Auditor-General of Pakistan

February 2026

Irum Gull
Assistant Audit Officer (IT)
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Audit Report on
Hyderabad Municipal Corporation
Government of Sindh
FY 2024-25

Report No: DGALGS-26-005
Audit Year 2025-26

Irum Gull
Assistant Audit Officer (IT)
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PREFACE

Articles 169 & 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 & 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor-General of Pakistan to conduct audit of expenditure and receipts of the Federation and the Provinces or the accounts of any authority or body established or under the control of the Federal or a Provincial government.

This report is based on audit of the accounts of Hyderabad Municipal Corporation, for the financial year 2024-25. The Directorate General Audit, Local Governments Sindh conducted audit during 2025-26 on a test check basis with a view to make an independent assessment of the entity and provide reliable information to the stakeholder for making sound decision making. The report also aims at improving the internal controls of the entity, thereby allowing the management to take corrective action and improve operational efficiency.

The Audit Report includes key facts about the entity, audit snapshot, findings on systemic issues, conclusion and recommendation for executive action. Audit findings indicate a number of matters related to stated roles & responsibilities of the entity, financial management, human resource management, procurement, operational processes, achievements of targets/KPI and digitization.

The report was share with the entity as well as the Principal Accounting Officer (PAO). Observations included in this report were finalized without written replies of the formation. DAC meetings were also not convened by the PAO despite repeated reminders.

The Audit Report is submitted to the Governor of Sindh in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973, read with Section 116 of the Sindh Local Government Act, 2013, for causing it to be laid before the Provincial Assembly of Sindh.

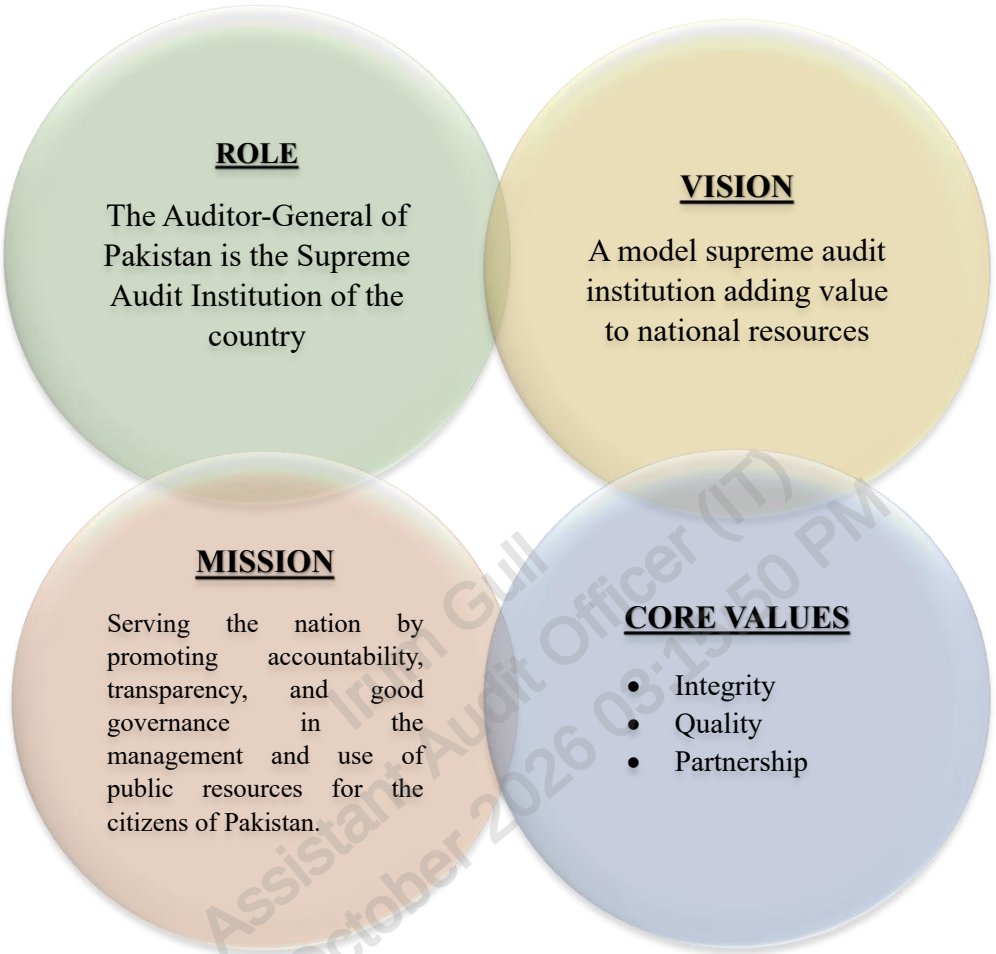
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Assistant Audit Officer (IT)
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Islamabad
Dated:

(Maqbool Ahmad Gondal)
Auditor-General of Pakistan

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Assistant Audit Officer (IT)
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Department of the Auditor-General of Pakistan



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Assistant Audit Officer (IT)
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The Auditor-General's organization is the prime institution in the country for ensuring public accountability and fiscal transparency in governmental operations. The organization aims to improve financial discipline and internal controls in the executive departments for minimizing the possibility of waste and fraud.

The Auditor-General of Pakistan is appointed under the Constitution of the country. The Auditor-General's reports are laid before the legislature and are discussed by the Public Accounts Committees of the respective Assemblies. The constitutional mandate enables the Auditor-General to strengthen legislative oversight by providing an independent and objective assessment of the process of governance at the federal, provincial and district level.

Irum Gull
Assistant Audit Officer (IT)
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AUDIT SNAPSHOT

Why did we do this audit?

- To verify compliance with the SLGA, 2013 and established provincial financial rules.
- To evaluate the effectiveness of financial management
- To examine implementation of procurment rules
- To measure the effectiveness in providing essential public services like sanitation and health.
- To assess risk management frameworks and internal record-keeping.
- To identify instances of waste, fraud, or mismanagement of public funds and assets.

What did we find?

- Municipal services, including waste management and public health facilities, were severely neglected.
- Significant outstanding dues remained unrecovered from commercial entities and residents
- Financial obligations and debts were created without proper budgetary approval
- Unearned overtime allowances and benefits were paid to staff
- Contracts were frequently awarded to unverified vendors or deliberately split
- Records for municipal property and physical assets were poorly maintained.

Key Assessment

- Chronic failure in service delivery stems from poor administration
- Oversight mechanisms are largely non-functional, allowing irregularities to go undetected.
- Weak Financial management
- Procurement laws are routinely ignored, creating a high risk for corruption and favoritism.
- The absence of a robust internal audit function lead to significant financial loss.
- Poor record-keeping

What did we recommend?

- Digitalize the revenue collection process to enforce strict recovery of outstanding dues.
- Prohibit the creation of liabilities outside the approved budget
- Mandate full compliance with SPPRA rules, ensuring all contracts are transparently bid and verified.
- Create and maintain a comprehensive, digital inventory of all municipal land, buildings, and equipment.
- Regular training for staff on financial regulations and establish an independent internal audit cel
- Implement third-party technical audits for all major development works to ensure value for money.

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Irum Gull
Assistant Audit Officer (IT)
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HIGHLIGHTS

Entity Summary Sheet – HMC (FY 2024-25)

Disclaimer: The financial information presented herein has not been independently verified, as Hyderabad Municipal Corporation financial statements have not been audited by an independent Chartered Accountant firm. Accordingly, the figures cited in this audit report are drawn from the data provided by management and are subject to adjustment upon completion of statutory audit.

Description	Details
Legal Framework of Entity	• Sindh Local Government Act, 2013 • Sindh Financial Rules • Delegation of Financial Powers Rules • Sindh Public Procurement Rules, 2010
Key Responsibilities/Mandate and Objectives	The objectives of Hyderabad Municipal Corporation (HMC) are to plan, regulate, and manage municipal services, ensure the provision and maintenance of essential civic functions, promote orderly urban development, and improve the quality of life for citizens.
Total Assets (Current/Long term)	Not provided
Total Liabilities (Current/Long term)	Rs 786.114 million
Income/Revenue (Own Resources)	Rs 161.404 million
Government Grants	Rs 2,796.034 million (OZT + Special Grant)
Receipts	Rs 2,957.438 million
Expenditure	Rs 3,655.714 million
Cash Balances	Not provided
Total Investments	Not provided
Funding Sources (Govt/Donor agency)	Government of Sindh
Total Allocations	Rs 5,607.544 million (Budget Book-2024-25)
Accounting policy	IPSAS (Cash)
Status of financial statements	Annual Statement of the Accounts not prepared and audited
Composite (risk) Rating (derived from audit finding to provide an at-a-glance summary of entity integrity and performance)	D (Due to non-preparation of Annual statement of the Account)
Compliance Status of audit recommendations	Awaited

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Irum Gull
Assistant Audit Officer (IT)
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Irfan Gul
Assistant Audit Officer (IT)
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Irum Gull
Assistant Audit Officer (IT)
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Abbreviations and Acronyms

AIR	Audit & Inspection Report
AMIS	Audit Management Information System
DAC	Departmental Accounts Committee
DGA	Director General Audit
F&A	Finance & Accounts
FBR	Federal Board of Revenue
FD	Finance Department
FY	Financial Year
GoS	Government of Sindh
HAD	Hyderabad Development Authority
HMC	Hyderabad Municipal Corporation
HRM	Human Resource Management
KPI	Key Performance Indicator
NOC	No Objection Certificate
OZT	Octroi Zila Tax
PAO	Principal Accounting Officer
PC-I	Planning Commission Form-I
PEC	Pakistan Engineering Council
POL	Petroleum, Oil and Lubricants
PWD	Public Works Department
SBCA	Sindh Building Control Authority
SCUG	Sindh Council Unified Grade
S&GAD	Services & General Administration Department
SFR	Sindh Financial Rules
SLGA	Sindh Local Government Act
SPPRA	Sindh Public Procurement Regulatory Authority
SRB	Sindh Revenue Board
SST	Sindh Sales Tax

Irfan Gul
Assistant Audit Officer (IT)
20 October 2020 03:15:50 PM

Irum Gull
Assistant Audit Officer (IT)
20 October 2026 03:15:50 PM

Overview of the Entity

Hyderabad Municipal Corporation (HMC) is the prime municipal authority responsible for governance, administration, and development of Hyderabad, the 2nd largest city of Sindh. The Corporation functions under the legal framework of the Sindh Local Government Act (SLGA), 2013, as amended from time to time, and is mandated to provide municipal services, regulate urban development, and ensure the socio-economic well-being of the citizens of Hyderabad. As per Sindh Local Government Act, 2013 had to be reinstated HMC by way of notification, which was not provided to audit.

