during 2012-13	1.34
58	DEO, Miurpurkhas	1	Salaries/ appointments of staff during 2012-13	0.15

59	Sir Syed Government Girls College, Nazimabad, Karachi	8	Sugar cess fund, production bonus development funds and grant in Aid for patients welfare contingent paid staff	0.09
60	ADEO (Male) Warrah District Kamber	4	Service Books	-
61	ADEO (Female), Naseerabad, District Kamber	3	Service Books	-
62	DEO, Jacobabad	1	Complete record	-
63	ADEO (Male) Johi	04 ,11 & 12	Complete record	-
64	ADEO (Male) Sehwan	2	Service Books	-
65	Director (Schools) Education Mirpurkhas	7	Service Books	-
			Sub Total	296.82
66	Principal Government Degree Boys College Kamber	3	Pay & Allowances to employees having suspicious identity (ID), and further relevant record.	0.96
67	ADEO (Female), Warrah, District Kamber	03 & 04	Service books, appointment letters , pay slips and other relevant documents pertaining to appointments	2.49
68	ADEO (Female), Warrah, District Kamber	3	Pay & Allowances to employees having suspicious identity (ID), and further relevant record.	0.46
69	PD, Benazir Bhutto Shaheed Youth Development Program (BBSYDP) Manpower & Training Wing (STEVTA). FY 2012-13	1	Detail of hiring of external instructors, Honoraria, Salaries for permanent and temporary staff.	23.99
			Sub Total	27.90
71	ADEO (Female) Daurr	7	Contingency & salary	45.27
72	Govt. Polytechnic Institute (Boys) Sukkur	6	Relevant record	1.63

73	Govt. Boys Degree College Nawabshah, Benazirabad	10	Telephone & Electricity	1.43
74	Govt. Mono Technic Institute, Daharki	1	Various	1.31
75	Govt. Institute of Business & Commercial Education, Sukkur	3	Various	0.40
76	Govt. Habib College of Technology, Nawabshah	10	Various	0.33
77	A.D.O.E (M) Hyderabad	4	Various	0.30
78	A.D.O.E (F), Thana Bola Khan	1	Various	0.26
79	ADO Edu. (Female) GhariYasin	1	Repair of transport	0.13
80	A.D.O.E (F) Hyderabad	9	Various	0.12
81	Principal Makhdoom Muhammad Zamman Talibil Moula Govt. Boys Degree College Saeedabad	6	Various	0.11
82	Govt. College of Technology, Khairpur	9	Relevant record	0.11
83	A.D.O.E (F) Shahdadpur	2	Various	0.07
84	Govt. Girls Degree College, Kotri	2	Payment of electricity charges	0.06
85	Govt. Boys Degree College Sakrand	2	TA/DA	0.04
86	Government Elementary college for women, Hyderabad	1	Repair of furniture & repair of Machinery	0.03
87	A.D.O.E (F), Tando Adam	7	Various	0.02
		Sub Total		51.60
88	PD, BBSYDP, Karachi	28	Training material	7.04
89	ADO Edu. (Male) Sujawal	1	-do-	5.13
90	ADO Edu. (Male) Mirpursakro	5	Supplier	2.67
91	Principal, Sindh Madaressatul-Islam College/ University, Karachi	13 & 5	Paid to officials / supplier	2.17

92	ADOE (Female) Latifabad, Hyderabad	1	H E S C O	0.70
93	Model Centre Inclusive Handicapped Impaired Children (HIC) Mirpurkhas	14	PTCL Charges	0.50
94	Project Coordinator, BBSYDP, Karachi	10	PSO	0.40
95	Government Polytechnic Institute Boys, Sukkur	12	Paid to officials	0.20
96	Government College of Technology, Khairpur	7	Relevant record	0.15
97	Govt. Boys Degree College, Matiari	3 & 9	Various official /HESCO	0.15
98	Govt. National College, Karachi	4	Relevant record	0.07
99	Govt. Degree Boys College Khairpur Nathan Shah	2	HESCO	0.02
100	Govt. Boys Degree College Khairpur Nathan Shah	2	HESCO	0.02
	Sub Total			19.21
101	SEF	1	Financial power.	60.50
	Sub Total			60.50
	Grant total			1,491.41

Annexure-2

9.4.8 Irregular expenditure without open tenders Rs98.99 million

Rs in million

Sr. No.	Name of Office	AIR No.	Particular	Amount
01	Project Director BBSYDP manpower and training wing STEVTA Karachi	2,8 22, & 32	Training material / furniture fixture	20.62
02	ADO Edu. (Male) Mirpur Bathoro	6		11.99
03	ADO Edu. (Male) Sujawal	6	School items	11.62
04	ADO Edu. (Female) Qazi Ahmed	1	Other Specific Fund	6.94
05	District Education Officer, Tando Allahyar	1	Development scheme	5.79
06	Sindh MadressatulIslm College/ University, Karachi	3	Computers & Printers	4.98
07	ADO Edu. (Male) Daurr	1	Other Specific Fund	3.90
08	DEO Jamshoro	4	Other miscellaneous	3.51
09	Sindh MadressatulIslm College/ University, Karachi	4	Machinery & Equipment	1.98
10	Govt. Boys Degree College Wahipandhi	1,8 &13	Stationery/printing/ furniture & computer	1.00
11	Sindh MadressatulIslm College/ University, Karachi	8	Misc Goods & Services	0.88
12	Sindh MadressatulIslm College/ University, Karachi	9	Advertisement charges	0.87
13	Regional Director Colleges, Hyderabad	3	Hot & Cold	0.40

14	Sindh MadressatulIslm College/ University, Karachi	14	Paint from ICI Pak Ltd	0.40
15	Govt. Primary & Middle Schools of Kharo Chan	1	Other miscellaneous	0.36
16	Provincial Coordinator BBSYDP CM Secretariat Sindh	14	Serving lunch	0.15
17	Regional Director Colleges, Hyderabad	9	Repair of machinery	0.10
			Sub Total	75.47
	A.D.O.E (Male sakrand)	1	2011-12 School Material and others.	9.88
	A.D.O.E (Female Hyd)	1		4.41
	A.D.O.E (Male Hyd)	1		2.59
			Sub Total	16.88
	Split-up of supply/work orders on account of , Paint charges, Civil Work, Machinery & Equipment,			
	Sindh Madressatul Islam College/ University, Karachi	10	2011-12	0.76
		12		0.52
		15		0.35
	Director School Education, Sukkur	6		0.12
			Sub total	1.74
	District Officer Education, Sukkur, Education Department		Original nature of work not posted on the Sindh Government website and SPPRA website for the year 2012-13	4.90
Total				98.99

Annexure-3

9.4.13 Non-recovery of Government Dues-Rs56.21 million

Rupees in million

Sr. No.	Name of Office	AIR No	Particular	Amount
Tuition and Admission Fees for 2011-12 and 2012-13				
1	Principal, Government Habib College of Technology, Nawabshah	4 & 7	Fee	2.42
2	Principal, Government Boys Degree College, Nawabshah	2	Tuition and admission fees	1.04
3	Principal, Government College of Technology, Khairpur	2 & 7	Fee	0.93
4	Principal, Government Polytechnic Institute (Boys), Sukkur	10 & 12	Fee	0.37
5	Principal, Sindh Madressatul Islam College/ University, Karachi	17	Admission fees	0.33
6	Govt. National College Karachi	1	Fee	0.06
Sub total				5.15
Conveyance Allowance either on vacation or already enjoying the facility of government transport 2011-12 and 2012-13				
7	ADO Education (Male), Manjhand	1 & 2		7.62
8	ADO Education (Male)Gambat	1		0.30
9		1		0.23
10	Govt. Boys Secondary School, Izzat khan Kar.	6 & 8		0.14
11	ADO (Male) Lakhi	8		0.12
12	Govt. Girls College Hyderabad	3		0.07
13	Govt. Boys Degree College, Tharparkar	1		0.05
14	Govt. Girls Degree College, Tharparkar	1		0.05
15	District Education Officer, TandoAllahyar	5		0.02
16	District Education Officer, Matiari	7		0.01
17	Govt. Boys Degree College, Tharparkar (washing all.)	4		0.03
18	ADO (Male) Latifabad, Hyd. (washing all.)	5		0.01
Sub total				8.65

Teaching allowance paid to those who were not eligible due to non-specific qualification				
19	ADOEE (Female) Mirpurkhas	2	2012-13	5.18
20	ADOEE (Male) Kot Ghulam Muhammad	2	--	2.02
21	ADO Elementary Education (Female), KotGhulam Muhammad, Distt: Mirpurkhas	3	2011-12	1.04
22	ADOEE (Female) Kot Ghulam Muhammad	1	2012-13	0.81
23	A.D.O.E (Male) Latifabad, Hyderabad	4 & 6	--	0.17
24	ADO Education (Male), Manjhand	1	2011-12	0.14
25	Principal, Govt. Girls Degree College, Tharparkar	2	2012-13	0.08
26	Principal, Govt. Boys Degree College, Tharparkar	2	2012-13	0.02
27		4		0.02
28	Director of School Education Larkana	5		0.00
29		6		0.00
30	Principal, Government College of Technology Hyderabad	2		0.00
31	Principal, Government Elementary College of Education (Men) Larkana	1		0.01
32	Assistant District Officer Education (Female) Kamber, District Kamber	1		0.88
33	Assistant District Officer Education (Male) Kamber, District Kamber	1		3.76
34	Assistant District Officer Education (Female) Naseerabad, District Kamber	2		0.54
35	Assistant District Officer Education (Female) Warrak, District Kamber	2		0.99
36	Assistant District Officer Education (Male) Naseerabad, District Kamber	4	1.84	
37	District Officer Elementary Education Kamber	3	2.84	
38	Principal Govt. Degree Boys College Kamber	2	0.22	
39	Prin. Govt. Deg. Boys College Kamber	1	0.90	
40	ADO Edu. (M) Kamber	3	0.02	

41	Assistant District Officer Education (Female) Kamber, District Kamber	2		0.01
42	Assistant District Officer Education (Male) Kamber, District Kamber	2		0.02
43	Assistant District Officer Education (Male) Kamber, District Kamber	4		0.03
44	Assistant District Officer Education (Female) Kamber, District Kamber	3		0.01
45	Assistant District Officer Education (Male) Kamber, District Kamber	5		0.17
46	Govt. Sachal Sarmast Degree College, Nawabshah	1		0.34
47	Director of School Education Larkana	2		0.12
48	Director of School Education Larkana	3		0.03
49	Principal, Government College of Technology Hyderabad	1		0.06
50	Govt. Elementary College of Education (Women) Hyderabad	1		0.01
	Sub total			22.25
51	Principal Sir Syed Government College for Women, Nazimabad, Karachi	2		15.54
52	Principal BAMB PECHS Government College for Women. Karachi.	3		3.08
	Sub total			18.61
53	Pay and Allowances of Mrs. Maheen Bano, Asst. Prof absent from duty 24-09-2011 to date			
54	Sir Syed Government Girls College, Nazimabad,	7	2011-12	1.54
	Sub total			1.54
55	Sindh Education Foundation	2		4.44
	Grand Total			56.21

Chapter-10 EXCISE & TAXATION DEPARTMENT**Annexure-1****10.4.2 Non-realisation of Property Tax-Rs179.11 Million**

Rupees in million

S. #	Name Of Office	Para #	Amount
1	Excise and Taxation Office (Property Tax-I) Hyderabad	1	8.78
2	-do-	2	0.10
3	-do-	3	0.08
4	-do-	4	0.06
5	-do-	5	0.04
6	-do-	6	0.04
7	-do-	7	0.04
8	Excise and Taxation Office (Property Tax-II) Hyderabad	1	0.07
9	-do-	2	0.06
10	-do-	3	0.05
11	-do-	4	0.04
12	-do-	5	0.03
13	-do-	6	0.02
14	Excise and Taxation Office Sanghar	4	0.06
15	-do-	6	0.06
16	ETO, Tando Allahyar.	2	27.66
17	ETO, Mirpurkhas.	2	5.65
18	-do-	5	0.33
19	-do-	8	0.09
20	ETO, TM Khan	1	1.72
21	-do-	4	0.17
22	ETO, Matiari	4	0.02
23	ETO, Nawabshah	3	4.28
24	ETO DIV-1&2 Karachi	2	1.05
25	ETO Div-I, Karachi	5	0.93
26	-do-	6	0.17
27	ETO, Ghotki @ Mirpur Mathelo	2	5.79
28	-do-	3	2.82
29	-do-	4	1.31

