Auditor-General of Pakistan

February 2026

Audit Report on
Karachi Metropolitan Corporation
Government of Sindh
FY 2024-25

Report No: DGALGS-26-001
Audit Year 2025-26

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 various offices of the Karachi Metropolitan Corporation, for the financial year 2024-25 and accounts of some of the offices for previous financial years. 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.

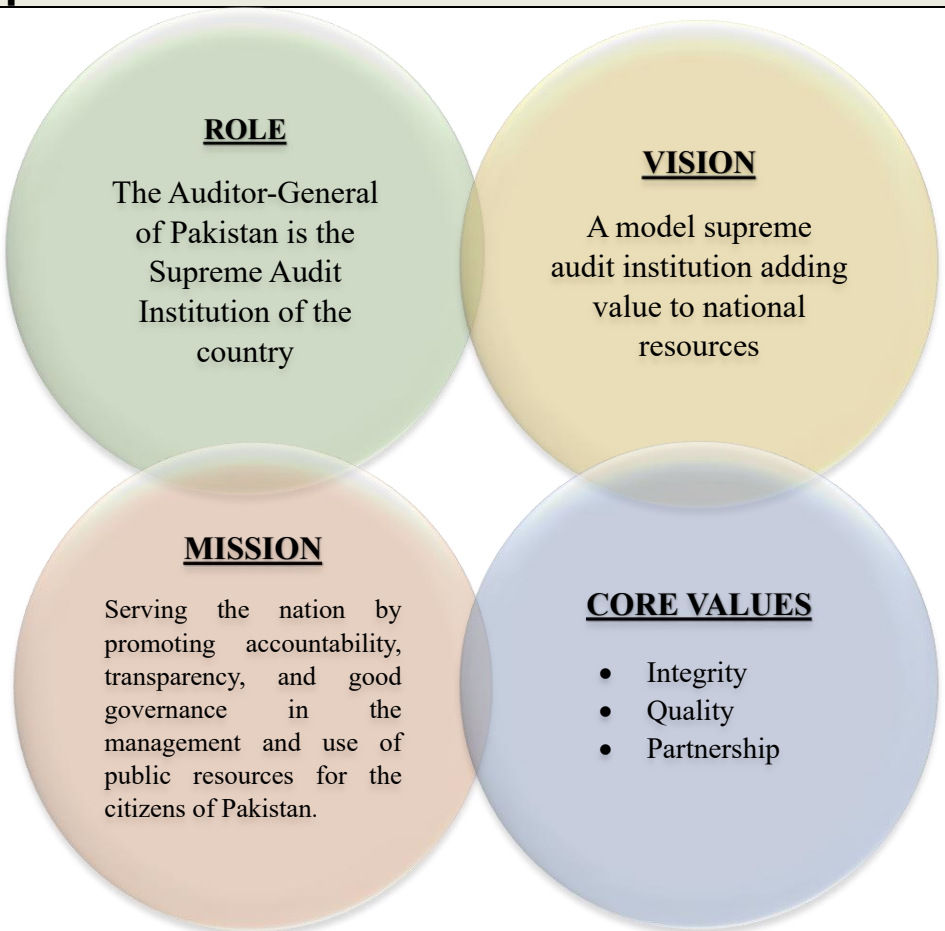
The report was share with the entity as well as the Principal Accounting Officer (PAO). Observations included in this report were finalized in the light of written replies of the formations, whereas in other cases the formations did not submit written replies till the finalization of this report. DAC 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.

Islamabad
Dated:

(Maqbool Ahmad Gondal)
Auditor-General of Pakistan

Department of the Auditor-General of Pakistan



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.

AUDIT SNAPSHOT

Why did we do this audit?

- To assess legal and regulatory compliance with applicable rules.
- To review financial management with respect to budgetary controls, expenditure management, financial reporting, and utilization of public resources.
- To evaluate revenue generation and recovery
- To assess procurement and contract management
- To examine service delivery and development execution
- To determine the effectiveness of internal control systems and risk mitigation practices

What did we find?

- Non-functioning facilities, weak development, and continued encroachments on public recreational spaces.
- Non-recovery of outstanding dues
- Unauthorized clearance of liabilities and payment of sales tax on behalf of contractors.
- Inaction against employees holding dual jobs.
- Splitting of expenditure to avoid open tender and publication of tenders.
- Award of works to highest bidders and non-execution of works within stipulated timelines.
- Works executed without specifying exact locations.
- Non-maintenance of POL records and property records, along with absence of adequate maintenance budget for assets.

Key Assessment

- Municipal services were not delivered to expected standards due to weak planning, inadequate monitoring
- Ineffective supervision and weak enforcement of controls resulted in limited accountability.
- Inadequate revenue generation and recovery led to significant outstanding dues
- Procurement and contract management lacked transparency and effectiveness.
- Poor record management, and inadequate risk management practices adversely affected economical and efficient use of public resources.

What did we recommend?

- Make non-functional parks and playgrounds operational and remove encroachments
- Recover outstanding dues and set realistic & achievable revenue targets.
- Provide justification for unauthorized clearance of liabilities.
- Fix responsibility for splitting of expenditure, non-execution of works within stipulated time
- Justify award of works to highest bidders and re-invitation of bids without proper cancellation.
- Conduct inquiry and recover sales tax paid on behalf of contractors.
- Ensure maintenance of POL and property records in prescribed format

HIGHLIGHTS

Entity Summary Sheet – KMC (FY 2024-25)

Disclaimer: The financial information presented herein has not been independently verified, as Karachi Metropolitan 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 & Objectives	The Karachi Metropolitan Corporation (KMC) is responsible for planning, regulating, and managing municipal services and the metropolitan development of Karachi. Its primary goal is ensuring orderly urban development and improving citizens' quality of life.
Total Assets (Current/Long term)	**-Not Provided-**
Total Liabilities (Current/Long term)	**2,556.033 (Million)**
Income/Revenue (Own Resources)	**4,855.689 (Million)**
Government Grants	**32,461.285 (Million)**
Total Receipts	**37,316.974 (Million)**
Expenditure	**24,059.764 (Million)**
Cash Balances	**3,684.695 (Million)**
Total Investments	**2,814.965 (Million)**
Funding Sources (Govt/Donor agency)	**Government of Sindh/World Bank**
Total Allocations	**49,701.845**
Accounting policy	**IPSAS (Cash Basis)**
Status of financial statements	Annual Statement of the Accounts not prepared and audited
Composite Risk Rating	D (Due to non-preparation of Annual statement of the Account)
Compliance Status of Audit Recommendations	Awaited

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Abbreviations and Acronyms

AIR	Audit & Inspection Report
ADP	Annual Development Plan
A.G.	Accountant General
AIR	Audit & Inspection Report
ASH	Abbasi Shaheed Hospital
BPS	Basic Pay Scale
C.C	Cement Concrete
CDGK	City District Government Karachi
Co	Company
CR	Council Resolution
DAC	Departmental Accounts Committee
DGA	Director General Audit
ER	Emergency Room
FA	Financial Advisor
F&A	Finance & Accounts
FAO	Food and Agriculture Organization
FD	Finance Department/Division
FY	Financial Year
GoS	Government of Sindh
GPS	Global Positioning System
HR	Human Resource
HRA	House Rent Allowance
HRM	Human Resource Management
ICU	Intensive Care Unit
IPSAS	International Public Sector Accounting Standards.
ISO	International Organization for Standardization
ITB	Invitation of Bid
J.V.	Joint Venture
K.A.E.C.H.S.	Karachi Administration Employees Cooperative Housing Society
KHID	Karachi Institute of Heart Disease
KMC	Karachi Metropolitan Corporation

KPI	Key Performance Indicator
LGD	Local Government Department
LG&HTP	Local Government & Housing Town Planning
MfDAC	Memorandum of Departmental Accounts Committee
M&HS	Medical & Health Service
MS	Medical Superintendent
MRI	Magnetic Resonance Imaging
MUCT	Municipal Utility Charges and Taxes
NICVD	National Institute of Heart Disease
NIT	Notice Inviting Tender
NOC	No Objection Certificate
OCAC	Oil Companies Advisory Council
OPD	Out-Patient Department
OT	Operation Theatre
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I	Planning Commission Form-I
PD	Project Director
PECHS	Pakistan Employees Cooperative Housing Society
POL	Petroleum, Oil and Lubricants
PWD	Public Works Department
SCUG	Sindh Council Unified Grade
SD	Senior Director
Sft	Square feet
S&GAD	Services & General Administration Department
SHCC	Sindh Health Care Commission
SLGA	Sindh Local Government Act
SPPRA	Sindh Public Procurement Regulatory Authority
ST	Street
WHO	World Health Organization

Overview of the Entity

The "City of Karachi Municipal Act, 1933" established the "Municipal Corporation of the City of Karachi" in 1933. In 1947, the Karachi Metropolitan Corporation (KMC) created its own rules. The Basic Democracies Act of 1959 restructured the local bodies system until 1971. In 1976, KMC was granted Metropolitan Corporation status. The 1972 ordinance was replaced by "The Sindh Local Government Ordinance" in 1979. The Sindh Local Government Ordinance 2001 introduced a third tier, establishing the City District Government Karachi and 18 Town Municipal Administrations, replacing KMC and the five DMCs with Town Administration. The Sindh Local Government Ordinance 2001 expired in 2010. As per Sindh Local Government Act, 2013 had to be reinstated KMC by way of notification, which was not provided to audit.

Karachi Metropolitan Corporation (KMC) is the prime municipal authority responsible for governance, administration, and development of Karachi, the largest metropolitan city and economic hub of Pakistan. 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 Karachi.

KMC 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 KMC 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 Metropolitan 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, KMC operates through multiple departments and directorates, including Finance, Engineering, Medical & Health, Municipal Services, Parks & Horticulture, Culture & Sports, Land Management, Municipal taxes, Zoo & Safari Park, Store & Procurement, Charge Parking, Estate, and Information Technology. Each department is headed by a Senior Director or Director, accountable for operational efficiency and financial discipline within their respective domains.

The financial framework of KMC 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.

KMC 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 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 KMC directly impacts urban management, public welfare, and sustainable development of Karachi.

Part-I

1. Stated Mandate, Role and Responsibilities

i. Legal Status

The Karachi Metropolitan Corporation (KMC) is established under the Sindh Local Government Act, 2013. It serves as the principal civic authority responsible for the administration, regulation and development of municipal services in Karachi.

KMC functions as a body corporate with defined territorial jurisdiction over the Karachi Metropolitan area. It is mandated to provide essential civic infrastructure and services, ensure public health and safety, regulate municipal activities, and promote orderly urban development. As the metropolitan tier of local government, it plays a coordinating role among District Municipal Corporations and other local entities operating within Karachi.

Headed by an elected Mayor and supported by the Metropolitan Council and administrative leadership, the Corporation undertakes city-wide responsibilities including major infrastructure development, fire services, metropolitan parks and public spaces, regulatory enforcement, revenue collection, and oversight of key municipal institutions.

ii. Mandate

As per SLGA 2013, the mandate of KMC is to:

- Provide municipal services and infrastructure for the metropolitan area of Karachi.
- Ensure public health, safety, welfare and convenience of residents.
- Regulate and manage urban development, municipal administration and civic amenities.
- Promote economic, social and environmental well-being within its jurisdiction.
- Exercise powers of taxation, regulation, enforcement and municipal governance as provided under the Act.

iii. Role and Responsibilities:

The role of KMC under SLGA 2013 includes:

i. Planning development and maintenance of Inter-district roads, bridges, street lights and storm water drains.

ii. Special Development Programs.
iii. Coordination, monitoring and supervision of all inter-district development / maintenance work.
iv. Maintenance of Abattoirs and Cattle Colonies to be specified by Government.
v. Medical College and Teaching/Specialized Hospitals, e.g., Karachi Medical and Dental College, Abbasi Shaheed Hospital, Sobhraj Maternity Home, Sarfraz Shaheed Hospital, Spencer's Eye Hospital and Leprosy Hospital.
vi. Zoological Gardens, Safari Park, Aquarium, Sports Complex and Beaches.
vii. Art Gallery, Museum and Metropolitan Library.
viii. Municipal Watch and Ward.
ix. Fire Fighting Service.
x. Civil Defense.
xi. Traffic Engineering.
xii. Control of Land owned by Metropolitan Corporation and Removal of Encroachments from the properties owned
xiii. Celebration of National Days.
xiv. Reception of Foreign dignitaries/distinguished guests.
xv. Providing protection against stray animals and animal trespass, and establishing cattle pounds; and
xvi. Regulation or prohibition of the establishment of brick kilns, potteries and other kilns within the residential areas.

1.1 Non-functioning, development and removal of encroachments from playgrounds and parks

As Per Schedule-II (Section 72), Sindh Local Government Act, 2013, "Functions to be performed by corporations, Part-i compulsory functions to be performed by the metropolitan corporation exclusively

3) Coordination. Monitoring and supervision of all inter-district development / maintenance works 13) Control of Land owned by Metropolitan Corporation and Removal of Encroachments from the properties owned by Metropolitan Corporation".

Moreover, World Bank Public Asset Management Framework stipulates that public assets must be identified and inventoried, maintained through lifecycle budgeting and protected from encroachment and value erosion.

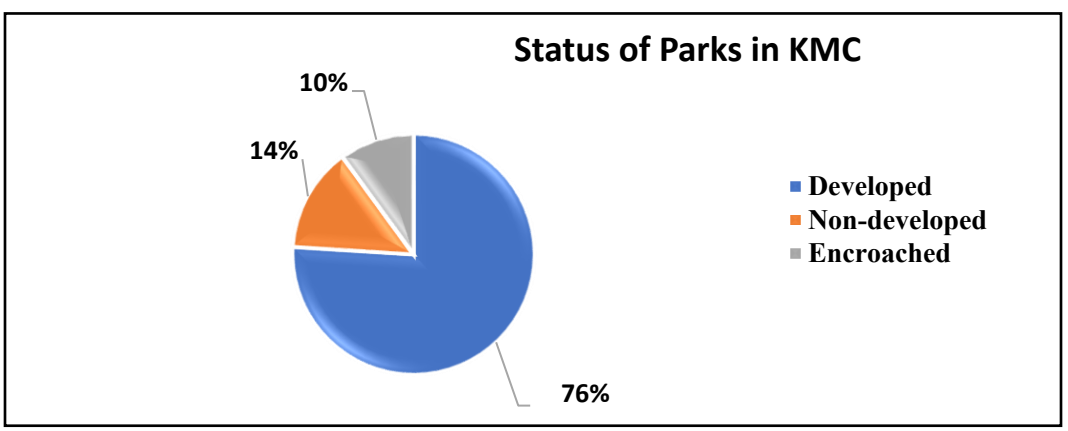
During the audit of the Senior Director, Recreation, Culture & Sports Department and DG Parks & Horticulture, Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that management failed to developed and functionalize playgrounds and parks. Moreover, non-developed / non-functional parks and playgrounds were either partially or fully encroached due to indifference of the management. Resultantly, recreational facilities and services could not be provided to the general public, as tabulated below: (**Appendix-1**).

Senior Director, Recreation, Culture & Sports Department		
Playgrounds	**Number**	**Total Area (Acres)**
Functional	56	305
Non-Functional	29	115
Total	**85**	**420**
Approximately 34% of playgrounds are non-functional.		

DG Parks & Horticulture		
Parks	**Number**	**Total Area (Acres)**
Developed	38	588
Non-developed	7	382
Encroached	5	35
Total	**50**	**1,005**
Approximately 24% of parks are non-developed / encroached		

Audit was of the view that due to non-functioning / non-development and encroachment of playgrounds and parks, recreational activities could not be provided to the general public which indicated poor management.

Audit was of the opinion that an important service delivery aspect of the local governments was being ignored that led to negative consequences on the health of general public. Thus, failure to develop parks and non-evacuation of encroached land deprived citizens of essential recreational facilities and resulted in loss to public exchequer as depicted below:



The matter was reported to the management in June and August 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 and 22-07-2025, 30-12-2025 and 07-01-2026.

Audit recommends that non-functional parks and playgrounds be made functional and steps be taken to evacuate the encroached parks in order to ensure provision of recreational services to general public on priority basis.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2023-24 and 2022-23 vide para numbers 2.5.6.1 and 2.5.6.1 respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 3, 12]

1.2 Non-restoration of roads & footpaths

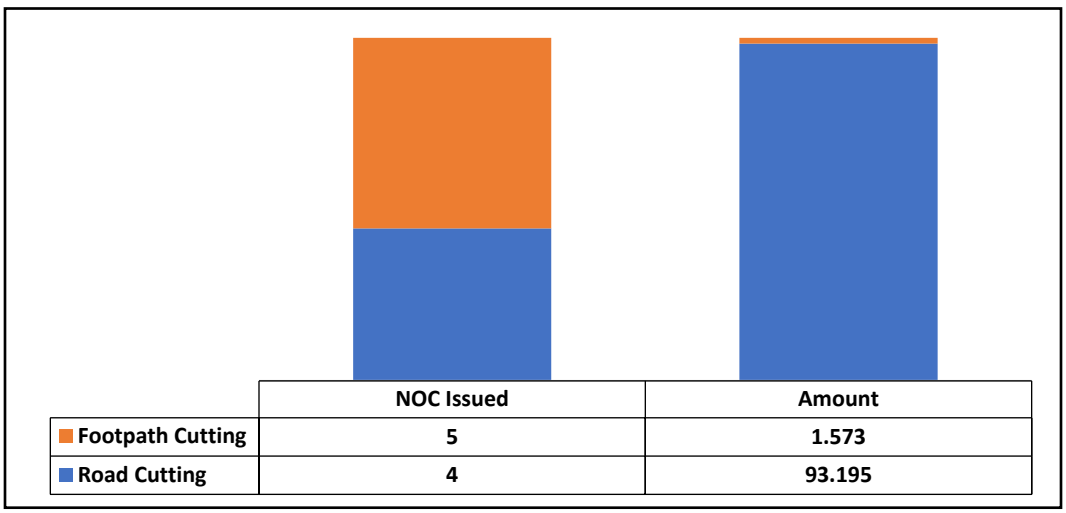
Section 116(7), Chapter-XII of Sindh Local Government Act, 2013, stipulates that every member or employee of a Council and every person, charged with the administration of the affairs of a Council, or acting on behalf of a Council shall be personally liable for the loss, waste, misapplication or unauthorized application of any money 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.

Further, ISO 45001 (Public Safety) and ISO 14001 (Environmental Impact) stipulate that excavated roads are high-risk zones requiring immediate mitigation and prolonged excavation increases dust, noise, and drainage disruption.

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was observed that management issued nine roads and footpaths cutting permits for Rs 94.768 million to various agencies for excavation. However, after the expiry of the validity period of these permits, the required restoration of the affected roads and footpaths was not undertaken by the concerned agencies. In addition, funds amounting to Rs 554.861 million were reflected as credit in the designated bank account for road cutting charges, yet no clear reconciliation or utilization record was provided to establish how these funds were expended, as detailed below: **(Appendix-2).**

[Rs. in Million]

Sr. No.	Charges	NOC Issued	Amount
1	Road Cutting	4	93.195
2	Footpath Cutting	5	1.573
Total		**9**	**94.768**



Audit was of the view that non-restoration of roads and footpaths was irregular that resulted into poor service delivery which indicated weak internal control system.

Audit was of the opinion that non-restoration of excavated roads and footpaths resulted in prolonged deterioration of public infrastructure, causing inconvenience to citizens and increased the risk to public life and property.

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 that restoration of roads and footpaths be carried out by the agencies responsible for road cutting. The damage is caused by their own activities for installation and maintenance of utility infrastructure, hence the responsibility for reinstating of roads to its original condition rests entirely with the concerned agencies. Allowing such agencies to pay road cutting charges instead of undertaking proper restoration often results in substandard repairs, premature road deterioration, and additional financial burden on public exchequer.

[AIR Para: 23]

2. Financial Management

Audit observed weaknesses in financial management, including non-preparation of annual statement of accounts within prescribed timelines since 2013, heavy reliance on government grants, and significant shortfall in own-source revenue realization. Outstanding dues remained unrecovered, liabilities of previous years were cleared from current budget allocations, and internal financial controls were found inadequate. These issues reflected weak fiscal discipline, ineffective revenue recovery mechanisms, poor financial planning, and increased financial risk to public funds.

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 Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that the management neither prepare annual statement of the accounts nor submitted the same to audit within thirty days of the close of financial years since reinstation of KMC 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 are vital for ensuring accuracy, accountability, and confidence in a corporation's financial reporting. It plays a key role in decision-making, compliance, governance, and sustainable corporate growth. 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.

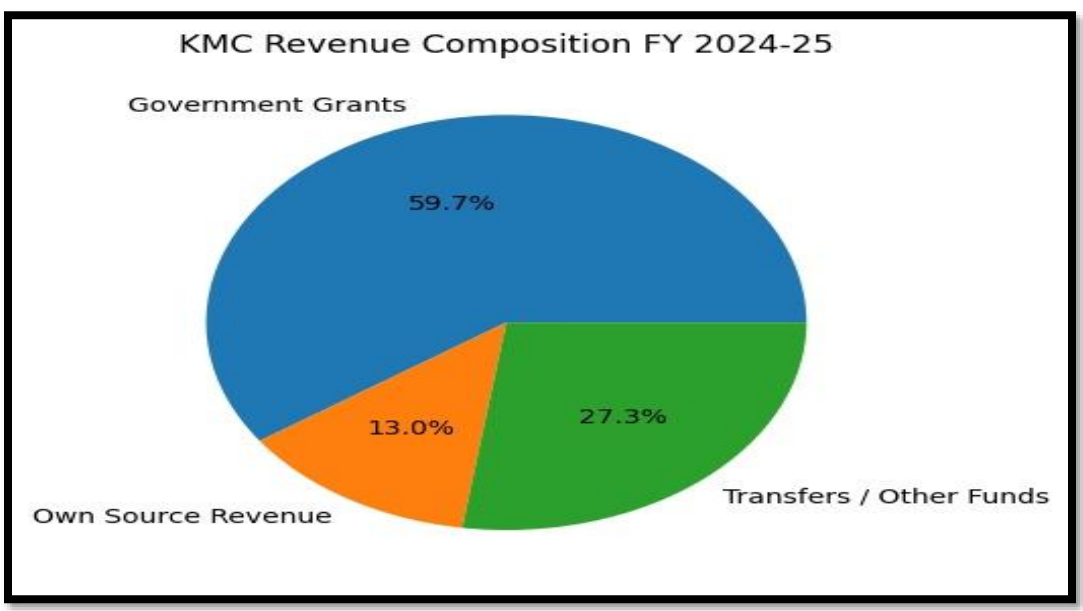
Audit was of the view that the significant delay in finalization of annual statement of accounts resulted in non-presentation of financial statements to its stakeholders within the prescribed timeframe, reflecting weak financial management and governance practices.

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 KMC 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

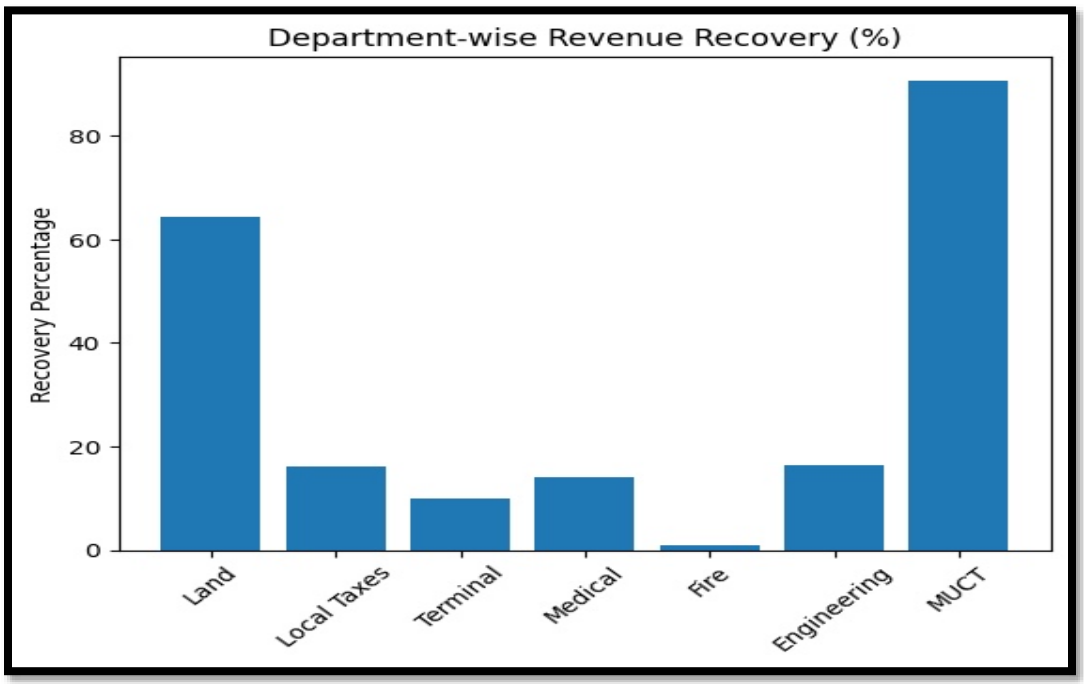
Financial position of Karachi Metropolitan Corporation (KMC) for FY 2024-25 reflects a structurally constrained fiscal framework characterized by heavy reliance on government transfers, weak own-source revenue mobilization, and persistent gaps between targeted and realized receipts. Against a total revenue target of Rs 49,701.85 million, the Corporation realized Rs 37,316.97 million (Government Grants, Own Sources Revenue and Transfer/Other Funds), achieving 75.08% and resulting in a shortfall of 24.92%. The composition of receipts indicates that financial sustainability continues to depend predominantly on external support rather than internally generated municipal income, as illustrated below:



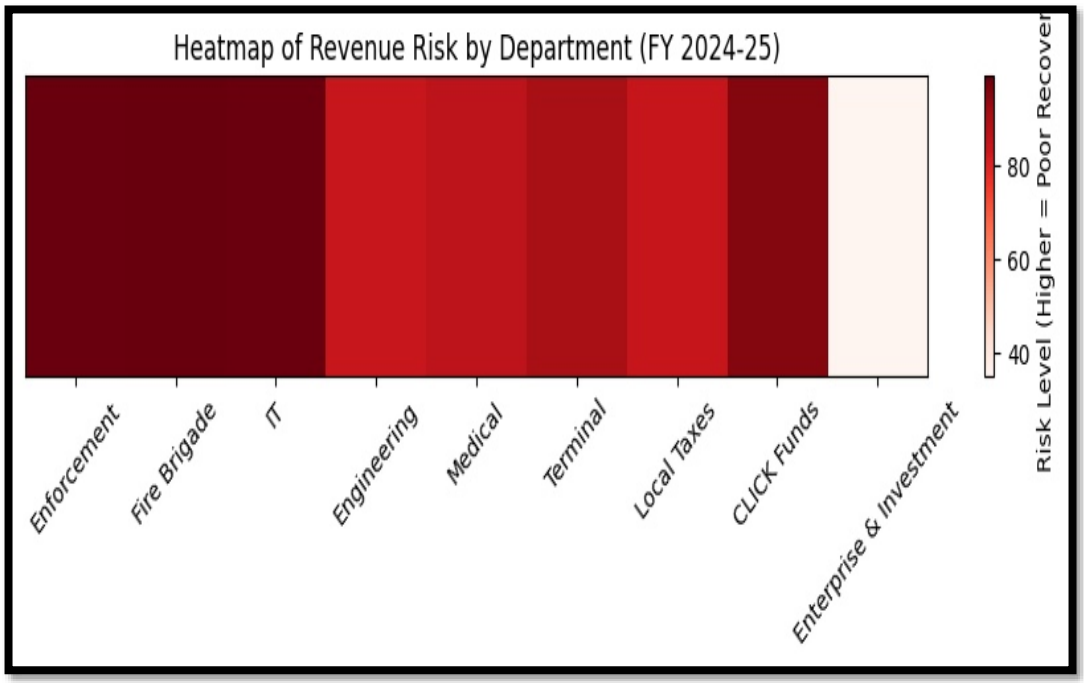
Government grants and OZT-related transfers constituted the largest share of total receipts, amounting to Rs 22,263.89 million, or nearly 60% of overall revenue. This dependence underscores limited fiscal autonomy and exposes the Corporation to risks associated with fluctuations in provincial funding. Although certain grant heads exceeded

targets, overall grant realization remained below projections, contributing to the aggregate shortfall. Transfers and departmental funds, including development-related releases and inter-governmental adjustments, accounted for approximately Rs 10,206.19 million (about 27%), further indicating reliance on non-operational revenue streams rather than sustainable municipal income.