HMC is entrusted with a wide range of civic and regulatory functions, including urban planning, construction and maintenance of arterial roads and infrastructure, water supply and drainage coordination, public health services, environmental protection, parks and recreation facilities, fire services, and management of municipal assets.

The governance structure of HMC comprises the Mayor as the elected head, assisted by the Deputy Mayor, while policy decisions are deliberated and approved by the Council. The administrative affairs of the Corporation are managed by the Municipal Commissioner, who acts as the principal executive officer and is responsible for implementing policies, managing day-to-day operations, and ensuring compliance with applicable laws, rules, and government instructions.

Organizationally, HMC operates through multiple departments, including General Administration Branch, Accounts Department, Taxation Department, Education Department, Social Welfare Department, Health & Solid Waste Department, Medical & Vaccination, Animal Husbandry, Fire Brigade, Building & Works Department, Planning Section & Information Section. Each department is headed by a Director, accountable for operational efficiency and financial discipline within their respective domains.

The financial framework of HMC consists of provincial government transfers, grants, development funds, own-source revenues such as taxes, fees, rents, and charges, and special-purpose funds for specific projects. The Corporation prepares annual budgets and development programs, which are subject to approval by the Council and relevant government authorities. Expenditure is governed by applicable financial rules, procurement regulations, and delegated financial powers.

HMC is responsible for maintaining proper financial records, internal controls, and asset management systems to ensure transparency, economy, and efficiency in the utilization of public resources. Accountability mechanisms include internal audit, departmental checks, and monitoring by supervisory authorities. External oversight is

Assistant Audit Officer (IT)
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exercised through audit by the Auditor-General of Pakistan, who examines the accounts and operations of the Corporation to assess compliance with laws, rules, and principles of financial propriety.

In view of the scale of operations, financial volume, and public service obligations, effective governance, robust internal controls, and timely implementation of audit recommendations are critical for enhancing service delivery and safeguarding public funds. The performance of HMC directly impacts urban management, public welfare, and sustainable development of Hyderabad.

Irum Gull
Assistant Audit Officer (IT)
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1. Stated Mandate, Role and Responsibilities

The Hyderabad Municipal Corporation (HMC) is the principal local government authority responsible for municipal governance and civic administration within the territorial limits of Hyderabad. Its mandate is derived from SLGA, 2013, under which it is entrusted with planning, regulation, development, and maintenance of municipal infrastructure and public services.

HMC is responsible for ensuring provision and management of core municipal services including sanitation, solid waste management, drainage, municipal roads, street lighting, public parks, playgrounds, and graveyards. The Corporation is also tasked with maintenance of municipal properties and infrastructure assets under its jurisdiction.

In addition to service delivery functions, HMC performs regulatory and enforcement responsibilities. These include approval and regulation of building plans in accordance with prescribed rules, removal of encroachments on public land, enforcement of municipal by-laws, and monitoring of commercial activities within municipal limits.

Financial management constitutes another key responsibility of HMC. The Corporation is required to assess, collect, and manage municipal revenues such as property tax (where applicable), fees, user charges, rents, and other local levies. It is responsible for preparation of annual budgets, maintenance of accounts, and ensuring transparent utilization of public funds for development and operational expenditures.

HMC also plays a developmental and planning role by identifying local infrastructure needs, preparing development schemes, executing municipal projects, and coordinating with provincial and federal agencies for urban improvement initiatives. Public welfare, environmental management, and improvement of urban living standards form the overarching objectives of its mandate.

Overall, the role of HMC is to act as the primary institution for municipal governance, ensuring efficient service delivery, regulatory compliance, financial accountability, and sustainable urban development within Hyderabad.

Nuh Gul
Assistant Audit Officer (IT)
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Role and Responsibilities of Hyderabad Municipal Corporation

- **Provision of Municipal Services**

  Responsible for sanitation, solid waste management, drainage, maintenance of roads and streets, street lighting, parks, playgrounds, and graveyards to ensure basic civic facilities for residents.

- **Infrastructure Maintenance and Development**

  Maintains municipal assets and executes development schemes aimed at improving urban infrastructure and public amenities within its jurisdiction.

- **Regulatory and Enforcement Functions**

  Enforces municipal by-laws, regulates building activities where applicable, controls encroachments, and monitors commercial activities to ensure lawful urban management.

- **Revenue Collection and Financial Management**

  Assesses and collects municipal taxes, fees, rents, and user charges, prepares annual budgets, and ensures transparent and accountable utilization of public funds.

- **Urban Planning and Coordination**

  Identifies local development needs, prepares municipal development plans, and coordinates with provincial and federal authorities for implementation of urban projects.

- **Public Welfare and Environmental Management**

  Works to enhance living standards through improved civic services, environmental cleanliness, and sustainable urban governance practices.

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1.1 Non-provision of health facilities to public

As per Section 116(7) of Sindh Local Government Act 2013, "Every Member or Employee of a Council and every person, charged with the administration of the affairs of a Council, or acting on behalf of a Council shall be personally liable for the loss, waste, misapplication or unauthorized application of any moneys or property belonging to the Council which is a direct consequence of his negligence or misconduct, and the liability of such member, employee or person shall be determined by Government in the prescribed manner".

During the audit of the Hyderabad Municipal Corporation (HMC), Hyderabad, for the financial year 2024-25, it was observed that an amount of Rs 58.804 million was incurred on salaries of 44 employees of the Medical Branch, posted across various dispensaries and hospitals. This indicating that although medical staff was deployed,

however they were not in a position to deliver medical services due to lack of medicines and necessary supplies, rendering the staff functionally idle and the health facilities non-operational. Detail is as under:

[Rs. in Million]

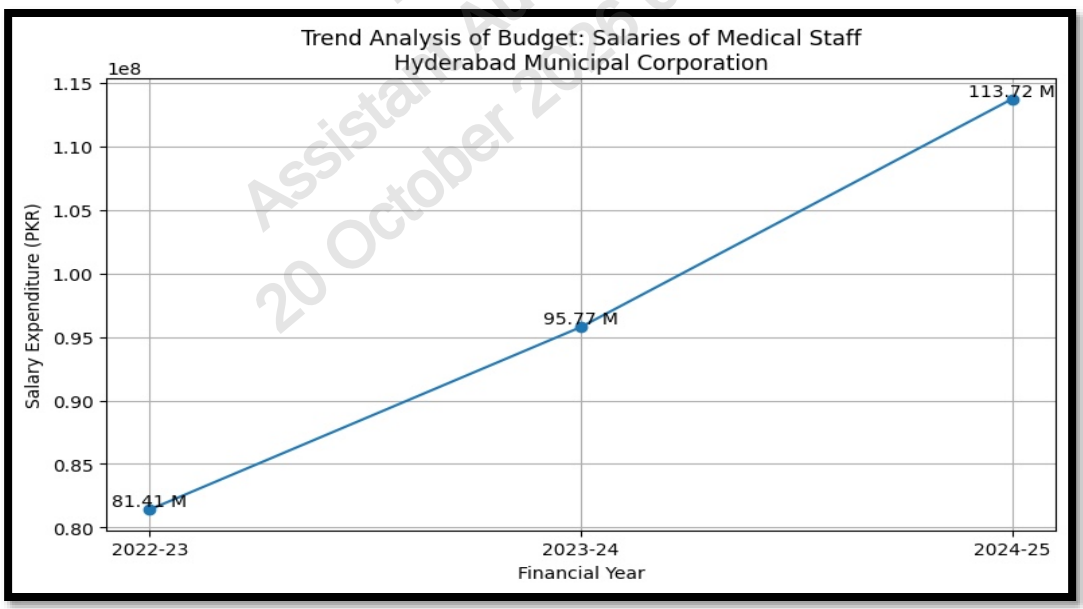
Sr. No.	Name of dispensary / Hospital	No of Staff	Expenditure on Purchase of medicines	Salary during F.Y 2024-25
1	T.S Dispensary	44	Nil	58.804
2	TandoWali Muhammad Dispensary			
3	Pretabad Dispensary			
4	Hafiz Mubarak Ali Shah			

Despite a substantial increase in salaries of medical staff, no budgetary allocation was made for essential medical facilities, including medicines and equipment, resulting in an imbalance between human resource expenditure and service delivery requirements, as depicted below:

[Rs. in Million]

Particulars	2022-23	2023-24	2024-25
Budgeted Salaries of Medical Staff	81.405	95.771	113.719

Irum Gill
Assistant Audit Officer (IT)
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Audit was of the view that non-provision of health facilities to general public despite payment of salaries to medical branch without utilizing their services indicated weak internal controls.

Audit was of the opinion that non-provision of medical supplies and subsequent non-utilization of human resource in aforesaid dispensaries resulted in poor service delivery and unnecessary financial burden on government.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends that responsibility may be fixed on the person (s) at fault, besides services of staff may be utilized and provision of medical supplies to be ensured for providing better health facilities to public.

[AIR Para: 22]

Irum Gull
Assistant Audit Officer (IT)
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2. Financial Management

The financial management of the Hyderabad Municipal Corporation (HMC) reflects a mix of challenges and inefficiencies, including non-preparation of annual statement of accounts within prescribed timelines. Revenue collection is inconsistent, with many departments underperforming against set targets, leading to budget shortfalls. Expenditure controls are weak, often lacking proper monitoring and audit mechanisms, which results in misallocation of funds and delays in development projects. Moreover, dependency on provincial transfers limits fiscal autonomy, while outdated financial systems impede transparency and timely reporting. Strengthening internal controls, modernizing revenue collection, and enhancing accountability are essential to ensure that HMC's financial resources are utilized effectively for public service and infrastructure development.