30	ETO, Thatta	2	1.11
31	ETO, Jamshoro	2	1.06
32	ETO, Div-J-I, Karachi	3	0.64
33	-do-	4	0.37
34	-do-	5	0.51
35	-do-	6	0.70
36	-do-	7	0.11
37	-do-	11	0.10
38	ETO, Div-S, Karachi	13	0.19
39	-do-	12	1.09
40	-do-	10	3.56
41	-do-	8	0.73
42	-do-	1	0.40
43	ETO, Div-B, Karachi	3	0.11
44	-do-	4	2.52
45	ETO, Div-M, Karachi	4	1.88
46	ETO, Div-I&II, Karachi	3	78.71
47	-do-	4	10.19
48	-do-	5	1.80
49	-do-	6	1.12
Sub Total			168.39
50	E.T.O. J-I Division, Karachi.	2	1.45
51	-do-	12	0.03
52	E.T.O. S-Division, Karachi	2	0.15
53	-do-	3	0.71
54	-do-	11	4.52
55	E.T.O. B-Division, Karachi	5	0.77
56	E.T.O. M-Division, Karachi	3	2.12
57	E.T.O. I&II, Division, Karachi	1&7	0.98
Sub Total			10.73
Grand Total			179.11

Chapter-11 FINANCE DEPARTMENT

Annexure-1

11.4.1 Non-Production of record

Rupees in million

S #	Name of Office	Description of Record	AIR #	FY	Amount
1	Project Manager Hyderabad-Mirpurkhas Dual Carriage Highway working under PPP Unit Finance Department, Hyderabad.	<ul style="list-style-type: none"> • Strategic Plan. • Strip Plan Bidding Document provided to the bidders. • Bidding Documents of competitors other than declared successful. • Escrow Account Agreement and details of maintaining such an account. • Details of Cheques and their disposal regarding bid security and performance security and operational performance security. • Preliminary estimation and costing with backup data & unit rate analysis. • Quarterly reports of independent engineers. • Cash Flow Statement of Escrow Account. • Details of Viability Gap Fund. • Details and agreements of new financing • Details and agreements of additional financing 	22	2010-11	
2	The office of Public Private Partnership unit finance department government of Sindh, Karachi.	<ul style="list-style-type: none"> • Details and record of escrow account. • The details and approval of establishment of PPP Unit. • The complete details and record of VGF and PDF account. • The list/details and record of total accounts opened and operated for 	33	Upto 2012-13	5,319.08

		<p>VGF and PDF funds.</p> <ul style="list-style-type: none"> • Incumbency of DDO's of PPP Unit up to June 2012 • Incumbency of Director General of PPP unit upto June 2012 • Details/ record of vehicles along with allotments in PPP Unit. • The cash books of all accounts • The complete record of Economic Reform Unit (ERU) since incurrence of expenditure on PPP unit by ERU Finance Department Govt. of Sindh-Rs54.839 million (2008-09 to 2011-12). • Signed statements may be provided for authentication. • List and bank statements of all accounts opened and operated by PPP unit for VGF and PDF accounts long with counterfoils. • Details/ record of vehicles along with allotments in PPP Unit. • Results of review of bid evaluation reports by PPP Unit. • Copies of Semi-annual review and annual consolidated reports of PPP Unit. • Copies of periodic progress reports of projects sent by Agencies (Government Departments • Copies of PC-I, bidding process of selection of investors and consultants, Administrative approvals and Technical sanctions along with inception, pre-feasibility, feasibility, Surveys, Designs, advisory, legal, technical reports etc of following projects: 			
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		<ul style="list-style-type: none"> i. Sewerage Treatment Plant (STP), Keenjhar Lake Resort, Hyderabad. ii. Mirpurkhas Dual Carriage Project. iii. Gorikh Hill Development Facility. iv. Jhirk Mulla Katian Bridge Project. v. Sindh Nooriabad Power Project, Karachi. vi. Thatta Road Project. vii. Hyderabad Badin Road Project. viii. NICH Project. 			
3	DAO Hyderabad	Record of new appointments	07	2012-13	
4	DAO Dadu	Record of new appointments	07	2012-13	
5	DAO Benazirabad	Record of new appointments	08	2012-13	
6	DAO Khairpur	<ul style="list-style-type: none"> • Copy of letter of assignment (Form-17A) issued by A.G Sindh • Appropriation register of funds released against the assignment account. • Monthly Reconciliation statement. • Monthly account of expenditure submitted by the drawing authority with the copies of paid vouchers. 	13	2011-12	449.29
Total					5,768.37

Annexure-2**11.4.14 Non deduction sales tax /income tax – Rs 16.99 million**

Rs in million

Sr. No.	Name of Office	Details of items	Para #	Nature of Tax	Amount
01	DAO Shaheed Benazirabad	Furniture	03	Sales tax	0.19
02	DAO Mirpur Khas	Liveries	10	Sales tax	0.02
03	DAO Tando Mohammad Khan	Ulv machines	09	Sales tax	0.33
04	DAO Hyderabad	Insecticide bed nets	06	Sales tax	0.64
05	DAO Hyderabad	Furniture	03	Sales tax	0.96
06	DAO Khairpur	Payment of salary and contractors	01	Income Tax	1.20
07	DAO Benazirabad	Payment of salary and contractors	01	Income Tax	12.57
08	DAO Mariari	Payment of salary and contractors	09	Income Tax	0.02
09	DAO Hyderabad	Payment of salary and contractors	04	Income Tax	0.08
10	DAO Jacobabad	Payment of salary and contractors	16	Income Tax	0.02
11	DAO Mirpur Khas	Payment of salary and contractors	12	Income Tax	0.01
12	Public Private Partnership	Payment of salary and contractors	31	Income Tax	0.12
13	DAO TM Khan	Payment of salary and contractors	11	Income Tax	0.12
14	DAO Dadu	Payment of salary and contractors	02	Income Tax	0.22
15	DAO Benazirabad	Payment of salary and contractors	03	Income Tax	0.49
Total					16.99

Chapter-15 Health Department

Annexure-1

15.4.1 Non-production of record – 717.89 million

Rupees in million

Sr. #	Name of Office	Particulars	Para #	Amount
	Financial year 2011-12			
1	Principal Paramedical & Health Technician School, Sukkur	Various items	11	2.58
2	M.S Civil Hosp. Mirpur Mateo	Various items	9	1.27
3	Principal Paramedical Institute Sukkur at Rohr	Various items	2	0.77
4	M.S CDF Hosp. Hyderabad	Medicines & Diet items	9	0.69
5	Provincial Coordinator National Prig FP &PHC Hyderabad	POL, Repair of vehicle etc	14	0.46
6	M.S Toluca Hosp. Gouache	Electricity charges	4	0.24
7	Principal Paramedical Institute Jamshoro	Electricity charges	15	0.10
8	M.S Taluka Hosp. Kotri	Misc. charges	5	0.08
9	M.S Sindh Govt. Hosp. Kohsar, Latifabad Hyd	Various heads	8	0.03
10	M.S Taluka Hosp. Matiari	Exhibition charges	8	0.01
11		Sub total		6.22
	Financial year 2012-13			
	DHO(H), Khairpur	Electricity charges	7	4.58
12	Director Institute of Chest Diseases, Kotri	Expenditure record as per statement and payees acknowledgement receipts	04 & 06	54.34
13	PD CDD Sindh, Hyderabad	POL, stationary and printing material and payees acknowledgement receipts	9	0.14

14	D.G. Health Services, Sindh, Hyderabad	Electric bills ,	7	0.55
15	Director Skin Diseases, Karachi	Vouchers of head of account. Others	9	0.81
16	MS Services Hospital, Karachi	Medical Reimbursement and Electricity bill	4	1.34
17	Provincial Coordinator National Program FP&PHC, Hyderabad	POL Repair of vehicle , lodging boarding and training , purchase stationary, Misc items, transportation, TADA . 198.076	10, 18 & 28	408.79
18	District Health Officer, Umerkot	procurement of transport as mentioned in expenditure statement of UR-6082	10	0.74
19	Medical Superintendent Taluka Hospital, Kandiaro	Medicine	9	0.62
20	Medical Superintendent Taluka Hospital, Kotri	Purchase of oxygen gas	6	0.29
21		Sub total		472.19
	Financial year 2011-12			
1	DHO Qamber	Copies of pay roll/slips	7	144.03
2	M/S Taluka Hospital Obawro	Salary/non salary component	1	38.26
3	M/S Taluka Hospital,Dharki	Salary/non salary component	1	26.77
4	M.S, CDF Hosp. Hyd	Record pertaining to Health Management Committee	3	5.27
5	DHO Tharparkar @ Mithi	X-ray films & fixture, Stock Register	4 &10	4.10
6	M/S Taluka Hospital,Mehar	Bills of Medicine	3	3.63
7	State Hakim Govt. Unani Section Khairpur	Purchase of medicines	1	2.87
8	M/S Taluka Hospital Johi	Bills of Medicine	2	2.62

9	M.S Taluka Hosp,Khairpur Nathan Shah	Purchase of medicines	2	2.21
10	Principal Paramedical Inst.,Karachi	Record for the years up to 2008-09	1	-
11	Principal Paramedical & Health Technicial School Sukkur	Repair of hostel/ office building	26	-
12	DHO,Kashmore	Non production of record	1	-
13	Prov. Coordinator National Program, FP & PHC Hyd.	Record regarding recruitment	18	-
		Sub total		229.75
	Financial year 2012-13			
14	Director Institute Of Chest Diseases, Kotri	Accounts records	26	0.58
15	Ms services hospital, Karachi	Accounts records	14	-
16	Provincial Coordinator National Program FP&PHC Hyderabad	Accounts record	17 & 19	8.52
17	Medical Superintendent Taluka Hospital Panu Aqil	Non production of Electricity bills	5	0.62
		Sub total		9.73
		Grand Total		717.89

Annexure-2

15.4.2 Non- recovery of Government dues - Rs177.94 million

Rupees in million

Sr No	Name of Office	Particulars	Para #	
	Financial year 2011-12			
1	Provl. Cordinator National Prog. FP & PHC Sindh Hyderabad	GST	8	9.91
2	EDO Health Karachi	Stamp Duty & Income Tax not recovered	14,15	2.87
3	M.S Urban Health Centre 5c-3 North Karachi	20% Discount	4	1.84
4	PD,Rehabilitation ,DHQ/THQ,Hospital,Sindh Govt Health Deptt,Karachi	GST,Stamp duty,ProfessionalTax	16,23,24	1.75
5	DHO Mirpurkhas	Rural Compensatory Allowance	2	1.61
6	M.S Civil Hosp. Mithi	20% Discount	3	1.35
7	DHO Mirpurkhas	Discount on Medicine	6	1.33
8	Benazir Institute of Urology & Transplantation Nawabshah at Hyderabad	Stamp Duty / Professional, Tax	5,7	1.01
9	Principal Paramedical & Health Technician School Sukkur	GST	6	0.97
10	DHO Tharparkar @ Mithi	20% Discount	8	0.65
11	DHO Mirpurkhas	Income Tax	3	0.61
12	THO,Korangi	Discount on Medicine	2	0.58
13	THO, Baldia Town	Discount on Medicine	1	0.55
14	THO,Liaquat abad	Discount on Medicine	1	0.44
15	M.S Taulka Hospital,Sakrand	Recovery of Conveyance Allowance	2	0.43
16	M.S Sindh Govt Childrens Hosp.North Nazimabad,Karachi	Recovery of GST	12	0.42

17	THO,Gulshan-e-Iqbal ,Karachi	Discount on Medicine	2	0.39
18	Town Health Officer Lyari	20% Discount	1	0.37
19	Town Health Officer Gadab	Over Payment to M/s Pak Traders on account purchase of 2 Suzuki Bolan	1	0.36
20	Dir Electro Medical W.Shop,Jamshoro	GST	8	0.35
21	Town Health Officer Malir Town Khi	20% Discount	1	0.34
22	Town Health Officer, Keamari Town ,Karachi.	Discount on Medicine	5	0.34
23	Town Health Officer Saddar Khi	20% Discount	1	0.31
24	Civil Surgeon Civil Hospital,Thatta	X.Ray & Ultra sound charges	5	0.28
25	Town Health Officer, Keamari Town ,Karachi.	Recovery of NPA	7	0.22
26	Civil Surgeon Civil Hosp.Thatta	Discount on Medicine	1	0.21
27	Principal Paramedical & Health Technician School Sukkur	Income Tax	23	0.21
28	Prov. Coordinator National Prog. FP & PHC Sindh Hyderabad	Professional Tax	16	0.21
29	Talka Hospital DIPLO	Recovery of HPA , RCA & NPA	2,3,4,5	0.20
30	Town Health Officer Shah Faisal Colony Karachi	20% Discount	1	0.19
31	M.S Taulka Hospital Kot Ghulam Muhammad	Recovery of Compensatory NPA and HPA	1,2	0.13
32	Town Health Officer Orangi Town Khi	20% Discount	1	0.14
33	DHO, Qamber, shahdadkot	10% Discount	3	0.14