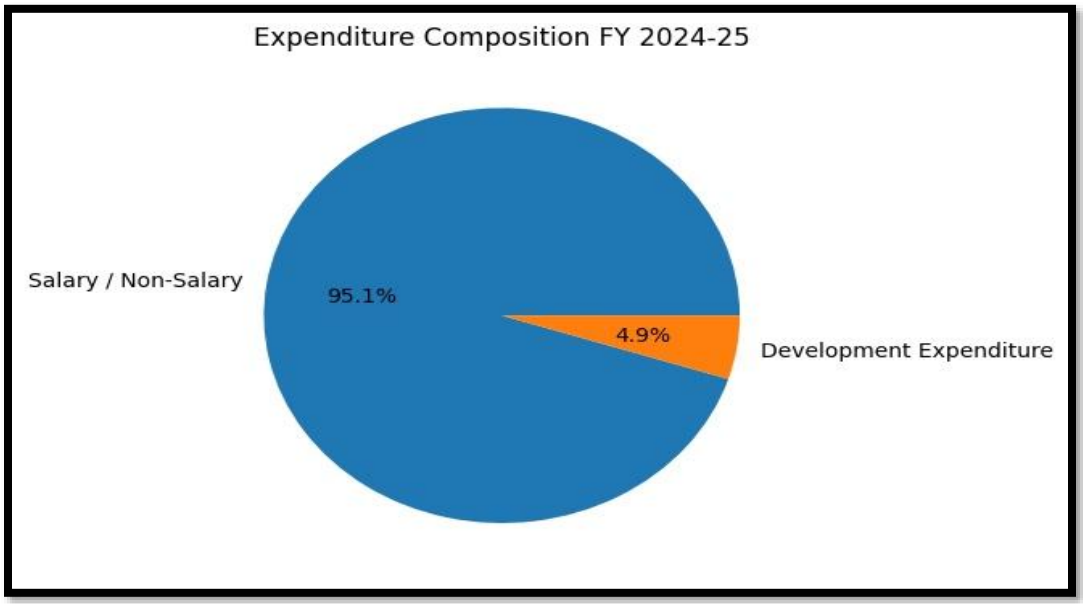
Own-source revenue remained comparatively weak, totalling Rs 4,846.89 million and achieving only 68.24% of the annual target. Several major municipal revenue heads—including land, local taxes, terminal income, medical services, fire brigade, engineering, and advertisement—recorded significant underperformance, reflecting inefficiencies in assessment, billing, enforcement, and recovery mechanisms. Notwithstanding the overall weakness, recovery of Municipal Utility Charges & Taxes (MUCT) showed relatively stronger performance, realizing Rs 1,814.65 million (90.73% of target). The improved performance in MUCT is attributable to the outsourcing of billing and recovery to K-Electric, which enhanced collection efficiency through integration with electricity billing, broader consumer coverage, and reduced leakages. However, despite this improvement, the overall own-revenue base remains insufficient to support the Corporation's expenditure obligations, as illustrated below:



The heatmap highlights several departments with critically low revenue recovery levels, particularly Enforcement, Fire Brigade, IT, Terminal, and Engineering. The concentration of weak performance across multiple revenue streams indicates systemic weaknesses in collection, monitoring, and enforcement. Addressing these inefficiencies is essential to strengthen financial sustainability and reduce reliance on external funding, as illustrated below:



On the expenditure side, the fiscal structure remained heavily skewed toward recurring costs. Total expenditure during FY 2024-25 amounted to Rs 24,059.76 million, of which Rs 22,869.28 million—approximately 95%—comprised salary and non-salary recurring expenditure. Development expenditure remained significantly constrained at Rs 1,190.49 million, representing only about 5% of total spending. This pattern reflects limited fiscal space for infrastructure development, asset creation, and long-term improvement in municipal service delivery. The dominance of recurring expenditure, combined with weak internal revenue generation, indicates structural fiscal stress and limited operational flexibility, as illustrated below:



Overall, the financial assessment indicates that while the Corporation continues to function through substantial external financial support, its internal revenue capacity remains weak and development investment remains compressed. Moreover, strengthening revenue mobilization, improving recovery efficiency across municipal heads, rationalizing recurring expenditure, and increasing allocation towards development activities are crucial for improving fiscal sustainability.

- **Comments on realization of own resource revenues**

It was noted that offices of KMC failed to achieve revenue targets from own resources, which weakens their financial sustainability. KMC rely heavily on own-source revenues. Out of targeted receipts of Rs 3,990.500 million of 13 offices, an amount of Rs 2,915.187 million was shortly realized, which was 73.05% of targets.

The shortfall was due to several possible factors, such as:

- Weak revenue collection mechanisms – outdated records, poor assessment systems, or ineffective recovery processes.
- Limited enforcement capacity – lack of action against defaulters or politically sensitive recoveries.
- Unrealistic revenue targets – projections that were not aligned with ground realities.

- Administrative inefficiencies – gaps in monitoring, accountability, or financial management systems.

The broader implication is significant. When revenue targets are not met:

- Development projects may be delayed or cancelled.
- Service delivery quality declines.
- Dependence on provincial transfers increases.
- Fiscal discipline and planning credibility are undermined.

For a metropolitan city like Karachi, which already faces immense service delivery challenges due to population size and urban expansion, such underperformance can further strain governance structures. Overall, the failure of offices to meet their receipt targets is not just a financial issue, it reflects structural governance challenges that require strategic reforms to ensure sustainable municipal administration.

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 following offices of the Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that the management did not recover outstanding dues amounting to Rs 36,717.926 million on account of utility charges, arrears and various heads, as detailed below:

[Rs. in Million]

Sr. No.	Name of Formations	F.Y.	AIR Para	Description	Outstanding Dues
1	Senior Director, Municipal Utility Charges and Taxes	2023-24	2	Utility charges	34,169.400
2	PD Orangi Township		2	Recovery of arrears form different Government Department	39.350
3	Senior Director, Veterinary		2	Various auctions	24.130
4	Senior Director, Recreation Culture & Sports Department		2	Various heads, e.g., football, badminton, table tennis, basketball, skating, baseball, squash and archery, etc. by KMC sports complex	16.890
5	Sr. Director Land Management	2024-25	3	Land rent from permanent plots and Rent from Hawksbay Huts	126.951
6	Sr. Director (F&A)		3	Dues from different departments (Betterment charges from SBCA and MUCT from OCAC)	2,341.205
Total					**36,717.926**

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

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 during June 2025 to October 2025. The office at Sr. No. 6 replied that targeted receipts are cumulative target comprising various revenue components, many of which are not presently recoverable due to reasons beyond the control of KMC. The F&A department continues to pursue all outstanding recoveries with the concerned entities. Reply was not tenable as the management failed to recover said outstanding dues. Management is required to pursue the matter via competent forum. No reply was received from other offices.

The PAO 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 recovery of outstanding dues, besides fixing of 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 2.5.4.5, 2.5.4.4 and 2.5.4.1 having

financial impact of Rs 83,457.575 million, Rs 95,840.027 million and Rs 134,760.038 million respectively. The recurrence of the same irregularity is a matter of serious concern.

2.3 Non-deduction of water charges

As per PWD additional terms & conditions Clause 6, "Water supply will be allowed by the department from Pakistan Public Works department or Municipal water mains passing through areas where work is required to be carried out and shall pay the cost of water to the department at ½% of the total cost of the work for drinking purpose & 1% of the total cost of the work involving use of water (i.e. for construction purpose)."

During the audit of the Director General, Parks & Horticulture, KMC, for the financial year 2024-25, it was observed that the management paid Rs 598.888 million to various contractors on account of execution of various development schemes but failed to deduct water charges of Rs 5.989 million @ of 1% from the bills of contractors.

Audit was of the non-deduction of water charges indicated poor financial management and weak internal controls.

Audit was of the opinion that non-deduction of water charges resulted in a loss to the government exchequer.

The matter was reported to the management in August 2025, but no reply was received. The PAO 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 recovery of water charges.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25 vide para number 2.5.4.8 having financial impact of Rs 6.790 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 7]

2.4 Unauthorized clearance of liabilities

Local Government Department, Government of Sindh vide letter No.SOA/LG/MISC./4(13)/2016 dated 22-08-2016, imposed ban on payment of all kind of liabilities. All the councils shall strictly follow the instructions failing which stern disciplinary action shall be taken against defaulter.

During the audit of following office of the Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that management paid an amount of Rs 11,870.749 million on account of clearance of liabilities of previous financial years from budget grant of current financial year. Furthermore, schedule of liabilities and register of liabilities was also not maintained to verify the authenticity of payments made, in violation of above rules.

[Rs. in Million]

Sr. No.	Name of Formations	FY	Amount
1	Director Media Management, KMC	2023-24	7.489
2	DG, Parks & Horticulture	2024-25	8.000
3	Sr. Director (F&A)		11,855.26
Total			**11,870.749**

Audit was of the view that the clearance of liability from current allocations indicated poor financial management, violation of the rules and weak internal controls.

Audit was of the opinion that clearance of liabilities from current budget was against financial prudence and would lead to shortage of funds.

The matter was reported to the management during March 2025 to September 2025. The office at Sr. No. 3 replied that the liabilities reflected under the head of Pension Commutation / Family Pension and Restoration dues have accumulated over several years. Karachi Metropolitan Corporation is responsible for disbursing pension and gratuity to retirees of all Karachi Councils as well as employees of the Sindh Local Government cadre, from KMC's own resources and pension fund. Since 2017, the pension liability pertaining to SCUG employees was transferred to their parent department. As a result, a substantial backlog of pension-related liabilities has developed over time. KMC has already taken up the matter with the Government of Sindh to release a special grant-in-aid for settlement of these long-standing awaiting payments. Regarding the liability of Rs 1,082.41 million pertaining to contractors and suppliers, it is submitted that these liabilities have also accrued over multiple years due to resource constraints and unavoidable cash-flow shortfalls. Execution of development works was carried out in the public interest, but owing to fiscal limitations, payments could not be cleared in the same financial years. It is further submitted that clearing historic contractor liabilities from the current year's budget directly reduces the development capacity of the ongoing financial year. These payments are therefore being prioritized and scheduled maybe cleared subject to availability of resources /funds. Reply of the management concurs with the audit objection that management paid liabilities without approval. Management is required to pursue the matter and clear the liabilities of pensioner on priority basis. Whereas, no reply was received from other offices.

The PAO 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 seeks justification regarding clearance of liabilities against guidelines 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 2.5.6.6, 2.5.7.4 and 2.5.6.3 having financial impact of Rs 19,562.496 million, Rs 18,220.213 million and Rs 9,646.236 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 10, 2, 4]

2.5 Non-reconciliation of receipts

According to Government instructions reflected in Accounting Policies and Procedures Chapter 6, Clause 6.3.4.1, "A monthly reconciliation of bank accounts is a necessary part of financial management and is also an effective measure for detecting and deterring fraud and irregularities".

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that the revenue receipts amounting to Rs 47.616 million were received on account of incineration & transportation and rental income from various playgrounds. However, the management failed to reconcile/verify the same from Finance Department of the KMC and Bank, as detailed below:

[Rs. in Million]

Sr. No	Name of Formations	Amount
1	Director, Solid Waste Management	31.416
2	Senior Director, Recreation, Culture & Sports Department	16.200
Total		**47.616**

Audit was of the view that non-reconciliation of revenue receipts was irregular and indicated poor financial management.

Audit was of the opinion that without reconciliation of the revenue, the completeness of the transactions could not be ensured.

The matter was reported to the management in March 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit seeks justification for the negligence, besides ensure reconciliation of the receipts.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 2.5.7.9 having financial impact of Rs 396.585 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 3, 4]

3. Human Resource Management

The HR management of the Karachi Metropolitan Corporation has faced significant challenges and scrutiny due to a lack of transparent and robust human resource controls. Auditors and oversight bodies have repeatedly found that personnel records, attendance data, and service books were not readily available for verification, hindering proper audit scrutiny and raising concerns about authenticity of employee-related transactions. In addition, provincial oversight committees and investigative bodies have highlighted the absence of a biometric attendance system for thousands of employees, leading to potential misuse of payroll funds and the presence of "ghost" or duplicate employees drawing salaries without clear evidence of attendance. Although the administration has since introduced a digital SAP-based payroll system to improve transparency and detect cases of multiple salary payouts, these developments underscore longstanding weaknesses in HR controls, record-keeping, and approval mechanisms within the organization. Total sanctioned strength of KMC during last 04 years (From 2022-23 to 2025-26) is 16,931, comprises of 2,291 gazetted officers and 14,640 non-gazetted staff with budget estimates of Rs. 12,553.048 million to Rs.17,358.564 million.

3.1 Inaction against the employees having dual jobs

Rule 16 (1) of the Government Servants (Conduct) Rules, 1964, stipulates that no Government servant shall, except with the previous sanction of the Government, engage in any trade or undertake any employment or work, other than his official duties.

During the audit of the Senior Director, Human Resource Management, Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that 85 employees had dual jobs, i.e., in KMC and Government of Sindh and were drawing dual

salaries. However, despite being pointed out by scrutiny committee in 2023, the management failed to take any action against such employees. Details are at **Appendix-3.**

Audit was of the view that the management failed to take any action against the employees drawing dual salaries which indicated poor management and weak internal controls.

Audit was of the opinion that drawing of dual salaries is strictly against the law and was a malpractice.

The matter was reported to the management in May 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit recommends inquiry into the matter and fixing of responsibility on the person(s) at fault along with recovery of amount paid.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25 vide para number 2.5.7.1 having financial impact of Rs 179.653 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 9]

3.2 Irregular payment of salary without sanctioned posts

Rule 123(1), Chapter-XIV of the Sindh Local Government Act, 2013 stipulates that a council shall prepare a Schedule of Establishment showing the numbers of posts in each grade which are deemed necessary for the efficient performance of its functions under this Act and submit the same within three months of the coming into force of this Act to government for approval.

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that the management paid salaries amounting to Rs 11.956 million to employees without having those employees on its sanctioned strength.

[Rs. in Million]

Sr. No.	Name of Formations	F.Y.	Amount
1	Director, Media Management	2023-24	5.994
2	Senior Director, HRM		5.962
3	Sr. Director Land Management	2024-25	-
Total			**11.956**

Audit was of the view that payment of salary without sanctioned posts was irregular which indicated poor financial management and weak internal controls.

Audit was of the opinion that payment of salaries without sanctioned posts was a gross violation of the rules and led to wastage of resources through unauthorized payments.

The matter was reported to the management during March 2025 to 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.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2023-24 and 2022-23 vide para numbers 2.5.2.3 and 2.5.2.4 having financial impact of Rs 4.685 million and Rs 32.052 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 13, 2+3, 5]

3.3 Unauthorized allotment of official vehicles

Section 116 (7), Chapter-XII of Sindh Local Government Act, 2013 stipulates that 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.

Further, according to S&GAD, GoS, O.M No.CTC (S&GAD)5(238)/97 dated 05-04-1997 "(ii) All officers in BPS: 19 and 20 like Head of attached Departments/Reginald Heads or equivalent in Autonomous Bodies/Corporations and Deputy Commissioners to use 1000 cc locally manufactured car. (iii)All officers pertaining to field duties in BPS 17 and 18 not included in above said categories who are otherwise entitled to Government vehicles to use 800 cc cars/Suzuki Jeep".

During the audit of the following office of the Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that management incurred an expenditure of Rs 2.620 million on POL of official vehicles allotted to officers without any entitlement and justification. Details are at **Appendix-4.**

[Rs. in Million]

Sr. No.	Name of Formations	Amount
1	Director, Media Management, KMC	2.620
2	Director, Store & Procurement Department	-
Total		**2.620**

Audit was of the view that the expenditure on POL on official vehicles allotted to officials without entitlement was unauthorized which indicated weak internal controls.

Audit was of the opinion that allotment of vehicles without entitlement was a grave violation of the rules and led to wastage/mis-use of public resources.

The matter was reported to the management during March 2025 to September 2025. The office at Sr. No. 2 replied that ban has been imposed on allotment of vehicles to employees of BPS-16 and below. The reply was in consonance with audit observation, however, documentary evidence regarding taking over of vehicles was not produced. No reply was received from other office.

The PAO did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit seeks justification in the matter.

[AIR Paras: 9, 8]

4. Procurement

Audit was not provided with financial statements and accounts of Karachi Metropolitan Corporation, therefore, total expenditure on procurement could not be ascertained. However, audit observed non-compliance with procurement rules and weak contract management within Karachi Metropolitan Corporation. Contracts were extended without inviting fresh tenders, procurements were split to avoid open competitive bidding and publication requirements, and works were executed beyond the permissible 15% limit without approval of the competent authority. Payments were released on the basis of questionable completion reports, liquidated damages were not imposed for delayed works, and extra items were executed without proper rate analysis or sanctioned revised estimates. These lapses reflected weak internal controls, inadequate planning & monitoring, and violation of SPPRA rules, resulting in financial risk to public funds.

4.1 Irregular continuation of contracts without inviting fresh tender

According to Rules 4 of Sindh Public Procurement Rules, 2010, "Principles of Procurements - While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical".

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that management invited and evaluated bids on offer rate basis in 2022-23. However, the same contracts were continued/extended in F.Y. 2023-24 without inviting fresh tender. Details are at **Appendix-5.**

[Rs. in Million]

Sr. No.	Name of Formations	F. Y.	Amount	Particulars
1	Director, Media Management	2023-24	27.250	Annual contract for electric items, catering services, decoration items and sound systems
2	Director, Solid Waste Management		-	Transportation & disposal of hospitals hazards waste
Total			**27.250**	

Audit was of the view that management extended undue favor to contractors by executing contract agreements on fixed price without inviting fresh tender. The award of contract was irregular, in violation of rules and indicated weak internal controls.

Audit was of the opinion that the non-adherence to the rules has led to a non-transparent process at the expense of the general public.

The matter was reported to the management in March 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

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

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25, 2023-24, 2022-23, vide para numbers 2.3.3.27, 2.5.3.13 and 2.5.3.1 having financial impact of Rs 304.252 million, Rs 33.898 million and Rs 1,659.140 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 11, 1]

4.2 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 three hundred thousand rupees up to two million rupees and five hundred thousand rupees up to three million rupees as amended in 2019 and 2023 respectively 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 following offices of the Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that the management made purchases by splitting the procurements and incurred an expenditure of Rs 3.588 million through quotations which resulted in non-achievement of competitive rates. Detail is at **Appendix-6.**

[Rs. in Million]

Sr. No.	Name of Formations	Amount
1	Director City Warden	1.989
2	Director Store & Procurement Department	1.599
Total		**3.588**

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

Audit was of the opinion that splitting of procurements leads to uneconomical rates and provision of lower quality articles/works.

The matter was reported to the management during May, 2025 to September, 2025. The office at Sr. No. 2 replied that expenditure was incurred on quotation as per need and on urgent basis. The reply was not tenable as no relevant documents regarding completion of required procedure for emergency was produced. No reply was received from other offices.

The PAO 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 fixing of responsibility on person(s) at fault for splitting procurements to avoid tender.

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 2.5.3.10, 2.5.3.12 and 2.5.3.4 having financial impact of Rs 28.889 million, Rs 33.513 million and Rs 167.513 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 2, 2]

4.3 Unauthorized procurement by various departments of KMC

According to Office Memorandum No. 439/23/Director/S&P/KMC dated 8th June 2023, "It is now prohibition of direct purchasing /procuring of all items except medicines and food items by the departments of Karachi Metropolitan Corporation and binding all departments to make purchases centrally through Store & Procurement Department, Karachi Metropolitan Corporation."

During the audit of the Director, Store & Procurement Department, Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that only 95 procurements costing Rs 12.478 million were processed through Store & Procurement Department, KMC. However, remaining procurements were carried out directly by KMC departments themselves which resulted into non-achievement of competitive rates.

(Rs. in Million)

Sr. No.	Name of Offices	Procurement Case through Store & Procurement	Amount
1.	Municipal Services	23	2.294
2.	Municipal Commissioner Secretariat	9	1.689
3.	Finance & Accounts	6	1.112
4.	Engineering	4	1.045
5.	Fire Brigade	4	0.962
6.	Payroll	9	0.869
7.	Welfare	7	0.699
8.	HRM	7	0.698
9.	Katchi Abadies	6	0.598
10.	Deputy Mayor	4	0.541

(Rs. in Million)

Sr. No.	Name of Offices	Procurement Case through Store & Procurement	Amount
11.	Land Management	4	0.398
12.	Store & Procurement	1	0.299
13.	Mayor Secretariat	3	0.299
14.	City Warden	1	0.250
15.	Estate	3	0.240
16.	Veterinary Services	1	0.200
17.	Internal Audit	1	0.100
18.	MPH	1	0.100
19.	E&M	1	0.085
Total		**95**	**12.478**

Audit was of the view that unauthorized direct procurements led to excessive expenditure which was in violation of the rules and indicated weak internal controls.

Audit was of the opinion that separate procurements by various offices have led to uneconomical rates and put extra burden on the exchequer while provision of lower quality articles/works could not be ruled out.

The matter was reported to the management in May, 2025. The management replied that council of KMC passed C.R vide No. 164, dated 16-06-2023 regarding procurement be made through Director, Store & Procurement Department. Reply was not tenable as concerned resolution was not followed through by the KMC departments.

The PAO did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

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

[AIR Para: 10]

4.4 Non-adherence to the clauses of the contracts

According to Rule 19 (1) of Sindh Local Councils (Auctioning of Collection Rights 2016), “Contractor shall keep the record relating to the income as well as other documents in proper order as provided in the respective rules”.

Further, Rule 25 (1) ibid stipulates that the contractor shall provide at least two sureties and a guarantor of contract. The sureties and guarantor shall be personally responsible for payment of dues recoverable from the contractor in case of default.

Furthermore, Rule 18 (2) ibid states that the contractor shall be responsible for deposit of salaries, pension contribution, premium of group insurance, leave salary, all allowances and other fringe benefit permissible to employees handed over to him for administration and collection of respective income.

During the audit of the Senior Director, Veterinary Services, Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that the management awarded various collection rights amounting to Rs 36.925 million to different contractors, as detailed below:

[Rs. in Million]

Sr. No	Description	Name of contractors	Authority letter # / Date	Contract Amount
1	License Fee for Poultry shops	BMH Enterprises	-	9.810
2	License Fee for Meat shops	Lashkari Khan Khoso	DVS/PS/KMC/506/2023 Dated 25-09-2023	9.500
3	Parking fee at Bhoosa Mandi Cattle colony Landhi	Syed Mehboob Shah	DVS/PS/104/2023 Dated 02-10-2023	2.800
4	Slaughtering Fee at North Karachi Slaughter House	Chand Raja	SDVS/PS/KMC/100/2023 Dated 02-10-2023	14.000
5	Rights to collect parking fee of vehicles in premises of North Karachi Slaughter House	Imran Faiz	SDVS/PS/KMC/101/2023 Dated 10-10-2023	0.815
Total				**36.925**

Following shortcomings were noted:

i. Tax recovery record was not maintained by contractor.

ii. Undue favor to lessees by not acquiring two sureties and one guarantor.

iii. Detail of council's staff engaged with the contractor for recovery was not produced.

iv. Salaries and other allowances of staff were not recovered from the contractors.

Audit was of the view that non-adherence to the contract clauses was undue favour. This indicated poor financial management and weak internal controls.

Audit was of the opinion that non-adherence to the clauses of contracts led to the failure of the execution of the contracts in letter spirit which resulted in non-protection of public and government interests.

The matter was reported to the management in June 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit recommends that necessary corrective measures be taken to safeguard government interests.

[AIR Para: 8]

4.5 Award of works without execution of agreements

Clause (iii) and (iv) of Para 7.12.3 of Sindh Public Procurement Authority Regulation for Procurement of Works, stipulates that within 28 days of receipt of the letter of acceptance, the procuring agency will send all copies of the contract to the bidder, with a covering letter or contractor shall attend the offices of the procurement agency for the purpose of signing the agreement duly stamped at the rate of 35 Paisa/100 rupees of the contract value (as amended and updated by the Government from time to time and which shall be borne by the contractor). Failure to sign the agreement shall lead to cancellation of the award and forfeiture of the bid security.

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that the management awarded contracts amounting to Rs 105.390 million but failed to execute contract agreements with the contractors. Further, government also sustained a loss of Rs 0.369 million on account of stamp duty, as detailed below:

[Rs. in Million]

Sr. No.	Name of Formations	F.Y.	Amount	Stamp duty
1	Senior Director, Recreation Culture & Sports Department	2023-24	4.950	0.017
2	Director City Warden		4.740	0.017
3	Director General, Technical Services, KMC	2024-25	95.700	0.335
Total			**105.390**	**0.369**

Audit was of the view that non-execution of contract agreements was in violation of rules. The government also sustained loss of revenue in the shape of stamp duty which indicated poor financial management and weak internal controls.

Audit was of the opinion that non-execution of contract agreements is in violation of the rules and public & government interests were not safeguarded.

The matter was reported to the management from May to 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 execution of agreements in compliance with the prescribed rules, besides recovery of stamp duty.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2023-24 and 2022-23 vide para numbers 2.5.3.5 and 2.5.3.10 having financial impact of Rs 4.672 million and Rs 0.996 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 6, 1, 5]

4.6 Award of works without rate analysis of non-schedule works/items

Para 8(3) of the Schedule of Rates (Composite), Sindh, states that sanction of Non-Schedule Items for finished items of works (as amended to date) Superintending Engineers and the Chief Engineers of the Departments may sanction the rate analysis for non-schedule items up to Rs 2,000 per standard unit and the rates exceeding this amount shall be sanctioned by the Chief Engineer/officers exercising power of Chief Engineer. In cases where the Schedule of Rates is found inadequate to carry out certain items of works, the only competent body to review the position is the Standing Rates Committee, and all such cases should therefore be referred to the Secretary, Standing Rates Committee for decision.

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial year 2024-25, it was observed that management incurred an expenditure of Rs 219.290 million on account of execution of various non-schedule works/items without carrying out rate analysis and obtaining sanction/approval from competent authority or standing rates committee, in violation of rules. Detail is at **Appendix-7.**

[Rs. in Million]

Sr. No.	Name of Formations	Amount
1	Senior Director Municipal Services Department	36.936
2	Director General, Technical Services KMC	73.511
3	Senior Director, Municipal Services Department	64.746
4	Director General, Technical Services, KMC	44.097
Total		**219.290**

Audit was of the view that expenditure on account of execution of non-schedule works/items without rate analysis was irregular which indicated weak internal control system.

Audit was of the opinion that without carrying out the rate analysis, economy of the rates could not be ascertained which increased the chances of costly procurement.

The matter was reported to the management from August to November 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 of responsibility on person(s) at fault, besides taking remedial measures.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25 vide para number 2.5.3.4 having financial impact of Rs 595.201 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 2, 22, 9, 6]

4.7 Non-execution of works within stipulated time

A per SPPRA, Regulation for Procurement of Works, 2013 Regulation No. 2.21 Pre-requisite conditions "Procuring Agency/ Committee shall not invite bids for development works, unless (iv) funds are either released or anticipated to be released before award of contract".

Further, SPPRA, Regulation for Procurement of Works, 2013 Regulation No. 9.2 Commencement of Works states that commencement date of the works shall be the date notified by the Engineer in writing. The contactor shall commence the work within 14 days after the date notified by the Engineer. Completion period will be counted from the date of receipt of the commencement order by the contractor.