2.1 Non-preparation and non-submission of annual statement of the accounts

As per Section 111 (1) of the Sindh Local Government Act, 2013, "The accounts of a Council shall be kept in such form and manner as may be prescribed. (2) An annual statement of the accounts shall be prepared after the close of every financial year and shall be transmitted to Government and the Audit Authority separately within thirty days of the close of the financial year. (3) A copy of the Annual Statement of Accounts and such other statements as may be prescribed shall be displayed at a conspicuous place in the office of the Council for general information, and objections or suggestions received with respect thereto from the public shall be considered by the Council and brought to the notice of the Audit Authority".

During the audit of Hyderabad Municipal Corporation, for the financial year 2024-25, it was observed that the management neither prepared annual statement of the accounts nor submitted the same to audit within thirty days of the close of financial years since reinstation of HMC in 2013, in violation of the provisions of the SLGA, 2013. Moreover, due to non-display of annual statement of accounts at a conspicuous place neither objections nor suggestions received from the public. Annual statement of accounts is vital for ensuring accuracy, accountability, and confidence in a corporation's financial reporting. The absence of annual statement of accounts adversely affected management's ability to make informed decisions regarding operations and future strategies, as such statements provide critical insights into the financial performance and overall financial health of the organization.

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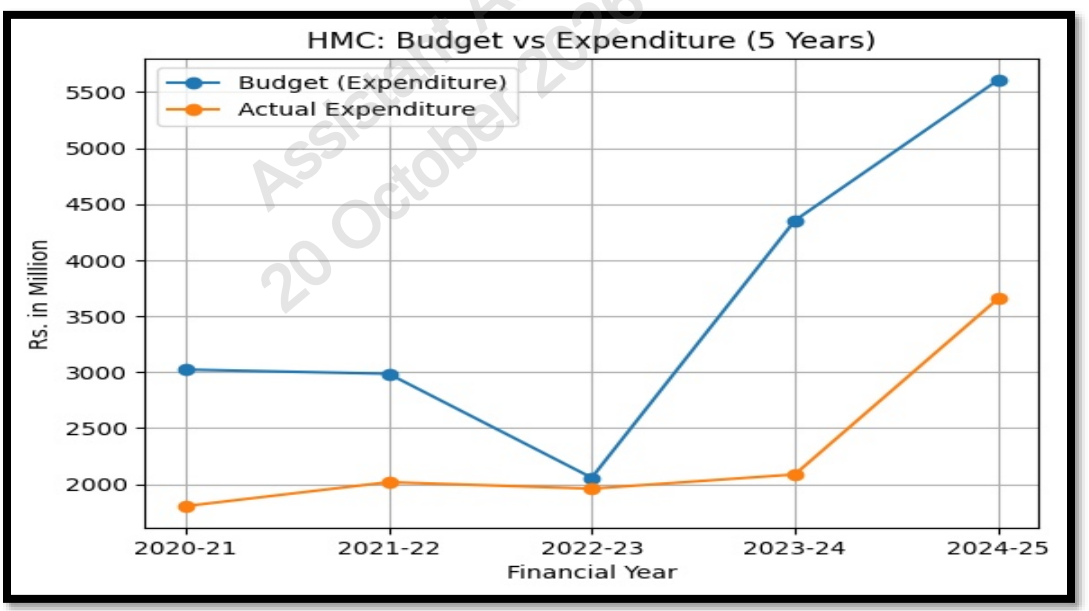
Audit was of the view that the significant delay in finalization of annual statement of accounts resulted in non-presentation of financial statements to its stakeholders within the prescribed timeframe, reflecting weak financial management and governance practices.

Audit was of the opinion that non-finalization of annual statement of accounts increases the risk that the accuracy, completeness, and reliability of the financial information cannot be ascertained. Consequently, reasonable assurance regarding the true and fair view of the financial position of HMC remained constrained.

Audit recommends that the management should ensure timely finalization and submission of annual statement of accounts as required in SLGA, 2013.

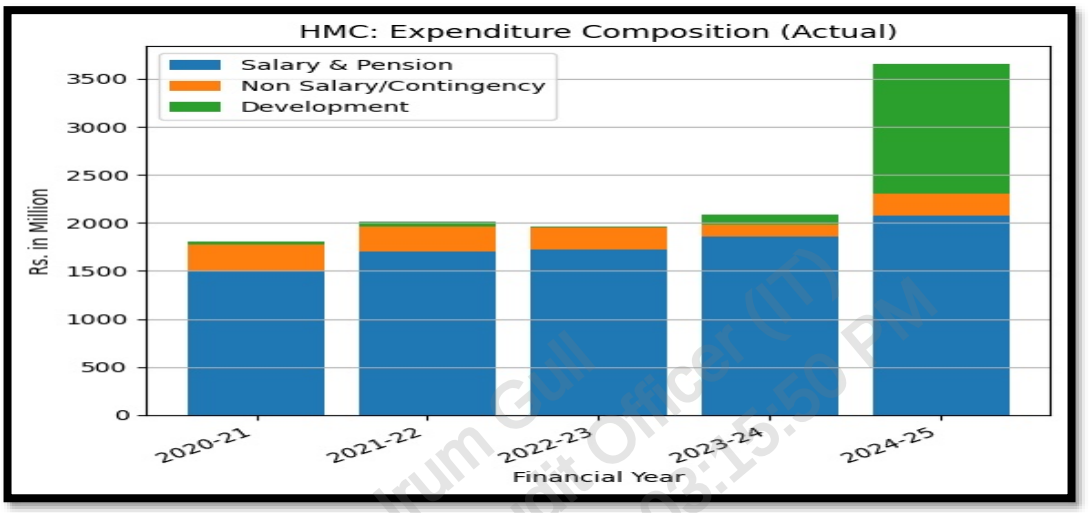
Financial Assessment

The financial analysis of Hyderabad Municipal Corporation (HMC) indicates structural fiscal imbalance, weak internal revenue capacity, and high dependence on external funding sources. During FY 2024-25, total receipts amounted to Rs 2,957.438 million, while total expenditure reached Rs 3,655.714 million, resulting in a financial gap and operational stress. The Corporation's own-source revenue remained significantly low at Rs 161.404 million, compared to Government grants of Rs 2,796.034 million, demonstrating heavy fiscal reliance on provincial transfers as illustrated below:

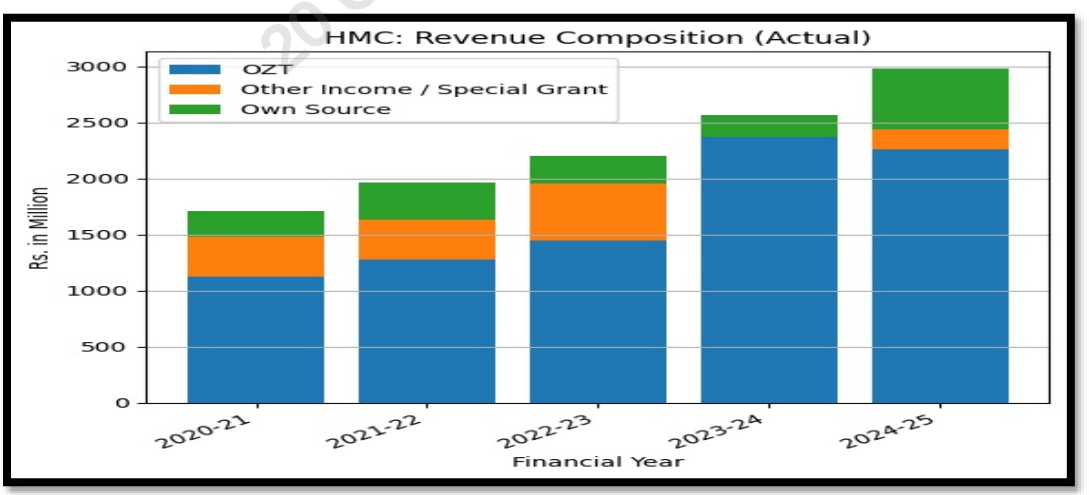


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The revenue composition reflects severe dependence on Government support, with own-source revenue contributing only a small fraction of total receipts. This indicates weak revenue mobilization, limited financial autonomy, and vulnerability to fluctuations in external funding. Persistent non-recovery of municipal dues and operational losses from non-auctioning of revenue heads further constrained internal resource generation and weakened fiscal sustainability as illustrated below:

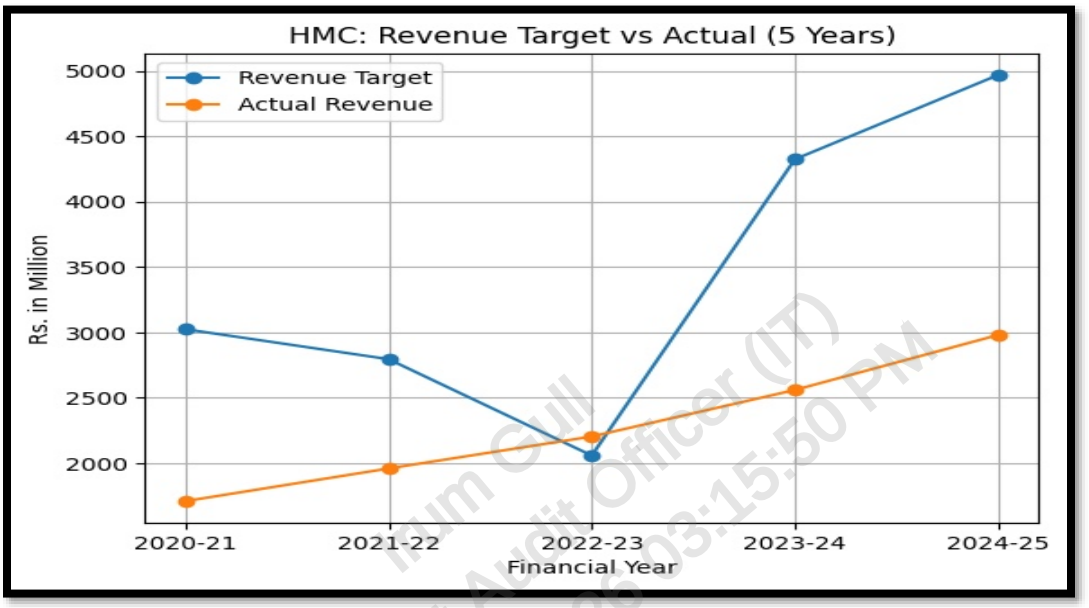


Expenditure levels remained higher than available internal revenue, indicating structural expenditure pressure. A significant portion of resources continued to be absorbed by recurring and obligatory payments, including salaries, pensions, and contingent liabilities. The creation of unauthorized liabilities further burdened municipal finances and reflected weak fiscal discipline and inadequate expenditure control mechanisms as illustrated below:



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Financial governance remained weak, as reflected by non-recovery of outstanding dues, irregular payments, and weak monitoring of financial obligations. The absence of audited financial statements and incomplete financial verification further reduces transparency and reliability of financial reporting, limiting the effectiveness of financial oversight and decision-making.