34	Principal Paramedical & Health Technician School Sukkur	Professional Tax	24	0.14
35	M.S Sindh Govt. Hosp. Pretabad Hyd	Professional Tax	12	0.13
36	M.S Sindh Govt. Hosp. New Karachi	Science Teaching Allowance, Orderly Allowance, x.ray charges	1,3,4	0.31
37	M.S Taluka Hosp. Golarchi	Income Tax	7	0.11
38	Town Health Officer New Karachi	20% Discount	1	0.11
39	Town Health Officer, Ghotki	Professional Tax	7	0.10
40	Principal Paramedical Inst. Jamshoro	GST	16	0.08
41	DHO, Kashmore	Income Tax not deducted	15	0.09
42	M.S Taluka Hosp, Matli	Recovery of Silver Niterate	9	0.07
43	M.S Taluka Hosp. Nangarparkar	Recovery of Compensatory NPA and HPA	4,5,6,7	0.06
44	M.S Sindh Govt. Hosp. Qasimabad	Professional Tax	13	0.06
45	M.S Taluka Hosp, Matli	Professional Tax	10	0.06
46	DHO, Kashmore	Discount on Medicine/Surgical items	02	0.05
47	Dir Electro Medical W.Shop, Jamshoro	Professional Tax	10	0.05
48	Principal Paramedical Inst. Jamshoro	Professional Tax	17	0.04
49	Principal Paramedical Inst. Sukkur	Professional Tax	9	0.04
50	M.S Taluka Hosp. Kohsar Latifabad Hyderabad	Professional Tax	11	0.04

51	Town Health Officer SITE Karachi.	20% Discount	1	0.04
52	M.S CDF Hosp. Hyd	Professional Tax	10	0.04
53	DHO,Kashmore	Non crediting of Tender fee	23	0.03
54	M. S Taluka Hosp,Samaro	Recovery of Dearness allowance	01	0.03
55	Talka Hospital Tando Bago	Discount on Medicine	4	0.02
56	THO,Liaquat abad	Stamp Duty / Professional Tax/services charges	4,5,6	0.02
57	M.S Urban Health Centre 5c-e North Karachi	Professional Tax	5	0.02
58	M.S Sindh Govt Childrens Hosp.North Nazimabad,Karachi	Professional Tax	4	0.02
59	M.S Sindh Govt. Hosp. Ibrahim Haidri Karachi	Professional Tax	9	0.02
60	M.S Sindh Govt. Hosp. Ibrahim Haidri Karachi	Govt. employees getting Conveyance allowance during leave	3	0.01
61	THO,Gulsha-e-Iqbal,Karachi	Professional Tax	4	0.01
62	Town Health Officer liaquat abad	Professional Tax	6	0.01
63	EDOH/District Health Officer Tharparkar @ Mithi	Less deduction of income tax	2	0.40
		Sub total		32.92
	Financial year 2012-13			
64	MS GMMC Civil Hospital Khairpur	Tender fee	6	0.05
65	Director Institute of Chest Diseases, Kotri	X-ray ultrasound and lab fees, . 1.770	15	2.12
		House Rent and Other Govt. dues . 0.206	21	
		Silver Nitrate . 0.140	23	
66	DG Health Serv. Hyd.	Services Charges	09	0.10

67	MS Services Hospital, Karachi	Orderly allowance . 0.252	09	0.36
		Silver Nitrate . 0.108	13	
68	Director Institute of Chest Diseases, Kotri	Professional Tax	24	120.00
69	DG Health Services Hyderabad	Professional tax	11	0.04
70	PD CDD Sindh, Hyderabad	Professional tax	13	0.03
71	MS Services Hospital, Karachi	Professional tax	12	0.13
72	Director Skin Diseases, Karachi	Professional tax	11	0.10
73	Provincial Coordinator National Program FP&PHC, Hyderabad	Professional tax	05	0.13
74	Provincial Coordinator National Program FP&PHC, Hyderabad	Loans and advances	22	1.01
75	Provincial Coordinator National Program FP&PHC, Hyderabad	Income tax	20	0.44
76	DG Health Services Hyderabad	Stamp duty	10	0.12
77	PD CDD Sindh, Hyderabad	Stamp duty	12	0.05
78	Director Skin Diseases, Karachi	stamp duty	12	0.06
79	Provincial Coordinator National Program FP&PHC, Hyderabad	Deputation	26	1.67
80	Medical Superintendent Taluka Hospital Pano Akil	Non deduction of income tax	03	0.04
81	Medical Superintendent Taluka Hospital Rohri	Non deduction of income tax	02	0.04
82	Civil Hospital/DHQ Hospital, Mirpur Mathelo	Drug testing fee	2	0.10
Sub total				126.59

	Provincial Coordinator National Program FP&PHC, Hyderabad (2011-12)	Project allowance for the period from December 2009 to May 2012, at the rate of Rs. 30,000 per month in contravention to above notification whereby Project Allowance was discontinued.	9	9.00
	Provincial Coordinator National Program FP&PHC, Hyderabad 92012-13)	Conveyance allowance to those officers who have been provided/allotted government vehicles.	7 4	3.24 1.38
		Sub total		18.43
		Total		177.94

Annexure-3

15.4.3 Irregular expenditure without inviting open tenders - Rs77.62 million

Rupees in million

Sr. No	Name of Office	Particulars	Para #	Amount
	Financial year 2011-12			
1	Principal Paramedical & Health Technician School Sukkur	Various works	5	6.04
2	M.S CDF Hosp. Hyd	Various works	5	3.99
3	Civil Surgeon civil Hospital Nousheroferoze	Various works	4	2.62
4	M.S Sindh Govt. Hosp. Preetabad Hyd	Various works	3	2.17
5	M.S Taluka Hosp.Sakrand	Medicine	7	1.41
6	Prov. Coordinator National Program, FP & PHC Hyd	Various works/ supplies	11	1.38
7	M.S Taluka Hosp. Mirpur Sakro	Purchase of medicines	1	1.14
8	Principal Paramedical Institute Jamshoro	Purchase of machinery	9	0.38
9	M.S Taluka Hosp,Saeed Abad	Purchase of Diet	9	0.16
10	Medical Superintendent of Anwar Paracha Hospital, Sukkur	Purchase of generator	3	1.50
		Sub total		20.79
	Financial year 2012-13			
11	DHO(H) Khairpur	Medicine	1	19.27
12	Director Institute of Chest Diseases, Kotri	Purchase of Consumable articles.	07	18.97
13	Provincial Coordinator National Program FP&PHC, Hyderabad	Printing, stationary, uniform transportation of goods and repair of machinery, equipment lunch boxes etc.	11 & 24	9.11
14	District Health Officer	Various articles	5	1.34

	Umerkot	purchased in bulk		
15	Medical Superintendent Taluka Hospital Kotri	Feeding material	7	0.98
16	Medical Superintendent, T.B Hospital Khairpur	Diet items	4	1.84
		Sub total		51.52
		Total		72.31
	Incurred expenditure on various heads by splitting up to avoid tender process. During financial year 2011-12			
17	M.S Sindh Govt. HospKohsarLatifabad Hyd.	Misc. articles	6	2.11
18	Principal Paramedical & Health Technician School Sukkur	Misc. articles	22	0.61
19	M.S Sindh Govt. Hosp. Preetabad Hyderabad	Misc. articles	10	0.23
	Incurred expenditure on various heads by splitting up to avoid tender process. During financial year 2012-13			0.00
20	Medical Superintendent, T.B Hospital Khairpur	Purchase of medicine	3	2.36
		Sub total		5.31
		Total		77.62

Chapter-16 Home Department

Annexure-1

16.4.1 Non production of record

(Rupees in millions)

Sr. #	Name of Office	AIR #	Particulars	Year	Amount
1	SP, Special Branch, Hyderabad	3	<u>Feeding Charges</u> List of officials who performed emergency duties,Deployment order, Menu of items, acknowledgement / receiving of the meal.	2012-13	0.10
2	SP, Sindh Reserve Police, Hyderabad	5		2012-13	0.10
3	SP, Special Branch, Sukkur	5		2012-13	0.08
4	Commandant RRF Sindh Karachi	3		2012-13	0.54
5	Police Training College Shahdadpur	5		2011-12	0.17
6	SP Foreigner Security Cell Karachi	2		2011-12	0.14
7	MS Police Hospital Karachi	2		2011-12	0.45
8	SSP Security Cell-II CCP Karachi	5		2011-12	0.18
9	SP Landhi Town, Karachi	4		2011-12	0.06
10	SSP District Central, Karachi	2		2011-12	0.52
11	SP, Umerkot	7		2011-12	0.78
12	IG Sindh Police, Karachi	12		2011-12	0.22
13	SSP Malir Town	1		2011-12	0.17
14	SSP, Larkana	15	<u>Investigation cost</u> Cases of Investigation of vehicles hired & acknowledgments from drivers.	2012-13	2.50
Sub Total					6.00

15	SSP, Shikarpur	7	NOC from Government workshop, old spare parts register, requisition for repair of vehicles from the drivers, acknowledgment receipt	2012-13	0.11
16	Police Training College Shahdad Pur	7		2011-12	0.07
17	SP, Special Branch Karachi	2		2011-12	0.10
18	DIG Police C.I.D Karachi	1		2011-12	0.61
19	SP, Foreigner Security Cell Karachi	4		2011-12	0.22
20	SSP Security cell-II CCP Karachi	4		2011-12	0.19
21	SSP, Shikarpur	2		2011-12	1.02
22	IG Sindh Police Karachi	10		2011-12	0.69
23	SSP, Crime Branch Mirpurkhas	3		2011-12	0.03
24	SSP, C.I.D Hyderabad	4		2011-12	0.12
25	S.S.P Malir Town	2		2011-12	0.10
26	DIG Police East Zone, Investigation-II	3		2011-12	0.34
27	AIG, Security Sindh (SSU) Sindh, Karachi	1		2012-13	0.93
28	SSP, Kashmore	1		2012-13	0.63
29	SSP, Shikarpur	2	2012-13	0.64	
Sub total					5.80
30	SSP, Kamber-Shahdadkot	5	Supporting vouchers	2012-13	0.51
31	SSP, Kashmore	3	Supporting vouchers	2012-13	1.60
32	SSP, Shikarpur	6	Supporting vouchers	2012-13	1.00
33	IG Police Sindh, Karachi	3	Supporting vouchers	2012-13	7.00
Sub total					10.11
Grand Total					21.90

Annexure-2**16.4.2 Non recovery of dues –Rs117.91**

(Rupees in million)

Sr. No.	Name of Office	AIR No.	Year	Particular	Amount
1	District Prison Malir, Karachi	6	2012-13	Utility charges	1.00
2	SSP, Jamshoro	3	2012-13	Cost of Police Guards	1.00
3	SSP, TM Khan	3	2012-13	Cost of Police Guards	2.57
4	SSP, Jamshoro	12	2012-13	Pay & allowances	0.27
5	SSP, TM Khan	9	2012-13	Pay & allowances	0.04
6	DIG Police, Driving License Branch Korangi Karachi	11	2011-12	rent of canteen	0.12
7	SSP, Umerkot	4	2011-12	Cost of Police Guards	1.00
8	SSP, Traffic Zone-III Karachi	1	2012-13	Traffic fines	3.47
9	SSP, Traffic Zone-IV Karachi	1	2012-13	Traffic fines	1.41
10	SSP,Thatta	10		Cost of Police Guards	0.71
11	SSP,Thatta		2011-12 & 2012-13	Cost of Police Guards	0.57
12	SSP,Thatta	16	2011-12 & 2012-13	Electricity charges	0.35
13	SSP, Matiari	3	2012-13	Cost of Police Guards	2.07
14	SSP Ghotki	15	2012-13	Cost of Police Guards	1.74
15	SSP-Driving License Branch, Karachi	02, 06, 07	2011-12	License Fee	5.35
	Sub Total				21.67

16	SSP, Ghotki	8	2012-13	Cost of investigation	0.17
17	SSP, Ghotki	7	2012-13		1.34
18	SSP, Hyderabad	8	2012-13		0.93
19	SSP, Nawabshah	4	2012-13		0.85
20	SSP, Khairpur	3	2012-13	Cost of investigation	2.12
	Sub Total				5.41
21	SSP, Hyderabad	7	2012-13	Cost of Police Guards	86.57
22	SSP, Nawabshah	1	2012-13	Cost of Police Guards	4.26
	Sub Total				90.83
	Grand Total				117.91