During the audit of the Senior Director, Municipal Services Department, KMC, Karachi, for the financial year 2024-25, it was observed that management awarded works amounting to Rs 117.909 million in October 2023 with completion period of three months upto January 2024, but same works were not commenced and completed within the stipulated time period. Said works were executed in March 2024 and were still in progress till execution of audit despite the lapse of original completion period. Further, no extension in time period was obtained from competent authority in violation of public works regulations. Details are at **Appendix-8.**

Audit was of the view that non-commencement of works within the agreed timeframe indicates poor contract management due to non-enforcement of contractual provisions and weak internal controls.

Audit was of the opinion that failure to commence works on schedule delayed public services, exposed the government to cost overruns and negligence on part of the management.

The matter was reported to the management in August 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 of responsibility on the person(s) at fault.

[AIR Para: 3]

4.8 Non-publication of tender in print media

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 17(1A), Part-II ibid, states that all procurement over five hundred thousand and over three million rupees shall be advertised on the Authority's website as well as in the newspapers as prescribed (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 the following offices of the Karachi Metropolitan Corporation, for the financial year 2024-25, it was observed that the management awarded works of Rs 30.381 million to contractors by splitting up the procurements to avoid publication in print media, in violation of the above rules.

[Rs. in Million]

Sr. No.	Name of Formations	Amount
1	Director Safari Park, KMC	5.791
2	Director, Zoo, KMC	24.590
Total		**30.381**

Audit was of the view that due to splitting up the works the competitive rates could not be achieved which indicated poor financial management and weak internal controls.

Audit was of the opinion that splitting of procurements leads to uneconomical rates and provision of lower quality articles/works.

The matter was reported to the management during August and September, 2025. The office at Sr. No. 2 replied that estimated cost of each work falls within the limit of Rs3.00 million, NIT was uploaded on SPPRA website. Further, the contention that works of similar nature by split-up does not appear to be correct. The reply was not tenable as various similar works were split up by keeping estimate within web site tender limit to avoid tender in print media. The office at Sr. No. 1 replied that both works are separate in nature carried out on different location and technical scopes within Safari Park independently based on specific operational need. Reply of the management was not tenable as it was evident from work orders that management incurred expenditure by way of splitting to avoid publication of tender in print media.

The PAO 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 of responsibility on the person(s) at fault for non-publication of tenders.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25 and 2023-24 vide para numbers 2.5.3.1 and 2.5.3.15 having financial impact of Rs 17.826 million and Rs 48.010 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 3, 2]

4.9 Non-imposition of liquidated damages

As per Para 10.3 of Sindh Public Procurement Regulatory Authority, Guidelines, 2013 “If the contractor fails to comply with time for completion mentioned in bid data except the conditions mentioned above, then procuring agency can penalize the contractor by adopting any one of the prescribed courses provided under clause (c) The amount of the liquidated damages for each day of delay in completion of the whole of the works, or if applicable for any section thereof, shall be a sum equal to 5 to 10 % (it is to be mentioned in the agreement) of the estimated cost of the works divided by one-fourth of the number of days specified as completion time”.

According to work orders, paragraph (3), the work should be carried out strictly as per department specifications and will be completed within the schedule time limit 180 days failing which penalty @ Rs 1,000 per day will be charged.

During the audit of the Director General, Parks & Horticulture, KMC, for the financial year 2024-25, it was observed that management awarded work amounting to Rs 19.963 million to the contractor but same was not completed within stipulated time period and management failed to impose the penalty of Rs 2.109 million @ Rs 1,000 per day, in violation of contract agreement. Detail is as follows:

[Rs. in Million]

Contractor Name	Work Order No. & Date	Sanctioned Amount	Date of Start	Stipulated Date of Completion	Delay in days
Name of work: Construction of Key stone wall at hill park KMC					
M/S.Mehran Shah Babar & Brothers	158/2019 20-05-2019	19.963	20-5-19	18-11-19	2,109
Total		19.963	**-**	-	**2,109**
Penalty @1,000 per day x 2,109 days (upto June, 2025)		**2.109**	**-**	-	-

Audit was of the view that non-imposition of liquidated damages was unjustified which indicated poor financial management and internal controls.

Audit was of the opinion that failure to impose liquidated damages resulted in extension of an undue benefit to the contractor and loss to the exchequer.

The matter was reported to the management in August 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 of responsibility on the person(s) at fault, besides recovery of liquidity damages from the contractor.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25 and 2023-24 vide para numbers 3.5.2.13 and 3.5.3.12 having financial impact of Rs 1.443 million and Rs 0.580 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 1]

4.10 Irregular expenditure without provision in estimates

As per Para 11.3.1 (b) of SPPRA Regulation for Procurement of Works, "Commencement of work when no financial provision exists. (i) If in any case, whether on grounds of urgency or otherwise; Engineer is required to carry out a work for which no estimates have been sanctioned or for which no financial provision exists (whether

estimates have been sanctioned or not) the orders of the officer authorizing the work should be conveyed in writing".

Further, according to Para 7.10. Approval: of Sindh Public Procurement Regulatory Authority Guidelines, "Before awarding the contract, approval of the Competent Authority is required as mentioned in Rule-14. The bid with the lowest evaluated cost (but not necessarily the lowest submitted price) shall be submitted with following documents for approval. (vi) Financial Review: It shows the comparison of cost provisions regarding the work in question in the Rough Cost Estimates (Administrative Approval), Technical Sanction of Detailed Estimate and recommended Tendered/Bid Amount. Financial Review determines whether bid cost is within limits allowable over and above the amount provide in Administrative Approval and Technical Sanction for the work".

During the audit of the Director General, Parks & Horticulture, KMC, for the financial year 2024-25, it was observed that the management awarded park improvement work amounting to Rs 7.997 million to the contractor and paid an amount of Rs 3.314 million on account of extra items which were not included in the original estimate, as detailed below:

[Rs. in Million]

Sr. No.	ADP No.	Particulars	Contractor Name	Work Order No. & Date	Amount of work Order	Extra Items Amount
1	609	Improvement of different Parks and central island of District Central, KMC	M/s Deep Ocean Associates	429/2024 15-07-2024	7.997	3.314 (41%)
Total					**7.997**	**3.314**

Audit was of the view that incurrence of expenditure without provision in estimate was poor planning and an undue favour extended to the contractor which indicated poor financial management and weak internal controls.

Audit was of the opinion that incurring expenditure beyond approved estimates violated financial discipline and increased the risk of misuse of budgetary resources.

The matter was reported to the management in August 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 of responsibility on the person(s) at fault for execution of extra items.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25 and 2023-24 vide para numbers 2.5.3.26 and 2.5.3.7 having financial impact of Rs 34.958 million and Rs 8.583 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 5]

4.11 Unjustified expenditure on execution of works

According to Rule 4 of the Sindh Public Procurement Rules, 2010, "While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical."

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was observed that an expenditure of Rs 80.650 million was incurred on the execution of two major works as detailed below:

[Rs. in Million]

Sr. No.	Name of work	Name of contractor	Work order No. & date	Sanctioned cost	Total expenditure
1	Rehabilitation/improvement of patch work and sewerage system of Qazzafi District West, Karachi	M/s Mehran Shah Babar & Brothers Co	149/2024 18.10.2024	64.000	63.997
2	Installation of poles with flood lights system at Shadab Football ground F.B area, Block-11, District Central, Karachi	M/s Usman Brothers	07/2022 28.12.2022	16.654	16.653
Total				**80.654**	**80.650**

In this regard, it was observed that:

i. For the first work, the completion report, duly signed and verified by the authorized officers along with the first and final bill, showed the work as completed on 31.12.2024. However, pictorial evidence (Google GPS Map Camera) dated 13.02.2025 attached with the payment record clearly shows that the work was still ongoing. This establishes that the payment was released on the basis of a fake completion report and fabricated measurements for work that had not been fully executed.

ii. For the second work, the completion report, also signed and verified by the concerned officers, and the first and final bill recorded the work as

completed on 01.01.2025. However, pictorial evidence dated 03.03.2025 demonstrates that the work was still incomplete as of that date. This again indicates that the payment was made based on a false completion report and inaccurate measurements for unexecuted work.

Audit was of the view that the incurrence of expenditure without completion of work as evident from the pictorial evidence was irregular which indicated weak internal controls.

Audit was of the opinion that payments based on questionable completion reports and fabricated measurements indicated potential misappropriation of funds.

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 in the matter.

[AIR Para: 1]

4.12 Unauthorized execution of works beyond permissible limit

Rule 16(1)(e-i), Part-II of the Sindh Public Procurement Rules, 2010 stipulates that repeat Orders means procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding, such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme; provided that the cost of additional quantities of item(s) shall not exceed 15% of the original contract amount.

According to Para 532 and 767 of PWD Manual, Volume-I, "A revised estimate containing the facts and causes of revision must be submitted when sanctioned estimate is likely to be exceeded by more than 5% either from the rate being found in sufficient or from any other cause whatever".

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was observed that various works amounting to Rs 147.505 million were initially awarded through open tendering. However, these works were subsequently extended, increasing the total cost up to Rs 182.494 million (an escalation ranging between 19% and 45% of the original contract values) which was beyond the permissible limit of 15% amounting to Rs 34.989 million. Detail is at **Appendix-9.**

Audit was of the view that execution of works beyond the permissible limit of 15% was unauthorized which indicated poor financial management and weak internal controls.

Audit was of the opinion that procurement beyond permissible limits led to wastage of resources and expenditure of resources at inflated costs.

The matter was reported to the management in September 2025, but no reply was received. The PAO 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 of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25 and 2023-24 vide para numbers 2.5.3.14 and 2.5.3.2 having financial impact of Rs 70.241 million and Rs 11.025 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 2]

4.13 Irregular invitation of bids without pre-qualification of contractors

Rule 2.13- Prequalification of Contractors/Bidders (Rule 27) of Sindh Public Procurement Authority Regulation for Procurement of Works, stipulates that pre-qualification is an assessment made by the procuring agency of the appropriate level of experience and capacity of firms expressing interest in undertaking a particular contract, prior to issuance of the invitations to bid. This is achieved through the publication of a pre-qualification notice, the receipt of submissions and the evaluation of submissions against pre-defined criteria, but its use is not mandatory under the Rules. A decision on whether or not to use pre-qualification may be made at the procurement planning stage.

Further, according to Sindh Public Procurement Regularity Authority letter No. Dir(A&F)/SPPRA/1-3(GEN)14-15/4342 dated 31.10.2014, "It may kindly be noted that as per Rule-27 of SPP Rules, 2010 (amended 2013), a procuring agency may engage in pre-qualification of bidders in (i) In case of contracts for large and complex works and services related to, in which there are high costs of preparing detailed bids, (ii) In the contracts to be let under turnkey, design and build or management contract, (iii) In cases of expensive and technically complex equipment and works with a view to ensure that invitations to bid are extended only to those who have adequate capabilities, competence and resources."

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was observed that the management invited bids for award of work

of multiple annual contracts for repair and maintenance works, including road and footpath patching, repair of bridges and underpasses, and building maintenance, estimated at Rs 949.950 million (on single stage-one envelope procedure) without prequalification of contractors which was a violation of the above rules. Detail is as under:

[Rs. in Million]

Sr. No.	Name of work	Estimated cost of the work	Tender Reference	SPPRA ID
1	Annual contract for patches repair of roads and footpaths at district Malir	150.00	CPC/ED/KMC/2024-25/54/Karachi dt 12.02.2025	T01915-24-0064
2	Annual contract for patches repair of roads and footpaths at district Korangi	149.990		
3	Annual contract for patches repair of roads and footpaths at district East	150.00	CPC/ED/KMC/2024-25/55/Karachi dt 12.02.2025	T01915-24-0067
4	Annual contract for patches repair of roads and footpaths at district South	149.990		
5	Annual contract for patches repair of roads and footpaths at district West	149.990	CEW/ED/KMC/2024-25/53/Karachi dt 12.02.2025	T01915-24-0068
6	Annual contract for repair/maintenance of different bridges, flyovers, & underpasses	149.990	CPC/ED/KMC/2024-25/83/2025 dt 13.03.2025	T01915-24-0074
7	Annual contract for repair/maintenance of buildings KMC	49.990		
Total		**949.950**	-	-

Audit was of the view that award of work without pre-qualification process was unjustified which indicated weak internal controls.

Audit was of the opinion that award of work without fulfilling the codal formalities led to poor quality of work and non-transparency.

The matter was reported to the management in September 2025, but no reply was received The PAO 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 of responsibility on the person(s) at fault, besides taking remedial measures.

[AIR Para: 3]

4.14 Irregular award of works to higher bidders

Rule 4 of Sindh Public Procurement Rules, 2010 stipulates that while procuring goods, works or services, procuring agencies shall ensure that procurements are conducted

in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

Further, Rule 49 of the Sindh Public Procurement Rules, 2010 (as amended to-date) stipulates that the bidder with the lowest evaluated cost, but not necessarily the lowest submitted price, shall be awarded the procurement contract, within the original or extended period of bid validity.

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was observed that management awarded various development works to different contractors amounting to Rs 778.918 million, despite the presence of qualified bidders who had submitted lowest evaluated bids amounting to Rs 739.718 million. The bids of the lowest evaluated contractors were rejected without providing any detailed justification or valid reasoning which resulted in the award of contracts at a higher cost, causing a financial loss of Rs 39.199 million to the public exchequer. Details are at **Appendix-10.**

Audit was of the view that the award of contract to highest bidders instead of lowest qualified bidders was irregular which indicated weak internal controls.

Audit was of the opinion that bypassing the lowest evaluated bidders resulted in direct financial loss and violated core procurement principles of economy and fairness.

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 in the matter.

[AIR Para: 4]

4.15 Irregular award of works

As per Rule-4 of the Sindh Public Procurement Rules, 2010, "While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical."

Further, Rule 42(1) ibid stipulates that all bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents.

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was observed that development works amounting to Rs 175.932 million were awarded to different contractors despite submission of blank bidding/tender documents. Detail is as under:

[Rs. in Million]

Sr. No.	Name of contractors	Work order No. & date	Sanctioned Amount	Remarks
1	**Name of Work:** Improvement/rehabilitation & maintenance of road & paver stuff in UC No. 04 & 05 Surjani Town District Central, Karachi			submitted blank bidding documents including form of bid/letter of offer, schedule of prices, specific works data, method of performing works, form of bid security
	M/s A. Khan Shirani Engineering Firms	DCM/ED/KMC/40/2024 dt 09.02.2024	**80.000**	
2	**Name of Work:** Improvement/rehabilitation of carpet work & paver fixing at UC-09/A, UC-9/B &sector 11-F & 11-D New Karachi			
	M/s Niaz Muhammad Shaikh Construction	DCM/ED/KMC/13/2024 dt 07.02.2024	**79.933**	
3	**Name of Work:** Improvement/reconstruction of internal roads & P/F paving blocks including replacement of water sewerage line in UC-09 Ibrahim Hyderi District Malir, Karachi			
	M/s New Mahad Construction Co	SE(M&K)/ED/KMC/03/2025 dt 10.03.2025	**16.000**	
Total			**175.933**	

Audit was of the view that award of works on blank bidding documents was irregular which was a deviation from SPPRA rules which indicated weak internal controls.

Audit was of the opinion that accepting blank bid documents may lead to poor quality of works and unfair and non-transparent procurement process.

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

[AIR Para: 08]

4.16 Unjustified expenditure on account of execution of extra items due to defective engineer's estimates/PC-I

Section 4.3, Planning Manual, Planning & Development Department, Government of Sindh states that PC-I form aim to have detailed information on each aspect of the project. To avoid cost overruns and repeated revisions of the scheme, it is extremely important that information against the various columns of the PC-I is carefully provided.

If a project is prepared with due care based on surveys, investigations and feasibility studies, the time taken in its examination and execution will be greatly reduced.

Rule 16(1)(e), Sindh Public Procurement Rules, 2010 (amended 15-03-2019), states that repeat Orders means procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding, such additional quantities of the same item(s) of goods or works are needed to meet the requirements of the project or scheme, provided that the cost of additional quantities of items shall not exceed 15% of the original contract amount.

According to Para 532 and 767 of PWD Manual, Volume-I, "A revised estimate containing the facts and causes of revision must be submitted when sanctioned estimate is likely to be exceeded by more than 5% either from the rate being found in sufficient or from any other cause whatever".

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was observed that an expenditure of Rs 166.352 million was incurred on account of execution of extra items at rates ranging from 30.47% to 661.34% over and above the originally sanctioned estimates. Importantly, these items were not included in the original detailed estimates prepared for administrative approval and were later carried out without proper revision of the PC-I or prior approval of the competent authority, which is a violation of the prescribed financial and procurement rules. Furthermore, the inclusion and execution of such significant extra items indicate that the original engineer's estimates and PC-I were prepared without adequate survey, technical assessment, and planning, which reflects weak project preparation and cost-estimation controls, resulting in substantial deviations from the sanctioned scope and cost.

Audit was of the view that the execution of extra items was due to defective preparation of estimates/PC-I of schemes which indicated weak internal controls and poor planning and execution.

Audit was of the opinion that execution of extra items at inflated rates greatly inflated the cost of the works and put extra burden on the resources.

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

Audit recommends fixing of responsibility on the person(s) at fault for execution of extra items.

[AIR Para: 21]

4.17 Unjustified re-invitation of bids without cancellation of previous tender notice

According to Rules 4 of Sindh Public Procurement Rules, 2010, Principles of Procurements, "While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical."

Further, Rule 25(3) of ibid states that intimation of the cancellation of bidding process shall be immediately hoisted on the Authority's website and procuring agency's website followed by prompt return of bid security.

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was observed that the management awarded the work "Provision and Installation of Solar Powered Street Lights on Three Roads of Karachi including Maintenance for five (05) years (Shahrah-e-Faisal from Metropole Hotel to Airport, Marine Drive Road, Shahrah-e-Iran, Shahrah-e-Firdousi)" to M/s J.N & Co. (JV) NKB vide Work Order No. DCM/ED/KMC/159/2024 dated 28.11.2024 at a sanctioned cost of Rs 905.768 million against the revised estimated cost of Rs 1,132.210 million.

In this regard, it was observed that:

i. The management re-invited bids for the same work through NIT Ref. No. Dir (CM)/ED/KMC/83/2024 dated 26.08.2024 (hoisted on SPPRA website under ID T01915-24-0012) without cancelling the earlier tender floated via NIT Ref. No. Dir (CM)/ED/KMC/67/2024 dated 08.05.2024 (SPPRA ID T01915-23-0038 dated 25.05.2024).

ii. The original estimated cost of the scheme was Rs 1,033.644 million, which was later increased to Rs 1,132.21 million for the re-invited tender. No documented justification or revised PC-I approval was found on record to substantiate this cost escalation.

Audit was of the view management failed to comply with government rules which indicated weak internal control system.

Audit was of the opinion that the re-invitation of bids without cancellation of previous tender notice increased the risk of partiality of management towards contractors and subsequent maladministration and misuse of public funds.

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.

[AIR Para: 28]

4.18 Irregular execution of works without mentioning exact location

According to Local Government Department, Government of Sindh letter No. RO(LG)/MISC/4(25)/2016 dated 01-08-2016 on the subject Indication of Exact Location of, Length, Width, Depth of C.C Blocks, Bricks Pavement, Drains, "All councils are directed to mention the exact location, starting and end points, and the length and width of streets/drains etc. in tenders published in newspapers. Non-compliance will be deemed prima facie evidence of malafide intention of the council functionaries, which shall be viewed seriously."

During the audit of the Director General, Technical Services, KMC, for the financial year 2024-25, it was revealed that the management awarded and executed various development schemes amounting to Rs 208.183 million without mentioning the exact locations of works in the tender documents including starting and ending points of the schemes and length, width, and dimensions of streets, drains, or pavements, in violation of above directions. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Works	Name of Contractors	W.O No. & date	Sanctioned Cost	Expenditure during F.Y-2024-25
1	Replacement of old out lived chocked & encroached water supply line by 315mm, 225 mm, 110 mm, PE pipe in different Ucs of Landhi Town	M/s New Mahad Construction Co	51/2024 dt 07.02.2024	28.444	30.820
2	Rehabilitation of sunk down old damaged 15 dia 12 dia, 8 dia sewerage pipe in different locations of Orangi Town District West	M/s Crysal Paramount Construction	90/2024 dt 09.02.2024	31.112	28.469

[Rs. in Million]

Sr. No.	Name of Works	Name of Contractors	W.O No. & date	Sanctioned Cost	Expenditure during F.Y-2024-25
3	Construction & repair/maintenance of different culverts in District Korangi	M/s Yousuf Khan & Brothers	103/2024 dt 09.02.2024	40.001	43.374
4	Improvement/rehabilitation of different roads & paver blocks in different streets in Orangi Town District West	M/s K.K Enterprises	42/2024 dt 09.02.2024	80.000	45.709
5	Repair & maintenance of streets lights in different UCs in PS-127	M/s Rehman Construction Company	60/2024 dt 09.02.2024	40.000	45.478
6	Repair & maintenance of streets lights in different UCs in PS-92 District Korangi	M/s MAK ICON	07/2024 dt 07.02.2024	16.000	14.333
Total				**235.557**	**208.183**

Audit was of the view that invitation of bids without mentioning exact location of the work in notice inviting tender and bidding documents was irregular which indicated weak internal control system.

Audit was of the opinion that not mentioning the exact location of the works executed created ambiguity about the works carried out and misappropriation of funds cannot 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 recommends fixing of responsibility on person(s) at fault, besides taking remedial measures to avoid recurrence.

[AIR Para: 15]

4.19 Unjustified payment of Sindh sales tax on behalf of the contractors

Section 9(1) of Sindh Sales Tax on Service Act, 2011 stipulates that where a service is taxable by virtue of sub-section (1) of section 3, the liability to pay the tax shall be on the registered person providing the service.

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that the management awarded

works to various contractors, however, at the time of making the payment, SST @ 13% and 5% amounting to Rs 32.088 million was included in the gross amount and was then deducted.

[Rs. in Million]

Sr. No.	Name of Formations	F. Y.	AIR Para	Amount of tax	Particulars
1	Director, Media Management	2023-24	07	0.772	Annual contract for electric items, catering services, decoration items and sound systems
2	Director General, Technical Services, KMC	2024-25	13	31.316	Contracts for improvement/ rehabilitation of roads and sewerage lines
Total				**32.088**	

Audit was of the view that payment of Sales Tax on behalf of the contractor was irregular which indicated poor financial management.

Audit was of the opinion that tax payment on behalf of the Contractor was an undue favor and deprived the government of its legitimate tax revenue.

The matter was reported to the management in March and September, 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit recommends inquiry into the matter, besides recovery of the tax amount from the contractors.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25 vide para number 2.5.1.2 with having financial impact of Rs 376.187 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 7, 13]

5. Operational Processes, Targets and KPIS

Under the Sindh Local Government Act, 2013, the Karachi Metropolitan Corporation (KMC) is mandated to plan, develop, coordinate and maintain inter-district infrastructure including roads, bridges, street lights and storm water drains; maintain abattoirs and cattle colonies; manage municipal health and specialized institutions; supervise zoological and recreational facilities; regulate municipal properties; enforce municipal watch and ward; ensure firefighting and civil defense services; undertake traffic engineering functions; control encroachments on KMC-owned land; regulate specified

activities within residential areas; and provide protection against stray animals, among other metropolitan functions.

Audit observed that due to weak operational planning, ineffective monitoring mechanisms and non-compliance with statutory provisions, several core municipal functions were not performed in accordance with the mandate. Inter-district roads and footpaths were not restored after excavation despite recovery of charges; encroachments persisted on municipal land including parks and playgrounds; abattoir operations were conducted in violation of prescribed food safety standards; advertisement rights were granted without ensuring registration and complete documentation of contractors; and regulatory oversight in areas such as licensing of meat and poultry shops was not supported by systematic surveys. These deficiencies reflect weak internal controls, ineffective coordination and supervision, and inadequate enforcement of regulatory responsibilities, resulting in compromised service delivery, risks to public health and safety, and potential revenue losses.

Furthermore, Audit noted that KMC had neither established measurable Key Performance Indicators (KPIs) nor defined operational targets for its statutory functions. No performance benchmarks, service standards, monitoring indicators or annual operational targets were made available to Audit. In the absence of clearly defined KPIs and documented performance frameworks, the effectiveness, efficiency and economy of municipal operations could not be objectively assessed, thereby weakening accountability and performance management mechanisms.

5.1 Irregular slaughtering of animals without observing procedure

According to the Clause 6 (2) of CDGK, Animals (slaughter & sale licensing) by-laws, 2007, “Animals shall be brought for slaughter 24 hours before slaughter and shall be produced for inspection at the stock yard during specified time”.

Further, as per Clause 7-A (1) and 7-B (1) ibid, “The authority shall conduct post slaughter checkup of the carcass in order to ascertain its health and fitness for human consumption.” Furthermore, Clause 10 (8) ibid, states that all meat shall be transported in covered refrigerated van”.

Moreover, WHO / FAO Food Safety Guidelines requires pre-slaughter holding and veterinary inspection, post-slaughter carcass inspection which ensures meat fitness for human consumption and cold-chain transportation to prevent microbial contamination.

During the audit of the Senior Director Veterinary, Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that a management failed to conduct veterinary inspection, mandatory 24-hour observation before slaughtering and designate stockyard facility. Moreover, meat was transported in open vehicles, exposing it to environmental contamination and violating food safety protocols, as detailed below:

Parameter	Requirement	Observed
Designated stockyard	Required for 24-hour observation	None exists
Pre-slaughter veterinary inspection	Mandatory	Not conducted
Post-slaughter carcass inspection	Mandatory	Not conducted
Recording of slaughtered animals (species, butcher, health status)	Required	Not maintained
Transport of meat	Covered refrigerated vehicle	Meat transported in open vehicles

Audit was of the view that non-observance of slaughtering by-laws indicated a serious lapse in operational controls such as lack of stockyard infrastructure, absence of record-keeping / monitoring and insufficient transport facilities which was due to poor management and weak internal controls.

Audit was of the opinion that non-observance of slaughtering by-laws potentially endangering public health and violating established regulatory and hygiene standards, as tabulated below:

Risk Dimension	Likelihood	Impact	Analytical Insight
Public health (foodborne disease outbreak)	High	Severe	Lack of pre/post inspection and open transport increases contamination risk
Zoonotic disease transmission	High	Severe	No veterinary checks before slaughter
Legal and regulatory liability	High	Medium	Contravention of by-laws exposes KMC to legal action
Reputation / Public Trust	High	Medium	Violates citizen expectation for safe meat supply
Environmental contamination	Medium	Medium	Open transport increases risk of contamination from dust and pathogens

The matter was reported to the management in June 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit recommends establishment of designated stockyards, mandatory pre-& post-slaughter veterinary inspection and implement food safety standards.

5.2 Irregular grant of sites for advertisement

Rule 3 of Sindh Local Councils (Advertisement) Rules, 2021, states that on receipt of the application for the purpose of registration, the Licensing Authority shall, after completing all the codal formalities, shall issue the certificate of registration on payment of such fee as may be prescribed by the Licensing Authority, from time to time.

Further, Rule-4 ibid, stipulates that an advertiser registered under Rule 3, shall submit written application on prescribed form to the Licensing Authority for obtaining license along with technical plans in accordance with sub-rule (2) and (3) for the purpose of advertisement or to change, amend or add to the existing advertisement. (2) A site plan shall be submitted indicating the site where the advertisement is proposed to be constructed, fixed or displayed.

During the audit of the Senior Director, Municipal Utility Charges and Taxes, Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that management granted sites for advertisement amounting to Rs 7.215 million to unregistered contractors. Moreover, various licenses for advertisement amounting to Rs 9.426 million were also issued without obtaining mandatory technical and site plans from the contractors. Detail is at **Appendix-11.**

Audit was of the view that granting sites for advertisement to unregistered contractors and issuance of licenses without obtaining mandatory technical and site plans was irregular which indicated poor management and violation of rules.