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The graph shows that Hyderabad Municipal Corporation consistently failed to achieve its annual revenue targets over the review period. Although actual revenue exhibited a gradual upward trend, it remained significantly below the targeted levels in most years, indicating weaknesses in revenue planning, collection efficiency, and enforcement mechanisms. The persistent gap between targeted and realized revenue reflects limited revenue mobilization capacity and continued reliance on external transfers, underscoring the need to strengthen internal revenue generation and recovery systems.

The overall financial position indicates moderate to high fiscal risk, characterized by weak internal revenue generation, high dependence on external grants, structural expenditure pressure, and deficiencies in financial controls. Without strengthening revenue mobilization, enforcing financial discipline, and improving expenditure management, the Corporation may continue to face operational and fiscal sustainability challenges.

2.2 Non-recovery of outstanding dues

As per Section 100 (2), Chapter-X of Sindh Local Government Act, 2013 "All arrears of taxes, rates, tolls and fees and other moneys claimable by a Council under this Act shall be recoverable as arrears of land revenue through Government agency or by the Council authorized by Government for such recovery through such employees or class of employees of the Council as may be prescribed".

Further, Section 41(a), Chapter-3 of Sindh Financial Rules Volume-1, stipulates that 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, claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller.

During the audit of the Hyderabad Municipal Corporation, Hyderabad, for the financial year 2024-25, it was observed that the management did not recover the outstanding dues of rent of shops & properties, arrears of auctions etc., amounting to Rs 46.163 million from defaulters, as detailed below:

[Rs. in Million]

Sr. No.	Nature of Collection	Total Dues/Arrears	Recovery effected during 2024-25	Total outstanding dues
1	Charged Parking Auto Bhan	4.470	2.412	2.058
2	Charged Parking City/Latifabad	5.050	3.788	1.263
3	Charged Parking Rani Bagh	6.085	2.498	3.587
4	Push Cart	1.435	0.399	1.036
5	Rent of Property	55.140	49.301	5.839
6	Arrears of Property	41.903	9.523	32.380
Total		**114.083**	**67.921**	**46.163**

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Audit was of the view that non-recovery of outstanding dues indicated poor financial management and weak internal controls.

Audit was of the opinion that non-recovery of dues was loss to the department and amounts involved could led to revamping and reformation of not just the city but also would lead to financial independence of the department.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting till the finalization of the report, despite written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

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

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25, 2023-24 and 2022-23 vide para numbers 4.5.4.1, 4.5.4.1 and 4.5.4.1 having financial impact of Rs 374.346 million, Rs 137.744 million and Rs 106.214 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 10]

2.3 Unauthorized creation of liabilities

According to Section 105(1), Chapter-XI of Sindh Local Government Act, 2013 "A Council shall not incur any debt nor borrow any money or give any guaranty without prior approval of Government." Further, Section 106(2) ibid "The moneys credited to the Local Fund shall be applied in the order; firstly, in the payment of salaries and allowances to the employees of the Councils".

Further, according to Finance Department, Government of Sindh, instructions issued regarding Payment of Liabilities by Local Bodies in Sindh vide letter No.FD.SO(LF-I)Misc/(171)2013 dated 13-08-2013, Para-01 "it was communicated through instructions from time to time to all Local Councils/District Councils/ defunct TMAs that the salaries and Pension of the employees is the first charge from the OZT funds released by Finance Department".

During the audit of the Hyderabad Municipal Corporation, Hyderabad, for the financial year 2024-25, it was observed that the management created liabilities amounting to Rs 768.114 million in the head of pension, financial assistance, commutation, gratuity, development works and contingency payments that put extra burden over council funds. Creation of liability under the head of employees related expenditure showed that payments were made by giving priority to contingent payments in violation of rule / instructions. Further, creation of liability under the head of contingencies showed that the management made expenditure without provision of OZT/release, as detailed below:

[Rs. in Million]

Sr. No.	Description of Liabilities	Period of Liability	Total Liabilities up to 30-06-2025
1	Supplies, Development Works and Contingencies	Up to 20-17-2018	71.393
2	Supplies, Development Works and Contingencies	2019-20 and 2020-21	270.323
3	Supplies, Development Works and Contingencies	2022-23	16.636

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[Rs. in Million]

Sr. No.	Description of Liabilities	Period of Liability	Total Liabilities up to 30-06-2025
4	Financial Assistance	Not Provided	12.000
5	Liabilities of Commutation, Gratuity, Family Pension, Restoration of Commutation Portion of HMC	Previous Years and 2024-25	229.778
6	Liabilities of Commutation, Gratuity, Family Pension, Restoration of Commutation Portion of District Council, MC Qasimabad and MC Tando Jam	Previous Years and 2024-25	167.984
Total			**768.114**

Audit was of the view that creation of salary and pension liability by giving priority to the payments of development works and execution of development works without availability of funds was in violation of rules and instructions of Finance Department which indicated poor financial management.

Audit was of the opinion that creation of liabilities was against financial prudence and had deprived the employees and contractors of their due right on time.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25, 2023-24 and 2022-23 vide para numbers 4.5.5.5, 4.5.6.9 and 4.5.6.5 having financial impact of Rs 149.168 million, Rs 20.239 million and Rs 402.968 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 16]

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Assistant Audit Officer (IT)
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3. Human Resource Management

The human resource management (HRM) of the Hyderabad Municipal Corporation (HMC) faces significant challenges in staffing, capacity building, and performance oversight. Recruitment processes are often slow and lack merit-based transparency, leading to vacancies and skill gaps in critical departments. Training and professional development programs are limited, reducing staff efficiency and adaptability to modern municipal management practices. Performance appraisal systems are weak, with minimal accountability or incentives for productivity, while employee engagement and motivation remain low. Strengthening HR policies, introducing merit-based hiring, and investing in continuous training are crucial for HMC to build a competent workforce capable of delivering effective municipal services.

The Hyderabad Municipal Corporation (HMC) is currently operating with a significant staffing shortfall, with only 625 employees against an approved strength of 919. This gap of nearly one-third of the sanctioned workforce puts immense pressure on existing staff, leading to overburdened departments, delays in service delivery, and limited capacity to undertake development and maintenance projects. Such a shortage not only affects operational efficiency but also undermines effective governance, planning, and responsiveness to citizen needs. Addressing these vacancies through timely recruitment and strategic workforce planning is essential to ensure HMC can function at its intended capacity.

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3.1 Unauthorized payment of overtime allowance

Para 2 of Finance Division O.M No. F.4(1) R-5/2010 dated 02-07-2018, stipulates that the overtime allowance to staff car drivers/dispatch riders will only be paid if it has been verified by the officer concerned.

Furthermore, Rule 5, Chapter-1 of Sindh Financial Rules Volume-1, stated that the amount of allowance granted to meet expenditure of a particular type should be so regulated that allowances are not on the whole source of profit of the recipient.

During the audit of the Hyderabad Municipal Corporation, Hyderabad, for the financial year 2024-25, it was observed that the management paid an amount of Rs 3.944 million to its employees on account of overtime allowance without admissibility or entitlement. Detail is at **Appendix-1.**

Audit was of the view that the payment of over time allowance without entitlement was unauthorized which indicated poor financial management and weak internal controls.

Audit was of the opinion that the payment without entitlement, resulted in unauthorized financial benefits/compensation to the employees and loss to government exchequer.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends that payment of the overtime allowance without admissibility/entitlement be stopped and recovery be effected.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25, vide para number 4.5.5.9 having financial impact of Rs 16.089 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 13]

Irum Gul
Assistant Audit Officer (IT)
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4. Procurement

Audit was not provided with financial statements and accounts of Hyderabad Municipal Corporation, therefore, total expenditure on procurement could not be ascertained. The procurement process within the Hyderabad Municipal Corporation (HMC) exhibits inefficiencies and lack of transparency, which hampers timely project execution and service delivery. Procedures are often slow, bureaucratic, and susceptible to delays, while adherence to standard procurement regulations is inconsistent. Limited competitive bidding and inadequate documentation further increase the risk of inflated costs and favoritism. Strengthening procurement planning, ensuring strict compliance with rules, and adopting transparent, digitalized systems would enhance accountability, cost-efficiency, and the timely availability of goods and services necessary for municipal operations.

4.1 Award of works without obtaining bidders' credentials

According to the Rule 46 (1) (a) of SPPRA Rule, 2010 “Procedures of open competitive bidding - Save as otherwise provided in these rules, the following procedures shall be permissible for open competitive bidding; Single Stage - One Envelope Procedure: Notice Inviting Tenders and bidding documents of this method shall contain the following eligibility criteria; (i) relevant experience; (ii) turn-over of at least last three years; (iii) registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable); (iv) any other factor deemed to be relevant by the procuring agency subject to provision of Rule 44”.

Further, Guideline No. 2.15 of SPPRA, Regulation for Procurement of Works, 2013, stipulates that the basic aim of the pre-qualification is to eliminate unrealistic, unqualified or disreputable contractors that are not suitably qualified to perform the contract. Pre-qualification is made on tender to tender basis and is valid for such project/scheme only.