Chapter-19 Irrigation Department

Annexure-1

19.4.1 Non production of record – 379.29

Rupees in million

Sr. No.	Name of Formation	Para No.	F. Year	Amount
01.	Executive Engineer, Central Sindh Mechanical Division, Jamshoro	31,32 & 42	2012-13	59.07
02.	Executive Engineer, Lower Sindh Mechanical Division, Jamshoro	9,16 & 17	2012-13	194.89
03.	Managing Director, SIDA (Grant in Aid)	10 & 24	2011-12	-
04.	Director, Area Water Board, Hyderabad	07	2011-12	-
05.	Executive Engineer, Drainage Division, Badin	01, 10 & 11	2011-12	4.70
06.	Executive Engineer Kalri Baghar Division, Thatta	05	2012-13	49.25
07.	Executive Engineer Lower Pinyari Division, Sujawal	09	2012-13	3.73
08.	Executive Engineer Chotiari Reservoirs Sanghar	03	2012-13	14.79
09.	Executive Engineer Drainage Division Sanghar	13	2012-13	3.17
10.	Executive Engineer Drainage Division Sanghar	07	2012-13	34.61
11.	Executive Engineer Sakro Division, Mirpur Sakro	12	2012-13	-
12.	Executive Engineer Sakro Division, Mirpur Sakro	08	2012-13	3.51
13.	Executive Engineer Mithrao Division Mirpurkhas	08	2011-12	1.39
14.	Executive Engineer North Dadu Drainage Division Larkana	02,03&09	2011-12	10.19
Total				379.29

Annexure-2

19.4.2 Non-adjustment of advance payment - Rs209.50 million

(Rupees in millions)

Sr. #	Name of office	Financial Year	Para #	Description	Amount
1.	Begari Bund Division, Sukkur	2011-12	02	Advance to Guddu Barrage Division Sukkur	7.77
2.	Shahbaz Division Sehwan	2011-12	01	Advance to Mechanical Division, Jamshoro	5.00
		2012-13	07	-do-	1.93
3.	Mithrao Division Mirpurkhas	2011-12	03	Advance to lower Sindh Mechanical Division, Jamshoro	2.50
		2012-13	04	-do-	4.00
4.	KalriBaghar Division, Thatta	2011-12	04	Advance to Feeder Division, Hyd.	1.25
5.	Jamrao Division, Mirpurkhas	2011-12	07	Misc: Advance	0.81
6.	MD SIDA Hyderabad	2011-12	12	Advance payment to HESCO	0.70
7.	Lower Sindh Mech. Div Jamshoro	2012-13	01	Misc: PW Advance	164.57
8.	Begari Division Jacobabad	2012-13	03	Advance to Mechanical Guddu Barrage Division Sukkur	11.00
9.	Tube well Division Ghotki	2012-13	06	Advance payment to contractors	5.00
10	Sakro Division MirpurSakroThatta	2012-13	02	Advance payment to HESCO	0.70
11	Rohri Division Moro	2012-13	09	Misc: PW Advance	4.28
					209.50

Annexure-3**19.4.5 Excess payment to the contractors/employees - Rs140.09 million**

Rupees in million

Sr. #	Name of division	Financial Year	Para #	Particulars	Amount
1.	KalriBaghar Division, Thatta	2011-12	01	Due to miscalculation of rate	2.08
2.	Research Division, Karachi	2011-12	03	-do-	1.74
3.	Project Director Lining	2011-12	01	Higher pay package to consultants	52.90
			15	Excess over the schedule rate	4.71
			12	-do-	4.50
			11	-do-	0.87
4.	Managing Director SIDA Hyderabad	2011-12	02	Excess payment of Project allowance to contractual staff	9.54
			04	Excess payment to employees beyond sanctioned BPS	1.01
			05	Excess payment of conveyance allowance	0.28
5.	Tube well Division Ratodero	2012-13	01	Excess billing by SEPCO	19.23
6.	Central Sindh Mechanical Division Jamshoro	2012-13	08	Double payment to contractors	12.06
7.	Drainage Division Thatta	2012-13	09	Excess claim of working hours and quantity	11.88
			03	Excess payment against actual measurement	0.57
8.	Drainage Division Sanghar	2012-13	12	Excess over the schedule rate	5.07

9.	Tube well Division-I Hala	2012-13	09	Excess rate over the PC-I cost	4.92
10.	AkramWah Division Badin	2012-13	02	Excess over the schedule rate	3.14
11.	Kandhkot Division Kashmore	2012-13	07	-do-	0.46
12.	East Division Khairpur	2012-13	01	Excess hour rate paid	2.46
13.	Sakro Division Mirpur Sakro	2012-13	09	Excess over the schedule rate	0.09
14.	Sakro Division, Mirpur Sakro	2012-13	06	Excess payment of carriage on shifting of earth through tractor trolley	2.58
Total					140.09

Annexure-4

19.4.11 Expenditure without inviting open tender-Rs1,028.76 million

Rupees in million

Sr. #	Name of Formation	Para No.	F. Year	Particular	Amount
01.	Central Sindh Mechanical Division, Jamshoo	23	2012-13	Parts for machinery	58.19
		43	2012-13	--do--	4.27
02.	Drainage Division, Sanghar	01	2012-13	Furnishing & installation of Pumps	29.85
03.	Mechanical Division, Guddo Barrage, Sukkur	06	2012-13	Diesel in bulk quantity	3.52
04.	Sindh Mechanical Division Lower, Jamshoro	07	2012-13	Parts for machinery	3.33
05.	Tube Well Division, Khairpur	03	2012-13	Un-skilled labour	3.29
06.	North Dadu Drainage Division, Larkana	08	2012-13	Hiring charges for tractor with trolley i.c. POL	2.68
		10	2012-13	Gunny Bags	2.06
07	Drainage Division, Larkana	02	2012-13	Various work	1.57
08.	Irrigation West Division, Khairpur	02	2012-13	Different type of works	1.07
09.	Irrigation East Division, Khairpur	04	2012-13	--do--	0.89
10.	Tube Well Division, Ratodero	03	2012-13	Repair of tube wells & pumps	0.80
11.	KalriBaghar Division, thatta	06	2011-12	Super passage on link canal & RBOD II	846.77
		07	2011-12	Const. of compound wall irrigation colony, jheruk	10.47
12.	Mithrao Division, Mirpurkhas	01	2011-12	De-silting work	4.19
13.	Research Division, Karachi	06	2011-12	Various works	2.75
14.	Executive Engineer, Small	07	2011-12	Supply & fixing pyrometer	3.00

Sr. #	Name of Formation	Para No.	F. Year	Particular	Amount
	Dam Division, Kohistan-II, Jamshoro	10	2011-12	Tractor, Trolley & dumper for earth work	2.11
15.	Managing Director, SIDA (Grant in aid)	11	2011-12	Repair of vehicles	0.20
16.	Lower Pinyari Division, Sujawal	08	2012-13	Splitting of expenditure to avoid tenders	7.74
17.	Irrigation West Division, Khairpur	01	2012-13	Splitting of expenditure to avoid tenders	4.74
18.	Drainage Division, Mirpurkhas	06		Splitting of expenditure to avoid tenders	3.19
19.	Safiullah Magsi Shahdadkot	05	2012-13	Splitting of expenditure to avoid tenders	3.18
20.	Lower Pinyari Division, Sujawal	07	2012-13	Splitting of expenditure to avoid tenders	3.11
21.	Drainage Division, Shikarpur	02	2012-13	Splitting of expenditure to avoid tenders	1.87
22.	Begari Division, Jacobabad	04	2012-13	Splitting of expenditure to avoid tenders	1.60
23.	Mithrao Division, Mirpurkhas	06	2012-13	Splitting of expenditure to avoid tenders	1.44
24.	Drainage Division, Larkana	03	2012-13	Splitting of expenditure to avoid tenders	1.37
25.	B.S. Feeder Division, Kashmore	03	2012-13	Splitting of expenditure to avoid tenders	1.22
26.	KalriBaghar Division, Thatta	03	2012-13	Splitting of expenditure to avoid tenders	0.99
27.	Irrigation East Division, Khairpur	03	2013-13	Splitting of expenditure to avoid tenders	0.98
28.	Rice Canal Division, Larkana	03	2012-13	Splitting of expenditure to avoid tenders	0.59
29.	Mech Div., Guddo Barrage, Sukkur	04	2012-13	Splitting of expenditure to avoid tenders	0.45
30.	North Dadu Drain. Div., Larkana	02	2012-13	Splitting of expenditure to avoid tenders	0.34

Sr. #	Name of Formation	Para No.	F. Year	Particular	Amount
31.	North Dadu Drain. Div., Larkana	04	2012-13	Splitting of expenditure to avoid tenders	0.25
32.	Begari Bund Division, Sukkur	06	2011-12	Splitting of expenditure to avoid tenders	1.08
		07	2011-12	Splitting of expenditure to avoid tenders	0.99
33.	North Dadu Drainage Division Larkana	04	2012-13	Splitting of purchase of abkalani material and non-maintenance of consumption account in Form 35	3.35
		06	2012-13	Splitting of purchase of Copper wire and non-maintenance of consumption account in Form 35	1.66
34.	Mithrao Division Mirpurkhas	04	2012-13	Splitting of purchase of laipanjars, not purchasing from forest department and non-maintenance of consumption account in Form 35	2.33
		06	2012-13	Splitting of purchase of Gunny Bags and non-maintenance of consumption account in Form 35	1.59
		09	2012-13	Splitting of purchase of closure material and non-maintenance of consumption account in Form 35	1.15
	Research Division Karachi	08	2012-13	Splitting of purchase of abkalani material and non-maintenance of consumption account in Form 35	1.17

Sr. #	Name of Formation	Para No.	F. Year	Particular	Amount
35.	Begari Bund Division Sukkur	08	2012-13	-do-	0.82
36.	Jamrao Division Mirpurkhas	08	2012-13	Splitting of purchase of closure material and non- maintenance of consumption account in Form 35	0.60
Total					1,028.76

Annexure-5

19.4.12 Non-Crediting of Government Revenue-Rs191.66 millions

Rupees in million

Sr. #	Name of Formation	Para No.	F. Year	Particular	Amount
01.	Central Sindh Mechanical Division, Jamshoro	09	2012-13	Unclaimed Deposits more than 03 years lapsed	95.12
02.	Small Dam Division, nagarparkar	05	2012-13	Retention of lapsable security deposit	22.00
03.	Sindh Mechanical Division Lower, Jamshoro	02	2012-13	Various type of Revenue	21.25
		13	2012-13	--do--	10.30
04.	Rohri Division, Moro	08	2012-13	--do--	11.45
05.	Tube Well Division, Khairpur	05	2012-13	Misc. deposit but retained in Deposit Account	4.45
06.	Chotiari reservoirs Division Sanghar	06	2012-13	--do--	3.19
07.	Mirpur Division, MirpurMathelo	06	2012-13	--do--	2.16
08.	Upper Pinyari Division, Hyderabad	03	2012-13	--do--	1.90
09.	Drainage Division, Larkana	05	2012-13	Income Tax	1.43
10.	Mithrao Division, Mirpurkhaas	09	2012-13	--do--	0.47
11.	Tube Well Division, Ratodero	09	2012-13	Income Tax & Stamp Duty	0.42
12.	Mechanical Division, guddoBarageSukkur	10	2012-13	Unclaimed security deposit for more than 3years	0.41
13.	Rice Canal Div, Larkana	09	2012-13	--do--	0.07

14.	Jamrao Mirpurkhas	Division,	04	2011-12	--do--	2.32
			06	2011-12	--do--	1.07
15.	Begari Bund	division,	05	2011-12	--do--	1.58
16.	Research Karachi	Division,	11	2011-12	--do--	1.44
			01	2011-12	--do--	1.38
17.	Mithrao Mirpurkhas	Division,	10	2011-12	--do--	0.44
18.	Shahbaz Sehwan	Division,	07	2011-12	--do--	0.06
19.	Small Dam Kohistan-II, Jamshoro	Div.,	01	2012-13	Non- depositing Call deposits	5.40
20.	Tube Well NausheroFeroze	Div.,	01	2012-13	Non- depositing Call deposits	1.95
21.	Right Bank Tube Well Div., Ratodero		02	2012-13	Non- depositing Call deposits	1.42
Total						191.66

Annexure-6

19.4.13 Non-Recovery of Government Revenue – Rs80.43 million

Rupees in million

Sr. #	Name of Formation	Para No.	F. Year	Particular of recovery	Amount
01.	Central Sindh Mechanical Division, Jamshoro	10,13, 14,15, 33 & 44	2012-13	Flood Surcharge, Income Tax, security deposit, GST & stamp duty	16.30
02	Mechanical Division, Guddo Barrage, Sukkur	01	2012-13	Various government dues	4.27
03.	Barrage Division, Sukkur	02	2012-13	5% less deduction of Security deposit	3.64
		10	2012-13	Non recovery of conveyance allowance	0.25
04.	Lower Sindh Mechanical Division, Jamshoro	04	2012-13	Government dues	3.10
05.	Small Dam Division, Nagarparkar	07	2012-13	Short deduction of security deposit	2.99
		09	2012-13	Professional Tax	0.04
06.	Tube Well Division, Hala-0I	08	2012-13	Short deduction of security deposit	2.54
07	North Dadu Drainage Division, Larkana	03	2012-13	Short gov receipt	0.43