Audit was of the opinion that unregistered contractors can provide low quality works/services which cause loss to life and damage to property and public interests were not safeguarded.

The matter was reported to the management in June 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

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

[AIR Paras: 6 & 7]

5.3 Non-preparation of survey report regarding the meat/poultry shops

According to KMC notification No. Secy/MC/KMC/2018/269 dated 13-04-2018, the revised rates of various fees to be levied with immediate effect are as follows:

Sr. No.	Name of contract	Revised rate of fee
1	License fee for poultry shops	Rs. 6000/- per shop per annum
2	License fee for meat shops	Rs. 6000/- per shop per annum

During the audit of the Senior Director, Veterinary, Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that the management failed to conduct a comprehensive survey on number of meat and poultry shops within the jurisdiction of KMC to issue licenses.

Audit was of the view that due to non-conducting of comprehensive survey, department was unable to issue licenses which was mandatory to comply with health and hygiene regulations and in order to generate maximum revenue. This reflected poor management and caused loss to the department and the exchequer.

Audit was of the opinion that non-conducting of survey led to non-issuance of licenses to all meat/poultry shops where the public was forced to consume unhygienic and poor meat which adversely effects the public's health and also leads to loss of revenue for the government.

The matter was reported to the management in June 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit recommends that a survey needs to be conducted at the earliest and licenses be issued at the prescribed fees.

[AIR Para: 7]

6. Others Issues

6.1 Non-maintenance of POL record

As per Rule-20 of the Staff Car Rules, 1980, as amended in 2001, "The Log Book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle".

Further, according to Rule 159(4) of Sindh Local Council (Accounts) Rules, 1983, "A council vehicle shall not be driven except by a driver appointed by the competent

authority, for the vehicle. Every person using a council vehicle shall make and sign entries in the Petrol and lubricant account in Form No. 116 and in Log Book of the vehicle kept in the custody of the driver. Log book shall be maintained in Form No. 117".

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that management incurred an expenditure of Rs 75.899 million on POL for official vehicles and machineries but did not maintain petrol account register, history sheet, log book of each vehicle and tour program/diary of official vehicles, as detailed below:

[Rs. in Million]

Sr. No.	Name of Formations	F.Y.	Amount
1	Director City Warden	2023-24	14.500
2	Senior Director HRM		5.581
3	Director, Media Management		4.770
4	Director, Solid Waste Management		2.553
5	Director Store & procurement Department		1.984
6	SD Enterprises & Investment Promotion		1.500
7	PD Orangi Township		0.353
8	Senior Director, Veterinary		3.763
9	Senior Director Municipal Services Department	2024-25	23.848
10	Senior Director Zoo		1.481
11	Sr. Director Land Management		4.391
12	Sr. Director (F&A)		9.142
13	Director Katchi Abadis		2.033
Total			**75.899**

Audit was of the view that incurrence of expenditure on account of POL without maintenance of relevant prescribed record indicated weak internal controls.

Audit was of the opinion that non-maintenance of requisite record led to mis-use of government resources.

The matter was reported to the management during March 2025 to October, 2025. The office at Sr. No. 5 replied that maintenance of log book, history sheet and fuel consumption record is the responsibility of end users of vehicles. Reply was not tenable as management failed to provide required documents in support of the reply. The office at Sr. No. 13 replied that at the time of audit few logbooks were incomplete, however, all logbooks of vehicles are maintained. Reply was not tenable as incomplete log books of 2 Nos vehicles out of 4 was provided. log book of Vehicle No. GL-0361 was provided for the month of July, 2024 and June, 2025 and vehicle No. KCS-5954 was provided for the month of July, 2024 and May & June, 2025. The office at Sr. No. 12 replied that the log books for official vehicles were duly maintained and were updated by the concerned

drivers/officers as per prescribed instructions. Reply of the management was not tenable as management provided incomplete documentary evidences in support of reply. Whereas, no reply was received from other offices.

The PAO 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 seeks justification for the incurrence of expenditure without maintenance of requisite record, besides maintenance of record on the prescribed format.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 vide para number 2.5.7.6 having financial impact of Rs 395.884 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 3, 5, 12, 4, 4, 2, 3, 4, 16, 5, 4, 6, 2]

6.2 Non-maintenance of property record and non-provision of maintenance budget for property

Rule 3(1), Chapter-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 thereunder.

Further, S.No. (1) of Schedule of Rule 5(1) of Sindh Local Councils (Property) Rules, 2017 requires that register of immovable property in Form P-I shall be maintained and Rule 5(2) requires that a Council shall provide at least 10% of its development budget for the maintenance and repairs of its immoveable property regularly.

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial years 2023-24 and 2024-25, it was observed that the management failed to maintain Property Record/Land Register. The management also failed to allocate at least 10% of its development budget for the maintenance and repair of immoveable property of the Council in violation of above rules.

Sr. No.	Name of Formations	F.Y.
1	Director, Media Management	2023-24
2	PD Orangi Township	
3	Senior Director Land Management	2024-25

Audit was of the view that management failed to comply with the prescribed rules for maintenance of property record which indicated weak internal controls.

Audit was of the opinion that non-maintenance of property record and non-provision of maintenance budget for the properties could lead to encroachment due to negligence and unjustified deterioration of the properties.

The matter was reported to the management during March to August 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 maintenance of required property record on the laid down format and for provision of budget for its adequate maintenance.

[AIR Paras: 21, 6, 8]

6.3 Non-maintenance of stock register

According to Rule-25(1) of Sindh Local Councils (Accounts) Rules, 1983, "Every officer or servant of the Council in charge of stocks of articles or materials kept for issue other than stamps shall maintain a stock register (in Form No. 16) in which shall be entered every transaction effecting such stocks and separate pages of the register shall be assigned to different classes of stocks."

During the audit of the following offices of the Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that the management incurred expenditure on the purchases of tyres, radiator, laptop, printed/un-printed stationery, furniture & office equipment and various articles, etc., but did not maintain stock registers, as detailed below:

Sr. No.	Name of Formations
1	Senior Director HRM
2	SD Enterprises & Investment Promotion
3	Director City Warden
4	Director, Media Management

Audit was of the view that non-maintenance of stock registers indicated weak internal control, besides misuse of funds as well as procured items could not be ruled out.

Audit was of the opinion that non-maintenance of stock register could lead to pilferage and misuse of government resources.

The matter was reported to the management during March and May 2025, but no reply was received. The PAO also did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit recommends that stock register may be maintained on the laid down format.

[AIR Paras: 8, 9, 5, 20]

6.4 Non-observance of operational/security measures leading to theft of official vehicles

Section 116 (7), Chapter-XII of Sindh Local Government Act, 2013 stipulates that 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 Director, Store & Procurement Department, Karachi Metropolitan Corporation, for the financial year 2023-24, it was observed that the management failed to account for 26 vehicles (11 official cars and 15 motorcycles) which were reported to have been lost to theft. Management did not provide any records of enquiry taken into the matter and the actions that were taken against the officials responsible. Details are at **Appendix-12.**

Audit was of the view that non-pursuance by the department with the law enforcement authorities for recovery of official vehicles indicated gross negligence and weak internal controls.

Audit was of the opinion that non-observance of operational/security measures led to loss of government assets.

The matter was reported to the management in May, 2025. The management replied that FIRs have already been lodged. However, no vehicle has been recovered yet.

The PAO did not convene the DAC meeting despite a written request dated 03-07-2025, followed by reminders dated 11-07-2025 and 22-07-2025.

Audit recommends pursuing the matter with concerned authorities for early recovery of official vehicles, and also to intimate the extra measures taken following the theft of the 26 vehicles.

[AIR Para: 1]

6.5 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 following offices of the Karachi Metropolitan Corporation, for the financial year 2023-24 & 2024-25, it was observed that the management did not produce auditable record related to establishment, various registers, development and other record for audit scrutiny. Details are at **Appendix-13.**

[Rs. in Million]

Sr. No.	Name of Formations	F.Y.	Amount
1	Senior Director, Municipal Utility Charges and Taxes	2023-24	2.000
2	PD Orangi Township		0.870
3	SD Enterprises & Investment Promotion		0.629
4	Director, Media Management		27.250
5	Senior Director Zoo	2024-25	4.408
6	Sr. Director Land Management		0
7	Sr. Director (F&A)		0
8	Director Katchi Abadis		0
9	Director General, Technical Services		52.043
10	Director General, Parks & Horticulture		48.000
Total			**135.200**

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 audit entity is a severe violation of the rules and leads to non-transparency.

The matter was reported to the management from March 2025 to October, 2025. The office at Sr. No. 8 replied by providing some record. The reply was not tenable as the management failed to provide requisite record during course of audit. The office at Sr. No. 7 replied that Service books and personal files are available in the office of F&A for audit examination. Reply was not tenable as service books and personal files of employees were not provided.

The PAO 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 2.5.1.1, 2.5.1.1 and 2.5.1.1 having financial impact of Rs 0.000 million, Rs 1,633.591 million and Rs 1,403.590 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Paras: 1+4, 1+5, 1+7, 1+4, 1, 1, 18, 9]

Conclusion

The audit of Karachi Metropolitan Corporation (KMC) 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 always transparent, and development works were not effectively executed and monitored. Delays in completion of works, non-imposition of penalties, 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 KMC 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.

Recommendations

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

i. The management of KMC should strengthen internal controls to ensure that all financial transactions are properly recorded, authorized, and supported by relevant documents.

ii. Effective steps should be taken to ensure timely recovery of outstanding dues. Proper monitoring should be carried out to reduce arrears and prevent loss of revenue. Department should implement digitization for this specific process.

iii. All procurements should be made strictly in accordance with applicable procurement rules. Transparent procedures should be followed, and irregular practices should be avoided. Applications such as E-Pads should be implemented to digitize the process of procurement to ensure transparency.

iv. Development works should be properly planned and closely monitored to ensure timely completion and quality of work. Penalties should be imposed where delays occur as per contract terms.

v. Asset records should be properly maintained and updated regularly. Necessary measures should be taken to protect municipal assets and prevent loss or misuse. Use of geo-tagging and GIS should be implemented while monitoring assets such as parks and other recreational grounds.

vi. All offices should maintain complete records and ensure timely production of documents to audit to support transparency and accountability. Implementation of ERP applications along with digital registry of record should be ensured.

vii. DAC meetings should be held regularly to discuss audit observations. Management should ensure timely action on audit findings to avoid repetition of issues, along with creation of internal audit department within the organization.

viii. Staff should be provided training in financial management and rules. Responsibility should be fixed where lapses occur to promote discipline and compliance.

Audit Objectives, Scope and Methodology

a) Audit Objectives

The objectives of the audit were to:

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

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, land management, and lease/mutation of land/Katchi Abadis were properly realized and deposited into the government treasury.

v. Examine whether auctions for slaughter of animals in abattoirs were conducted in a transparent manner and whether due revenues were realized.

vi. Check execution of development works and procurement of equipment in accordance with the specifications and provisions of the approved PC-I.

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

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

ix. Verify whether procured items were properly accounted for and recorded in the stock registers and properly issued/consumed.

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

b) Scope of Audit

The audit shall cover the financial years 2023-24 & 2024-25 and shall include examination of the accounts, records, and operations of selected formations of Karachi Metropolitan Corporation (KMC) 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.

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 Karachi Metropolitan Corporation (KMC).

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.

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.

Part-II

Medical & Health Services, Karachi Metropolitan Corporation (KMC)

a) Scope of Audit

This Directorate General has the mandate to audit fourteen formations relating to Medical & Health Services of Karachi Metropolitan Corporation. During Audit Year 2025-26, audit of the following three formations was conducted:

- Senior Director, Medical & Health Services, KMC
- Executive Director, Karachi Institute of Heart Diseases (KIHD)
- Medical Superintendent, Abbasi Shaheed Hospital (ASH)

The total expenditure and revenue of the audited formations for financial year 2024-25 was to Rs 2,986.481 million and Rs 210.305 million respectively.

Audit of expenditure amounting to Rs 1,493.240 million was conducted during Audit Year 2025-26, representing 50% audit coverage of total expenditure. Audit of revenue amounting to Rs 210.305 million was also conducted.

b) The key audit findings of the report

There is a total of 08 audit paras related to compliance with authority audit (regularity audit), with a financial impact of Rs 290.336 million. The key audit findings related to core issues, procurement, service delivery and recoveries are as follows:

i. Unjustified payment on repair of MRI Machine - Rs 10.000 million
ii. Splitting up of expenditure to avoid open tender - Rs 17.986 million
iii. Award of works without rate analysis of non-schedule works/items - Rs 53.660 million
iv. Non-publication of tender in print media - Rs 34.310 million
v. Irregular award of contracts without preparing detailed estimates - Rs 37.280 million
vi. Unjustified procurement of machinery & equipment - Rs 35.000 million
vii. Splitting up of schemes to avoid approval from competent forum - Rs 100.000 million
viii. Non-recovery of outstanding dues - Rs 2.100 million

c) Recommendations

i. Audit recommends inquiry for unjustified payment on repair of MRI machine, besides fixing responsibility on the person(s) at fault.

ii. Audit recommends fixing of responsibility on person(s) at fault for splitting of expenditure to avoid tender or publication in print media or approval from competent forum.

iii. Audit recommends fixing of responsibility on person(s) at fault, for non-conducting/preparation rate analysis and detailed estimates.

iv. Audit recommends fixing of responsibility on management for procurement of machinery & equipment in contravention of set standard.

v. Audit recommends fixing of responsibility for non-supply of items, medicines and laboratory chemicals to KMC hospitals.

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

vii. Audit recommends that realistic and achievable revenue targets be set for effective functioning of formations.

viii. Audit recommends recovery and stoppage of the unauthorized allowances.

ix. The management of hospitals under KMC should take immediate corrective actions including procurement of necessary life-saving equipment, diagnostic tools, supplies, equipment, restoration of ambulances. Further, posting of additional staff and implementation of staff training and emergency preparedness plans, so as the hospitals may effectively handle emergency cases.

x. PAO should convene DAC meetings regularly to ensure timely settlement of audit observations and enforce accountability.

1. Introduction

Karachi Metropolitan Corporation (KMC) is one of the important institutional wing of the local government system, headed by the city's Mayor. There are various key departments of KMC that are responsible to provide various public services to the people of Karachi and Health Services is one of them.

There are thirteen hospitals working under KMC which are responsible for providing Health services to the people of Karachi viz Abbasi Shaheed Hospital, Karachi Institute of Heart Diseases, Sobhraj Maternity Hospital, Spencer Eye Hospital, Gizri Maternity Home, Landhi Medical Complex, Sarfraz Rafiqui Shaheed Hospital, Leprosy Hospital, Gazdarabad General Hospital, Cardiac Emergency Centre Landhi, Cardiac Emergency Centre Shah Faisal, Homeopathic Hospital Nazimabad, Primary Health Care Centre, Lyari and Karachi Institute of Kidney Diseases.

These hospitals provide essential medical services, ranging from emergency care and outpatient consultations to specialized treatments and surgeries. Many of these hospitals operate 24/7 emergency services and have various departments such as general medicine, surgery, obstetrics and gynecology, pediatrics and orthopedics. Additionally, these hospitals often act as teaching institutions, providing clinical trainings to medical students and healthcare professionals.

Despite facing challenges such as resource constraints, high patient loads and aging infrastructure, KMC hospitals play an essential role in meeting the healthcare needs of Karachi's growing population.

In the Audit Report on the accounts of Medical & Health Services, KMC for Audit Year 2025-26 two hospitals were selected. Following is the brief introduction of the selected hospitals.

1.1 Abbasi Shaheed Hospital (ASH)

Abbasi Shaheed Hospital is one of the largest public sector tertiary care hospitals in Karachi. It is 1,015 bedded hospital. It was inaugurated on 2nd January 1974 by former Prime Minister Mr. Zulfiqar Ali Bhutto. In the year 1990, the foundation stone of Trauma Centre was laid down to meet accidents and emergency cases.

1.2 Karachi Institute of Heart Diseases (KIHD)

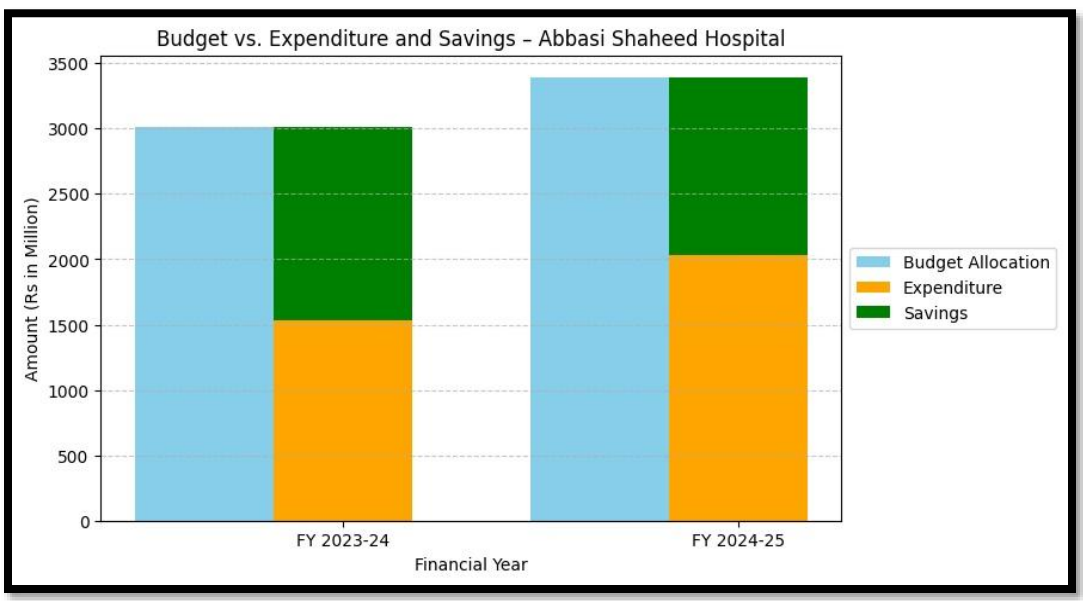
Karachi Institute of Heart Diseases started functioning on 3rd June 2005. It comprises of 170 beds along with fully equipped Emergency Room (ER), Cardiac Care Unit, Blue Code ICU, medical wards, surgical wards, private wards, Intensive Care Unit (ICU), five cardiac catheterization laboratories, two surgical theaters, diagnostic facilities, nuclear imaging department and laboratory for routine investigations. The main functions of the institute are to undertake modern treatment of cardio vascular diseases, carry out research, prevention and control of cardiovascular diseases and undertake training of medical students.

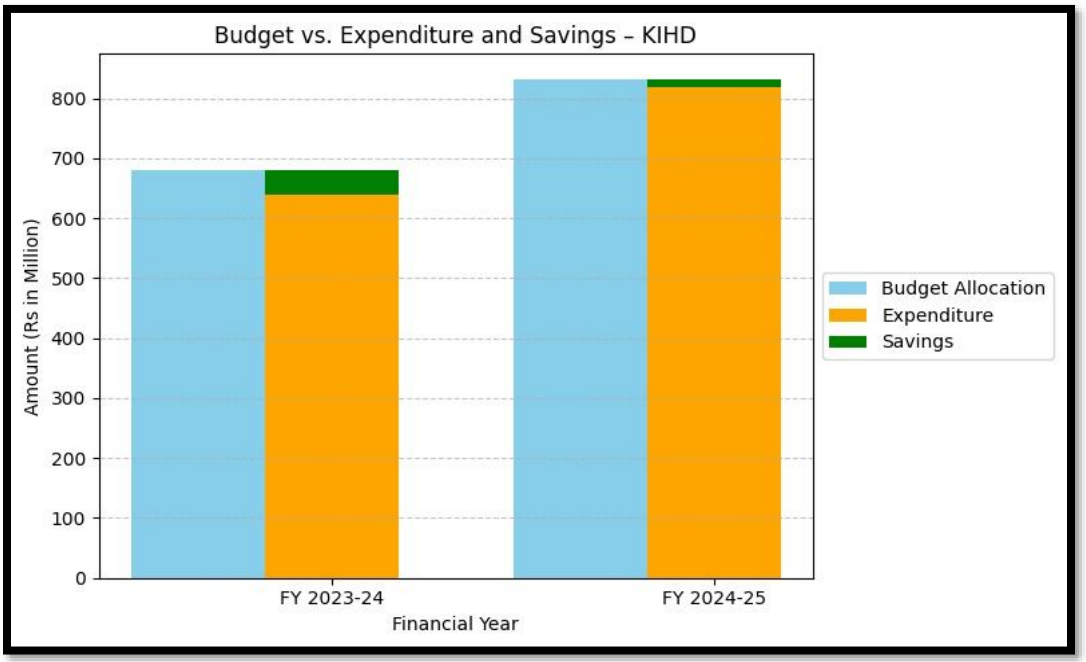
2. Financial Resources of Hospitals

Total budget allocation and actual expenditure for the financial years 2023-24 and 2024-25 were as follow:

[Rs. in Million]

Sr. No.	Name of Hospitals	Budget Allocation	Expenditure	Excess (+) Savings (-)
FY 2023-24				
1	Abbasi Shaheed Hospital, KMC	3,013.777	1,530.616	- 1,483.161
2	Karachi Institute of Heart Diseases (KIHD)	681.127	638.996	- 42.131
Total		**3,694.904**	**2,169.612**	**-1,525.292**
FY 2024-25				
1	Abbasi Shaheed Hospital, KMC	3,390.840	2,028.906	-1,361.934
2	Karachi Institute of Heart Diseases (KIHD)	832.656	819.311	-13.345
Total		**4,223.496**	**2,848.217**	**-1,375.279**





The budget utilization charts for Abbasi Shaheed Hospital (ASH) and Karachi Institute of Heart Diseases (KIHD) reveal contrasting financial management practices. At ASH, despite an increase in budget allocation from Rs 3,013.777 million in FY 2023-24 to Rs 3,390.840 million in FY 2024-25, actual expenditure remained substantially lower at Rs 1,530.616 million and Rs 2,028.906 million, respectively, leaving persistent savings of over Rs 1.3 billion in both years. This under-utilization, representing approximately 40% of the allocated budget, indicates weak internal controls, delays in procurement, and inefficient execution of hospital operations, which could adversely affect service delivery. In contrast, KIHD exhibited near-full utilization of its allocated budgets, with minimal savings of Rs 42.131 million in FY 2023-24 and Rs 13.345 million in FY 2024-25, demonstrating effective financial planning and timely execution of expenditures. The stark difference highlights the urgent need for ASH to improve monitoring mechanisms, strengthen procurement processes, and align expenditure with approved allocations to ensure optimum use of public funds and uninterrupted healthcare services.

3. Overview of hospital operations

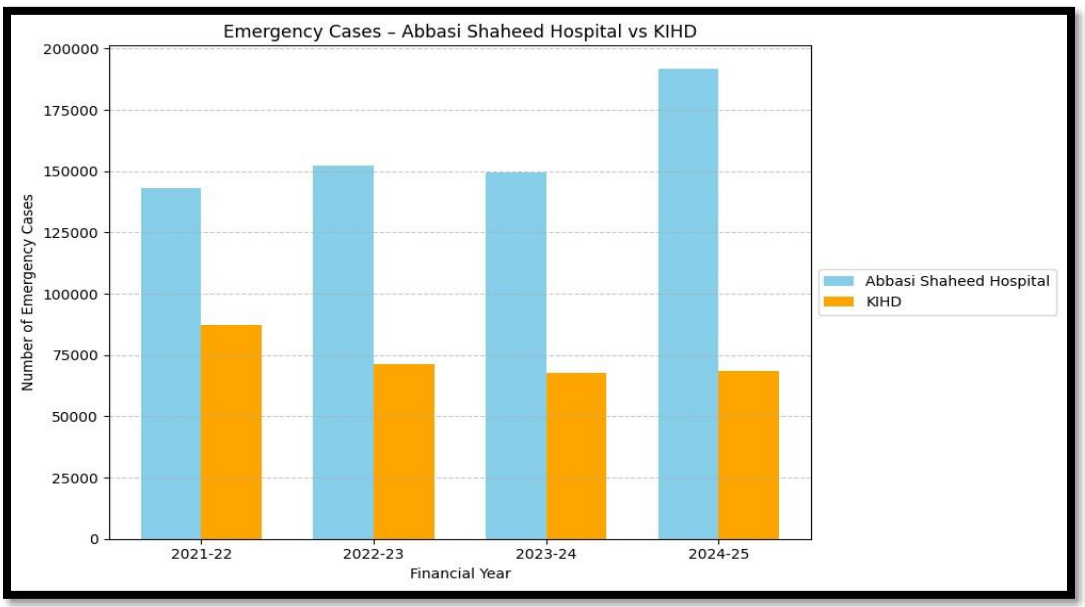
According to 2023 Census, Karachi has a population of around 20.30 million. Catering to the health needs of such a large population, especially quality emergency services, merely by hospitals of Sindh Government is not possible. Hospitals under KMC provide a great relief to the population of not only Karachi but also that of Baluchistan as well. The locations of the KMC hospitals are important and very critical in provision of health care services to the citizens. For instance, Abbasi Shaheed hospital covers areas of Nazimabad, Gulberg, Orangi, Keamari and adjoining areas of Baluchistan. In order to treat the patients of cardiovascular disease, Karachi has National Institute of Cardiovascular Diseases (NICVD). People living in areas like Gulshan-e-Iqbal, Nazimabad, Central Karachi and Sohrab Goth face challenges reaching NICVD in emergencies like strokes because it is far from these neighborhoods. Karachi Institute of Heart Diseases (KIHD) provides heart related emergency care to the population of these areas in a better way. Given that the location of the hospitals under KMC makes them very critical, especially in the emergency related matters.

3.1 Review of emergency cases

Emergency hospital services constitute the backbone of any healthcare system, serving as the first and most critical point of contact for patients facing life-threatening conditions. In a densely populated metropolitan city like Karachi, institutions such as the Karachi Institute of Heart Diseases (KIHD) and Abbasi Shaheed Hospital play a pivotal role in providing timely, lifesaving interventions to hundreds of patients on a daily basis. These hospitals not only cater to acute cardiac emergencies and trauma cases but also shoulder the burden of referrals from peripheral health facilities. The efficiency, preparedness, and responsiveness of their emergency departments directly influence patient survival rates, public confidence in government healthcare institutions, and the overall resilience of the urban health system. The detail of emergency cases from financial years 2021- 22 to 2024-25 is as under:

Sr. No.	Hospital Name	Number of Emergency Cases			
		2021-22	2022-23	2023-24	2024-25
1	Abbasi Shaheed Hospital	142,931	152,391	149,439	191,619
2	Karachi Institute of Heart Diseases	87,088	71,216	67,830	68,418
Total		**230,019**	**223,607**	**217,269**	**260,037**

The data on emergency cases from FY 2021-22 to FY 2024-25 reveals diverging trends between the two hospitals. Abbasi Shaheed Hospital shows a significant and consistent increase, from 142,931 cases in 2021-22 to 191,619 cases in 2024-25, representing an increase of over 34% over four years. This sharp rise indicates a growing demand for emergency services, which may reflect population growth, referral patterns, or increased patient reliance on ASH for critical care. In contrast, the Karachi Institute of Heart Diseases (KIHD) exhibits a declining trend from 87,088 cases in 2021-22 to 68,418 cases in 2024-25, a reduction of approximately 21%. This downward trend may suggest either improved preventive care, reduced patient inflow, or capacity constraints at KIHD.



The combined total of emergency cases increased from 230,019 in 2021-22 to 260,037 in 2024-25, highlighting a rising overall burden on emergency healthcare services in Karachi.

The persistent surge in ASH cases signals the need for resource augmentation, including staffing, emergency beds, and medical supplies, while the decline at KIHD warrants a review of patient referral practices and service accessibility. The trends

emphasize the importance of strategic planning and capacity management to ensure quality and timely emergency care for the population.