During the audit of the Hyderabad Municipal Corporation, Hyderabad, for the financial year 2024-25, it was observed that the management awarded various works of Rs 182.477 million to different contractors without obtaining documentary evidence of past experience, turnover for last three years, undertaking for no litigation against contractor, affidavit for not blacklisted along with registration with FBR, SRB and PEC. Detail is at **Appendix-2.**

Audit was of the view that award of works without obtaining eligibility credentials was undue favour to the contractors which indicated weak internal controls.

Audit was of the opinion that award of work to non-eligible contractors leads to poor quality of works and government interests were not safeguarded.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends compliance of SPPRA rules relating to eligibility criteria, besides fixing responsibility on the person(s) at fault.

[AIR Para: 11]

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4.2 Irregular procurement of electrical material

Section 2.20 of Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works) 2013, stipulates that Sindh Public Procurement (SPP) Rules does not permit departments to Enlist/Register the Firms/Contractors in any category/class Contractors/Firms are allowed to participate in the bids even without registration of PEC when cost is not more than Rs 2.5 million. Registration with PEC and other professional bodies is mandatory if required by law. In case of electrical works, the license from Electrical Inspector of Sindh is mandatory.

Further, Rule 48 of Electricity Rules, 1937, states that all Government and Semi Government departments are bound to award contracts of electrical installation works to the contractors holding valid government electrical contractor license.

Furthermore, S. No. (18) of Schedule of Rule 5(1) of Sindh Local Councils (Property) Rules, 2017 requires that register of street light points and lamp posts in Form P-XVIII shall be maintained.

During the audit of the office of Hyderabad Municipal Corporation, Hyderabad, for the financial year 2024-25, it was observed that the management incurred an expenditure of Rs 33.592 million on the procurement of electrical material, as detailed below. Further detail is at **Appendix-3.**

[Rs. in Million]

Sr. No.	Name of Formation	Paid Amount
1	Hyderabad Municipal Corporation	26.788
		6.804
Total		**33.592**

Following irregularities were noticed:

i. The electrical works was awarded to contractors not holding valid Electrical Contractor License

ii. Purchases were made through splitting to avoid tender

iii. Inspection of street light/electrical material was not carried out

iv. Neither the purchased material was accounted for in the stock register nor issuance of the material was recorded

Audit was of the view that procurement of electrical material without observing codal requirements was irregular which indicated weak internal controls.

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Audit was of the opinion that the procurement of electrical material from un-registered contractors and without completion of codal formalities leads to poor quality items and chances of misappropriation of funds could not be ruled out.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25, 2023-24 and 2021-22 vide para numbers 4.5.3.10, 4.5.6.7 and 4.5.3.9 having financial impact of Rs 89.711 million, Rs 13.161 million and Rs 20.085 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 4, 5]

Irfan Gull
Assistant Audit Officer (IT)
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4.3 Splitting up of expenditure to avoid open tender

As per Rule 12(1), Part-II of Sindh Public Procurement Rules, 2010 "Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11 above, all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan".

Further, Rule 16 (1) (2) and 17(1)(2), Part-II ibid stipulates that the procurements over five hundred thousand rupees upto three million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules. The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

During the audit of the Hyderabad Municipal Corporation, Hyderabad, for the financial year 2024-25, it was observed that the management incurred an expenditure of Rs 1.772 million on account of hiring charges of labour for bush cutting & cleaning of various graveyards on occasion of Shab-e-Barat through quotations by splitting the procurements which resulted in non-achievement of competitive rates. Detail is at **Appendix-4.**

Audit was of the view that incurrence of expenditure by splitting the procurements was violation of Sindh Public Procurement Rules which indicated weak internal controls.

Audit was of the opinion that splitting of procurements leads to non-economical rates and lower quality articles/works.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

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

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25, 2023-24 and 2022-23 vide para numbers 4.5.3.1, 4.5.3.3 and 4.5.3.2 having financial impact of Rs 221.102 million, Rs 63.695 million and Rs 137.649 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 15]

Irfan Gull
Assistant Audit Officer (IT)
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4.4 Award of contracts without obtaining performance security

According to Rule 39(1) of Sindh Public Procurement Rules, 2010 (as amended upto 2019), "Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price".

During the audit of the Hyderabad Municipal Corporation (HMC) Hyderabad, for the financial year 2024-25, it was observed that the management awarded various works of Rs 148.980 million to the contractors without obtaining performance security in the shape of pay order/demand draft or Bank Guarantee amounting to Rs 14.898 million, in violation of rule. Detail is at **Appendix-5.**

Audit was of the view that non-obtaining of performance/bank guarantee was unjustified which indicated weak internal controls and poor financial management.

Audit was of the opinion that awarding contracts without obtaining the required performance security was irregular and exposed government interests to potential risk of loss due to contractor default.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends fixing responsibility on the person (s) at fault, besides taken remedial measures.

[AIR Para: 02]

5. Operational Processes, Targets and KPIs

Under the Sindh Local Government Act, 2013, the Hyderabad Municipal Corporation (HMC) is responsible for planning, development and maintenance of municipal infrastructure, provision of sanitation and public health services, regulation of municipal activities, management of municipal properties, and delivery of essential civic services within its jurisdiction. Effective discharge of these functions requires structured operational planning, coordinated execution, and measurable performance monitoring.

Audit observed that operational processes within HMC were not supported by standardized procedures or effective coordination mechanisms. Weak planning and fragmented execution resulted in delays and inefficiencies in core municipal services including sanitation, water supply support functions, and maintenance of infrastructure. Departments operated largely in isolation with limited inter-departmental coordination and weak supervisory oversight, which adversely affected timely service delivery and operational effectiveness. These shortcomings indicate inadequate internal controls, weak monitoring arrangements, and ineffective enforcement of operational responsibilities.

Although HMC had documented certain targets and Key Performance Indicators (KPIs), Audit noted that no structured system existed for their regular measurement, tracking, or performance evaluation. Documented targets were not supported by verifiable performance data, periodic review mechanisms, or clearly defined accountability frameworks. In the absence of an effective KPI monitoring and performance management system, achievement of operational objectives could not be reliably assessed, resulting in underperformance and weakened institutional accountability.

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5.1 Loss due to non-auctioning of various revenue heads

Rule-9 Chapter-III of Sindh Local Councils (Auctioning of Collection Rights) Rules 2016, stipulates that the reserved price for an income shall be the average of last proceeding three years' income of the respective income.

As per Section 116(7), Chapter-XII of Sindh Local Government Act 2013, "Every member or employee of a Council and every person, charged with the administration of the affairs of a Council, or acting on behalf of a Council shall be personally liable for the loss, waste, misapplication or unauthorized application of any moneys or property belonging to the Council which is a direct consequence of his negligence or misconduct, and the liability of such member, employee or person shall be determined by Government in the prescribed manner".

During the audit of the Hyderabad Municipal Corporation (HMC) Hyderabad, for the financial year 2024-25, it was observed that the management initiated departmental recovery for various revenue heads instead of auctions. As a result, the council sustained a heavy financial loss of Rs 43.563 million due to the inefficiency of the collection staff. Detail is under:

[Rs. in Million]

Sr. No	Description/ Receipts Head of Account	Reserved Price	Actual Collection	Difference (Loss)
1	Municipal Latrine	0.633	0	0.633
2	Advertisement/Hoarding Board	35.000	16.500	18.500
3	Gate Entry Fee Rani Bagh	31.730	9.800	21.930
4	Piri Tax Eid-ul-Uzha Tando Muhammad Khan	2.500	0	2.500
	Total	**69.863**	**26.300**	**43.563**

Audit was of the view that management sustained heavy financial loss due to inefficient collection staff, which indicated poor financial management.

Audit was of the opinion that non-auctioning of various revenue heads and reliance on departmental recovery resulted in a heavy financial loss to the Corporation. This reflected inefficiency of the collection staff, weak financial management, and non-compliance with the prescribed rules.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

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Audit recommends that responsibility may be fixed on the person(s) at fault and appropriate action may be taken against inefficient officials, besides strengthening monitoring of revenue collection.

[AIR Para: 7]

5.2 Loss due to award of charged parking auction below reserve price

Rule-11 (1) Chapter-III of Sindh Local Councils (Auctioning of Collection Rights) Rules 2016, stipulates that the bid received in open auction, if less than the reserve price, shall be rejected by the officer incharge of the auction in all cases and the contract shall be re-auctioned in the manner, prescribed in Rule-5.

As per Section 116(7), Chapter-XII of Sindh Local Government Act 2013, "Every member or employee of a Council and every person, charged with the administration of the affairs of a Council, or acting on behalf of a Council shall be personally liable for the loss, waste, misapplication or unauthorized application of any moneys or property belonging to the Council which is a direct consequence of his negligence or misconduct, and the liability of such member, employee or person shall be determined by Government in the prescribed manner".

During the audit of the Hyderabad Municipal Corporation (HMC) Hyderabad, for the financial year 2024-25, it was observed that management sustained loss of Rs 6.301 million due to award of auction of charged parking at lower rate of Rs 5.050 million (44% of reserved price) instead of awarding the same to a near value of reserved price, i.e., Rs 11.351 million. Detail is as under:

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Assistant Audit Officer (IT)
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[Rs. in Million]

Description of Auction	Name of Contractor	Reserve Price	Contract Amount	Difference (Loss)
Charged Parking fee	M/S GM Enterprises	11.351	5.050	6.301

Audit was of the view that management sustained loss due to award of auction at lower value which indicated poor financial management.

Audit was of the opinion that award of auction at a rate lower than the reserve price resulted in a financial loss to the Corporation which indicated poor financial management.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends inquiry into the matter and fix responsibility on the person(s) at fault for awarding the auction below the reserve price.

[AIR Para: 8]

6. Others Issues

6.1 Non-maintenance of property record

Rule 3(1) of Sindh Local Councils (Property) Rules, 2017, stipulates that the Mayor or Chairman, as the case may be, shall take such steps as may be necessary to ensure that the property vested in the Council is managed and maintained in the best interest of the public for the purposes of the Act, the rules and the bye-laws made there under.