Sr. #	Name of Formation	Para No.	F. Year	Particular of recovery	Amount
08	Upper pinyari Division, Hyderabad	02	2012-13	--do--	0.36
09.	Sakro Division, MirpurSakro	01	2012-13	Electricity Charges from employees who are resident in colony's houses	0.14
10.	East Division, Khairpur	02	2012-13	Less deduction of Income Tax	0.11
11	Tube well division, Khairpur	01	2012-13	Professional tax	0.04
12.	Managing Director, SIDA, (Grant in Aid)	03	2011-12	Less / non deduction of Income Tax	1.33
13	Research Division, Karachi	07	2011-12	Non deduction of security deposit	0.35
		09	2011-12	Non deduction of Professional Tax	0.08
14.	Director AWB Ghotki	02	2011-12	60% share of Abiana from FOs	9.53
		03 & 06		Water charges	1.58
15.	Director AWB Left Bank, Hyderabad	01,03&04	2012-12	Non recovery of Abiana	0.56

Sr. #	Name of Formation	Para No.	F. Year	Particular of recovery	Amount
16.	Jamrao Division, Mirpurkhas	02	2011-12	60% share of Abiana from FOs	4.11
		05		Water charges against Town committees	1.34
17.	Mithrao Division Mirpurkhas	02	2011-12	60% share of Abiana from FOs	2.82
		01	2012-13	Short recovery of Abiana	9.34
		10		Water charges against Town committees	0.13
18.	KalriBaghar Division, Thatta	08	2011-12	Water charges against various consumers	0.53
		08	2012-13	-do-	1.80
19.	Executive Engineer, B.S. Feeder Division, Kashmore	07	2012-13	Less/Non fixing of Stamp Duty	1.04
20.	Executive Engineer, Drainage Division, Mirpurkhas	12		Less/Non fixing of Stamp Duty	0.87
21.	Executive Engineer, Small Division, Kohistan-II, Jamshoro	05	2012-13	Less/Non fixing of Stamp Duty	0.76
22.	Executive Engineer, Lower Pinyari Division, Sujawal	04	2012-13	Less/Non fixing of Stamp Duty	0.45

Sr. #	Name of Formation	Para No.	F. Year	Particular of recovery	Amount
23.	Executive Engineer, Tube Well Division, NaushahroFeroze	10	2012-13	Less/Non fixing of Stamp Duty	0.19
24.	Executive Engineer, Tube Well Division, Hala-I	04	2012-13	Less/Non fixing of Stamp Duty	0.18
25.	Executive Engineer, West Division, Khairpur	09	2012-13	Less/Non fixing of Stamp Duty	0.16
26.	Executive Engineer, Drainage Division, Larkana	10	2012-13	Less/Non fixing of Stamp Duty	0.12
27.	Executive Engineer, Rice Canal Division, Larkana	07	2012-13	Less/Non fixing of Stamp Duty	0.09
28.	Executive Engineer, Begari Division, Jacobabad	07	2012-13	Less/Non fixing of Stamp Duty	0.06
29.	Executive Engineer, Mithrao Division, Mirpurkhas	12		Less/Non fixing of Stamp Duty	0.08
30.	Project Director, Bhambha Right Bank Region, Larkana	14	2011-12	Less/Non fixing of Stamp Duty	0.78
31.	Jamrao Division, Mirpurkhas	12	2011-12	Less/Non fixing of Stamp Duty	0.08
32.	Shahbaz Division, Sehwan	06	2011-12	Less/Non fixing of Stamp Duty	0.06
33.	Executive Engineer, AkramWah Division, Badin	03	2012-13	Shrinkage allowance on earth work	1.72
34.	Executive Engineer, Drainage Division, Sanghar	10	2012-13	--do--	0.41

Sr. #	Name of Formation	Para No.	F. Year	Particular of recovery	Amount
35.	Executive Engineer, Chotiari Reservoir I Division, Sanghar	01	2012-13	--do--	0.39
36.	Executive Engineer, Rice Canal Division, Larkana	05	2012-13	Shrinkage allowance on earth work along Raj Wah branch	0.36
37.	Executive Engineer, Rohri Division, Moro	01	2012-13	Shrinkage allowance on total quantity of earth work	0.25
38.	Executive Engineer, Small Dam Division, Nagarparkar	02	2012-13	Shrinkage allowance on earth work, borrow pit excavation etc.	0.12
39.	Executive Engineer, Mithrao Irrigation Division, Mirpurkhas	11	2012-13	Shrinkage allowance on borrow pit excavation undressed lead up to 100ft ord. soil	0.09
40.	Executive Engineer, Upper Pinyari Division, Hyderabad	06	2012-13	Shrinkage allowance on earth work	0.02
41.	Jamrao Division, Mirpurkhas	11	2011-12	Shrinkage allow. on earth work.	0.23

Sr. #	Name of Formation	Para No.	F. Year	Particular of recovery	Amount
42.	Research Division, Karachi	04	2011-12	--do--	0.03
43.	Executive Engineer, Irrigation Dad Division, District Shaheed Benazirabad	03	2012-13	Non- deduction of amount on account of voids	4.22
Total					80.43

Chapter-21 Livestock & Fisheries Department

Annexure-1

21.4.1 Non-production of record – Rs34.70 million

Rupees in million

Sr. #	Name of Office	FY	Para #	Particulars	Amount
01	Deputy Director, Livestock, Shikarpur	2011-12	02	Monthly Payroll	13.25
02	Deputy Director Livestock, Jacobabad	2011-12	04	Monthly Payroll	7.10
03	Deputy Director Livestock, Jamshoro	2011-12	09	Bank Statement, Dead stock register & Medicine register	-
04	Deputy Director Poultry Production, Jamshoro	2011-12	02	Cash book, Reconciliation statement, Medicine register, Log book & TA/DA bill of Rs 133,931	-
05	Deputy Director (Fisheries), Thatta	2011-12	21	Various head of contingencies	0.96
06	Superintendent Livestock Development & Research Farm for Kundi Buffaloes, Rohri.	2012-13	05	Service Books	12.20
07	Sindh Poultry Vaccine Centre, Karachi	2012-13	03	Sales Tax Return	1.19
08	Deputy Director, Breed Improvement Center, Rohri	2012-13	01	Land & its utilization	-
Total					34.70

Annexure-2

21.4.3 Irregular expenditure without inviting open tenders - Rs 39.98 million

Rupees in million

Sr. #	Name of Office	Para #	Financial Year	Amount
01	Deputy Director, Livestock, Khairpur	01	2011-12	2.26
02	Deputy Director, Livestock, Umerkot	01	2011-12	0.10
03	Deputy Director, Poultry Production, Sukkur	07	2011-12	1.52
04	Director, Animal Breeding, Hyderabad	07	2011-12	0.45
05	Director, Animal Breeding, Hyderabad	01	2011-12	9.09
06	Deputy Director, Livestock, Badin	05	2011-12	2.78
07	Deputy Director (Fisheries), Thatta	07	2011-12	0.35
08	Assistant Director (Livestock & Animal Husbandry) Nara Canal @ Kotdiji	02	2012-13	0.93
09	Deputy Director (Fisheries), Thatta	14	2012-13	0.58
10	Deputy Director (Livestock & Animal Husbandry) Dadu	01	2012-13	2.19
	Sub Total			20.24
	Deputy Director, Livestock and Animal Husbandry, Tharparkar, (Non hosting the tenders on web site)	3	2011-12	14.63
	Sub total			14.63
	DD (Livestock & Animal Husbandry), Jamshoro	5	2011-12	1.27
	DD (Livestock & Animal Husbandry), Jamshoro	11	2011-12	0.57
	DD Breed Improvement Center, Rohri	3	2012-13	2.97
	DD (Livestock & Animal Husbandry), Matiari	4	2012-13	0.19
	Sub total			5.00
	Total			39.98

**Chapter-22 Local Government, Rural Development, PHE, HTP
Department**

Annexure-1

22.4.1 Non-production of record - Rs2,654.76 million

Rupees in million

SR #	Name of office	Para #	Particulars	Amount
01	XEN, PHE, Division, Thatta	05	Sales Tax invoice	2.73
02	XEN, PHE Division Thatta	06	PC-I	2.73
03	XEN, PHE Division Thatta	07	Vouchers	2.02
04	Secretary, PHE, Department Sindh Karachi	11	Non-Salary Vouchers	0.67
05	DG, Sehwan Development Authority Jamshoro	01	Record	2,000.00
06	Secretary, PHE Department Sindh Karachi	17	Non-Salary Vouchers	-
07	XEN, PHE Division	08	New appointment Cases	-
08	DG, Prov. Local Gov. Comm. Sindh ,Karachi	10	Recruitment Policy	-
			Sub Total	2,008.15
09	Executive Engineer Public Health Engineering Division, Shikarpur	10	Paid up challans	0.07
10	Executive Engineer, Public Health Engineering Division, Larkana	01	Audit & Inspection Report	432.76
			Sub Total	432.83
11	D.G Liyari Development Authority Karachi	07	Supporting vouchers	1.16
12	P.D/D.G Development Scheme SMBBT, Sindh	07	Supporting vouchers	0.35
13	Secretary Public Health Engineering Department, Karachi	25	Supporting vouchers	0.07
			Sub Total	1.58
14	Secretary Public Health Engineering Department, Karachi	13	Indent of repair & acknowledgement receipt	0.14

15	Executive Engineer Public Health Engineering, Thatta	08	Security deposit register	-
16	Executive Engineer Public Health Engineering, Thatta	11	Contractor Ledger	-
17	Director General, Sehwan Development Authority, Jamshoro,	05	Details of complete grant, bank statement showing the details of receipts & withdrawal thereof and cash book showing the details of adjustment.	212.06
			Sub Total	212.20
			Total	2,654.76

Annexure-2**22.4.2 Irregular expenditure without Tenders-Rs3,815.63 million**

Rupees in million

Sr. #	Name of offices	Para #	Particulars	Amount
01	Project Director, PMU Drinking Water Project Hub Phase-I Karachi	08	Non-hosting of tender on web site.	2444.70
02	Director General Sehwan Development Authority Jamshoro	12	Jungle clearance.	7.68
03	XEN, PHED, Matiari	01		19.62
			Sub total	2472.00
4	Project Director Liyari Development Authority	04	Appointments of employees without advertisements. (Payment of pay & allowances)	30.51
			Sub total	30.51
5	XEN, PHED, Naushahroferoze	04	Splitting up the sanction orders to avoid tenders.	1.30
6	XEN, PHED, Jacobabad	07		0.40
7	XEN, PHED, kandhkot	04		0.93
8	XEN, PHED, Matiari	15		0.44
				3.07
9	XEN, PHED, Kashmore @ Kandhkot	03		5.00
10	XEN, PHED, Jamshoro	06		34.40
11	Director General Sehwan Development Authority Jamshoro	02		1270.65
			Sub total	1,310.05
	Total			3,815.63

Annexure-3

22.4.4 Non imposition of penalty-Rs105.87

Rupees in million

Sr. #	Name of Divisions	Para#	Amount
01	XEN, PHE Division, Ghotki	11	4.16
02	XEN, PHE Division,Sanghar	08	0.36
03	XEN, PHE Division,Naushaharo Feroze	03	3.35
04	XEN, PHE Division,Kamber-Shadadkot	09	5.26
05	XEN, PHE Division,Thatta	10	1.31
06	XEN, PHE Division,Umerkot	02	0.05
07	XEN, PHE Division,Sukkur	06	3.37
08	XEN, PHE Division,Mirpurkhas	03	3.35
09	XEN, PHE Division,Kamber-Shahdadkot	03	1.09
10	XEN, PHE Division,Shaheed Benazirabad	04	34.63
11	PD,Malir, Kemari & Karachi Rural Package	01	4.10
12	PD,New Sindh Assembly Building Karachi	01	38.30
13	XEN, PHE Division,Karachi	05	3.07
14	XEN, PHE Division,Jacobabad	01	0.84
15	XEN, PHE Division,Kashmore	01	0.21
Sub Total			103.465
01	Executive Engineer,Public Health Engineering Division, Matiari	07	1.05
02	Executive Engineer,Public Health Engineering Division-I Hyderabad	08	0.54
03	Director General, Rural Development Sindh, Hyderabad	06	0.82
Sub Total			2.405
Grand Total			105.87