3.2 Availability of essential Medical Equipment

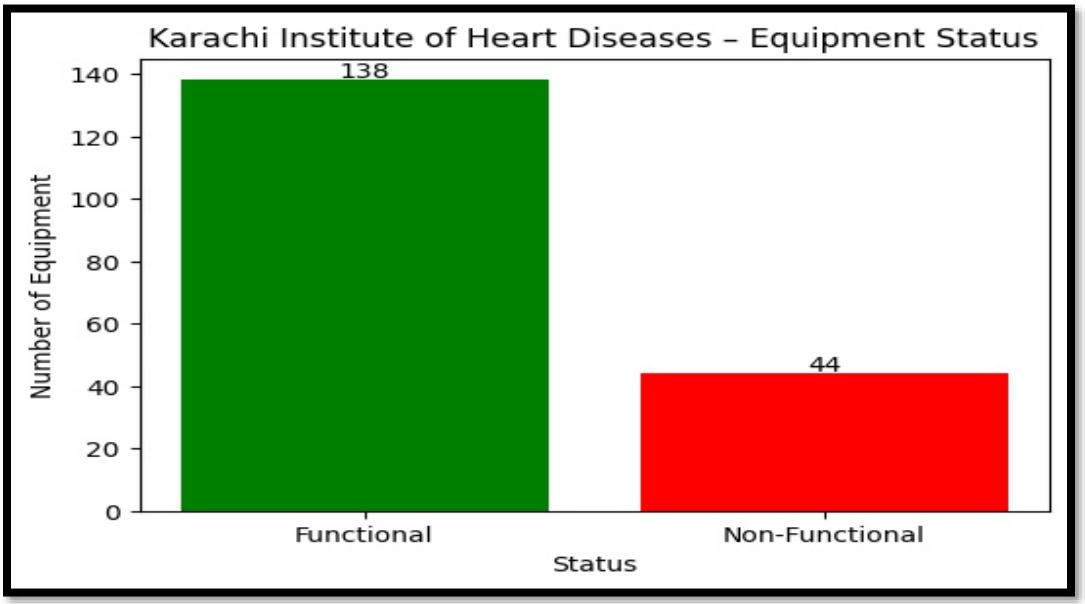
Machinery and medical equipment play a pivotal role in the effective functioning of hospitals, as they directly support diagnosis, treatment, monitoring, and emergency care services. Availability of functional and reliable equipment ensures timely medical interventions, reduces patient waiting time, and enhances the accuracy of clinical decisions. Conversely, inadequate or non-functional machinery disrupts service delivery, overburdens existing resources, and may lead to delayed or compromised patient care. Proper maintenance, timely repair, and replacement of medical equipment are therefore essential to ensure uninterrupted healthcare services, optimal utilization of resources, and improved patient outcomes, particularly in hospitals experiencing high patient load.

3.3 Review of status of Medical Equipment at KIHD

The review of equipment status at Karachi Institute of Heart Diseases (KIHD) for the years 2024-25 reveals systemic weaknesses in asset management, preventive maintenance, and procurement planning, which have materially affected service delivery, patient throughput, and revenue generation, as tabulated below:

Abbasi Shaheed Hospital			
No. of equipment	**Functional**	**Non-Functional**	**Percentage of Non-functional**
92	68	24	26%
Karachi Institute of Heart Diseases			
No. of equipment	**Functional**	**Non-Functional**	**Percentage of Non-functional**
182	138	44	24%

Out of 182 medical equipment units, only 138 (76%) were reported as functional, while 44 units (24%) were non-working, including several critical, life-saving diagnostic and therapeutic machines. The level and nature of non-functionality indicate not isolated breakdowns but structural deficiencies in maintenance, governance and lifecycle management as depicted below:



A particularly serious concern is the high non-availability of critical cardiac diagnostic and interventional equipment. Out of six angiography machines, only two were operational, with four non-working, including one dismantled and another under prolonged repair attempts. Given that angiography is a core service at KIHD, this represents a significant capacity constraint, directly contributing to treatment delays, referrals to private facilities, and loss of institutional revenue. This finding also aligns with audit observations regarding under-realization of targeted receipts and increased patient burden at alternative hospitals.

Similarly, all 14 infusion pumps were reported non-functional, primarily due to mechanical deformation. Infusion pumps are essential for ICU and CCU patient management, and complete non-availability suggests either inadequate procurement quality, absence of preventive maintenance contracts, or improper handling and storage practices. The magnitude of this failure reflects weak post-procurement controls and raises concerns regarding prior procurement decisions.

Diagnostic equipment performance also shows persistent reliability issues. ECHO machines (including portable units), gamma camera, CT-Angio, and auto film processor remain either partially or fully non-functional due to calibration faults, obsolete status, or lack of spare parts. The continued presence of obsolete equipment on active inventory without formal condemnation or replacement planning indicates ineffective asset lifecycle management and distorts both capacity planning and financial reporting.

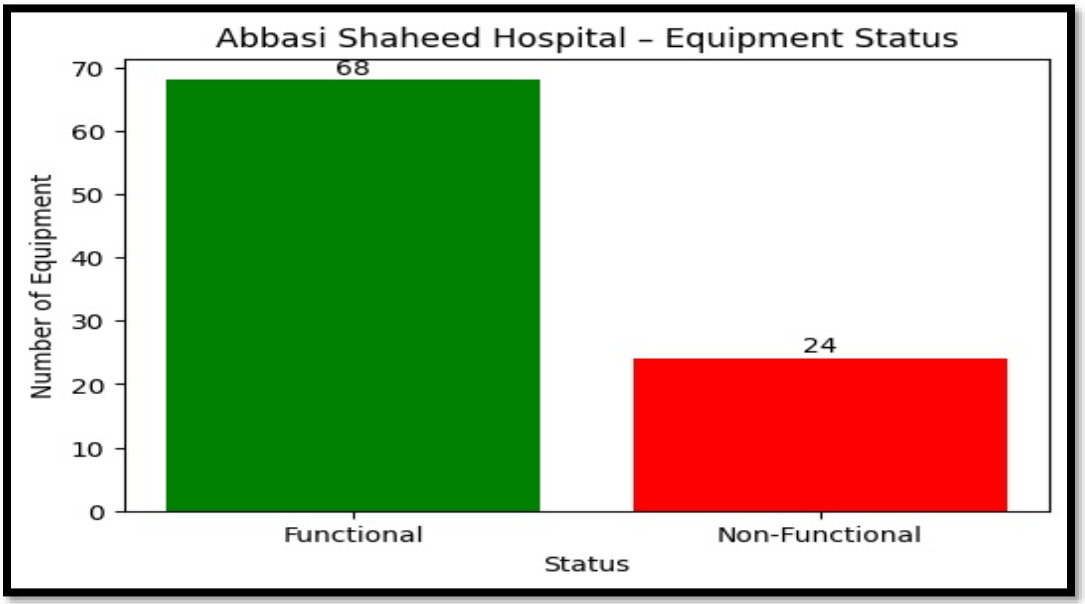
The condition of life-support and operation theatre equipment further highlights service delivery risk. Non-working ventilators, anesthesia machines, OT lights, autoclaves, and heart-lung machines directly compromise surgical and critical care services. Several remarks cite issues such as incomplete wiring, calibration faults, and general maintenance lapses, suggesting that breakdowns are largely preventable through routine inspections and timely technical interventions, as required under Sindh Service Delivery Standards.

Additionally, the audit notes a recurring pattern of equipment remaining "under repair" without defined timelines or documented service-level agreements. This indicates weak contract management, absence of equipment history sheets, and lack of accountability for delayed repairs. Such practices not only prolong downtime but also increase the risk of unjustified repair payments, as already highlighted in related audit paras.

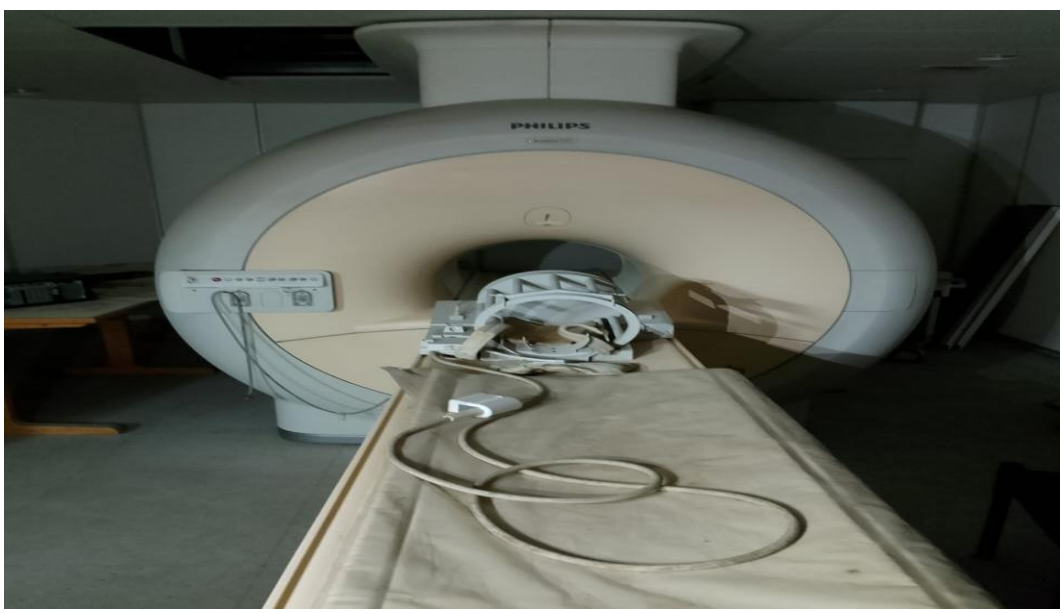
In conclusion, the extent and nature of equipment non-functionality at KIHD have direct implications for patient safety, service accessibility, and financial sustainability. The observed deficiencies are symptomatic of weak internal controls, inadequate preventive maintenance frameworks, and sub-optimal procurement planning, requiring urgent corrective measures. Without a structured equipment management strategy, KIHD risks continued service disruption, revenue leakage, and erosion of public confidence in specialized cardiac care services.

3.4 Review of status of Medical Equipment at ASH

Analysis of the machinery and equipment inventory of Abbasi Shaheed Hospital reveals significant operational and service delivery concerns. Out of a total of 144 medical machines and equipment, 21 units (approximately 15%) were found non-functional, indicating persistent weaknesses in equipment maintenance, asset management, and timely repair mechanisms as depicted below:



The situation is particularly critical in respect of high-value and life-saving diagnostic and therapeutic equipment. Complete non-functionality of MRI, Fluoroscopy, Electrography, and ENT Microscopes reflects a severe diagnostic gap, compelling reliance on external facilities. Similarly, two out of three C-Arms and two ultrasound machines being non-functional directly affect surgical, orthopedic, and diagnostic services, leading to procedural delays and compromised patient outcomes.

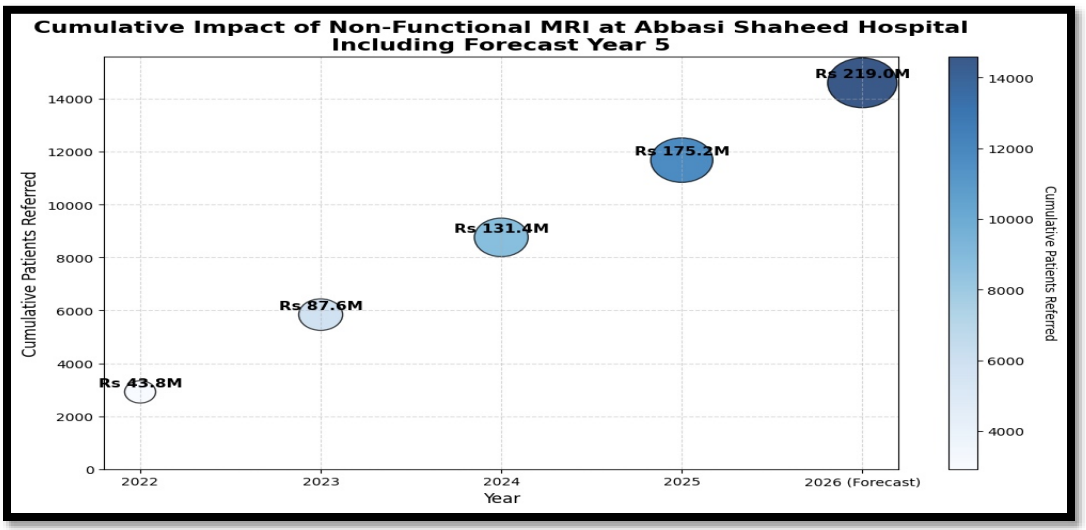


Although certain categories such as multi-parameter monitors, incubators, autoclaves, X-ray units, and CT-Scan were fully functional, the presence of partially functional critical care equipment including ventilators, anesthesia machines, diathermy units, OT lights, and OT tables poses a serious risk during emergency and surgical procedures. The non-availability of even a small number of such equipment can significantly disrupt hospital operations, especially in a high-patient-load tertiary care facility.

The analysis further indicates that the issue is not limited to isolated equipment failure but reflects systemic deficiencies in preventive maintenance planning, lifecycle management, and vendor support arrangements. Continued operation with obsolete or non-functional machinery increases the risk of clinical errors, prolongs patient waiting times, and undermines the hospital's capacity to deliver timely and quality healthcare services.

Overall, the existing equipment shortfall demonstrates inadequate internal controls over biomedical assets and highlights the need for immediate repair, replacement planning, and enforcement of preventive maintenance contracts. Failure to address these deficiencies is likely to escalate operational inefficiencies, increase patient referrals to private hospitals, and expose the department to reputational and financial risks. Moreover, cumulative impact of non-functional MRI machine at ASH is depicted as below:

The figure highlights the cumulative impact of the non-functional MRI at Abbasi Shaheed Hospital over the past four years, with a forecast for the fifth year, on the pretext of assumption that one MRI machine typically takes an hour for patient turnover and operates an eight-hour shift per day resulting in 2920 patients per year and an average cost burden of 43.8 million rupees per annum. Moreover, it visually conveys two key messages simultaneously: the growing number of patients forced to seek MRI scans elsewhere and the escalating financial burden on low-income patients, represented by the increasing size and darkening color of the bubbles. The figure emphasizes that each year the MRI remains out of service, more patients are affected, and millions of rupees are spent unnecessarily, making the case for urgent repair or replacement of the machine.

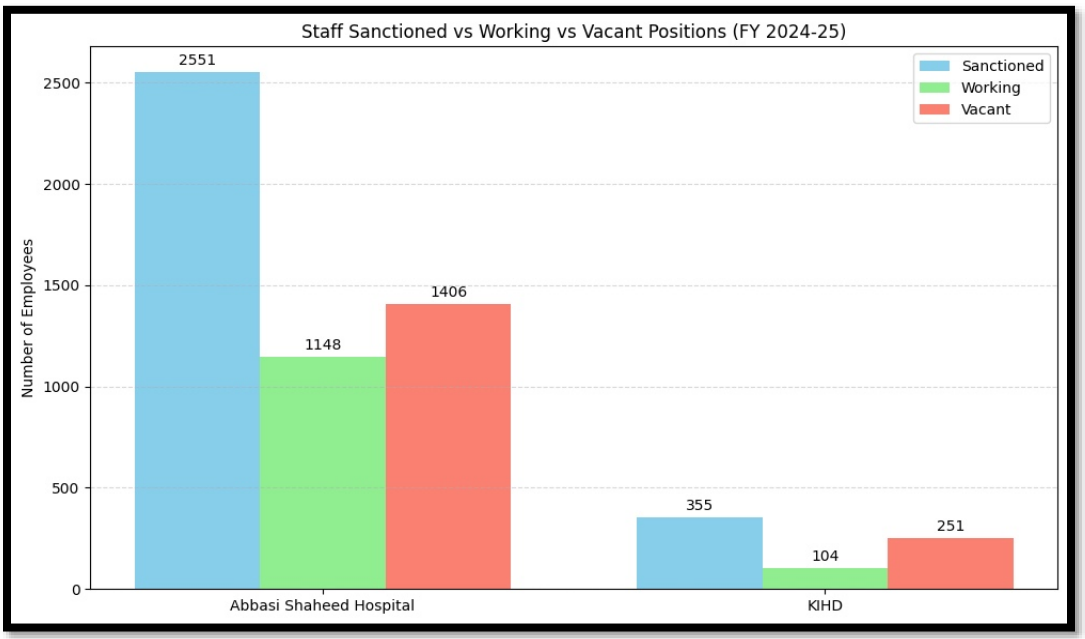


3.5 Availability and adequacy of Human resources

Another most alarming issue in ASH and KIHD is the shortage of medical personnel such as Dental Surgeon, Senior Medical Officer, Associate Dental Surgeon, Senior RMO, Consultant Microbiologist, Medical Officer, Consultant etc., Resultantly, number of patients brought in emergency involving road accidents, gunshots, heart attacks and strokes are not properly treated and therefore are being referred to other hospitals due to which the risk of complications and mortality during transportation in increased.

The shortage is not limited to specialist doctors; there is also a critical lack of nurses, midwives, radiologists, pathologists and technicians, which further weakens the emergency departments and intensive care units (ICUs). These personnel are essential for handling diagnostic tests, patient monitoring and assisting in surgeries and critical interventions. Without adequate staff, the entire emergency care process becomes delayed and ineffective, often compromising patient outcomes, as detailed below:

Shortage of Human Resource (FY- 2024-25)					
Sr. No.	**Name of Offices**	**Sanctioned**	**Working**	**Vacant**	**Shortage in Percentage**
1.	Abbasi Shaheed Hospital, KMC	2,551	1,148	1,406	55.115
2.	Karachi Institute of Heart Diseases (KIHD)	355	104	251	70.704%
Total		**2,906**	**1,252**	**1,657**	**57%**



The human resource data for FY 2024-25 reveals a highly critical staffing crisis in said hospitals. At Abbasi Shaheed Hospital, only 1,148 of 2,551 sanctioned positions are filled, leaving a 55% shortage, while at KIHD, the situation is even more severe, with 71% of positions vacant. These figures indicate that more than half of the workforce, including doctors, nurses, paramedics, and support staff, is missing. Such a severe deficit puts immense pressure on the existing employees, leading to increased workloads, fatigue, and potential compromise in patient care. Critical services like emergency care, surgeries, ICU management, and diagnostic procedures (e.g., MRI) are directly impacted, as fewer trained professionals are available to operate equipment, monitor patients, or provide timely interventions. The overall 57% staff shortage across these institutions underscores an urgent need for recruitment, retention, and workforce planning, as continuing with this level of deficit risks not only long delays and overcrowding but also deterioration in the quality of healthcare services for thousands of patients in Karachi.

Abbasi Shaheed Hospital

• Total doctors / Nurses / Beds / ratios (Doctor to Patient / Nurse to Patient / Bed to Patient)

Sr #	Designation	No. of working	Ratio Description	Ratio / Day
1	Doctor	485	Doctor to Patient	1: 2.77
2	Nurses	109	Nurse to Patient	1: 12.32
3	Beds	1015	Bed to Patient	1: 1.32

Karachi Institute of Heart Diseases

• Total doctors / technical staff / ratios (Doctor to Patient / Nurse to Patient / Bed to Patient.

Sr #	Designation	Quantity	Ratio Description	Ratio / Day
1	Doctor	66	Doctor to Patient	1: 4.20
2	Technical Staff / Nurses	96	Nurse to Patient	1: 2.88
3	Beds (as per official website)	170	Bed to Patient	1: 1.63

3.6 Review of infrastructure and facility management

The review of infrastructure and facility management at Karachi Institute of Heart Diseases (KIHD) and Abbasi Shaheed Hospital revealed notable deficiencies that adversely affect the delivery of healthcare services. While both hospitals cater to a large volume of patients, the physical condition of buildings, maintenance of wards, and overall cleanliness require significant improvement. The presence of ghutka spitting stains in corridors, staircases, and around emergency entrances reflects weak enforcement of hygiene protocols and lack of effective monitoring. Additionally, unclean surroundings, improper waste disposal, and clogged drainage in certain areas not only compromise the hospital environment but also pose serious health risks to patients, attendants, and staff. Such conditions undermine infection control measures and detract from the dignity and safety expected in public healthcare facilities, as depicted in pictorial evidence.



4. Audit Paras

4.1 Value for money and service delivery issues

4.1.1 Unjustified payment on repair of MRI Machine

Para 21.14 of Sindh Service Delivery Standards for Hospitals established by Sindh Health Care Commission, Karachi stipulates that the regular and routine checks of equipment (equipment audit) are carried out in accordance with the operational manual, maintenance contract and/or a history sheet of the equipment by the store in-charge.

Further, section (I) of Appendix 18-A of SFR Vol-I, stated that means should be devised to ensure that every government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.

During the audit of the Senior Director, Medical & Health Services, Karachi Metropolitan Corporation, for the financial year 2024-25, it was observed that the management incurred an expenditure of Rs 10.000 million for the repair of the 1.5 Tesla Philips MRI Machine at Abbasi Shaheed Hospital. Upon audit scrutiny, it was revealed that the MRI machine was not repaired by the contractor, in violation of the above rules.

[Rs. in Million]

Name of work	Name of Contractor	Total Amount	Amount Paid
Repairing and replacement of cards and other for upgradation of 1.5 T Philips MRI Machine of Abbasi Shaheed Hospital	M/s Bio-medical Star Enterprises	20.000	10.000
Total		**20.000**	**10.000**

Audit was of the view that payment was made to the contractor without actual execution of the repair work, which is unjustified and reflects poor financial management and weak internal controls.

Audit was of the opinion that expenditure incurred without ensuring the operational readiness of the MRI machine deprived the public of essential healthcare services, undermining the hospital's service delivery capacity.



MRI Machine in Abbasi Shaheed Hospital



The matter was reported to the management in November 2025, but no reply was received. The PAO 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 in the matter, besides fixing responsibility on the person(s) at fault.

[AIR Para: 5]

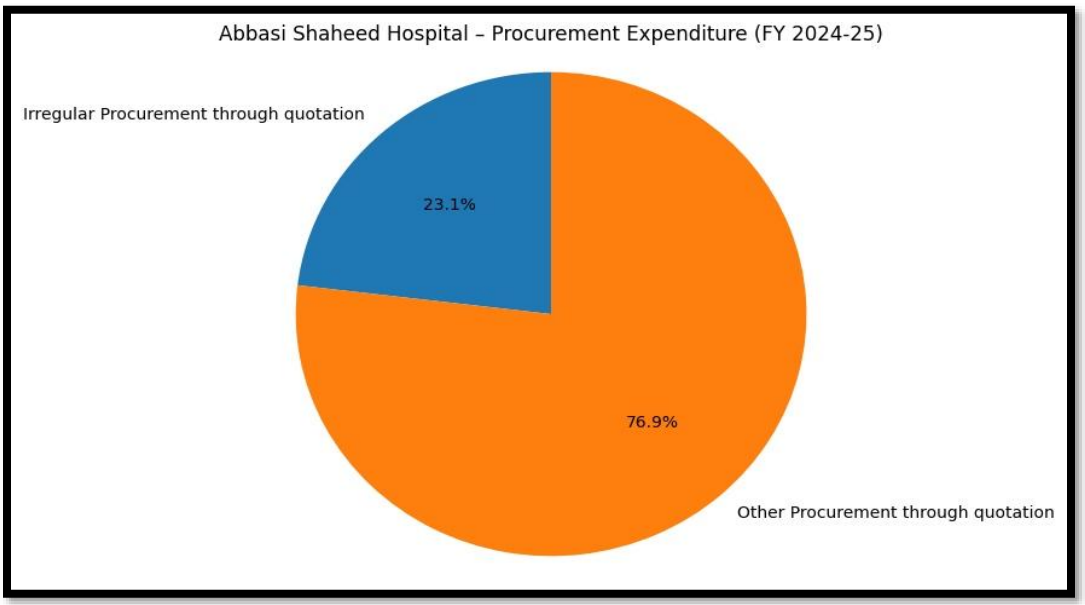
4.2 Procurement related irregularities

4.2.1 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 up to 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 Medical Superintendent, Abbasi Shaheed Hospital (ASH), Karachi Metropolitan Corporation, for the financial year 2024-25, it was observed that the management made procurements through quotation basis by splitting the expenditure, thereby avoiding the prescribed open tendering process. As a result, expenditure amounting to Rs 17.986 million was incurred in violation of the above rules. It was further observed that a total of 77.864 million was expended on procurement through quotation basis, audit scrutiny revealed that 23.1% of the said amount was procured irregularly through splitting in order to avoid open tender as depicted below. Further detail is at **Appendix-14.**



Audit was of the view that the deliberate splitting of procurements defeated the principles of transparency, competition, and economy envisaged under the procurement rules and resulted in non-achievement of competitive market rates, indicating weak financial management and internal controls at the hospital level.

Audit was of the opinion that splitting of procurements not only compromises value for money but also increases the risk of procurement at uneconomical rates and acquisition of substandard quality goods, which may adversely affect the delivery of healthcare services.

The matter was reported to the management in October 2025. Management of Abbasi Shaheed Hospital (ASH) replied that the annual demand of ASH sent to Sr. Director (M&HS) KMC, for purchasing of different items, i.e., laboratory, regents, medicines, surgical and disposable items but due to financial crunch competent authority has not purchased completely therefore, purchases have been made from own source on quotation basis to cope up emergent treatment of patient. The reply of the management was not tenable as management incurred the expenditure by way of splitting in violation of rules.

The PAO 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 of responsibility on person(s) at fault for splitting of procurements to avoid tenders.

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 2.5.3.10, 2.5.3.12 and 2.5.3.4 having financial impact of Rs 28.889 million, Rs 33.513 million and Rs 167.513 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 1]

4.2.2 Award of works without rate analysis of non-schedule works/items

Para 8(3) of the Schedule of Rates (Composite), Sindh, states that sanction of Non-Schedule Items for finished items of works (as amended to date) Superintending Engineers and the Chief Engineers of the Departments may sanction the rate analysis for non-schedule items up to Rs 2,000 per standard unit and the rates exceeding this amount shall be sanctioned by the Chief Engineer/officers exercising power of Chief Engineer. In cases where the Schedule of Rates is found inadequate to carry out certain items of works, the only competent body to review the position is the Standing Rates Committee, and all such cases should therefore be referred to the Secretary, Standing Rates Committee for decision.

During the audit of the Senior Director, Medical & Health Services, Karachi Metropolitan Corporation, for the financial year 2024-25, it was observed that the management incurred an expenditure of Rs 53.660 million on execution of various non-schedule works/items without preparation of rate analysis and obtaining sanction or approval from the competent authority or the Standing Rates Committee, in violation of the above rules. Detail is at **Appendix-15.**

Audit was of the view that incurrence of expenditure on non-schedule items without rate analysis rendered the expenditure irregular and reflected weak financial and technical controls over execution of works.

Audit was of the opinion that, in the absence of approved rate analysis, the reasonableness and economy of the rates could not be ascertained, thereby increasing the risk of execution of works at uneconomical and inflated rates, which undermines the principles of transparency, economy and value for money.

The matter was reported to the management in November 2025, but no reply was received. The PAO 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 of responsibility on person(s) at fault, besides taking remedial measures.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25 vide para number 2.5.3.4 having financial impact of Rs 595.201 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 4]

4.2.3 Non-publication of tender in print media

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 17(1A), Part-II ibid, states that all procurement over five hundred thousand and over three million rupees shall be advertised on the Authority's website as well as in the newspapers as prescribed (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 the Senior Director, Medical & Health Services, Karachi Metropolitan Corporation, for the financial year 2024-25, it was observed that the management awarded works amounting to Rs 34.310 million by splitting the procurements, with the apparent intent to avoid mandatory publication of tenders in print media, in violation of the above rules. Detail is at **Appendix-16.**

Audit was of the view that splitting of works to bypass publication requirements restricted open competition and resulted in non-achievement of competitive market rates, indicating poor financial management and weak internal controls.

Audit was of the opinion that avoidance of print media advertisement undermines transparency, limits participation of potential bidders, and increases the risk of award of works at uneconomical rates and compromised quality, which adversely affects public sector procurement outcomes.