During the audit of the Hyderabad Municipal Corporation (HMC) Hyderabad, for the financial year 2024-25, it was observed that management failed to maintain property record of shops, plots, land, Katchi Abadis, cattle colony, in violation of rules. It is pertinent to mention that property being the crucial asset of the corporation and non-maintenance of its record could result in possible encroachment.

Audit was of the view that non-maintenance of property record was irregular which indicated weak internal controls and poor asset management.

Audit was of the opinion that failure to maintain property record leads to encroachment, illegal occupation and un-authorised transfer of the crucial assets of the Corporation.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends maintenance of property record in order to safeguard the interest of Corporation.

[AIR Para: 23]

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6.2 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 all reasonable expedition.
>
> (3) Any person or authority hindering the auditorial functions of the Auditor-General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules applicable to such person".

During the audit of the Hyderabad Municipal Corporation (HMC) Hyderabad, for the financial year 2024-25, it was it was observed that the management did not produce partial auditable record pertaining to establishment, development, contingency, revenue, property, various registers and credential of contractors etc., for audit scrutiny. Detail is at **Appendix-6.**

Audit was of the view that non-production of record was a serious lapse on the part of management which caused hindrance in performance of the functions of audit, besides authenticity of the related transactions could not be ascertained.

Audit was of the opinion that non-production of record by any entity was a severe violation of the rules and leads to non-transparency.

The matter was reported to the management in September 2025, but no reply was received. The PAO also did not convene the DAC meeting despite written requests dated 03-07-2025 and 15-12-2025, followed by reminders dated 11-07-2025, 22-07-2025, 30-12-2025 and 07-01-2026.

Audit recommends inquiry into the matter and fixing of responsibility on the person(s) at fault for non-provision of record.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25, 2023-24 and 2022-23 vide para numbers 4.5.1.1, 4.5.1.1 and 4.5.1.1 respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 1]

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Conclusion

The audit of Hyderabad Municipal Corporation (HMC) shows that the entity faced serious challenges in managing its financial and administrative affairs during the audit period. The audit identified weaknesses in financial management, internal controls, record keeping, revenue recovery, procurement, management of assets and service delivery. In many cases, expenditures were not properly supported, records were not produced to audit, and required rules and procedures were not fully followed.

The audit further noted that large amounts of outstanding dues remained unrecovered, procurement processes were not transparent, and development works were not effectively executed and monitored. Award of works without performance security and bidders' credentials, and weak control over municipal assets resulted in losses to public resources and substandard quality of services.

The recurrence of similar audit observations from previous years indicates that timely corrective measures were not taken by the management. In addition, non-convening of DAC meetings and weak follow-up on audit observations limited accountability and transparency.

In view of the above, it is concluded that HMC did not fully achieve the required standards of financial discipline, compliance, and effective service delivery. Strengthening internal controls, improving management oversight, and ensuring strict compliance with applicable laws and rules are essential to safeguard public funds and improve municipal services.

Assistant Audit Officer (IT)
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Recommendations

In view of the audit findings, the following recommendations are made:

i. Services of staff may be utilized and provision of medical supplies to be ensured for providing better health facilities to public.

ii. Recovery of outstanding dues be effected.

iii. Recovery of taxes be effected.

iv. Payment of the overtime allowance without admissibility/entitlement be stopped and recovery be effected.

v. Compliance of SPPRA rules relating to eligibility criteria be made.

vi. Realistic and achievable revenue targets be set for effective functioning of councils.

vii. Maintenance of property record in order to safeguard the interest of Corporation be ensured.

Irum Gul
Assistant Audit Officer (IT)
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Appendices

Audit Objectives, Scope and Methodology

a) Audit Objectives

The objectives of the audit were to:

i. Examine purchases to assess need justification, compliance with the Sindh Public Procurement Rules, 2010, and proper accounting of procured articles.

ii. Verify whether expenditure was sanctioned by the competent authority within the prescribed delegated financial powers.

iii. Check whether payments made to contractors were in accordance with the terms and conditions of the contract agreements and actual work executed.

iv. Verify that all receipts relating to local taxes, fees, and land management etc. were properly realized and deposited into the government treasury.

v. Check execution of development works and procurements in accordance with the specifications.

vi. Report cases of non-deposit or late deposit of Government receipts into the treasury.

vii. Examine whether the required service delivery was provided to citizens as per mandate and approved plans.

viii. Identify cases of violation of rules and regulations, including instances of overpayment and irregular expenditure.

Irum Gul
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b) Scope of Audit

The audit shall cover the financial year 2024-25 and shall include examination of the accounts, records, and operations of Hyderabad Municipal Corporation (HMC) on a test-check and risk-based approach. The scope includes, but is not limited to, the following areas:

i. Review of budget, approval, releases, re-appropriations, and utilization.

ii. Examination of receipts and payments, cash balances, bank accounts, and reconciliations.

iii. Verification of outstanding liabilities, pension obligations, and contractor payments.

iv. Compliance with applicable accounting policies (IPSAS – Cash Basis).

v. Assessment, billing, collection, and recovery of municipal revenues including utility charges, fees, rents, leases, licenses, parking charges, and other own-source revenues.

vi. Review of arrears, realization of outstanding dues, and enforcement mechanisms.

vii. Verification and reconciliation of revenue receipts with bank records and finance accounts.

viii. Scrutiny of establishment expenditures including salaries, allowances, POL, overtime, pensions, and benefits.

ix. Examination of operational and contingent expenditures for authorization, rationality, and compliance.

x. Review of irregular, excess, or unauthorized expenditures.

xi. Compliance with Sindh Public Procurement Rules in procurement of goods, works, and services.

xii. Review of tendering processes, bid evaluation, contract awards, and execution.

xiii. Review of imposition of liquidated damages, price variations/escalation, and contract management controls.

xiv. Planning, approval, and execution of development schemes.

xv. Review of delays, cost overruns, quality of works, and compliance with approved specifications.

xvi. Examination of record relating to PC-I/approved schemes and completion certificates.

xvii. Verification of movable and immovable assets including vehicles, land, parks, playgrounds, and municipal properties.

xviii. Review of stock registers, safeguarding arrangements, theft/loss cases, and encroachments.

xix. Review of sanctioned and available strength.

xx. Examination of municipal service delivery such as parks, roads, street lighting, health facilities, and recreational services.

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xxi. Evaluation of performance against stated objectives, KPIs, and public service obligations.

c) Audit Methodology

The audit was conducted to obtain reasonable assurance regarding the completeness, accuracy, legality, and fairness of expenditure incurred and receipts realized by the Hyderabad Municipal Corporation (HMC).

Prior to commencement of field audit, a desk review was carried out to develop an understanding of the entity's organizational structure, systems, procedures, and internal control environment. For this purpose, permanent files maintained by the Directorate General of Audit, Local Governments, Sindh were reviewed to gain familiarity with the organizational operations, legal framework, and institutional arrangements of the audited entities.

Audit planning was undertaken through risk assessment and analysis, and relevant audit documentation including Permanent File, Risk Analysis, Planning File, Execution File, and Audit & Inspection Reports was prepared and uploaded on the Audit Management Information System (AMIS) for review and oversight by senior management and supervisory formations.

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Audit evidence was obtained through a combination of enquiries from management, review of monitoring and progress reports, and examination of accounting records and payment vouchers. Audit tests and analytical procedures were applied to assess whether expenditure was properly authorized, accurately recorded, and supported by relevant documentation, and whether receipts were fully realized and timely deposited into the government treasury.

Payments were examined to ensure compliance with approved budgets, applicable financial rules, and delegated financial powers, including verification of approvals by the competent authority. Budgetary controls were evaluated by comparing actual expenditure with approved and revised budget allocations to ascertain whether expenditures were incurred within authorized limits.

Appendix-1: [Para: 3.1] Unauthorized payment of overtime allowance

[Amount in Rs.]

Sr. No.	Name of Employees	Designation	Description of Payment	Billing Month	Amount
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Jun-24	147,170
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			101,840
3	Mr. Lal Das	Junior Clerk			77,235
4	Mr. Jalauddin	Supervisors			56,240
				Sub-total	382,485
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Jul-24	121,432
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			83,913
3	Mr. Lal Das	Junior Clerk			63,728
4	Mr. Jalauddin	Supervisor			46,274
				Sub-total	315,347
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Aug-24	128,928
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			89,092
3	Mr. Lal Das	Junior Clerk			67,661
4	Mr. Jalauddin	Supervisor			49,130
				Sub-total	334,811
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Sep-24	123,933
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			85,760
3	Mr. Lal Das	Junior Clerk			65,040
4	Mr. Jalauddin	Supervisor			47,225
				Sub-total	321,958
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Oct-24	100,444
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			69,409
3	Mr. Lal Das	Junior Clerk			52,712
4	Mr. Jalauddin	Supervisor			38,275
				Sub-total	260,840
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Nov-24	109,791
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			75,968
3	Mr. Lal Das	Junior Clerk			57,618
4	Mr. Jalauddin	Supervisor			41,836
				Sub-total	285,213
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Dec-24	124,304
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			85,789
3	Mr. Lal Das	Junior Clerk			64,672
4	Mr. Jalauddin	Supervisor			46,912
				Sub-total	321,677
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Jan-25	125,827
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			86,859
3	Mr. Lal Das	Junior Clerk			65,510
4	Mr. Jalauddin	Supervisor			47,524
				Sub-total	325,720
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Feb-25	140,425
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			96,899

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Assistant Audit Officer (IT)
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[Amount in Rs.]

Sr. No.	Name of Employees	Designation	Description of Payment	Billing Month	Amount
3	Mr. Lal Das	Junior Clerk			73,018
4	Mr. Jalauddin	Supervisor			52,961
				Sub-total	363,303
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Mar-25	113,076
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			78,017
3	Mr. Lal Das	Junior Clerk			58,773
4	Mr. Jalauddin	Supervisor			42,629
				Sub-total	292,495
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	Apr-25	153,232
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			105,722
3	Mr. Lal Das	Junior Clerk			79,643
4	Mr. Jalauddin	Supervisor			57,765
				Sub-total	396,362
1	Mr. Shahbuddin Ikram	Chief fire Officer	Overtime	May-25	132,895
2	Mr. Ifitikhar Ahmed Khan	Fire Officer			91,691
3	Mr. Lal Das	Junior Clerk			69,074
4	Mr. Jalauddin	Supervisor			50,100
				Sub-total	343,760
Grand Total					**3,943,971**

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Appendix-2: [Para: 4.1] Award of works without obtaining bidders' credentials

[Amount in Rs.]