Annexure-4

22.4.5 Non-crediting of lapsed deposit-Rs312.83

Rupees in million

Sr. #	Name of Divisions	Para#	Amount
01	XEN, PHE, Division Shikarpur	07	6.17
02	XEN, PHE, Division, Sukkur	08	3.07
03	XEN, PHE, Division, Ghotki	10	3.06
04	XEN, PHE, Division, Ghotki	01	1.07
05	XEN, PHE, Division, Kamber-Shahdadt	05	0.09
06	XEN, PHE, Division, Sanghar	06	0.55
07	XEN, PHE, Division, Naushaharo Feroze	01	2.26
08	XEN, PHE, Division, Jacobabad	10	0.45
09	XEN, PHE, Division, Kashmore @ Kandhkot	07	0.18
10	XEN, PHE, Division, Jacobabad	03	15.69
Sub Total			32.59
11	Executive Engineer, Public Health Engineering, Division Sukkur	03	39.92
12	Executive Engineer, Public Health Engineering, Division, Matiari	02	8.41
13	Executive Engineer, Public Health Engineering, Division-I Hyderabad	02	14.05
14	Executive Engineer, Public Health Engineering, Division, Matiari	20	0.94
15	Executive Engineer, Public Health Engineering, Division, Badin	09	2.01
16	Executive Engineer, Public Health Engineering, Division, Shikarpur	09	0.07
17	Executive Engineer, Public Health Engineering, Division, Karachi	07	0.70
18	Project Director MPA Programme Sindh Karachi	08	1.20
19	Director General Rural Development department Sindh Hyderabad	08	212.94
Sub Total			280.24
Grand Total			312.88

Annexure-5

22.4.6 Non deduction/non-depositing government dues-Rs45.04 million

Rupees in million

Sr. #	Name of office	Para #	Particulars	Amount
01	Director General, Sehwan Development Authority, Jamshoro	07	Stamp duty	19.69
02	XEN, PHE, Division Sukkur	09	Stamp duty	0.20
03	XEN, PHE, Division Jacobabad	09	Stamp duty	0.05
04	XEN, PHE, Division Kashmore @ Kandhkot	06	Stamp duty	0.03
05	XEN, PHE, Division Dadu	04	Stamp duty	0.18
06	XEN, PHE, Division Karachi	04	Stamp duty	0.24
07	XEN, PHE, Division Naushaharo Feroze	08	Stamp duty	0.06
08	XEN, PHE, Division, Tharparkar @ Mithi	21	Stamp duty	0.02
09	PD, Shaheed Mohtarma Benazir Bhutto Township in Sindh Kar.	03	Stamp duty	0.53
10	Project Director Malir, Kemari & Karachi Rural Package Karachi	13	Stamp duty	0.06
11	Project Director Lyari Development Package Karachi	07	Stamp duty	0.10
12	XEN, PHE, Division, Mirpurkhas	09	Stamp duty	0.03
13	XEN, PHE, Division, Kamber-Shahdadkot	04	Stamp duty	0.07
14	Project Director, PMU Drinking Water Project Hub Phase-I Kar.	17	Stamp duty	2.74
Sub Total				23.98
01	Secretary, PHE Department Karachi	23	Income tax	0.01
02	XEN, PHE Division Thatta	01		2.33
03	DG, Sehwan Development Authority	13		6.34
04	XEN, PHE Division Kamber-Shahdadkot	07		0.09
Sub Total				8.76
01	XEN, PHE, Division, N. Feroze	11		0.05

02	XEN, PHE, Division, Jacobabad	02		1.53
Sub Total				1.59
01	XEN, Public Health Engineering Division, Thatta	04	Sales Tax	0.44
02	Secretary, Public Health Engineering Department Karachi	24	Sales Tax	0.06
03	XEN, Public Health Engineering Division, Badin	08	Sales Tax	1.89
04	Director General Lyari Development Authority Karachi	08	Sales Tax	1.83
05	P.D/D.G Development Scheme SMBBT Sindh	09		0.09
Sub Total				4.31
01	Executive Engineer, Public Health Engineering, Division, Matiari	17	Shrinkage	0.07
Sub Total				0.07
01	Director General, Lyari Development Authority Karachi	12	Stamp duty	0.12
02	Director General, Rural Development department Sindh, Hyderabad	04	Stamp duty	0.12
Sub Total				0.23
1	Executive Engineer, Public Health Engineering Division, Matiari	18		0.10
2	XEN, Public Health Engineering Division-I Hyderabad	10		0.11
3	Project Director, Development Scheme SMBBT Karachi	10		0.07
Sub Total				0.27
01	Secretary Public health Engineering Department Karachi	10	Conveyance Allowance	0.16
Sub Total				0.16
3.	Director General, Sehwan Development Authority Jamshoro	14	Interest on mobilization advance	5.66
Sub Total				5.66
Grand Total				45.04

Chapter-23 Mines and Minerals Department

Annexure-1

23.4.1 Non-recovery of outstanding government dues – Rs207.73 million

Rupees in million

S. #	Observations	Para #	Amount
1.	Royalty collection was not recovered from various contractors.	02	84.79
2.	Penalty was not recovered from contractors due to delay in depositing receipts.	09	52.21
3.	Security deposits and advances were not forfeited from contractors due to not depositing the instalments timely.	10	39.76
4.	Initial amount was not receipted immediately from M/s. Ali Builders after accepting the bid and awarding contract.	30	9.17
5.	Income tax was not deposited by contractors into government account.	31	20.72
6.	Stamp duty was not/less affixed on contract agreement from contractors or person(s) responsible for recovery.	32	1.08
		Total	207.73

Annexure-2**23.4.2 Irregular award of Contract – Rs454.55 million**

Rupees in million

S. #	Name of Contractor	Observations	Para #	Amount
1.	M/s. Shewak Babu	Loss due to less receipt against reserved price was sustained by the government due to awarding contracts to sitting contractors instead of re-tendering for collection of royalties.	01	5.40
2.	M/s. Zaver Contractor	The contract for collection of royalties was awarded without calling open auction through newspapers. The income tax @ 5% was not deposited by the contractor.	05	5.81
3.	M/s. Allah Bux Broghi M/s. Ali Builders M/s. Syed & Co. M/s. Mohammad Ibrahim Thaheem M/s. Shewak Babu M/s. Mureed Hussain Wasan M/s. Roshan Din Rajput	Formal agreement for collection of royalties was not executed between government and these contractors.	11	442.14
4.	Various Contractors	The leases were awarded without calling tender and bidding process against SPPRA rules.	33	1.20
Total				454.55

Chapter-25 Planning & Development Department

Annexure-1

25.4.1 Non production of record – Rs1,074.55 million

Rupees in million

Name of Office	Para #	Details of record not produced	Amount
Project Management Unit of Sindh Coastal Community Development Project (SCCDP)	12	The record of selection process, details of tender process, company registration and complete profile along with approval of donor agency & record to the adjustment of advance.	1.22
Director Programme Monitoring Unit Sindh Growth and Rural Reutilization Programme.	01 to 23	Complete auditable record	1,040.43
Project Management Unit of Sindh Coastal Community Development Project (SCCDP)	10	<u>Mangroves and new plantation</u> 544911/27/08/11New Planting	5.40
		544911/27/08/11Raising Mangroves	1.25
		544911/27/08/11New Planting	5.40
		544911/27/08/11Raising mangroves	1.25
		9248588/6/8/11New Planting	5.65
		9248588/6/8/11Raising mangroves	5.65
Secretary Planning and Development Department, Government of Sindh, Karachi.	13	<u>For the year 2009-10 to 2011-12</u> Tender documents of Machinery & equipment procurement. Copy of agreement, stock register, registers, registration certificates from income tax and sales tax.	3.93
Secretary Planning and Development Department	18	<u>Repair and Renovation</u> Details of tendering process, estimates, NOC, Progress report, registration Certificates	4.37
Total			1,074.55

Chapter-26 Population Welfare Department

Annexure-1

26.4.1 Non production of record - Rs3.69 million

Rupees in million

S.No	Name of office	Para #	Details of record not produced	Amount
01	RHA Center Naushahro Feroze	06	Service books of staff were not produced	3.28
02	DPWO, Umerkot	06	LPC, transfer orders, notification, pay slips were not produced	0.36
03	RHS 'A' Centre JPMC Hospital Karachi	13	Documentary evidence regarding payment to Gynaecologist	0.05
04	District Population Welfare Office Sukkur	02	Detail of medicines received from provincial head quarter and director tore and supplier Karachi	0
05	DPWO, Mithi	07	Record pertaining to new appointment, approval from competent authority, copy of advertisement, appointment Procedure, personal files, Selection committee details, recommendations/ Endorsement of Secretary, Service Books, Medical fitness certificate, Police verification and Degree verification were not produced.	0
06	DPWO, Noushero Feroze	08		
07	DPWO, Umerkot	09		
08	RHS 'A' Lyari General Hospital Karachi	03		
09	RHS 'A' Police Hospital Karachi	05		
Total				3.69

Chapter-34 Works & Services Department

Annexure-1

34.4.1 Non-production of record – Rs2,493.75 million

Rupees in million

Sr. #	Name of Office	Year	Para #	Amount
01	PD, Sindh Road Sector Development Program, Hyderabad (Bank Reconciliations/ Supporting vouchers)	2012-13	11 & 12	1,290.07
02	XEN District Roads Division Sukkur	2012-13	13	675.68
03	XEN Building Division MirpurMathelo	2011-12	01 & 07	63.98
04	XEN District Roads Division Sukkur (PC-I, MBs, Agreements, bills etc)	2012-13	19	40.00
05	XEN Building Division Shikarpur (Case files/MBs/paid challans)	2012-13	17,27 & 28	33.82
06	XEN, Highway Div. Kashmore @ Kandhkot	2012-13	30	15.59
07	XEN Prov. Building Div. Larkana	2012-13	12	7.60
08	XEN Highway Division Mirpurkhas (Measurement Books)	2012-13	03	6.17
09	XEN Building Division Sanghar (complete appointments record)	2012-13	04	-
10	PD Special Economic Zone Khairpur (voucher not provided)	2012-13	07	3.00
11	PD Special Economic Zone Khairpur	2012-13	11	1.50
12	XEN Building Division Khairpur (receipt challans)	2012-13	13	-
13	Secretary, Works & Services Department, Government of Sindh, Karachi(copies of cheques, acknowledgement receipt and other relevant documents including evidence of employment of deceased)	2012-13	14	13.50
14	Project Director, Khairpur Special Economic Zone (contractor bill and measurement book)	2012-13	14	208.07

15	Project Director, Khairpur Special Economic Zone (land award statement and disbursement account)	2012-13	08	22.00
16	Executive Engineer, Education Works Division, Dadu (land award statement and disbursement account)	2012-13	05	2.50
17	Resident Engineer, Sindh House, Islamabad	2012-13	01	34.54
18	Resident Engineer, Sindh House, Islamabad (Indenture bond & consumption report)	2012-13	04	2.40
19	Resident Engineer, Sindh House, Islamabad (Sanction of B-1 agreement)	2012-13	05	13.98
20	Resident Engineer, Sindh House, Islamabad (Certificate of Cheque measurement)	2012-13	06	58.61
21	Resident Engineer, Sindh House, Islamabad (Completion Report)	2012-13	07	0.76
Total				2,493.75

Annexure-2**34.4.2 Non imposition of penalty on delayed work – Rs685.26 million**

Rs in million

Sr. #	Name of Divisions	Year	Para #	Amount
1.	Project Director, Japanese Assisted Rural Road Construction Project-II (Sindh), Hyderabad	2011-12	03	234.27
2.	Project Director, Sindh Road Sector Development Program, Hyderabad	2012-13	03	140.83
3.	Project Director, Hyderabad Development Package	2012-13	05	47.48
4.	Executive Engineer Highway Division, Ghotki	2012-13	03	45.00
5.	Provincial Highway Division, Mithi	2012-13	01	27.93
6.	XEN, Highway Division, Kamber Shahdadkot	2012-13	07	25.32
7.	XEN, Building Division, Thatta	2011-12	06 & 15	22.25
8.	XEN Education Works Division, Larkana	2012-13	07	10.60
9.	Education Works Division, Mithi	2012-13	03	9.06
10.	XEN, Provincial Building , Division Tando Muhammad Khan	2012-13	04	8.47
11.	XEN, District Roads Division, Larkana	2012-13	11	7.86
12.	XEN Education Works Division, NaushahroFeroze	2012-13	04	7.56
13.	XEN, Roads Division, Mattiari	2012-13	05	5.46
14.	XEN District Highways Division, Tharparkar @ Mithi	2012-13	04	4.71
15.	XEN, Highway Division, Jacobabad	2012-13	01	4.64
16.	Executive Engineer Provincial Building Division ,Sukkur	2012-13	05	4.32
17.	XEN District Roads Division, Sukkur	2012-13	14	3.32
18.	XEN, Education Works Division, Mattiari		04	3.25
19.	XEN, Roads Division, Khairpur	2012-13	03	3.10
20.	XEN, District Highway Division, Thatta	2011-12	05	2.97
21.	XEN, Building Division, Kamber-Shahdadkot	2011-12	03	2.97