The matter was reported to the management in November 2025, but no reply was received. The PAO 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 of responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25 and 2023-24 vide para numbers 2.5.3.1 and 2.5.3.15 having financial impact of Rs 17.826 million and Rs 48.010 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 2]

4.2.4 Irregular award of contracts without preparing detailed estimates

According to Para 7.10. Approval: of Sindh Public Procurement Regulatory Authority Guidelines, "Before awarding the contract, approval of the Competent Authority is required as mentioned in Rule-14. The bid with the lowest evaluated cost (but not necessarily the lowest submitted price) shall be submitted with following documents for approval. (vi) Financial Review: It shows the comparison of cost provisions regarding the work in question in the Rough Cost Estimates (Administrative Approval), Technical Sanction of Detailed Estimate and recommended Tendered/Bid Amount. Financial Review determines whether bid cost is within limits allowable over and above the amount provide in Administrative Approval and Technical Sanction for the work".

During audit of the Senior Director, Medical & Health Services, KMC, for the financial year 2024-25, it was observed that the management awarded various works amounting to Rs 37.280 million to different contractors for supply of items/material for KMC hospitals without preparation and approval of detailed estimates, in violation of the above provisions. Detail is at **Appendix-17.**

Audit was of the view that award of contracts without preparation of detailed estimates was irregular, reflecting poor financial management and weak internal controls.

Audit was of the opinion that non-preparation of detailed estimates prior to award of contracts undermined transparency and fairness in the procurement process and increased the risk of acceptance of non-competitive and uneconomical rates.

The matter was reported to the management in November 2025, but no reply was received. The PAO 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 of responsibility on the person(s) at fault for non-preparation of detailed estimates.

[AIR Para: 19]

4.2.5 Unjustified procurement of machinery & equipment

As per required Technical Specification of the works in bidding document, The Country of origin should be UK, USA, EU, JAPAN OR Equivalent and should be: ISO-13485, & CE, JIS, FDA, MHLW Other than 2 certificates, mentioned in technical offer of bid document.

Para 21.14 of Sindh Service Delivery Standards for Hospitals established by Sindh Health Care Commission, Karachi stipulates that the regular and routine checks of equipment (equipment audit) are carried out in accordance with the operational manual, maintenance contract and/or a history sheet of the equipment by the store in-charge.

Further, as per Section (I) of Appendix 18-A of SFR Vol-I, "Means should be devised to ensure that every government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence".

During audit of the Senior Director, Medical & Health Services, KMC, for the financial year 2024-25, it was observed that the management paid Rs 35.000 million to contractors for procurement of machinery and equipment for various KMC hospitals in contravention of the approved technical specifications. Although the specifications required procurement from approved international sources with prescribed certifications, in most cases the management procured items from local manufacturers or from China, without meeting the required standards, in violation of the above provisions. Detail is at **Appendix-18.**

Audit was of the view that procurement of machinery and equipment in deviation from approved technical specifications was irregular, indicating poor procurement practices and weak internal controls.

Audit was of the opinion that procurement of sub-standard machinery and equipment adversely affected quality of healthcare service delivery, increased operational risks, and exposed patients and public assets to potential loss and safety concerns.

The matter was reported to the management in November 2025, but no reply was received. The PAO 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 in the matter, besides fixing of responsibility on the person(s) at fault.

[AIR Para: 21]

4.2.6 Splitting up of schemes to avoid approval from competent forum

Guideline No. 2.22 of Sindh Public Procurement Regulatory Authority Guidelines, 2013 stipulates that PC-I & PC-II of the schemes/projects prepared by the administrative department is required to be placed before the Development Working Party /committee according to the cost/competency of the forum as enumerated below:

Sr. No.	Competent Forum	Cost of Scheme Up to
1	District Development Working Committee (DDWC)	20 million
2	Departmental Development Working Party (DDWP)	40 million
3	Provincial Development Working Party (PDWP)	50 million
4	Central Development Working Party (CDWP)	One Billion
5	Executive Committee of the National Economic Council (ECNEC) after Clearance from CDWP	Above One Billion

During audit of the Senior Director, Medical & Health Services, KMC, for the financial year 2024-25, it was observed that the management split schemes of identical nature amounting to Rs 100.000 million into smaller components of Rs 20.000 million each, in order to avoid placement of the schemes for approval before the competent forum, in violation of the above guidelines. Detail is at **Appendix-19.**

Audit was of the view that execution of schemes through artificial splitting to circumvent approval from the competent forum was unjustified and indicative of weak internal controls.

Audit was of the opinion that such splitting of schemes constituted transgression of delegated financial powers and facilitated misuse of authority, thereby undermining transparency, oversight, and accountability in public sector development planning.

The matter was reported to the management in November 2025, but no reply was received. The PAO 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 of responsibility on the person(s) at fault for splitting of schemes to avoid approval of competent authority.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25 vide para number 2.5.3.5 having financial impact of Rs 1,064.626 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 24]

4.3 Recoveries related issues

4.3.1 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 Executive Director, Karachi Institute of Heart Diseases, for the financial year 2024-25, it was observed that the management did not recover outstanding dues amounting to Rs 2.100 million on account of rent from Canteen, L.H.Y.W.A Pharmacy, K.K.F Pharmacy, Pak United Pharmacy, Hopes Pharmacy etc., as detailed below:

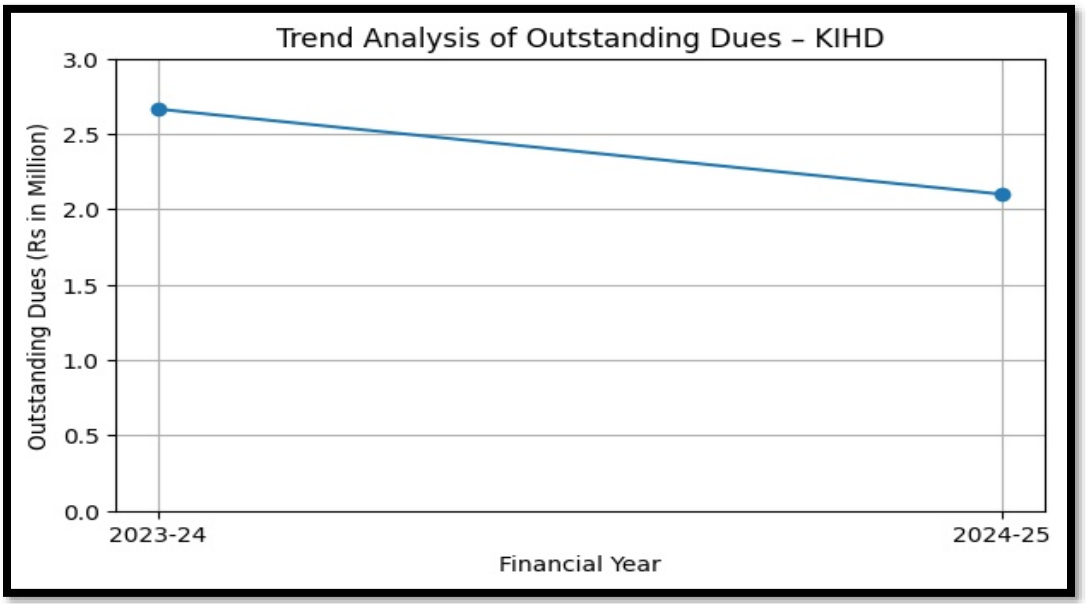
[Rs. in Million]

Sr. No.	Description	Monthly Rent (From July , 2024)	Recovered yearly	Outstanding
1	Canteen	0.163	1.956	-
2	L.H.Y.W.A Pharmacy	0.050	-	0.600
3	K.K.F Pharmacy	0.050	0.300	0.300
4	Pak United Pharmacy	0.050	-	0.600
5	Hopes Pharmacy	0.050	-	0.600
Total		**0.363**	**2.256**	**2.100**

Trend analysis of outstanding dues reveals a marginal decrease from Rs.2.6 million in FY 2023-24 to Rs.2.1 million in FY 2024-25, however, persistence of outstanding dues indicates continued weakness in recovery mechanism as depicted below.

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

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 November 2025, but no reply was received. The PAO did not convene the DAC meeting despite written requests dated 15-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends recovery of outstanding dues, besides fixing of 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 2.5.4.5, 2.5.4.4 and 2.5.4.1 having financial impact of Rs 83,457.575 million, Rs 95,840.027 million and Rs 134,760.038 million respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 3]

Appendices

Appendix-1: [Para: 1.1] Non-functioning development and removal of encroachment from playgrounds and parks

Senior Director, Recreation Culture & Sports Department [AIR Para-03]

Sr. No.	Name of Play Grounds	Location / Area	Remarks
1	ST-09, Block-02	Federal B. Area	Non-functional
2	ST-05, Bloc-03		
3	ST-13, Block-03		
4	ST-10, Block-08		
5	ST-3C, Block-09		
6	ST-1, Block-11		
7	ST-01, Blocl-15		
8	ST-5A, Block-15		
9	ST-12B, Block-16		
10	ST-12C, Block-16		
11	ST-12A, Block-17 (Ameer Mouwia)		
12	ST-1A, Block-18,		
13	ST-3, Block-18		
14	ST-12, Block-18		
15	ST-02, Block-19		
16	ST-8A, Block-19		
17	ST-7B, Block-20		
18	ST-17, Block-14, Naseerabad		
19	ST-6, Block-L	North Nazimabad	
20	Jafco Ground, Block-L		
21	Sector-11A,	North Karachi	
22	Muhammadi Football Ground, Qasimabad	Liaqatabad	
23	Punjab Ground	Shah Faisal Colony	
24	Colony Football Stadium		
25	Khalid Bin Waleed, Hockey Ground, Block-02	P.E.C.H.S	
26	Babu Red Cricket Ground, Block-02		
27	K.A.E.C.H.S. Football Ground, Block-17	Mehmoodabad	
28	ST-12, Block-02	Clifton	
29	ST-20, Block-05		

Non-development of parks and non-evacuation of encroached land

Sr. No.	Name of Park	Address	District/ Town	Area/Size		Latitude East	Longitude North	Remarks/ Status
				Acres	In Sq Yds			
1	City Park	Sohrab Goth	East	26.49	128211.60	67.086786	24.948936	Encroached
2	Family Park, ST-4	Block-4, Clifton	South	2.23	10823.00	67.033661	24.811815	Fully Encroached
3	Family Park, ST-2	Block-4, Clifton	South	4.00	19360.00	67.036065	24.811224	Fully Encroached
4	Family Park, ST-21	Block-4, Clifton	South	1.27	6180.00	67.031793	24.802741	Fully Encroached
5	Family Park, ST-5	Block-3, Clifton	South	1.37	6653.00	67.021373	24.811907	Encroached
6	Bath Island (Gulshan-e-Faisal) ST-17	Bock-7, Clifton	South	1.63	7898.20	67.02322	24.832909	Undeveloped
7	Family Park, ST-5	Block-4, Clifton	South	6.11	29572.80	67.031884	24.811407	Undeveloped
8	Family Park, ST-13	Block-5, Clifton	South	4.25	20570.00	67.031892	24.823652	Undeveloped
9	National Park (Gutter Baghicha)	Pak Colony	West	180.00	871200.00	67.007815	24.899908	Undeveloped

Appendix-2: [Para: 1.2] Non-restoration of roads and footpaths

[Amount in Rs.]

Sr. No.	Name of road to be cut	Name of Agency	Type of cutting	Date of Approval	Date of expiry of Permit	Date of restoration	Amount of Reinstatement charges
1	At liaquatabad circuit in front of Panama centre near Lyari expressway	M/s K-Electric	CC footpath 675 Sft	11.04.2025	11.05.2025	After Completion of work	291,794
2	Near Falknaz tower, wireless gate main Shahrah.e.Faisal	M/s Go (Gas & Oil Pakistan, Ltd)	CC footpath 75 Sft	30.01.2025	01.03.2025		221,421
3	At Karimabad roundabout Karaimabad to Sohrab Goth via Azizabad (Both sides)	M/s Pakistan Telecommunicatio n Company Ltd	Pits No. 50 (484) service road 800 Sft	18.09.2024	18.10.2024		557,088
4	At Shahrah-e-Faisal opposite Al-Rehman carpets and Décor	M/s Pakistan Refinery Ltd	Paver footpath 120 Sft	27.02.2025	27.02.2025		74,825
5	At plot No. St-06, Block-06, scheme-16 F.B area, Karachi	M/s K-Electric	Katcha portion 1200 Sft, cc flooring	21.06.2024	15.09.2024		876,858
6	At 12000 road Korangi, Karachi	M/s PARCO	Main road, filling for extra depth	20.09.2024	20.10.2024		2,029,852
7	At RCD highway near Police training center Baldia town, Karachi	M/s Sui Southern Gas Co	Hub River road 1200 Sft& Market road 500 Sft	20.02.2025	20.03.2025		3,241,015
8	Opposite Star gate near one-star work shop	M/s Pakistan Refinery Ltd	CC footpath 250 Sft	30.09.2024	30.10.2024		108,070
9	Juman Shah mazar to Ranchorlane chowk Nishtar road	M/s Sui Southern Gas Co	Road cutting 99740 Sft	21.02.2025	21.05.2025		87,367,253
Total							**94,768,176**

Appendix-3: [Para: 3.1] Inaction against the employees having dual jobs

Senior Director, Human Resource Management, KMC, F.Y 2023-24 (Para no. 09)

Sr. No.	Personal Number in AG Sindh	CNIC No	Employee code in KMC	Name	Designation	BPS	Place of posting
1	10962933	4130370322114	HJ0124	Saba Syed	R. M. O.	17	ASH
2	10891108	4130493960175	T03062	Aftab Ahmed	R. M. O.	17	KIHD
3	10749791	4200005124751	PH0446	Shahzad Qureshi	Mali	1	PARK
4	10047873	4200005295119	530710	Shahid Khan	Machine Man	3	ENGINE ERING
5	10493593	4200005433693	FB0175	Asif Hussain	Fire Man	5	FB
6	10949997	4200069161569	PG0672	Saqib Nabi	P. G. Trainee	13	ASH
7	10967923	4210104416431	PG0595	Behzaad Bin Mehmood	P. G. Trainee	13	ASH
8	10070515	4210106860867	PR0029	Asghar Ali	Clerk	11	CHARGE PARKIN G
9	10895484	4210113567847	HD0389	Syed Salman Ali	R. M. O.	17	KIHD
10	10873683	4210114445045	HD0344	Kashaf Iqbal	Staff Nurse	16	KIHD
11	10955344	4210115416252	T04002	Nadia Rizvi	R. M. O.	17	ASH
12	10493632	4210115989989	CW1121	Ajaz Ahmed	Warden	7	City Warde N
13	10085685	4210118016669	57200	Rizwan Ahmed Khan	Land Surveyor	14	Katchi Abadi
14	10952317	4210125432202	PG0700	Sana Agha	P. G. Trainee	13	Ash
15	10967698	4210126651665	T01930	Asif Yousuf	I.C.U. Vent Tech	14	KIHD
16	10673552	4210162258337	PR0047	Syed Zubair Abbas Abidi	Clerk	7	Charge Parkin G
17	10641538	4210167972907	PH0148	Haseeb Ahmed	Mali	1	Park
18	10074062	4210170089333	661520	Shahid Hussain Zaidi	Clerk	11	Engine Ering
19	10304932	4210170299479	AS0014	Amin Ur Rehman	Computer Operator	16	ASH
20	10959200	4210172752181	PG0564	Taimoor Moosa	P. G. Trainee	13	ASH
21	10968698	4210175020499	HD0249	Farrukh Ahmed Siddiqui	Assistant	7	KIHD
22	10033987	4210177905101	T02402	Syed Ghulam Abbas Zaidi	R. M. O.	17	CEC Landhi
23	10968724	4210182930360	HD0340	Erum	Staff Nurse	16	KIHD
24	10080309	4210184506661	93520	Raza Ali	Pesh Imam	16	FB
25	10950975	4210185242525	PG0605	Farhan Aqil	P. G. Trainee	13	ASH

Sr. No.	Personal Number in AG Sindh	CNIC No	Employee code in KMC	Name	Designation	BPS	Place of posting
26	10778345	4210186285357	AS0269	Mohammad Zubair	Stretcher Man	1	ASH
27	10963387	4210190783737	PG0596	S. Humayun Naeem	P. G. Trainee	13	ASH
28	10952319	4210195474221	PG0709	Muhammad Osama	P. G. Trainee	13	ASH
29	10259955	4220105001258	T02011	Farhana Khan	R. M. O.	17	LMC
30	10885324	4220105388815	T01976	Atif Iqbal	R. M. O.	17	KIHD
31	10697176	4220105447381	MP0041	M. Yousuf	Driver	5	FB
32	10891653	4220106032886	T02429	Saima Naz	Medical Officer	17	CEC Landhi
33	10307377	4220107215669	T02445	Shafiq Ali Khan	Chowkidar	1	CEC Landhi
34	10780427	4220108860340	T05177	Safia Kulsoom	Staff Nurse	16	KIHD
35	10778348	4220112710283	HD0438	Asif Iftikhar	Staff Nurse	16	KIHD
36	10084175	4220114156995	E03553	Muhammad Tariq	Librarian	17	Frere Hall
37	10505424	4220119741655	979990/T00224	M.Saleem	Dispencer	9	ASH
38	10593535	4220122983235	19320	Tuseef Ahmed	R. M. O.	17	ASH
39	10954069	4220132242732	PG0534	Tooba Ali	P. G. Trainee	13	ASH
40	10800007	4220135693714	T01912	Sidra Rehman	R. M. O.	17	KIHD
41	10301437	4220148059149	VT0055	Akhter Adil	Cooly	1	Veteri Nary
42	10892935	4220155659869	PG0702	Nafhan Najmi	P. G. Trainee	13	ASH
43	10968152	4220157827229	HD0436	Muhammad Wajid	Staff Nurse	16	KIHD
44	10714693	4220158067987	T02465	S. Rashid Ali	Chowkidar	1	KIHD (Shah Faisal)
45	10868532	4220186779589	HD0410/T05182	Muhammad Salman Khan	Hemotologis T	17	KIHD
46	10171420	4220194285323	T05178	Zeeshan Idrees	R. M. O.	17	ASH
47	10491287	4220195972507	HD0063	Muhammed Sajid	Ward Boy	1	KIHD
48	10056125	4230108203355	S06232	Noor Muahhmed Agaria	Prosecutor	16	Leagel
49	10484492	4230108641782	W04025	Rana	Clerk	11	Audit
50	10637036	4230108898729	786500	Suneel	Malaria Cooly	2	MPH
51	10597580	4230112246634	807050	Fatima Bano	Work Man	2	PARK
52	10498787	4230123452329	808470	Jawaid Ali	Work Man	2	PARK
53	10720923	4230129449792	T02309	Nasreen	Staff Nurse	16	Medical Liyari Hospital

Sr. No.	Personal Number in AG Sindh	CNIC No	Employee code in KMC	Name	Designation	BPS	Place of posting
54	10720924	4230147009960	T03020	Nazia	Staff Nurse	16	Medical Liyari Hospital
55	10046588	4230147935063	810000	Muhammad Afzal	Malaria Cooly	2	MPH
56	10746709	4230150794931	MH0013	Qazi Muhammed Hanif	Attendent	2	Medical Gazdar Abad
57	10594556	4230183847370	HD0012	Nasreen Akhter	Ayah	1	Medical Gizri
58	10088270	4230189533854	794110	Paroo	Sweeper	2	Medical SRS
59	10889676	4240116215455	SP0017	Mohammad Yousuf	Naib Qasid	1	SAFARI
60	10794654	4240119615507	CW1094	M. Ghayyoor	Warden	7	MPH
61	10734461	4240137471987	PH1397	Khalid Hameed Khan	Mali	1	PARK
62	10418739	4240154216433	WS0058	Kamran Shahzad	Ferro Printer	2	Engine Ering
63	10508353	4240155873075	793181	Shoukat Ali	Clerk	11	Engine Ering
64	10418829	4240157570841	EP0045	Anees Ur Rehman	Driver	5	E&IP
65	10419760	4240195550189	W04841	Muhammad Jaweed Alam Malik	Microscopist	6	MPH
66	10923584	4250111142597	HD0160	Amjad Ali	Nurse Aid	7	KIHD
67	10212048	4250115058613	T02618	M. Arif Khan	Warden	7	Warde N
68	10775211	4250127446073	HD0345	Majid Khan	Staff Nurse	16	KIHD
69	10169246	4250135755823	E01634	Hayder Abbas	Chowkidar	2	LAND/E
70	10253668	4250141539875	359051	Syed Ameer Ali	Fire Man	5	Fire
71	10840255	4250156335969	PH1033	Sumair Asfaq	Mali	1	Park
72	10877681	4250157188359	HD0396	Maqsood Alam	R. M. O.	17	KIHD
73	10933300	4250198929267	T06431	Ghulam Abbas	Ast.Xray Technician	7	LMC
74	10723928	4410292793585	794940	Asghar Ali	Work Man	2	PARK
75	10980575	4420230567193	T00789	Muhammad Sarwar	Chief Dog Handler	13	USR
76	10485027	4420249620933	PH0066	Attah Ullah	Mali	1	PARK
77	10246967	4420262380677	T02262	Abdul Karim	Staff Nurse	16	LMC
78	10866279	4530143454729	HD0402	Muhammad Akram	Staff Nurse	16	KIHD
79	10969365	4550173883507	T03571	Sadam Hussain	Attendant	2	LMC
80	10868897	4130657856319	SE0015	Zameer Hussain Suhag	Medical Officer	17	Spencer Eye
81	10793272	4210104460169	HD0374	Umair Abrar	R. M. O.	17	KIHD

Sr. No.	Personal Number in AG Sindh	CNIC No	Employee code in KMC	Name	Designation	BPS	Place of posting
82	10846060	4210110377017	T05156	Amir Muhammad Khan	I.C.U. Vent Tech	14	KIHD
83	10881875	4210180825445	T06469	Syed Zain Akber Jaffri	Inspector	11	Charge Parking
84	10844106	4420235425653	T01989	Daya Ram	R. M. O.	17	KIHD
85	10731181	4540397690341	T02219	Aqil Qayoom	Consultant	18	LMC

Appendix-4: [Para: 3.3] Unauthorized allotment of official vehicles

Director, Media Management, F.Y 2023-24, (Para No.9)

[Rs in Million]

Sr. No.	Name	Designation & BPS	Vehicle	Vehicle No	POL Quota
1	Mr. Abdul Khalique	Add. Director (BPS-18)	Suzuki Hi-Roof 800 cc	GL-7611	90 Ltrs
2	Syed Arshad Hussain	Dy. Director (BPS-17)	Suzuki Alto 1000 cc	GL-6203	75 Ltrs
3	Mr. Tariq Irfan	Dy. Director (BPS-17)	Suzuki Swift 1000 cc	GL-0140	75 Ltrs
4	Mr. Iqbal Aziz	Dy. Director (BPS-17)	Suzuki Hi-Roof 800 cc	GL-4774	75 Ltrs
5	Mr. Waseem Ahmed	Dy. Director (BPS-17)	Suzuki Hi-Roof 800 cc	GL-4774	75 Ltrs
6	Pool Vehicles	-	Suzuki Alto 1000 cc	GL-4521	100 Ltrs
7	Pool Vehicles	-	Suzuki Khyber 1000 cc	GL-0269	100 Ltrs
8	Pool Vehicles	-	Hi-Ace 1800 cc	GL-6340	250 Ltrs
				Total POL quota Per Month	840
				Monthly expenditure (at average rate of Rs 260/- Ltr)	**0.218**
				During F.Y-2023-24	**2.620**

Director, Store & Procurement, KM, F.Y 2023-24 (Para No. 08)

Sr. No.	Name	Designation	BS	Department	Vehicle #	Model
1	Mr. Asif Ullah Shah	Assistant Director	16	Deputy Mayor Sectt.	GS-8439	Suzuki Alto VXR
2	Syed Manzar Abbas Rizvi	Assistant	16	Archive	GL-0388	Suzuki Hi-Roof
3	Mr. Mehmood Nazeer	Dy. Director	16	Municipal Services	GL-5486	Suzuki Hi-Roof
4	Mr. Abdul Rahim Baig	Sub-Station Officer	12	Fire Brigade	GL-2246	Suzuki Hi-Roof
5	M. Tafique Khan	Sub Fire Officer	12	Fire Brigade	GL-5246	Mazda
6	Mr. Zulfiqar Ali	Sub Fire Officer	12	Fire Brigade	GL-5189	Mazda
7	Mr. Jawaid Irshad	Head Clerk	16	Fire Brigade	GL-3220	Suzuki Potohar
8	Mr. Ahsan Zafar Khan	Sub Fire Officer	12	Fire Brigade	GL-7686	Suzuki Hi-Roof
9	Mr. Mehboob Ur Rehman	Sub Fire Officer	12	Fire Brigade	GS-8877	Suzuki Carry
10	M. Naeem Akhter	Sub-Fire Officer	12	Fire Brigade	GL-5102	Mazda
11	M. Aslam	Sub Fire Officer	12	Fire Brigade	161-253	Suzuki Hi-Roof

Sr. No.	Name	Designation	BS	Department	Vehicle #	Model
12	Mr. Nasir Ahmed	Sub Fire Officer	12	Fire Brigade	GL-5106	Suzuki Hi-Roof
13	M. Muslehuddin	Sub Fire Officer	12	Fire Brigade	GS-3076	Suzuki Carry
14	Mr. Abrar Malik	Asst. Director	16	Municipal Public H	GS-344-B	Suzuki Hi-Roof
15	Muhammad Nazir	Malaria Inspector	16	Municipal Public H	GL-5922	Suzuki Hi-Roof
16	Mr. Mirza Usman Baig	Computer Operator	16	Council Secretariat	GL-0366	Suzuki Margalla
17	Mr. Zuhaib Magsi	Assistant Director	16	Council Secretariat	GS-6752	Toyota Corolla
18	Mr. Irfan Ur Rehman	Comp. Operator	16	Council Secretariat	GL-7460	Suzuki Liana
19	M. Ahmed	Assistant Director	16	Charged Parking	GL-5329	Suzuki Hi-Roof
20	Mr. Nadeem Mirza Baig	Assistant Director	16	Charged Parking	GL-5419	Suzuki Hi-Roof
21	Syed Waseem Siraj	Assistant Director	16	Charged Parking	GL-5001	Suzuki Hi-Roof
22	Mr. Samad Naeem	Inspector	16	Charged Parking	GL-4697	Suzuki Hi-Roof
23	M. Ahsan Khan	Inspector	16	Charged Parking	161-430	Suzuki Hi-Roof
24	Mr. Moiz Ahmed Ansari	Inspector	16	Charged Parking	GL-0130	F.X
25	Mr. Aziz Naseer Uddin Farooqi	Asst. Phy.	16	KIHD	CV-5239	Suzuki Bolan

Appendix-5: [Para: 3.1] Irregular continuation of contracts without inviting fresh tender

Director, Media Management, FY-2023-24, [AIR Para: 11]

[Rs in Million]

Sr. No.	Name of Work	Name of Contractor	SPPRA/ NIT ID	Work Order No. & date	Sanctioned Cost of work
1	Annual contract for services of electric items in media management	M/s Talha Enterprises	T00577-21-0016	106/2022 dt 04.10.2022	5.000
2	Annual contract for supply & services of catering services in Media Management Department			107/2022 dt 04.10.2022	15.000
3	Annual Contract for supply of decoration item in Media Management			108/2022 dt 04.10.2022	2.250
4	Annual contract for services of sound system in media management			105/2022 dt 04.10.2022	5.000
Total					**27.250**

Appendix-6: [Para: 4.2] Splitting up of expenditure to avoid open tender

1. Director City Warden, FY-2023-24, [AIR Para: 2]

[Amount in Rs]

Sr. No.	Voucher # & Month	Description of Expenditure	Name of Contractors	WO No. & date	Bill # & Date	Cheque & Date	Amount in Rupees	Group Total
1	6866 Jun,24	Supply of Paint Shirt Suit Pasta Green Printed Monogram of City Warden KMC on Front & Back Side	M/S Al-Malik & Sons	2690/24 22-05-24	128/24 30-05-24	3788953 14-06-24	496,875	993,750
2	6870 June,24	Supply of Paint Shirt Suit Pasta Green Printed Monogram of City Warden KMC on Front & Back Side	M/S Al-Malik & Sons	1090/24 23-05-24	130/24 31-05-24	3788957 14-06-24	496,875	
3	6867 Jun,24	Supply T-Shirt Printed Monogram of City Warden Front & Back (Both Sides)	M/S Al-Malik & Sons	1705/24 30-05-24	129/24 30-05-24	3788954 14-06-24	497,500	995,000
4	6875 Jun,24	Supply T-Shirt Printed Monogram of City Warden Front & Back (Both Sides)	M/S Al-Malik & Sons	189/24 23-05-24	129/24 31-05-24	3788952 14-06-24	497,500	
Total								**1,988,750**
Amount in million								**1.988**

2. Director Store & procurement Department, FY-2023-24, [AIR Para: 2]

[Amount in Rs.]