Work#	Work Name	Name of Contractor	W.O # & Date	Contract Amount
1	Repair Road / Streets Paving Block at UC # 55, TMC Tando Jam	A.R Enterprises	Work Order No:XEN/Civil/WO/53/2024 Date: 01-07-2024	2,998,959
2	Repair Road / Streets Paving Block at UC # 56, TMC Tando Jam		Work Order No:XEN/Civil/WO/54/2024 Date: 01-07-2024	2,991,771
3	Repair Road / Streets Paving Block at UC # 57, TMC Tando Jam		Work Order No:XEN/Civil/WO/55/2024 Date: 01-07-2024	2,998,959
4	Repair Road / Streets Paving Block at UC # 58, TMC Tando Jam	Muhammad Hanif Rajput	Work Order No:XEN/Civil/WO/56/2024 Date: 01-07-2024	2,995,442
5	Repair Road / Streets Paving Block at UC # 59, TMC Tando Jam		Work Order No:XEN/Civil/WO/57/2024 Date: 01-07-2024	2,995,442
6	Repair Road / Streets Paving Block at UC # 60, TMC Tando Jam		Work Order No:XEN/Civil/WO/58/2024 Date: 01-07-2024	2,995,442
7	Repair Road / Streets Paving Block at UC # 61, TMC Tando Jam		Work Order No:XEN/Civil/WO/59/2024 Date: 01-07-2024	2,995,442
8	Repair Road / Streets Paving Block at UC # 62, TMC Tando Jam		Work Order No:XEN/Civil/WO/60/2024 Date: 01-07-2024	2,995,442
9	Repair Road / Streets Paving Block at UC # 63, TMC Tando Jam	Ameer Mehsood & Co:	Work Order No:XEN/Civil/WO/61/2024 Date: 01-07-2024	2,995,442
10	Repair Road / Streets Paving Block at UC # 64, TMC Tando Jam		Work Order No:XEN/Civil/WO/62/2024 Date: 01-07-2024	2,995,442
11	Repair Road / Streets Paving Block at UC # 65, TMC Tando Jam		Work Order No:XEN/Civil/WO/63/2024 Date: 01-07-2024	2,995,442
12	Repair Road / Streets Paving Block at UC # 66, TMC Tando Jam		Work Order No:XEN/Civil/WO/64/2024 Date: 01-07-2024	2,995,442
13	Repair Road / Streets Paving Block at UC # 67, TMC Tando Jam	Waqar Ali Rajput	Work Order No:XEN/Civil/WO/65/2024 Date: 01-07-2024	2,995,442
14	Repair Road / Streets Paving Block at UC # 68, TMC Tando Jam		Work Order No:XEN/Civil/WO/66/2024 Date: 01-07-2024	2,995,442
15	Repair Road / Streets Paving Block at UC # 69, TMC Tando Jam	M. M. J Constt:	Work Order No:XEN/Civil/WO/67/2024 Date: 01-07-2024	2,987,478
16	Repair Road / Streets Paving Block at UC # 70, TMC Tando Jam		Work Order No:XEN/Civil/WO/68/2024 Date: 01-07-2024	2,995,442

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[Amount in Rs.]

Work#	Work Name	Name of Contractor	W.O # & Date	Contract Amount
17	Repair Road / Streets Paving Block at UC # 71, TMC Tando Fazal	Majee Enterprises	Work Order No:XEN/Civil/WO/69/2024 Date: 01-07-2024	2,990,753
18	Repair Road / Streets Paving Block at UC # 72, TMC Tando Fazal	Sufyan Enterprises	Work Order No:XEN/Civil/WO/70/2024 Date: 01-07-2024	2,995,442
19	Repair Road / Streets Paving Block at UC # 73, TMC Tando Fazal		Work Order No:XEN/Civil/WO/71/2024 Date: 01-07-2024	2,995,442
20	Repair Road / Streets Paving Block at UC # 74, TMC Tando Fazal	Faizan Enterprises	Work Order No:XEN/Civil/WO/72/2024 Date: 01-07-2024	2,995,442
21	Repair Road / Streets Paving Block at UC # 75, TMC Tando Fazal	Waqar Ali Rajput	Work Order No:XEN/Civil/WO/73/2024 Date: 01-07-2024	2,988,408
22	Repair Road / Streets Paving Block at UC # 76, TMC Tando Fazal		Work Order No:XEN/Civil/WO/74/2024 Date: 01-07-2024	2,988,408
23	Repair Road / Streets Paving Block at UC # 77, TMC Tando Fazal		Work Order No:XEN/Civil/WO/75/2024 Date: 01-07-2024	2,988,408
24	Repair Road / Streets Paving Block at UC # 78, TMC Tando Fazal		Work Order No:XEN/Civil/WO/76/2024 Date: 01-07-2024	2,995,442
25	Repair Road / Streets Paving Block at UC # 79, TMC Tando Fazal		Work Order No:XEN/Civil/WO/77/2024 Date: 01-07-2024	2,995,442
26	Repair Road / Streets Paving Block at UC # 80, TMC Tando Fazal	M.M.J Constt:	Work Order No:XEN/Civil/WO/78/2024 Date: 01-07-2024	2,995,442
27	Repair Road / Streets Paving Block at UC # 81, TMC Tando Fazal	Waqar Ahmed Rajput	Work Order No:XEN/Civil/WO/79/2024 Date: 01-07-2024	2,987,236
28	Repair Road / Streets Paving Block at UC # 82, TMC Tando Fazal	M.M.J Constt:	Work Order No:XEN/Civil/WO/80/2024 Date: 01-07-2024	2,995,442
29	Repair Road / Streets Paving Block at UC # 83, TMC Tando Fazal		Work Order No:XEN/Civil/WO/81/2024 Date: 01-07-2024	2,987,236
30	Repair Road / Streets Paving Block at UC # 84, TMC Tando Fazal	Waqar Ahmed Rajput	Work Order No:XEN/Civil/WO/82/2024 Date: 01-07-2024	2,987,236
31	Repair Road / Streets Paving Block at UC # 85, TMC Tando Fazal		Work Order No:XEN/Civil/WO/83/2024 Date: 01-07-2024	2,987,236
32	Repair Road / Streets Paving Block at UC # 86, TMC Tando Fazal	Arbab& Brothers	Work Order No:XEN/Civil/WO/84/2024 Date: 01-07-2024	2,981,374
33	Repair Road / Streets Paving Block at UC # 87, TMC Tando Fazal		Work Order No:XEN/Civil/WO/85/2024 Date: 01-07-2024	2,981,374

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[Amount in Rs.]

Work#	Work Name	Name of Contractor	W.O # & Date	Contract Amount
34	Desilting of Nalla at Bhains Piri to Sattar Shah Pumping Station via Sakhi Pir Chari City HMC	A.S.T Enterprises	Work Order No:XEN/Civil/WO/86/2024 Date: 01-07-2024	2,996,807
35	Desilting of Nalla at Nishat Capital Plaza to Nasro Culvert City HMC		Work Order No:XEN/Civil/WO/87/2024 Date: 01-07-2024	2,990,347
36	Desilting of Nalla at Guru Nagar Chowk to Islamabad Phattak Pumping Station City HMC		Work Order No:XEN/Civil/WO/88/2024 Date: 01-07-2024	2,986,898
37	Desilting of Nalla at Koh-e-Noor Chowk to Tulsi Das Pumping Station City HMC		Work Order No:XEN/Civil/WO/89/2024 Date: 01-07-2024	2,989,874
38	Desilting of Nalla at Parda Park to Abul Hassan Plaza Pumping Station via Old Sabzi Mandi Latifabad HMC		Work Order No:XEN/Civil/WO/90/2024 Date: 01-07-2024	2,979,871
39	Desilting of Nalla at Green Godown Gulshan-e-Hali to Shahbaz Dispensary American Quarter Latifabad HMC		Work Order No:XEN/Civil/WO/91/2024 Date: 01-07-2024	2,983,391
40	Desilting of Nalla at Pakola Factory to Tando Yousuf Graveyard Latifabad HMC		Work Order No:XEN/Civil/WO/92/2024 Date: 01-07-2024	2,989,965
41	Desilting of Nalla at Makrani Para Makki Shah Road to Railway Line Latifabad HMC		Work Order No:XEN/Civil/WO/93/2024 Date: 01-07-2024	2,982,772
42	Desilting of Nalla at Mehar Ali Latifabad HMC		Work Order No:XEN/Civil/WO/94/2024 Date: 01-07-2024	2,983,378
43	Desilting of Nalla at Khuda Hafiz Board to Fateh Chowk via 12 Darri / Darya Khan Pumping Station Latifabad HMC	Arsalan Subhan & Brothers	Work Order No:XEN/Civil/WO/95/2024 Date: 01-07-2024	2,981,940
44	Desilting of Nalla at Village Kiran Khan Shoro to Al-Falah Pump Qasimabad HMC		Work Order No:XEN/Civil/WO/96/2024 Date: 01-07-2024	2,983,124
45	Desilting of Nalla at Wadhwa Mori to Detha Goth FasadiWahQasimabad HMC		Work Order No:XEN/Civil/WO/97/2024 Date: 01-07-2024	2,977,776
46	Desilting of Nalla at Wadhwa Gate to Naseem Nagar Chowk Qasimabad HMC		Work Order No:XEN/Civil/WO/98/2024 Date: 01-07-2024	2,977,776
47	Desilting of Nalla at Jeejal Maa Hospital to Rani bagh Chowk Shahbaz Flyover Qasimabad HMC		Work Order No:XEN/Civil/WO/99/2024 Date: 01-07-2024	2,983,124

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[Amount in Rs.]