22.	XEN, Education Works Division, Naushahroferoze	2011-12	11	2.95
23.	XEN, Building Division, Umerkot	2011-12	08	2.77
24.	XEN, Education Works Division, Thatta	2012-13	05	2.77
25.	XEN Building Division, TandoAllahyar	2011-13	04	2.56
26.	Executive Engineer Highway Division, Umerkot	2012-13	03	2.33
27.	Executive Engineer Education Works Division, Dadu	2012-13	02	2.25
28.	XEN, Highway Division, Umerkot	2011-12	08	2.12
29.	Executive Engineer Building Division, Tando Muhammad Khan	2012-13	08	1.63
30.	XEN Provincial Building Division, Larkana	2012-13	05	1.62
31.	XEN, Education Works Division, Tando Muhammad Khan	2012-13	03	1.56
32.	XEN, District Highway Division, Badin	2011-12	03	1.45
33.	XEN, Education Works Division, Kamber-Shahdadkot	2011-12	03	1.23
34.	XEN, Building Division Jacobabad	2011-12	05	1.20
35.	XEN, District Education Works Division, Thatta	2012-13	02	1.18
36.	XEN Building Division, Shikarpur	2011-12	06	1.10
37.	XEN, Provincial Highway Division, Dadu	2011-12	04	1.06
38.	XEN Highway Division, Sanghar	2011-12	02	1.04
39.	XEN, Education Works Division, Dadu	2011-12	04	0.93
40.	XEN District Highways Division, Thatta	2012-13	08	0.83
41.	D.O Roads, Tando Muhammad Khan	2012-13	04	0.80
42.	XEN Building Division, Badin	2011-12	08	0.78
43.	XEN, Provincial Highway Division, Sukkur	2011-12	01	0.77
44.	XEN, Education Works Division, Badin	2012-13	03	0.76
45.	XEN Electrical Energy-II, Division, Karachi	2012-13	08	0.75
46.	XEN Building Division Larkana	2012-13	04	0.63
47.	XEN Building Division-II Karachi	2011-12	04	0.26
48.	XEN Electrical Energy-I, Division Karachi	2012-13	06	0.16
49.	XEN Education Works Division, Jamshoro	2012-13	04	0.11
50.	XEN, Dist. Edu. Works Division Badin	2011-12	01	0.05

51.	XEN Building Division, Khairpur	2012-13	12	7.14
52.	Executive Engineer, Provincial Highway Division, Sukkur	2012-13	01	4.70
53.	Executive Engineer, Education Works Division-I, Karachi	2012-13	01	3.37
54.	Executive Engineer Highway Division, Sanghar	2012-13	01	2.22
55.	XEN provincial Highway Division Hyderabad	2012-13	03	2.09
56.	XEN provincial Building Division Hyderabad	2012-13	04	2.02
57.	XEN Education Works Division Hyderabad	2012-13	03	1.23
58.	Executive Engineer, Education Works Division-III, Karachi	2012-13	01	1.04
59.	Executive Engineer, Provincial Highway Division, Dadu	2012-13	03	0.87
60.	Executive Engineer, Education Works Division-II, Karachi	2012-13	01	0.61
61.	XEN Building Division Mirpurkhas	2012-13	09	0.61
62.	XEN District Building Division, Hyderabad	2012-13	05	0.36
Total				685.26

Annexure-3**34.4.3 Non-adjustment of advances - Rs157.76 million**

Rupees in million

Sr.No.	Name of offices	Year	Para No.	To whom paid	Amount
1.	Executive Engineers Buildings Division Badin	2011-12	01	SSGC	120.00
2.	XEN, Building Division Kamber, Shahdadt	2011-12	10	SEPCO & SSGC	20.07
3.	XEN Education Works Division Larkana	2012-13	11	Advance payment to contractor.	8.44
4.	XEN Highway Division Kashmore at the rate of Kandhkot	2012-13	02	Other Misc.	3.20
5.	XEN, Education Works, Dadu.	2011-12	06	Director Information & Deputy Director Planning & Development Dept.	2.89
6.	XEN Electrical Energy-I Karachi	2012-13	04	KESC	2.09
7.	XEN Highway Division Mirpurkhas	2012-13	01	Against CC Work	0.94
8.	XEN, Provincial Building Division Thatta	2012-13	11	Against contractors/officials	0.13
Total					157.76

Annexure-4**34.4.4 Non-recovery of Government dues – Rs63.03 million**

Rupees in million

Sr. #	Name of office	Year	Para #	Description of recovery	Amount
1.	XEN, Highway Division, Kamber-Shahdadkot	2012-13	02 & 03	Stamp duty	18.48
2.	Project Director, Sindh Road Sector Development Program, Hyderabad	2012-13	09	Stamp duty	7.20
3.	Project Director Sukkur Development Package	2011-12	03,04, 10,14	Stamp duty	1.78
4.	XEN, Building Division Kamber-Shahdadkot	2011-12	07	Stamp duty	0.80
5.	XEN Machinery & Maintenance Division Hyderabad Digri @ Kotdigi	2012-13	09	Stamp duty	0.69
6.	XEN, Provincial Highway Division Thatta	2012-13	10	Stamp duty	0.66
7.	Project Director, Hyderabad Development Package	2012-13	03	Stamp duty	0.66
8.	XEN, Provincial Highway, Mithi	2012-13	09	Stamp duty	0.66
9.	XEN, Provincial Highway Division, Sukkur	2011-12	04	Stamp duty	0.62
10.	Executive Engineer Highway Division, Ghotki	2012-13	06	Stamp duty	0.35
11.	XEN, Highway Division, Umerkot	2011-12 2012-13	06 12	Stamp duty	0.33
12.	XEN Machinery & Maintenance Division, Khairpur	2012-13	03	Stamp duty	0.32
13.	XEN Build. Div. III, Kar.	2012-13	04	Stamp duty	0.27
14.	XEN, Dist. High. Div., Thatta	2011-12 2012-13	11 11	Stamp duty	0.27
15.	XEN, Edu. Works Div, Mithi	2012-13	07	Stamp duty	0.24

Sr. #	Name of office	Year	Para #	Description of recovery	Amount
16.	XEN, Highway Division, Jacobabad	2011-12 2012-13	03 04	Stamp duty	0.23
17.	XEN, Education Works Division, Thatta	2012-13	03	Stamp duty	0.23
18.	XEN Provincial Building Division, Mirpurkhas	2011-12	04	Stamp duty	0.18
19.	XEN, Building Division, Jacobabad	2011-12	21	Stamp duty	0.18
20.	XEN, District Highway, Tharparkar	2012-13	10	Stamp duty	0.18
21.	Executive Engineer Education Works Division, Dadu	2012-13	03	Stamp duty	0.17
22.	XEN Education Works Division, Hyderabad	2011-12	08	Stamp duty	0.17
23.	Executive Engineer Building Division, Tando Muhammad Khan	2012-13	02	Stamp duty	0.13
24.	XEN, Building Division, Umerkot	2011-12	13	Stamp duty	0.12
25.	XEN, District Education Works Division, Sukkur	2012-13	03	Stamp duty	0.10
26.	XEN, Provincial Highway Division, Sukkur	2011-12	12	Stamp duty	0.09
27.	Executive Engineer Education Works Division, Shikarpur	2012-13	02	Stamp duty	0.09
28.	D.O Roads, Tando Muhammad Khan	2012-13	10	Stamp duty	0.07
29.	XEN Education Works Division, Jamshoro	2012-13	05	Stamp duty	0.07
30.	Executive Engineer Provincial Building Division, Sukkur	2012-13	03	Stamp duty	0.07
31.	XEN, Edu. Works Div., Kamber-Shahdadkot	2012-13	01	Stamp duty	0.06

Sr. #	Name of office	Year	Para #	Description of recovery	Amount
32.	XEN Building Div: II Karachi	2011-12	09	Stamp duty	0.04
33.	XEN, Provincial Highway Division, Dadu	2011-12	02	Stamp duty	0.03
34.	XEN, Highway Division, Mirpurkhas	2012-13	07	Stamp duty	0.02
35.	XEN Building Div:, Sanghar	2012-13	02	Stamp duty	0.01
36.	Executive Engineer, Building Division, Umerkot	2011-12	11	Professional tax	0.29
37.	Executive Engineer, Education Works Division, Dadu	2011-12	05	Professional tax	0.28
38.	Executive Engineer, Education Works Division, NaushahroFeroze	2011-12	02	Professional tax	0.22
39.	Executive Engineer, Highway Division Umerkot	2011-12	11	Professional tax	0.20
40.	XEN, District Highway, Tharparkar	2012-13	11	Professional tax	0.17
41.	XEN Building Division, Shikarpur	2012-13	19	Professional tax	0.13
42.	XEN Education works Division, Hyderabad	2011-12	09	Professional tax	0.08
43.	XEN, Education Works Division Mithi	2012-13	09	Professional tax	0.04
44.	XEN Electrical Energy-I, Karachi	2012-13	03	Professional tax	0.04
45.	CE/PD Estab. of 300 bedded Children Hospital, Nawabshah Development Package @ Hyd.	2011-12	08	Professional tax	0.03
46.	CE/PD, Nawabshah Development package, Hyd.	2011-12	08	Professional tax	0.03

Sr. #	Name of office	Year	Para #	Description of recovery	Amount
47.	XEN Provincial Building Division, Larkana	2012-13	02	Secured Advance	9.90
48.	XEN Education Works Div. TM Khan	2012-13	09	Secured Advance	1.50
49.	XEN Building Division Tando Allahyar	2012-13	07	Secured Advance	1.04
50.	XEN District Education Works Division, Thatta (Electricity Charges)	2011-12	04	Income tax and electricity charges	1.15
51.	Project Director, Sindh Road Sector Development Program, Hyderabad (I.T)	2012-13	01	Income tax and electricity charges	0.60
52.	XEN, Highway Division Kamber-Shahdadkot	2012-13	06	Shrinkage Allowance	3.33
53.	Chief Engineer/Project Director, Establishment of 300 bed children Hospital, Nawabshah Development Package at Hyderabad	2011-12	06	Shrinkage Allowance	1.39
54.	XEN, Highway Division Ghotki	2012-13	10	Shrinkage Allowance	1.28
55.	XEN, Highway Division Kashmore @ Kandhkot	2012-13	05	Shrinkage Allowance	0.78
56.	XEN, Highway Division, Umerkot	2011-12 & 2012-13	08 & 10	Shrinkage Allowance	0.67
57.	XEN, Roads Division Mattiari	2012-13	21	Shrinkage Allowance	0.58
58.	XEN, Roads Division Khairpur	2012-13	06	Shrinkage Allowance	0.39
59.	XEN, Roads Division Sukkur	2012-13	11	Shrinkage Allowance	0.30
60.	XEN, build. Div. Larkana	2012-13	05	Shrink. All.	0.27
61.	XEN, High. Div. Tharparkar	2012-13	09	Shrinkage Allowance	0.24
62.	XEN Build. Div. Shikarpur	2012-13	21	Shrinkage Allowance	0.22

Sr. #	Name of office	Year	Para #	Description of recovery	Amount
63.	XEN, Buildings Division, Badin	2011-12	10	Shrinkage Allowance	0.22
64.	XEN, Highway Division Jacobabad	2012-13	02	Shrinkage Allowance	0.19
65.	XEN, Roads Division Larkana	2012-13	06	Shrinkage Allowance	0.17
66.	XEN, Highway Division Thatta	2012-13	12	Shrinkage Allowance	0.10
67.	XEN, Education Works Division Naushehroferoze	2011-12	05	Shrinkage Allowance	0.10
68.	XEN, Buildings Division Jacobabad	2011-12	08	Shrinkage Allowance	0.10
69.	Secretary, Works & Services Department, Government of Sindh, Karachi	2012-13	08 & 09	House rent & Conveyance Allowance was not deducted from the pay of the officers/officials availing facilities of hiring and government vehicle	1.42
70.	Resident Engineer, Sindh House, Islamabad	2012-13	12	Stamp Duty	0.06
Total					63.03

Annexure-5**34.4.5 Non Deposit of government dues – Rs1,196.43 million**

Rupees in million

Sr. #	Name of offices	Year	Para #	Description	Amount
1.	XEN Education works Division, Hyderabad	2011-12	10	Income Tax & other charges	51.36
2.	XEN Provincial Highway Division, Sukkur	2011-12	11	Income Tax & other charges	11.67
3.	XEN, Roads Division, Larkana	2012-13	03	Income Tax & other charges	9.89
4.	XEN Education Works Division, Thatta	2011-12	10	Income Tax & other charges	6.37
5.	XEN Education Works Division, Jamshoro	2012-13	03	Income Tax & other charges	4.77
6.	XEN, Education Works Division, Larkana	2012-13	03	Income Tax & other charges	4.31
7.	XEN Building Division-II Karachi	2011-12	10	Income Tax & other charges	3.73
8.	XEN Building Division Shikarpur	2012-13	16 & 18	Income Tax & other charges	3.41
9.	XEN District Highway Division, Badin	2011-12	01	Income Tax & other charges	1.84
10.	XEN Highway Division, Kashmore @ Kandhkot	2012-13	22	Income Tax & other charges	0.62
11.	XEN District Education Works Division Badin	2011-12	06	Income Tax & other charges	0.37
12.	XEN Provincial Highway Division, Dadu	2011-12	09	Income Tax & other charges	0.27
13.	XEN District Highway Division, Badin	2011-12	06	Income Tax & other charges	0.04
14.	XEN, District Highway Division, Thatta	2011-12 2012-13	01,03 & 05	Lapsed deposit	61.14
15.	XEN, Highway Division, Kamber-Shahdadkot	2012-13	11 & 12	Lapsed deposit	49.29