Sr. No.	Particulars	Name of payee	Indent No.	WO No. date	Amount
1	Repair of vehicle - FB	M/s. Zakir Company	4279	062 / 09-01-2024	299,000
2	Repair of vehicle - FB	M/s. Super Trading Company	4287	127 / 16-01-2024	400,000
3	Purchase of split AC 1.5 Tons complete set	M/s. Rana Enterprises	2558	2154 / 15-09-2023	299,500
4	Purchase of Tower AC 2 tons	M/s. Rana Enterprises	2560	2153 / 15-09-2023	300,000
5	Purchase of split AC 02 Tons complete set	M/s. Rana Enterprises	2556	2151 / 26-09-2023	300,000
Total					**1,598,500**

Appendix-7: [Para: 4.6] Award of works without rate analysis of non-schedule works/items

Senior Director, Municipal Services Department KMC, F.Y 2024-25, [AIR Para: 2]

[Amount in Rs.]

Sr. No.	Description of Works	Total Estimated Cost	Cost of Non-scheduled Works	Name of Firms	Work Order	Contract Amount
1	Improvement and Renovation of Gulistan-e-Jauhar Fire Station	19,987,302	9,241,364	M/S Muhammad Ismail & Co.	1013/2024 24-09-24	19,979,034
2	Renovation and Rehabilitation of Korangi Fire Station	19,959,057	9,211,936	M/S Khan Ji Enterprises	1014/2024 24-09-24	19,939,144
3	Improvement and Rehabilitation of Boltan Market Fire Station	19,977,753	9,241,364	M/S Qutab Khan Construction Co.	1015/2024 24-09-24	19,832,808
4	Renovation and Rehabilitation of North Karachi Fire Station	19,994,879	9,241,364	M/S Khan Ji Enterprises	1016/2024 24-09-24	19,958,180
	Total	**79,918,991**	**36,936,028**			**79,709,166**

1. Director General Technical Services, KMC, F.Y 2024-25, [AIR Para: 22]

[Amount in Rs.]

Sr. No.	Name of work	Name of Contractor	Running Bill No.	ADP	Non-Schedule Items
1	Improvement & rehabilitation of street light works at 1000 road from Darululoom to Ismail goth District Korangi	M/s S.M Associates	3rd	242/2024-25	6,449,600
2	Improvement of street lighting system at main roads/connecting roads and internal streets in District Korangi	M/s J.J Construction	3rd/Final	250/2024-25	13,338,480
3	Electrical works at first floor of main building of engineering department behind Dawood engineering college new MA Jinnah road	M/s Ammar Enterprises	2/Final	392/2024-25	3,186,616
4	Electrical works at main building of engineering department behind Dawood engineering college new MA Jinnah road	M/s Ammar Enterprises	3rd/Final	252/2024-25	8,525,968
5	Improvement of street lighting system at main roads/connecting roads and internal streets in district south	M/s A.S Engineering	3rd bill/withheld	248/2024025	16,096,430
6	Improvement and rehabilitation of street lighting system at Marine drive road including connecting road, KMC	M/s Q.B Builders	3rd/Final	254/2024-25	9,561,630
7	Improvement of street lighting system at Nishan-e-Haider Chowk via Sabri chowk Baldia road faqeer colony road district west	M/s Electroline Engineer	5th/Final	144/2024-25	7,101,260

[Amount in Rs.]

Sr. No.	Name of work	Name of Contractor	Running Bill No.	ADP	Non-Schedule Items
8	Installation of poles with flood lights, system at Shadab football ground, F.B area Block-11 District central, Karachi	M/s Usman Brothers	3rd/Final	241/2024-25	9,251,500
				Total	**73,511,484**

Senior Director Municipal Services Department, KMC, F.Y 2024-25, [AIR Para 9]

[Amount in Rupees]

Description of Works	Name of Firms	Work Order	Contract Amount
Hiring of Engineering Consultancy Firm being Third Party Verification and Validation of the Supervision & Monitoring to the Process of Desilting & Winching of Nullah(s) of All Districts of Karachi	M/s NESPAK	794 12-07-24	64,746,429

Director General, technical Services, KMC, F.Y 2024-25, [AIR Para 6]

[Amount in rupees]

Sr. No.	Name of Work	Name of Contractor	Work Order	Sanctioned Cost
1	Providing & laying 15 dia 12 dia RCC sewer pipe at different locations of UC-08, 11, 12,13,17,19,27,28 in Orangi Town	M/s Shaikh Misar Khan & Brothers	DCM/ED/KMC/92/2024 dated 09.02.2024	35,087,912
2	Construction of Graveyard Boundary Wall at DarsanoChanno UC-08, Gaddap Town, KMC Karachi	M/s R.Irfan Builders	SE/BFOBUP/ED/KMC/10/2025 dt 17.03.2025	9,009,330
			Total	**44,097,242**

Appendix-8: [Para: 4.7] Non-execution of works within stipulated time

Senior Director, Municipal Services Department, F.Y 2024-25, [AIR Para: 03]

[Rs. in Million]

Sr. No.	Description of Works	Total Estimated Cost	Name of Firms	Work Order # & Date	Contract Amount	Duration of Work	Actual Date of Works Start& Progress of Report
1	Supply of 100 Nos. reusable Full-Face Respirators Masks (Cartridge Tape) C/W 400 Nos. Combatable P-100 Filter Complying with International Standards EN136:1998 Class-1 & EN166-B for Fire Brigade Department, KMC	19.900	M/S Leapfrog Solutions Pakistan	190/2023 17-10-23	19,450,000	03-Months	18-12-2024 (1st R.A) 08-03-24 (2nd R.A) W.I.P
2	Provision of 04 Nos. Mobile Lighting Towers C/W Built-in Generators to Fire Brigade Department, KMC.	20.000	M/S Leapfrog Solutions Pakistan	195/2023 17-10-23	19,580,000	03-Months	21-03-2024 (1st R.A) 15-04-25 (2nd R.A) 30-05-25 (3rd R.A) W.I.P
3	Supply of Alcohol Resistant AFFF Connectors for Karachi Fire Brigade Department, KMC.	20.000	M/S City Fire & Safety Services (Pvt) Ltd	194/2023 17-10-23	19,800,000	03-Months	28-03-2024 (1st R.A) 09-04-25 (2nd R.A) 30-05-25 (3rd R.A) W.I.P
4	Provision of Fire Fighting Accessories for Fire Brigade Department, KMC.	20.000	M/S J.Z Associates	192/2023 17-10-23	19,899,000	03-Months	18-12-2024 (1st R.A) 08-03-24 (2nd R.A) 02-06-25 (3rd R.A) W.I.P

[Rs. in Million]

Sr. No.	Description of Works	Total Estimated Cost	Name of Firms	Work Order # & Date	Contract Amount	Duration of Work	Actual Date of Works Start& Progress of Report
5	Supply of Fire Hoses to Fire Brigade Department, KMC.	19.900	M/S Leapfrog Solutions Pakistan	191/2023 17-10-23	19,600,000	03-Months	18-12-2024 (1st R.A) 25-03-24 (2nd R.A) 30-05-25 (3rd R.A) W.I.P
6	Provision of SCABA for Fire Fighting Operations in Karachi.	20.000	M/S J.Z Associates	195/2023 17-10-23	19,580,000	03-Months	08-12-2024 (1st R.A) 09-04-25 (2nd R.A) 30-05-25 (3rd R.A) W.I.P
7	Up-gradation of Hardware Infrastructure for Payroll, IT, KMC (Phase-I)	19.999	M/S GCS (Pvt) Limited	196 17-10-23	19,979,228	03-Months	08-12-2024 (1st R.A) 09-04-25 (2nd R.A) 30-05-25 (3rd R.A) W.I.P
8	Establishment of Disaster Recovery Site (Warm Computing Site) for IT, KMC (Phase-II)	19.999	M/S GCS (Pvt)Limited	197/2023 17-10-23	19,951,551	03-Months	08-12-2024 (1st R.A) 09-04-25 (2nd R.A) 30-05-25 (3rd R.A) W.I.P
Total		**159.798**			**117,909,000**		

Appendix-9: [Para: 4.12] Unauthorized execution of works beyond permissible limit

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Work Order No. & date	Sanctioned cost	Revised sanctioned cost	Increased in cost of work	Increase (%)
1	Replacement & re-allocation of providing & laying of 90mm 110 mm dia, 160mm dia, 200mm dia, 250mm dia, 118mm dia, 400 dia, PE water line for improvement of water supply system of Gulbahar colony, Rizvia society, Usmania colony, Liaquatabad Town	M/s Creative Builders	DCM/ED/KMC/ 37/2024 dt 07.02.2024	40,067,200	47,564,775	7,497,575	19%
2	Rehabilitation of roads from water pump round about to Sakhi Hassan round about	M/s M.Tahir& Brothers	XEN/CE/Central/EDKMC/24/2021 dt 01.09.2021	13,723,854	19,992,618	6,268,764	45%
3	Rehabilitation of road in UC-28 District Central	M/s S.K Construction	XEN/Central/ED/KMC/11/2021 dt 15.07.2021	13,725,095	19,995,059	6,269,964	45%
4	Improvement/rehabilitation of carpet work & paver fixing at UC-9/B & UC-10 scetor 11-D Buffer zone New Karachi	M/s ZBA Group	DCM/EDKMC/ 81/2024 dt 09.02.2025	39,990,400	47,458,141	7,467,741	19%
5	P/L cc tough paver at UC-44 (New UC-06) Firdous colony Muhammadabad Niazi street Punjabi Para & UC-45 (New UC-03) at Block-A, B, C & D Gujjar Nallah Nazimabad No. 02 District Central, Karachi	M/s Gul Rehman & Sons	DCM/ED/KMC/ 77/2024 dt 07.02.2024	39,998,400	47,484,058	7,485,658	19%
Total				**147,504,949**	**182,494,651**	**34,989,702**	

Appendix-10: [Para: 4.14] Irregular awards of works to highest bidders

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Lowest	Work Order	Estimated Cost	Sanctioned Cost	First Lowest bidder	Lowest bid	Difference
1	Improvement/rehabilitation of carpet work & paver fixing at UC-09/A, UC-9/B & scetor 11-F & 11-D New Karachi	M/s Niaz Muhammad Shaikh Constructio n	8th Lowest	DCM/ED/ KMC/13/2 024 dt 07.02.2024	99.916	79,932,800	M/s MAA Construction Co	75,727,715	4,205,085
2	Improvement/rehabilitation & maintenance of road & paver stuff in UC No. 04 & 05 Surjani Town District Central, Karachi	M/s A.Khan Shirani Engineering Firms	26th Lowest	DCM/ED/ KMC/40/2 024 dt 09.02.2024	100.00	80,000,000	M/s Haji A.Sattar & Brothers	73,952,140	6,047,860
3	Improvement/rehbailitation of carpet work & cc flooring at UC-5B, UC-6, UC-7, UC-8, UC-9A scetor 5B, 5F, 5G, 5E & 11 F New Karachi	M/s Mehran Shah Babar & Brothers Co	10th Lowest	DCM/ED/ KMC/76/2 024 dt 07.02.2024	99.90	79,919,200	M/s MAA Construction Co	73,845,481	6,073,719
4	Construction & Repairing of Different Schools & Light Installation in UC # 38 & 39 Surjani, Town District West	M/s Mehran Constructio n Co	6th Lowest	NA	531.101	42,481,291	M/s Royal Builders and Developers Associates	29,441,744	13,039,547

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Lowest	Work Order	Estimated Cost	Sanctioned Cost	First Lowest bidder	Lowest bid	Difference
	(ADP # 2912/2024-25								
5	Rain Emergency for repair / patch work of 7000 Road (North Karachi), Hakeem IBN-E-Sina Road, S.M. Taufiq Road, Shahrah-e-Pakistan Road, Rashid Minhas Road And Sir Shah Suleman Road and Different Roads in District Central, KMC	M/s Haji Sangeen Khan & Sons	5th Lowest	DCM/ED/KMC/136/2024 dt 17.10.2024	50.00	39,996,494	M/s Askari Enterprises	37,383,320	2,613,174
6	Rain Emergency Work of Road 5000 North Karachi Nawab Siddiq Ali Khan Road Nazimabad District Central	M/s A. Hadi & Contractor	28th Lowest	DCM/ED/KMC/142/2024 dt 17.10.2024	40.00	31,999,233	M/s Hermain Builders	31,599,242	399,991
7	Improvement/rehabilation of road, sewerage system, water line & P/F paving block in UC-01 District Malir	M/s Soneri Builders	21st lowest	SE(M.K)ED/KMC/02/2025 dt 18.04.2025	20.00	16,000,004	M/s Bhatti Enterprises	15,644,093	355,911
8	Rehabilitation/improvement of	M/s Four Dots	16th lowest	SE(M.K)ED/KMC/02	20.00	16,000,002	M/s Evergreen Cosntruction	15,634,859	365,143

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Lowest	Work Order	Estimated Cost	Sanctioned Cost	First Lowest bidder	Lowest bid	Difference
	road including replacement of sewerage & water supply line & P/F paving blocks in UC-11, Ibrahim Hyderi District Malir	Constructio n Co		/2025 dt 20.02.2025					
9	Improvement/re construction of internal roads & P/F paving blocks including replacement of water & sewerage lines in UC-09 Ibrahim Hyderi, District Malir	M/s New Mahad Constructio n Co	24th Lowest	SE(M.K)E D/KMC/03 /2025 dt 10.03.2025	20.00	16,000,004	M/s Prime Power Electrical Construction Co	15,735,084	264,920
10	Improvement/re construction of internal roads & P/F paving blocks including replacement of water & sewerage lines in UC-04 District Malir	M/s Grey Enterprises	12th Lowest	SE(M.K)E D/KMC/04 /2025 dt 21.02.2025	20.00	16,000,001	M/s Nasrullah Mandokhail	15,833,200	166,801
11	Rehabilitation/i mprovement of road including replacement of sewerage & water supply line & P/F	M/s Lucky Dot Engineering	26th Lowest	SE(M.K)E D/KMC/05 /2025 dt 20.02.2025	20.00	16,000,006	M/s Abdul Malik Enterprises	15,592,515	407,491

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Lowest	Work Order	Estimated Cost	Sanctioned Cost	First Lowest bidder	Lowest bid	Difference
	paving blocks in UC-02, District Malir								
12	Reconstruction/ rehibailitation/improvement of road sewerage & paving bock in UC-8 Ibrahim Hyderi District Malir	M/s Malik Zohaib & Co	15th Lowest	SE(M.K)ED/KMC/07/2025 dt 07.03.2025	20.00	16,000,003	M/s Gula Rehman & Sons	15,595,091	404,912
13	Improvement/reconstruction/rehabilitation/improvement of raod, sewerage & paving block in UC-10, Ibarhim Hyderi, District Mali,r	M/s Roshaan ML Enterprises	12th Lowest	SE(M.K)ED/KMC/06/2025 dt 07.03.2025	20.00	16,000,001	M/s Kamal Khan & Brothers	15,832,999	167,002
14	P/L sewerage work & fixing of paving blocks in UC-06, Shah Faisal Town District Korangi	M/s Watan Dost Constructio n Co	24th Lowest	SE(M.K)ED/KMC/14/2025 dt 11.03.2025	20.00	16,000,004	M/s Bhatti Enterprises	15,563,889	436,115
15	Improvement/rehabilitation of sewerage system/water lines & paver blocks in UC-13 Muhammad Shah TMC New Karachi	M/s Bin Taj & Company	34th Lowest	SE/DC/ED/KMC/01/2025 dt 11.03.2025	20.00	16,000,006	M/s Rana Manzoor & Brothers	15,873,408	126,598

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Lowest	Work Order	Estimated Cost	Sanctioned Cost	First Lowest bidder	Lowest bid	Difference
16	Development & Improvement of Street Lights Installation in UC 09, 10 and 11, District East (ADP # 2900/2024-25).	M/s Deep Ocean Associate	6th Lowest	NA	62.648	50118577	M/s Al-Hassan Electrical & Civil Works	47,993,430.00	2,125,147
17	Improvement/rehabilitation of sewerage system/water lines & paver blocks in UC-06 Khameso Goth TMC New Karachi	M/s Haji Sangeen Khan & Sons	11th Lowest	SE/DC/ED/KMC/04/2025 dt 28.03.2025	20.00	16,000,001	M/s A.S Engineering Co	15,846,344	153,657
18	Improvement/rehabilitation of road, sewerage system and paver blocks in ward 1 Chirtsan Mohalla, North Nazimabad	M/s Sitara Constructio n	33rd Lowest	SE/DCED/KMC/05/2025 dt 28.03.2025	20.00	16,000,007	M/s M. Hashim & Brothers	15,873,736	126,271
19	Improvement/rehabilitation of road, sewerage system and paver blocks in war 1 & 2 Umer Farooq colony North Nazimabad	M/s Muhammad Hashir Enterprises	25th Lowest	SE/DC/ED/KMC/06/2025 dt 28.03.2025	20.00	16,000,006	M/s M.A Khan Group of Construction	15,893,609	106,397
20	Construction/ Improvement of Compound Wall	M/s Ariz Constructio n Co	5th Lowest	NA	168.092	134,473,615	M/s G.M Enterprises	133,339,612	1,134,003

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Lowest	Work Order	Estimated Cost	Sanctioned Cost	First Lowest bidder	Lowest bid	Difference
	& Electrification Works around Graveyards in UC # 16, 19 & 24 Orangi Town District West (ADP # 2908/2024-25								
21	Rain Emergency for repair / patch work of 7000 Road (North Karachi), Hakeem IBN-E-Sina Road, S.M. Taufiq Road, Shahrah-e-Pakistan Road, Rashid Minhas Road And Sir Shah Suleman Road and Different Roads in District Central, KMC	M/s J.M Khan & Brothers	28th Lowest	DCM/ED/ KMC/133/ 2024 dt 17.10.2024	60.00	47,996,923	M/s Israr Basit Enterprises	47,516,953	479,970
Total						**778,918,178**	**-**	**739,718,464**	**39,199,714**

Appendix-11: [Para: 5.2] Irregular grant of sites for advertisement

Senior Director, Municipal Utility Charges and Taxes [AIR Para: 06]

[Amount in Rs]

Sr. No	Date of Start	Location	Name of Advertiser/ Firm	Challan Nos. FY 2023-24	Total Cost of Advertisement Location FY 2023-24	Fee Recovered during 2023-24
1	15-7-22	Pedestrian bridge at Awami Markaz 2 Shahr-e-Faisal, size 50x10	M/S SN Waste Advertiser	99707/ 07-08-2023	1,500,000	375,000
				99759/ 07-10-2023		375,000
				Sub-total	1,500,000	**750,000**
2	3/7/2023	Pedestrian bridge at Liaquat National Hospital Stadium road, size 60x8	M/S AAA Advertising	99717/ 09-08-2023	1,440,000	360,000
				99744/ 23-10-2023		360,000
				15809/ Nil		360,000
				15965/ 02-05-2024		360,000
				Sub-total	1,440,000	**1,440,000**
3	3/7/2023	Pedestrian bridge at Gulshan Chowrangi Flyover & Pedestrian, size 60x8	M/S AAA Advertising	99715/ 08-08-2023	2,400,000	600,000
				99742/ 24-10-2023		600,000
				15807/ 16-01-2024		600,000
				15963/ 14-05-2024		600,000
				Sub-total	2,400,000	**2,400,000**
4	8/1/2024	Pedestrian bridge at Karsaz Flyover Turning (wall), size 50x15	M/S Brand Active	57547/ Nil	1,875,000	468,750
				57545/ 27-03-2025		460,000
				Sub-total	1,875,000	**928,750**
				Grand Total	**7,215,000**	**5,518,750**

2. Senior Director, Municipal Utility Charges and Taxes [AIR Para: 07]

[Amount in Rs]

Sr. No	Date of Start	Location	Name of Advertiser	Challan No. of FY 2023-24	Total Cost of Advertisement Location FY 2023-24	Fee Recovered during 2023-24
1	1/4/2022	Karsaz turning bridge near Awami Markaz	M/S Meta Advertising Solution	99723/ 31-8-23	1,626,080	250,000
				99724/ 31-8-23		156,250
				15813/ Nil		250,000
				15812/ 13-2-24		156,250
				15816/ 19-2-24		250,000
				15815/ 19-2-24		156,250
				15980/ 11-7-24		250,000
				15981/ 11-7-24		156,250
				Sub-total	1,626,080	**1,625,000**
2	1/12/2022	Baloch Colony flyover at shara e faisal	Advertech International	99721/ 11-9-23	2,400,000	600,000
				15827/ 27-2-24		600,000
				99793/ 15-4-24		600,000
				87507/ 17-2-25		600,000
				57551/ 26-3-25		600,000
				Sub-total	2,400,000	**3,000,000**
3	1/12/2022	Shara e Quaideen flyover at shara e faisal	Advertech International	99722/ 11-9-23	2,400,000	600,000
				15828/ 27-2-24		600,000
				15831/ 7-3-24		600,000
				15956/ 27-3-24		600,000
				57506/ 17-2-25		600,000
				Sub-total	2,400,000	**3,000,000**
4	2/2/2022	Pedestrian bridge near	M/s Ketchup	70579/ Nil	3,000,000	750,000

[Amount in Rs]

Sr. No	Date of Start	Location	Name of Advertiser	Challan No. of FY 2023-24	Total Cost of Advertisement Location FY 2023-24	Fee Recovered during 2023-24
		furniture market Shahr-e- Faisal, size 60x10		15988/ 2-11-23		750,000
				15817/ 21-2-24		750,000
				26207/ Nil		1,500,000
				Sub-total	3,000,000	**3,750,000**
				Grand Total	**9,426,080**	**11,375,000**
				Rs in million	**9.426**	**11.375**

Appendix-12: [Para: 6.4] Non-observance of operational / security measures leading to theft of official vehicles

Director Store & Procurements, KMC, F.Y 2023-24 (Para no. 01)

Sr. No.	Department	Veh No.	Make	Date of Theft
1	Mayor Secretariat	GSD-999	Toyota Corolla	08-09-2018
2	Finance & Accounts Welfare	GS-7039	Toyota Corolla	28-01-2023
3	Finance & Accounts	GS-3271	Potohar	26-01-2023
4	Finance & Accounts	GS-7246	Toyota Corolla	14-05-2022
5	Finance & Accounts	KDE-1497	Motorcycle	2018
6	Finance & Accounts	KGQ-8853	Motorcycle	16-08-2013
7	Finance & Accounts	KGB-7929	Unique	10/6/2023
8	Inspection & Inquiry	KGB-7928	Motorcycle	05-06-2015
9	Nifaz-e-Urdu	GS-7249	Toyota Corolla	19-08-2022
10	Municipal Services MPH	CV-5240	Suzuki Hi-Roof	06-01-2022
11	Municipal Services MPD	KAE-7570	Motorcycle	20-05-2022
12	Parks & Horticulture	KDM-2670	Motorcycle	28-10-2022
13	Parks & Horticulture	GL-7684	Hi-Roof	16-05-2022
14	Parks & Horticulture	KDM-4669	Motorcycle	16-08-2022
15	Law Department	GL-6525	Toyota Corolla	09-02-2016
16	Law Department	KLT-9076	Motorcycle	27-03-2022
17	Store & Procurement	KDC-2363	Motorcycle	08-03-2021
18	Culture & Sports	GL-0261	Corolla Indus	27-02-2020
19	Culture & Sports	KAK-3344	Motorcycle	13-10-2018
20	Council Secretariat	GL-8003	Toyota Corolla	25-11-2019
21	Council Secretariat	KFD-2229	Motorcycle	24-11-2019
22	Council Secretariat	KDN-7489	Motorcycle	05-11-2019
23	Council Secretariat	KDS-5504	Road Prince	16-11-2023
24	Engineering Department	KCM-3454	Motorcycle	05-01-2018
25	Katchi Abadies	GL-3322	S. Potohar	12-03-2017
26	Katchi Abadies	KCS-0298	Motorcycle	04-12-2021

Appendix-13: [Para: 6.5] Non-production of record

[Rs in million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of Record	Amount
1	Senior Director, Municipal Utility Charges and Taxes	2023-24	1	• Detail of all advertisement sites/locations • detail of vacant advertisement sites/locations • NTN/CNIC numbers of registered advertisers • Pay slips/bills employees • Bank statement for the period Aug to Nov,2023 of account No.0014-79001333-01 (Advertisement fee deposit account) • Detail of defaulters along with outstanding dues category wise • Detail surveys carried out time to time for assessment of new areas and consumers/customers to charge the taxes • Detail of utility bills printed and distributed to consumers	-
			4	• Approval advance fund for printing and distribution of MUCT bills	2.00
2	PD Orangi Township	2023-24	1	• Seniority list of all cadres, • Record regarding cases of transfer of title of ownership through sale, by mutation • Record regarding issuance of NOCs for lease of KMC land, • Detail of lease cases pending and dispose off • Record of auctions if any held during FY-2023-24 • Record of land occupied or encroached by unauthorized persons, • Approved sanctioned and working strength, • Record regarding cases under litigation • Bank statements of all accounts • Dead stock register • Detail recovery of Lease money of planned area and Katchi abadi of Orangi Town • Leased plots file during F.Y 2024-25 • Reconciliation statement of lease money paid challans • Detail of Vehicle allotment and POL • Incumbency • Record/Details regarding of cancellation of allotment/Lease of plots for default of payment or any other breach of terms & conditions of allotment of lease	-

[Rs in million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of Record	Amount
				• Challans of recovery made during F.Y 2023-24 • Files against which recovery during F.Y 2023-24 • Record/details regarding auction • Detail of taxes deducted and paid • Detail of staff allotted Government accommodation • Record/Details regarding cases regarding China-cutting of plots • List of area approved as per approved rate • Record of residential plots involving commercial activities • Record of actual area specified, allotted and authorized to PD Orangi Katchi Abadi • Detail and record of outstanding dues • List of approved Katchi Abadi of PD Orangi Town	
			5	• Printed stationery • Un printed stationery • Office and misc expenditure	0.870
3	SD Enterprises & Investment Promotion	2023-24	1	• Expenditure statement duly reconciled by concerned accounts office • Revised budget estimates for the F.Y 2023-24 alongwith Budget Control Register(s) • Personal files of Officers/officials • Approved schedule of establishment alongwith Establishment Check Register • Record/details of appointments, transfer/posting, promotion, up-gradation, re-designation of posts, contract employees, daily wages employees, regularization of contract/daily wages/adhoc employees, officers/staff on deputation/current charge, additional charges, OPS charges and seniority list of all cadres • Detail of Pensioners/Expired employees' month wise during period under audit • Detail of Accommodation provided to office employees • Record regarding progress report of office • Demand & collection register	-
			7	• Printed Stationery • Un-printed stationery • Office expenditure	0.629

[Rs in million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of Record	Amount
				• Purchase of furniture • Purchase of office equipment	
4	Director, Media Management	2023-24	1	• Expenditure statement duly reconciled by concerned accounts office • Revised budget estimates for the F.Y 2023-24 alongwith Budget Control Register(s) • Personal files of Officers/officials • Approved schedule of establishment alongwith Establishment Check Register • Record/details regarding advertisements made in print and electronic media • Record/details of un-serviceable items/stock including machinery & equipment, • Record/details of appointments, transfer/posting, promotion, up-gradation, re-designation of posts, contract employees, daily wages employees, regularization of contract/daily wages/adhoc employees, officers/staff on deputation/current charge, additional charges, OPS charges and seniority list of all cadres • Record/details regarding tender process of all NITs • Detail of Pensioners/Expired employees' month wise during period under audit • Detail of Accommodation provided to office employees • Record regarding progress report of media management	-
		2023-24	4	• Annual contract for services of electric items in media management • Annual contract for supply & services of catering services in Media Management Department • Annual Contract for supply of decoration item in Media Management • Annual contract for services of sound system in media management	27.250
5	Senior Director Human Resource Management	2023-24	1	• Action taken against 19 absconder employees	-
6	Senior Director Zoo	2024-25	1	• Payments without supporting • Printed stationery – Rs 0.200 • Un-printed stationery – Rs 0.049	4.408

[Rs in million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of Record	Amount
				• Office & Miss Exp – Rs 0.514 • Repair & maintenance of cages cleaning of lake & maintenance of motors – Rs 0.594 • Repair & maintenance of vehicle – Rs 0.300 • Maintenance of green-house nursery – 0.296 • Medicine and spray insecticide - Rs 2.504 •	
7	Sr. Director Land Management	2024-25	1	• Detail of total property under Sr Director Land Management • Detail of Amenity plots • Personal Files, Service Books of officers &staff	-
8	Sr. Director (F&A)	2024-25	1	• Service books and Personal Files • Sanctioned and working strength of employees • Gazette tax schedule of Karachi Metropolitan Corporation • Payroll data in hard and soft along with Name, Designation, Grade and CNIC No. of Finance Department of KMC	-
9	Director Katchi Abadis	2024-25	1	• Bank statement • List of mortgages • List of court cases/matters • List of Katchi Abadies	-
10	Director General, Technical Services	2024-25	18	• Invoices pertaining to 4 development works	52.043
11	Director General Parks & Horticulture, KMC	2024-25	09	• Certificates showing registration with tax authorities i.e. NTN, GST, SRB and valid Pakistan Engineering Council registration certificate, required Annual Turnover for last three years and relevant experience	48.000
Total					**155.609**

Appendix-14: [Para: 4.2.1] Splitting up of expenditure to avoid open tender

[Amount in Rs.]