Work#	Work Name	Name of Contractor	W.O # & Date	Contract Amount
48	Patch Repair Road at various procession routes of Muharram ul Haram in City HMC	A.A.N Builder and Developer	Work Order No:XEN/Civil/WO/100/2024 Date: 01-07-2024	2,997,840
49	Patch Repair Road at various procession routes of Muharram ul Haram in Latifabad HMC	Arbab & Brothers	Work Order No:XEN/Civil/WO/101/2024 Date: 01-07-2024	2,997,840
50	Patch Repair Road at various procession routes of Muharram ul Haram in Qasimabad HMC	A.A.N Builder and Developer	Work Order No:XEN/Civil/WO/102/2024 Date: 01-07-2024	2,995,442
51	Repair Road Paving Block at various procession routes of Muharram ul Haram in City HMC	Ali Raza Bughio	Work Order No:XEN/Civil/WO/103/2024 Date: 01-07-2024	2,995,442
52	Repair Road Paving Block at various procession routes of Muharram ul Haram in Latifabad HMC	Ameer Mehsood & Co:	Work Order No:XEN/Civil/WO/104 /2024 Date: 01-07-2024	2,981,374
53	Repair Road Paving Block at various procession routes of Muharram ul Haram in Qasimabad HMC	A.N.N Builder and Developer	Work Order No:XEN/Civil/WO/105/2024 Date: 01-07-2024	2,995,442
54	Repair/ Reconstruction R.C.C. Culvert / Cross at various procession routes of Muharram ul Haram in City HMC	Arbab& Brothers	Work Order No:XEN/Civil/WO/106/2024 Date: 01-07-2024	2,995,442
55	Repair/ Reconstruction R.C.C. Culvert / Cross at various procession routes of Muharram ul Haram in Latifabad HMC	A.R Enterprises	Work Order No:XEN/Civil/WO/107/2024 Date: 01-07-2024	2,995,442
56	Repair/ Reconstruction R.C.C Culvert/ Cross at various procession routes of Muharram ul Haram in Qasimabad HMC	Arbab& Brothers	Work Order No:XEN/Civil/WO/108/2024 Date: 01-07-2024	2,995,442
57	Repair road main holes/ Precast Slab / Burn brick Lime / Stone crush powder (khaka) at various procession routes of Muharram ul Haram in City HMC	I.A.A Enterprises	Work Order No:XEN/Civil/WO//2024 Date: 28-06-2024	2,996,963
58	Repair road main holes/ Pre-cost Slab / Burn brick Lime / Stone crush powder (khaka) at various procession routes of Muharram ul Haram in Latifabad HMC		Work Order No:XEN/Civil/WO/109/2024 Date: 01-07-2024	2,996,963

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[Amount in Rs.]

Work#	Work Name	Name of Contractor	W.O # & Date	Contract Amount
59	Repair road main holes/ Pre-cost Slab/ Burn brick Lime / Stone Crush Powder (Khaka) at Various Procession Routes of Muharram ul Haram in Qasimabad HMC		Work Order No:XEN/Civil/WO/110/2024 Date: 01-07-2024	2,996,963
60	Construction of Shops and Public Toilets at Resham Gali in City HMC	Global Work & Services	Work Order No:XEN/Civil/WO/111/2024 Date: 01-07-2024	2,995,442
61	Construction of Shades for Snorkel Fire Brigade at Central Fire Brigade office in Latifabad HMC		Work Order No:XEN/Civil/WO/112/2024 Date: 01-07-2024	2,995,442
Total				**182,476,756**

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Appendix-3: [Para: 4.2] Irregular procurement of electrical material

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Work Order No and Date	Amount
1	Repair and Maintains of LED Lights from Pole No 161 To Pole No. 200 within the Jurisdiction of Hyderabad Municipal Corporation Hyderabad.	M/s Arbab Construction Company	EE/HMC/114/2024, Date: 18-07-2024	2,997,044
2	Repair and Maintains of LED Lights from Pole No 41 To Pole No. 80 within the Jurisdiction of Hyderabad Municipal Corporation Hyderabad.	M/s Arbab Construction Company	EE/HMC/113/2024, Date: 18-07-2024	2,997,044
3	Repair and Maintains of LED Lights from Pole No 81 To Pole No. 120 within the Jurisdiction of Hyderabad Municipal Corporation Hyderabad.	M/s Arbab Construction Company	EE/HMC/111/2024, Date: 15-07-2024	2,997,044
4	Repair and Maintains of LED Lights from Pole No 121 To Pole No. 160 within the Jurisdiction of Hyderabad Municipal Corporation Hyderabad.	M/s Arbab Construction Company	EE/HMC/110/2024, Date: 15-07-2024	2,997,044
5	Repair and Maintains of LED Lights from Pole No 01 To Pole No. 40 within the Jurisdiction of Hyderabad Municipal Corporation Hyderabad.	M/s Arbab Construction Company	EE/HMC/115/2024, Date: 18-07-2024	2,997,044
6	Supplying & Fixing of Street Light Material During the Holy Month of Muharam-ul-Haram (1446) within the Jurisdiction of City, QadamGah Hyderabad Municipal Corporation Hyderabad.	M/s A.H Constructors	EE/HMC/118/2024 Date: 18-07-2024	2,803,837
7	Supplying & Fixing of Steeet Light Material During the Holy Month of Muharam-ul-Haram (1446) within the Jurisdiction of City, Hirabad Hyderabad Municipal Corporation Hyderabad.	M/s A.H Constructors	EE/HMC/119/2024 Date: 18-07-2024	2,999,881
8	Supply of Sogo City Light Material Along with Complete Accessories within the Jurisdiction of Latifabad Hyderabad Municipal Corporation Hyderabad.	M/s Mac Enterprises	EE/HMC/112/2024 Date: 18-07-2024	2,999,410
9	Supply of Sogo City Light Material Along with Complete Accessories within the Jurisdiction of City Hyderabad Municipal Corporation Hyderabad.	M/s Qazi Enterprises	EE/HMC/106/2024 Date: 15-07-2024	2,999,410
Total				**26,787,758**

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[Amount in Rs.]

Sr. No:	Cheque No:	Date	Description	Name of Contractor	Amount
1	45548259	05.12.2024	Supply of Electric Material	M/s Qazi Enterprises	243,100
2	45548259		Supply of Electric Material		243,100
3	45548259		Supply of Electric Material		329,820
4	49432460	19.12.2024	Supply of Electric Material	M/s Habibullah Builders	499,650
5	49432460		Supply of Electric Material		499,650
6	49432460		Supply of Electric Material		499,650
7	49432460		Supply of Electric Material		499,650
8	49432460		Supply of Electric Material		499,650
9	49432462		Supply of Electric Material	M/s Rehman Construction & Co:	499,100
10	49432462		Supply of Electric Material		499,100
11	49432462		Supply of Electric Material		499,100
12	49432462		Supply of Electric Material		499,100
13	49432463		Supply of Electric Material	M/s Makkah Builders	497,900
14	49432463		Supply of Electric Material		497,900
15	49432463		Supply of Electric Material		497,900
Total					**6,804,370**

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Appendix-4: [Para: 4.3] Splitting up of expenditure to avoid open tender

[Amount in Rs.]

Sr. No.	Cheque No:	Date	Name of Contractor	Description	Amount
1	45548310	24.03.2025	M/s Farooque Construction	Hire charges of Labour for Bush Cutting & cleaning of various Graveyards of HMC on occasion of Shab e Barat (bill No: 01 dated 17.09.2025)	449,280
2		24.03.2025		Hire charges of Labour for Bush Cutting & cleaning of various Graveyards of HMC on occasion of Shab e Barat (bill No: 02 dated 17.09.2025)	449,280
3		24.03.2025		Hire charges of Labour for Bush Cutting & cleaning of various Graveyards of HMC on occasion of Shab e Barat (bill No: 03 dated 17.09.2025)	457,600
4		24.03.2025		Hire charges of Labour for Bush Cutting & cleaning of various Graveyards of HMC on occasion of Shab e Barat (bill No: 04 dated 17.09.2025)	416,000
Total					**1,772,160**

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Appendix-5: [Para: 4.4] Award of contracts without obtaining performance security

[Amount in Rs.]

NIT# D.P/ HMC/462 / 2024 Dated: 14-06-2024					
Work Order No.	**Name of Work**	**Name of Contractor**	**Work Order No and Date**	**Contract Amount**	**10% Performance Guarantee**
1	Construction of Park at Alamdar Chowk Qasimabad in the limits of HMC	M/s Quershi Traders	DP / WO / 479/2024, Date: 06-08-2024	7,995,945	799,595
2	Repair and Beautification of Pakka Qila Park City HMC		DP / WO / 478/2024, Date: 06-08-2024	4,999,446	499,945
3	Providing and Fixing monuments at Niaz Stadium TMC Qasimabad HMC	M/s Aftab Structure	DP / WO / 479/2024, Date: 06-08-2024	4,999,172	499,917
4	Repair and Rehabilation / Improvement of Niaz Stadium TMC Qasimabad Hyd.	M/s Muhammad Amin Brohi	DP / WO / 480 /2024, Date: 06-08-2024	69,992,150	6,999,215
5	Construction of Parks / Green Belt at opposite Taj Petrol Pump Bhittai Nagar Bypass Qasimbad HMC	M/s Solangi Enterprises	DP / WO / 481 /2024, Date: 06-08-2024	49,994,819	4,999,482
6	Repair & Renovation of Nursery Park at Unit No: 06 Latifabad in the limits of HMC	M/s Ali Enterprises	DP / WO / 482 /2024, Date: 06-08-2024	5,999,210	599,921
7	Construction of Parks / Green Belt at Near Hyderabad Club Qasimbad HMC		DP / WO / 483 /2024, Date: 06-08-2024	4,999,483	499,948
Total				**148,980,225**	**14,898,023**

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Appendix-6: [Para: 6.2] Non-production of record

Sr. No.	Particulars
1	Sanctioned and Working Strength of HMC.
2	Established related record i.e. Personal Files, Services Books and Promotions along with seniority list cadre-wise of employees.
3	Bank Statements of official accounts
4	Betterment Charges Share received from Sindh Building Control Authority and its utilization
5	Budget approval letter from Secretary Local Government

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