Sr. #	Name of offices	Year	Para #	Description	Amount
16.	D.O Roads T.M Khan	2011-12 2012-13	08 & 09	Lapsed deposit	48.83
17.	XEN, Highway Division, Umerkot	2011-12 2012-13	01,03 & 07	Lapsed deposit	44.45
18.	XEN, Provincial Building Division Larkana	2012-13	09	Lapsed deposit	42.93
19.	XEN, Building Division, Jacobabad	2011-12 2012-13	14 & 20	Lapsed deposit	39.40
20.	XEN Machinery & Maintenance Division Hyderabad Digri @ Kotdigi	2012-13	03	Lapsed deposit	28.66
21.	XEN Electrical Energy-II, Division Karachi	2011-12 2012-13	05 & 06	Lapsed deposit	28.40
22.	XEN, District Highway Division Thatta	2012-13	01	Lapsed deposit	26.97
23.	XEN Electrical Energy-I, Division Karachi	2011-12 2012-13	01 & 07	Lapsed deposit	23.40
24.	XEN, Edu. Works Div., Kamber-Shahdadkot	2011-12 2012-13	06 & 12	Lapsed deposit	19.54
25.	XEN, Building Division, Umerkot	2011-12	06	Lapsed deposit	15.16
26.	XEN, District Roads Division Sukkur	2012-13	01,02, 03 & 05	Lapsed deposit	14.94
27.	XEN, Building Division, Sanghar	2011-12	03	Lapsed deposit	9.61
28.	XEN, Building Division, Jacobabad	2011-12	13	Lapsed deposit	8.52
29.	XEN, Building Division T.M Khan	2012-13	10	Lapsed deposit	8.19
30.	XEN, High. Div., Ghotki	2012-13	01	Lapsed deposit	6.87
31.	XEN, Prov. Buil. Div. Thatta	2012-13	08	Lapsed deposit	3.70
32.	XEN, Edu. Works Div. Mattari	2012-13	11	Lapsed deposit	1.66

Sr. #	Name of offices	Year	Para #	Description	Amount
33.	XEN, Education Works Division, Thatta	2012-13	03	Lapsed deposit	1.47
34.	XEN, Education Works Division Mirpurkhas	2012-13	03	Lapsed deposit	1.17
35.	XEN, Education Works Division, NaushahroFeroz	2011-12	15	Lapsed deposit	1.16
36.	XEN, Building Division Sanghar	2011-12	01	Lapsed deposit	1.13
37.	XEN Education Works Shikarpur	2012-13	06	Lapsed deposit	1.10
38.	XEN, Building Division, Kamber-Shahdadt	2011-12	08	Lapsed deposit	1.00
39.	XEN, Roads Division Larkana	2012-13	04	Lapsed deposit	0.88
40.	XEN, Roads Division Mattari	2012-13	29	Lapsed deposit	0.75
41.	XEN, District Education Works Division Sukkur	2011-12 2012-13	06 & 10	Lapsed deposit	0.69
42.	XEN, Provincial Highway Division Mithi	2012-13	10 & 11	Lapsed deposit	0.63
43.	XEN, Highway Division Kashmore @ Kandhkot	2012-13	11	Lapsed deposit	0.09
44.	Executive Engineer, Education Works Division-II, Karachi	2012-13	07	Lapsed deposit	206.48
45.	Executive Engineer, Education Works Division-III, Karachi	2012-13	07	Lapsed deposit	110.42
46.	Project Director, Police & Prison Works Division, Hyderabad	2012-13	08	Lapsed deposit	98.47
47.	Executive Engineer, Provincial Highway Division, Sukkur	2012-13	11	Lapsed deposit	73.52
48.	XEN Provincial Highway Div. Hyd.	2012-13	09	Lapsed deposit	53.98

Sr. #	Name of offices	Year	Para #	Description	Amount
49.	XEN District Building Division Hyderabad	2012-13	01	Lapsed deposit	14.35
50.	XEN Building Division, Khairpur	2012-13	05	Income tax	48.51
51.	PD Special Economic Zone, Khairpur	2012-13	13	Sale proceeds	0.34
Total					1,196.43

Annexure-6**34.4.6 Irregular excess consumption of steel – Rs36.40 million**

Rupees in million

Sr .#	Name of Divisions	Year	Para #	Amount
1.	Chief Engineer/Project Director Establishment of 300 bed Children Hospital Nawabshah Development Package at Hyderabad	2011-12	03	32.65
2.	Executive Engineer, Building Division Badin	2011-12	06	1.51
3.	Executive Engineer, Education Works Division Mirpurkhas	2012-13	01	1.19
4.	Executive Engineer, Building Division-II Karachi	2011-12	07	0.53
5.	Executive Engineer, Highway Division Jacobabad	2012-13	07	0.40
6.	Executive Engineer, Education Works Division, NF	2011-12	14	0.11
7.	Executive Engineer, Provincial Building Division, Kamber	2011-12	04	0.01
Total				36.40

Annexure-7**34.4.7 Non-competitive bidding process – Rs303.54 million**

Rupees in million

Sr. #	Name of offices	Year	Para #	Nature of irregularity	Amount
01	XEN, Building Division Jacobabad	2011-12	10, 12 & 18	Tender in only one less circulated Sindhi Newspaper, “Sobh” made, whereas advertisement was not posted in SPPRA website	94.88
02	XEN, Building Division Shikarpur	2012-13	31	Tender not called	69.47
03	XEN, Highway Division Umerkot	2011-12	02	Tender were not posted in website of SPPRA	49.99
04	XEN, Building Division Umerkot	2011-12	03	Tender were not posted in website of SPPRA	30.00
05	XEN, Highway Division Badin	2011-12	05	No tendering process was observed	21.20
06	XEN, Works Division Thatta	2012-13	04 & 08	Tender not called	0.36
07	XEN District Roads Division, Larkana	2012-13	16	Work / purchase orders were split up to avoid the necessity for invitation of open tender and sanction of competent authority	18.65
08	XEN Machinery & Maintenance Division, Khairpur	2012-13	11	Work / purchase orders were split up to avoid the necessity for invitation of open tender and sanction of competent authority	2.78
09	XEN, Highway Division, Kashmore @ Kandhkot	2012-13	27	Work / purchase orders were split up	0.56

Sr. #	Name of offices	Year	Para #	Nature of irregularity	Amount
10	XEN Education Works Division-I, Karachi.	2012-13	05	Work / purchase orders were split up to avoid the necessity for invitation of open tender and sanction of competent authority	2.40
11	Resident Engineer, Sindh House, Islamabad	2012-13	03	hoisted results of bid evaluation report on the website of SPPRA	12.50
12	Resident Engineer, Sindh House, Islamabad	2012-13	08	Various Works	0.76
Total					303.54

Annexure-8**34.4.8 Excess execution of items of work – Rs27.13 million**

Rupees in million

Sr. #	Name of offices	Para #	Year	Amount
01	XEN Provincial Highway Division, Mithi	04	2012-13	7.76
02	XEN, Roads Division, Sukkur	06	2012-13	1.79
03	XEN, District Roads Division, Sukkur	12	2012-13	1.32
04	Provincial Building Division Thatta	02	2012-13	1.12
05	XEN Machinery & Maintenance Div. Khairpur	02	2012-13	0.58
06	XEN, Education Works Division, Mirpurkhas	02	2012-13	0.52
07	XEN Works Division Dadu	10	2012-13	0.30
08	XEN District Highways Division, Thatta	10	2012-13	0.22
09	XEN Electrical Energy-II Karachi	09	2012-13	0.20
10	XEN Education Works Division, Mithi	08	2012-13	0.13
11	XEN, District Roads Division Larkana	02	2012-13	0.13
12	PD Special Economic Zone Khairpur	15	2012-13	8.24
13	XEN Building Division Khairpur	01	2012-13	2.62
14	XEN Provincial Building Division Mirpurkhas	01	2012-13	2.21
Total				27.13

Annexure-9**34.4.9 Unauthorized expenditure on non-scheduled items – Rs169.81 million**

Rupees in million

Sr. #	Name of offices	Year	Para #	Description	Amount
01	XEN Building Division Shikarpur	2012-13	02	Non-scheduled items	2.70
02	XEN Highway Division Jacobabad	2012-13	08	Non-scheduled items	2.03
03	XEN Highway Div. Kashmore @ K/Kot	2012-13	11	Non-scheduled items	1.93
04	XEN Building Div: II Karachi	2011-12	02	Non-scheduled items	0.78
05	XEN Building Division TM Khan	2012-13	06	Non-scheduled items	0.64
06	XEN Education Works Div. Larkana	2012-13	10	Non-scheduled items	0.22
07	XEN Building Division Jamshoro	2011-12	02	Non-scheduled items	0.22
08	XEN Building Div: Kashmore @ K/Kot	2011-12	03	Non-scheduled items	0.17
09	Project Director, Sindh Road Sector Development Program Hyderabad	2012-13	08	Escalation Charges	52.81
10	XEN, Education Works Division Mattiari	2012-13	06 & 24	Escalation Charges	31.74
11	XEN, Education Works Division Sukkur	2012-13	04	Escalation Charges	5.18
12	XEN, Education Works Division Mattiari	2012-13	05	Escalation Charges	5.08
13	XEN District Roads Division Larkana	2012-13	01	Escalation Charges	3.87
14	XEN, Education Works Division T.M Khan	2012-13	04	Escalation Charges	3.50
15	XEN Provincial Highway Division Sukkur	2011-12	08	Escalation Charges	2.99

Sr. #	Name of offices	Year	Para #	Description	Amount
16	XEN Provincial Highway Division Mithi	2012-13	06	Escalation Charges	2.86
17	XEN Building Division Thatta	2011-12	01	Escalation Charges	2.73
18	XEN Provincial Highway Division Tharparkar	2012-13	07	Escalation Charges	1.47
19	XEN, Education Works Division Badin	2012-13	04	Escalation Charges	0.68
20	XEN District Highway Division Thatta	2011-12	08	Escalation Charges	0.40
21	XEN Building Division Thatta	2011-12	12	Escalation Charges	0.30
22	XEN Building Division, Mirpurkhas	2012-13	07	Escalation Charges	7.83
23	XEN District Building Division, Hyderabad	2012-13	02	Escalation Charges	4.58
24	XEN Building Division, Khairpur	2012-13	07	Escalation Charges	4.20
25	XEN Provincial Building Division, Mirpurkhas	2012-13	06	Escalation Charges	2.39
26	XEN Building Division Khairpur	2012-13	01	Non-scheduled items	28.53
Total					169.81

Annexure-10**34.4.10 Irregular excess payment on scheduled items – Rs151.54 million**

Rupees in million

Sr. #	Name office/DDO	Year	Para#	Description of excess payment on	Amount
01	XEN, Highway Division Kamber	2012-13	04 & 08	Cost of bitumen	28.52
02	XEN Highway Div. Kashmore	2012-13	17	Cost of bitumen	9.26
03	D.O Roads Tando Muhammad Khan	2012-13	01	Cost of bitumen	5.69
04	XEN Highway Division Jacobabad	2012-13	06	Cost of bitumen	3.92
05	XEN, District Roads Division Sukkur	2012-13	09	Cost of bitumen	2.95
06	XEN Highway Division Kashmore @ K/Kot	2012-13	37	Scheduled items	4.21
07	XEN Roads Division Khairpur	2012-13	07	Scheduled items	3.00
08	XEN Building Division Larkana	2012-13	09	Scheduled items	2.82
09	Project Director, Hyderabad Development Package	2012-13	02 & 07	Scheduled items	2.03 1.63
10	XEN Roads Division Mattiari	2012-13	26	Scheduled items	1.66
11	XEN District Education Sukkur	2011-12	05	Scheduled items	0.85
12	XEN Education Works Division, Jamshoro	2012-13	09	Scheduled items	0.46
13	XEN Building Division, Khairpur	2012-13	06	Scheduled items	148.22
14	XEN Provincial Building, Division Mirpurkhas	2012-13	02	Scheduled items	0.35
Total					151.54