Sr. No.	Date	Name Of Supplier	Description	W.O No.	W.O Date	Cheque No	Net Amount	Gross Amount
1	30/08/2024	Diagnostic System	Lab Items	257	14/05/2024	00001599	410,243	434,120
2	30/08/2024	Diagnostic System	Lab Items	660	15/08/2024	00001601	354,588	375,226
3	30/08/2024	A.I.K.S Services	Lab Items	630	05/08/2024	00001605	283,465	299,963
4	09-10-2024	Medigenesys	Lab Items	702	30/08/2024	00001611	215,949	228,518
5	09-10-2024	Medigenesys	Lab Items	703	30/08/2024	00001613	168,371	178,171
6	16/09/2024	Aasji Traders	Surgical Disposable Items	752	12/09/2024	00001615	283,492	299,992
7	16/09/2024	Aasji Traders	Surgical Disposable Items	748	11/09/2024	00001618	336,817	356,420
8	19/09/2024	A.I.K.S Services	Injectable Medicines	751	12/09/2024	00001628	282,976	299,445
9	19/09/2024	A.I.K.S Services	Injectable Medicines	749	11/09/2024	00001630	283,245	299,730
10	19/09/2024	A.I.K.S Services	Injectable Medicines	750	11/09/2024	00001632	330,930	350,190
11	23/09/2024	Diagnostic System	Lab Items	734	10/09/2024	00001639	298,834	316,226
12	23/09/2024	Diagnostic System	Lab Items	740	10/09/2024	00001641	204,120	216,000
13	14/10/2024	Diagnostic System	Medonic Cell Pack	789	23/09/2024	00001661	307,768	325,680
14	14/10/2024	Diagnostic System	Medonic Cell Pack	792	25/09/2024	00001663	307,768	325,680
15	29/10/2024	Diagnostic System	Medonic Cell Pack	830	09/10/2024	00001691	307,768	325,680
16	29/10/2024	Diagnostic System	Medonic Cell Pack	831	09/10/2024	00001693	307,768	325,680
17	11-08-2024	Diagnostic System	Lab Items	833	09/10/2024	00001720	199,149	210,740
18	11-07-2024	MAB & Co	Lab Items	892	31/10/2024	00001722	472,405	499,900
19	12-03-2024	3 Star Scientific Company	Lab Items	988	22/11/2024	00001775	261,529	276,750
20	12-05-2024	A.M Sales & Services	Lab Items	1012	30/11/2024	00001779	433,430	458,656
21	12-05-2024	Sind Medical Store	Lab Items	1611	30/11/2024	00001784	224,153	224,153
22	12-05-2024	Sind Medical Store	Lab Items	1610	30/11/2024	00001785	374,638	374,638
23	12-05-2024	Sind Medical Store	Lab Items	1608	30/11/2024	00001786	222,194	222,194
24	12-05-2024	3 Star Scientific Company	Lab Items	999	28/11/2024	00001787	249,386	263,900

[Amount in Rs.]

Sr. No.	Date	Name Of Supplier	Description	W.O No.	W.O Date	Cheque No	Net Amount	Gross Amount
25	12-05-2024	3 Star Scientific Company	Lab Items	1000	28/11/2024	00001795	80,573	85,262
26	12-12-2024	Diagnostic System	Lab Items	891	31/10/2024	00001777	233,982	247,600
27	12-12-2024	Diagnostic System	Lab Items	835	09/10/2024	00001791	174,221	184,361
28	12-12-2024	Diagnostic System	Lab Items	895	31/10/2024	00001793	199,640	211,259
29	30/12/2024	Sind Medical Store	Lab Items	1609	30/11/2024	00001817	243,892	243,892
30	30/12/2024	Sind Medical Store	Lab Items	1606	30/11/2024	00001818	306,442	306,442
31	30/12/2024	Sind Medical Store	Lab Items	1612	30/11/2024	00001819	451,690	451,690
32	18/01/2025	Sind Medical Store	Lab Items	43	14/01/2025	00001836	243,892	243,892
33	18/01/2025	Sind Medical Store	Lab Items	42	14/01/2025	00001837	387,099	387,099
34	18/01/2025	A.M Sales & Services	Lab Items	10	06/01/2025	00001838	434,889	460,200
35	20/01/2025	Sind Medical Store	Lab Items	45	14/01/2025	00001846	111,177	111,177
36	20/01/2025	Sind Medical Store	Lab Items	47	14/01/2025	00001847	210,547	210,547
37	20/01/2025	Sind Medical Store	Lab Items	46	14/01/2025	00001849	54,606	54,606
38	20/01/2025	A.M Sales & Services	Lab Items	48	14/01/2025	00001850	216,715	229,328
39	15/03/2025	3 Star Scientific Company	Lab Items	92	25/01/2025	00001902	397,940	421,100
40	22/03/2025	3 Star Scientific Company	Lab Items	93	25/01/2025	00001906	440,677	466,325
41	22/03/2025	3 Star Scientific Company	Lab Items	02	04/01/2025	00001908	346,106	366,250
42	25/03/2025	Sind Medical Store	Lab Items	318	17/03/2025	00001922	493,986	493,986
43	25/03/2025	Sind Medical Store	Lab Items	314	17/03/2025	00001923	210,984	210,984
44	27/03/2025	M/S Smark International	Repair of Expiration of Sensor	328	22/03/2025	00001926	174,915	194,350
45	27/03/2025	M/S Smark International	Repair of Expiration of Sensor	334	25/03/2025	00001928	174,915	194,350
46	27/03/2025	M/S Smark International	Repair of Expiration of Sensor	330	24/03/2025	00001930	174,915	194,350
47	27/03/2025	M/S Smark International	Repair of Expiration of Sensor	335	25/03/2025	00001932	174,915	194,350

[Amount in Rs.]

Sr. No.	Date	Name Of Supplier	Description	W.O No.	W.O Date	Cheque No	Net Amount	Gross Amount
48	28/03/2025	3 Star Scientific Company	Petri Plates Glass 140mm	312	17/03/2025	00001937	470,610	498,000
49	28/03/2025	3 Star Scientific Company	Petri Plates Glass 110mm	311	17/03/2025	00001939	220,185	233,000
50	26/05/2025	Medigenesys	Lab Items	685	20/05/2025	00001982	130,389	137,978
51	30/05/2025	Diagnostic System	Lab Items	591	15/05/2025	00001988	266,899	282,433
52	06-02-2025	Uni Corporation	Anesthesia Machine	750	26/05/2025	00002002	247,500	275,000
53	06-02-2025	Uni Corporation	Anesthesia Machine	767	30/05/2025	00002004	238,500	265,000
54	18/06/2025	A.M Sales & Services	Lab Items	776	05/06/2025	00002026	388,475	411,085
55	18/06/2025	A.M Sales & Services	Lab Items	775	05/06/2025	00002028	370,782	392,362
56	18/06/2025	Sind Medical Store	Lab Items	774	05/06/2025	00002030	489,396	489,396
57	21/06/2025	Smark International	Lab Items	464	24/04/2025	00002031	206,639	218,666
58	21/06/2025	Smark International	Lab Items	465	24/04/2025	00002035	203,729	215,586
59	03/07/2024	Daignostic System	Lab Items	457	08/06/2024	3944470	270,270	286,000
60	17-04-2025	Excel Engineering Enterprises	CPU Core 1.5 3rd Gen 4GB Ram 128SSD	437	15-04-2025	3944480	363,667	384,833
61	17-04-2025	Excel Engineering Enterprises	LED 22 inch	439	15-04-2025	3944478	232,470	246,000
Total							**17,159,215**	**17,986,391**

Appendix-15: [Para: 4.2.2] Award of works without rate analysis of non-schedule works/items

Sr. No.	Description Of Work	Contractor	Amount
1	Supply of X-Ray films (10x12) for Abbasi Shaheed Hospital, KMC	M/s NAB & Co.	2,700,000
2	Purchase of washing/ detergent material for Abbasi Shaheed Hospital, KMC	M/s S.A Baghati & Co.	2,970,000
3	Purchase of regents & chemicals as per tender schedule for Laboratory of Abbasi Shaheed Hospital	M/s Allied Enterprises	2,989,984
		Total	**8,659,984**
		Total in million (A)	**8.660**

1	Description Of Work	Description of Item	Unit Price	Expenditure up to June-25
	Purchase of equipment/ instruments / furniture for Sarfraz Rafiqee Shaheed (SRS) Hospital, KMC M/s Biomedical Star Enterprises	1. Diathermy Units (01 No.)	2,200,000	5.000
		2. Suction Machine (02 Nos.)	465,000 930,000	
		3. Pulse Oximeter (03 Nos.)	56,000 168,000	
		4. Operation table	2,250,000	
2	Provision of essential equipment for strengthening of existing facilities at Cardiac Emergency Centre Shah Faisal Town, KMC	1. ECHO Cardiogram Unit	6,500,000	5.000
		2. Exercise Tolerance Test (ETT) Unit ETT Machine	7,800,000	
		3. Patient Monitors (04 Nos.)	225,000 900,000	
3	Purchasing of Ultra-sound Color Doppler Machine in Gizri Maternity Home, KMC M/s Biomedical Star Enterprises	1. Colour Doppler diagnostic ultrasound system	4,800,000 9,600,000	5.000

1	Description Of Work	Description of Item	Unit Price	Expenditure up to June-25
		2. Portable ultrasound diagnostic system for Gayness Patients	750,000	
4	Provision of Machinery & Equipment for upgradation of main Operation Theatre (G.O.T) for Abbasi Shaheed Hospital, KMC M/s Biomedical Star Enterprises	1. Diathermy Units (01 No.)	2,200,000	5.000
		2. Autoclave	2,000,000	
	M/s Allied Enterprises	3. Dental Hand instrument set	490,000	
5	Provision of Machinery & Equipment for upgradation of Orthopedic Operation Theatre of Abbasi Shaheed Hospital, KMC M/s Biomedical Star Enterprises • Payment terms: 100% after delivery of equipment • Delivery: within one month from the date of receipt of confirm Purchase order or earlier	1. Diathermy Units (2 Nos.)	2,200,000 2,200,000	5.000
		2. Autoclave	2,000,000 2,000,000	
		3. OT Light (Double Doom)	2,450,000 2,400,000	
	M/s Allied Enterprises	4. OT instruments along with tourniquet with 3 cuffs (For orthopaedic surgery) (02 Sets)	950,000 1,900,000	
6	Provisions of replacement of 3D Digital Ceph OPG physodine Spenser, Endodontic Microscope for Dental Hospital for Strengthening of existing service of M/s Biomedical Star	1. Dental unit complete with chair, light, hand piece unit with hand places, suction & compressor (02 Nos.)	1,900,000 3,800,000	5.000

1	Description Of Work	Description of Item	Unit Price	Expenditure up to June-25
		2. Moveable dental x-ray unit (01 No.)	1,200,000	
7	Provision of Machinery & Equipment for upgradation of one Orthopedic Operation Theatre of Abbasi Shaheed Hospital, KMC M/s Biomedical Star Enterprises	1. Diathermy Units (2 Nos.)	2,200,000	5.000
		2. Autoclave	2,000,000	
8	Repairing and replacement of cards and other for upgradation of 1.5T Philips MRI Machine of Abbasi Shaheed Hospital M/s Bio-medical Star Enterprises	1. UPS along with cables for upgradation of 1.5T MRI machine for Abbasi Shaheed Hospital (01)	6,300,000	10.00
		2. Power supply cards & others for upgradation of 1.5T Philips MRI Machine Abbasi Shaheed Hospital, KMC (01)	13,300,000	
			Total (B)	**45.000**
			Grand Total (A+B)	**53.660**

Appendix-16: [Para: 4.2.3] Non-publication of tender in print media

Sr. No.	Name of work	Name of Contractor	Work Order No. & Date	Amount
1	Purchase of Oral Medicine for Sarfraz Rafiqui Shaheed, Hospital, KMC	M/s. Mushtaque & Sons	381 02-05-2025	2,998,887
2	Supply of Injectable & Oral Medicine, Surgical & Disposable & Other Items for Cardic Emergency Centre Shah Faisal, KMC.	M/s. General Surgical Suppliers	431 30-05-2025	2,990,500
3	Purchase of Medicine and Surgical Disposable items for Sarfraz Rafiqui Shaheed, Hospital, KMC	M/s. Mushtaque & Sons	382 02-05-2025	3,000,000
4	Supply of Medicine and Surgical Disposable items for Sobhraj Maternity Hospital, KMC.	M/s. Biomedical Star Enterprises	396 08-05-2025	2,980,050
5	Supply of X-Ray Films (8X10) for Abbasi Shaheed Hospital, KMC.	M/s. MAB & Co.	440 09-06-2025	2,700,000
6	Supply of X-Ray Films (10X12) for Abbasi Shaheed Hospital, KMC.	M/s. MAB & Co.	228 19-03-2025	2,610,000
7	Purchase of Injectable Medicine, for Abbasi Shaheed Hospital, KMC.	M/s. Biomedical Star Enterprises	378 02-05-2025	2,967,000
8	Supply of Injectable Medicine (Anti Tetanus Vaccine) for Abbasi Shaheed Hospital, KMC.	M/s. Biomedical Star Enterprises	379 02-05-2025	2,112,000
9	Supply of Injectable Medicine for Sobhraj Maternity Hospital, KMC.	M/s. Biomedical Star Enterprises	380 02-05-2025	2,984,000
10	Supply of Injectable Medicine for Sarfraz Rafiqui Shaheed Hospital, KMC.	M/s. Biomedical Star Enterprises	377 02-05-2025	2,987,610
11	Supply of 3cc disposable syringe for Abbasi Shaheed Hospital, KMC	M/s Smark International	237 21-03-2025	2,998,380
12	Supply of 5cc disposable syringe for Abbasi Shaheed Hospital, KMC	M/s Allied Enterprises	235 21-03-2025	2,981,500
Total				**34,309,927**

Appendix-17: [Para: 4.2.4] Irregular award of contracts without preparing detailed estimates

[Amount in Rs.]

Sr. No	Name of work	Name of Contractor	Work Order No. & Date	Amount
1	Purchase of Oral Medicine for Sarfraz Rafiqui Shaheed, Hospital, KMC	M/s. Mushtaque & Sons	381 02-05-2025	2,998,887
2	Purchase of medicine and Surgical Disposable items for Sarfraz Rafiqui Shaheed, Hospital, KMC	M/s. Mushtaque & Sons	382 02-05-2025	3,000,000
3	Supply of Washing / Detergent Material for Abbasi Shaheed Hospital, KMC.	M/s. S.A. Baghpati & Co.	227 19-03-2025	2,970,000
4	Supply of X-Ray Films (8X10) for Abbasi Shaheed Hospital, KMC.	M/s. MAB & Co.	440 09-06-2025	2,700,000
5	Supply of X-Ray Films (10X12) for Abbasi Shaheed Hospital, KMC.	M/s. MAB & Co.	228 19-03-2025	2,610,000
6	Supply of Injectable & Oral Medicine, Surgical & Disposable & Other Items for Cardiac Emergency Centre Shah Faisal, KMC.	M/s. General Surgical Suppliers	431 30-05-2025	2,990,500
7	Purchase of Injectable Medicine, for Abbasi Shaheed Hospital, KMC.	M/s. Biomedical Star Enterprises	378 02-05-2025	2,967,000
8	Supply of Injectable Medicine (Anti Tetanus Vaccine) for Abbasi Shaheed Hospital, KMC.	M/s. Biomedical Star Enterprises	379 02-05-2025	2,112,000
9	Supply of Medicine and Surgical Disposable items for Sobhraj Maternity Hospital, KMC.	M/s. Biomedical Star Enterprises	396 08-05-2025	2,980,050
10	Supply of Injectable Medicine for Sobhraj Maternity Hospital, KMC.	M/s. Biomedical Star Enterprises	380 02-05-2025	2,984,000
11	Supply of Injectable Medicine for Sarfraz Rafiqui Shaheed Hospital, KMC.	M/s. Biomedical Star Enterprises	377 02-05-2025	2,987,610
12	Supply of 3cc disposable syringe for Abbasi Shaheed Hospital, KMC	M/s Smark International	237 21-03-2025	2,998,380
13	Supply of 5cc disposable syringe for Abbasi Shaheed Hospital, KMC	M/s Allied Enterprises	235 21-03-2025	2,981,500
Total				**37,279,927**

Appendix-18: [Para: 4.2.5] Unjustified procurement of machinery & equipment

S.#	Description Of Work	Description of Item	Required Technical specification	Offered Technical Specification	Unit Price	Expenditure up to June-25
1	Purchase of equipment/ instruments / furniture for Sarfraz Rafiqee Shaheed (SRS) Hospital, KMC M/s Biomedical Star Enterprises	1. Diathermy Units (01 No.)	Country of origin: UK,USA,EU,JAPAN OR Equivalent Should be: ISO-13485, & CE, JIS,FDA,MHLW Other than 2 certificates	EU ISO,CE,FDA Attached Manufacturer (Deltronix Precision TC-3)	2,200,000	5.000
	Not in the list of technical specification M/s Allied Enterprises	2. OT instruments for (General Surgery) operation theatre (02 Nos.)	Country of origin: Imported/ Export quality ISO-13485 (Mandatory), CE Marked & FDA approved	Qtins Sialkot	4,000,000 8,000,000	
	M/s Biomedical Star Enterprises	3. Suction Machine (02 Nos.)	Country of origin: UK,USA,EU,JAPAN OR Equivalent Should be: ISO-13485, & CE, JIS,FDA,MHLW Other than 2 certificates	CAMI SRL Italy, 1000 ml double bottle	465,000 930,000	
	M/s Biomedical Star Enterprises	4. Pulse Oximeter (03 Nos.)	Country of origin: UK,USA,EU,JAPAN OR Equivalent Should be: ISO-13485, & CE, JIS,FDA,MHLW Other than 2 certificates	BISTOS PULS OXIMETER Country of origin: USA Should be: ISO,CE attached	56,000 168,000	
		5. Operation table	UK,USA,Europe,JAPAN OR Equivalent Should be ISO-13485 (Mandatory) & CE, JIS,	Expert-D1 Electric 5 function table Country of origin: China	2,250,000	

S.#	Description Of Work	Description of Item	Required Technical specification	Offered Technical Specification	Unit Price	Expenditure up to June-25
			FDA, MHLW (other than UK, USA, Europe & Japan) will be accepted if equivalent have any two certificates	Should be: ISO-13485 & CE, Attached certificates		
2	Provision of essential equipment for strengthening of existing facilities at Cardiac Emergency Centre Shah Faisal Town, KMC	1. ECHO Cardiogram Unit	Certification: CE (MDR), FDA, ISO Manufacturer: USA, EU, JAPAN or Equivalent	SONOSCAPE	6,500,000	5.000
		2. Exercise Tolerance Test (ETT) Unit ETT Machine	Certification: CE (MDR), FDA, ISO Manufacturer: USA, EU, JAPAN or Equivalent	BTL-Europe	7,800,000	
		3. Patient Monitors (04 Nos.)	Country of origin: Must be USA, Europe & Japan or similar (MHLW Certificate for Japanese origins, CE Marked Certificate or European origin and FDA 510 K for USA origins)	CONTEC MEDICAL, CHINA	225,000 900,000	
3	Purchasing of Ultra-sound Color Doppler Machine in Gizri Maternity Home, KMC	1. Colour Doppler diagnostic ultrasound system	Country of manufacturer: USA/EU/JAPAN/Similar Certificate: FDA/CE/MHLW (any)	Country of manufacturer: SONOSCAPE Certificate: FDA, CE, ISO Model: E1 EXP.	4,800,000 9,600,000	5.000

S.#	Description Of Work	Description of Item	Required Technical specification	Offered Technical Specification	Unit Price	Expenditure up to June-25
	M/s Biomedical Star Enterprises					
		2. Portable ultrasound diagnostic system for Gayness Patients	Country of manufacturer: USA/EU/JAPAN/Similar Certificate: FDA/CE/MHLW (any)	Make:G7GLAXY Country of manufacturer: China Certificate: CE, ISO	750,000	
4	Provision of Machinery & Equipment for upgradation of main Operation Theatre (G.O.T) for Abbasi Shaheed Hospital, KMC M/s Biomedical Star Enterprises	1. Diathermy Units (01 No.)	UK,USA,EU,JAPAN OR Equivalent ISO13485, & CE, JIS,FDA,MHLW Other than two certificates	EU ISO,CE,FDA Attached Manufacturer (Deltronix Precision TC-3)	2,200,000	5.000
		2. Autoclave	UK/USA/EU/JAPAN/ Similar other countries accepted if CE, FDA,JIS,(Approved) any two	Local Manufacturing ISO,13485,CE, Approved (any two)	2,000,000	
	M/s Allied Enterprises	3. Dental Hand instrument set	UK,USA,Europe,JAPAN OR Equivalent Should be ISO-13485 (Mandatory) & CE, JIS, FDA, MHLW (other than UK, USA, Europe & Japan) will be accepted if equivalent have any two certificates	Local Made Otins Sialkot	490,000	

S.#	Description Of Work	Description of Item	Required Technical specification	Offered Technical Specification	Unit Price	Expenditure up to June-25
5	Provision of Machinery & Equipment for upgradation of Orthopedic Operation Theatre of Abbasi Shaheed Hospital, KMC M/s Biomedical Star Enterprises • Payment terms: 100% after delivery of equipment • Delivery: within one month from the date of receipt of confirm Purchase order or earlier	1. Diathermy Units (2 Nos.)	UK,USA,EU,JAPAN OR Equivalent ISO13485, & CE, JIS,FDA,MHLW Other than two certificates	EU ISO,CE,FDA Attached Manufacturer (Precision TC-3)	2,200,000 2,200,000	5.000
		2. Autoclave	UK/USA/EU/JAPAN/ Similar other countries accepted if CE, FDA,JIS,(Approved) any two	Local Manufacturing ISO,13485,CE, Approved (any two)	2,000,000 2,000,000	
		3. OT Light (Double Doom)	UK,USA,EU,JAPAN OR Equivalent ISO/ CE/FDA/JISMHLW	China	2,450,000 2,400,000	

S.#	Description Of Work	Description of Item	Required Technical specification	Offered Technical Specification	Unit Price	Expenditure up to June-25
	M/s Allied Enterprises	4. OT instruments along with tourniquet with 3 cuffs (For orthopaedic surgery) (02 Sets)	Imported/ Export quality ISO-13485 (Mandatory), CE Marked & FDA approved	Qtins Sialkot	950,000 1,900,000	
6	Provisions of replacement of 3D Digital Ceph OPG physodine Spenser, Endodontic Microscope for Dental Hospital for Strengthening of existing service of M/s Biomedical Star	1. Dental unit complete with chair, light, hand piece unit with hand places, suction & compressor (02 Nos.)	UK/USA/EU/JAPAN OR Equivalent Should be ISO-13485 & CE,JIS, FDA, MHLW/EU, JAPAN, will be accepted if equivalent have two certificates	Same as required Model: A010 Make: Apple Dental, China China	1,900,000 3,800,000	5.000
		2. Moveable dental x-ray unit (01 No.)	Imported/ Export quality ISO-13485 (Mandatory), CE Marked & FDA approved	Make: Woson Dental X Ray with patient stool Imported/ Export quality ISO-13485 (Mandatory), CE	1,200,000	
7	Provision of Machinery & Equipment for upgradation of one Orthopedic Operation Theatre of Abbasi	1. Diathermy Units (2 Nos.)	UK,USA,EU,JAPAN OR Equivalent ISO13485, & CE, JIS,FDA,MHLW Other than two certificates	EU ISO,CE,FDA Attached Manufacturer (Precision TC-3)	2,200,000	5.000

S.#	Description Of Work	Description of Item	Required Technical specification	Offered Technical Specification	Unit Price	Expenditure up to June-25
	Shaheed Hospital, KMC M/s Biomedical Star Enterprises					
		2. Autoclave	UK/USA/EU/JAPAN/ Similar other countries accepted if CE, FDA,JIS,(Approved) any two	Local Manufacturing ISO,13485,CE, Approved (any two)	2,000,000	
Total						**35.000**

Appendix-19: [Para: 4.2.6] Splitting up of schemes to avoid approval from competent forum

[Rs. in Million]

Sr. No.	ADP No. 2025-26	Description of work	Status	Estimated Cost	Approved date	Expenditure up to June-25	Throw forward 2025-26
1	464	Purchase of equipment/ instruments / furniture for Sarfraz Rafiqee Shaheed (SRS) Hospital, KMC	Approved	20.000	19-06-20	5.000	15.000
2	465	Provision of essential equipment for strengthening of existing facilities at Cardiac Emergency Centre Shah Faisal Town, KMC	Approved	20.000	19-06-20	5.000	15.000
3	467	Provision of Machinery & Equipment for upgradation of main Operation Theatre (G.O.T) for Abbasi Shaheed Hospital, KMC	Approved	20.000	19-06-20	5.000	15.000
4	468	Provision of Machinery & Equipment for upgradation of Orthopedic Operation Theatre of Abbasi Shaheed Hospital, KMC	Approved	20.000	19-06-20	5.000	15.000
5	472	Provision of Machinery &	Approved	20.000	2019-20	5.000	15.000

[Rs. in Million]

Sr. No.	ADP No. 2025-26	Description of work	Status	Estimated Cost	Approved date	Expenditure up to June-25	Throw forward 2025-26
		Equipment for upgradation of one Orthopedic Operation Theatre of Abbasi Shaheed Hospital, KMC					
Total				**100.000**		**25.000**	**75.000**