Auditor-General of Pakistan

February 2026

Audit Report on
Sindh Solid Waste Management Board
Government of Sindh
FY 2024-25

Report No: DGALGS-26-004
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 Sindh Solid Waste Management Board, Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25. The Directorate General Audit, Local Governments Sindh conducted audit during 2025-26 on a test check basis with a view to make an independent assessment of the entity and provide reliable information to the stakeholder for making sound decision making. The report also aims at improving the internal controls of the entity, thereby allowing the management to take corrective action and improve operational efficiency.

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

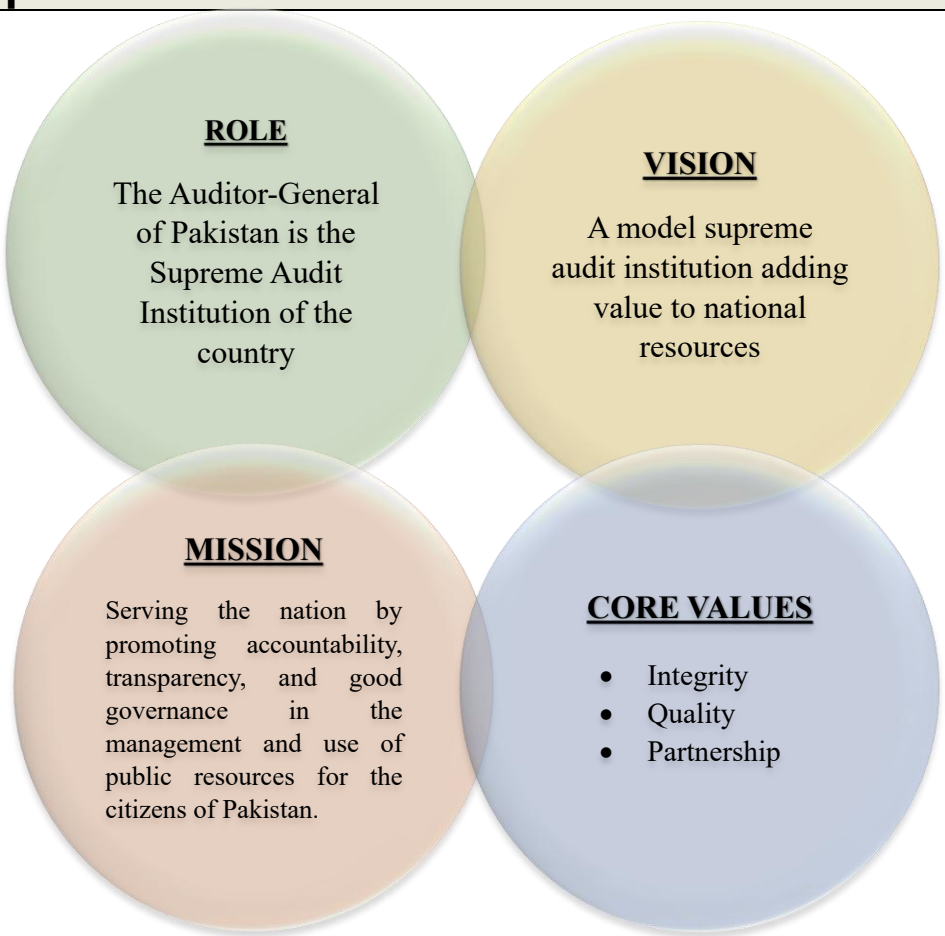
The report was share with the entity as well as the Principal Accounting Officer (PAO). Observations included in this report were finalized without written replies of the formation. DAC meetings were also not convened by the PAO despite repeated reminders.

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

Islamabad
Dated: February, 2026

(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 whether solid waste collection, transportation, and disposal were carried out in accordance with approved plans, contracts, and service standards.
- To examine the effectiveness of financial management, contract administration, and internal controls.
- To evaluate compliance with environmental laws and the Board's mandate for sustainable waste management.

What did we find?

- Waste collection and disposal were irregular, with unattended garbage points.
- Penalties were imposed for poor contractor performance, yet no contractors were blacklisted.
- No reliable system existed to track daily operations, route coverage, waste quantities, or landfill performance.
- Waste was dumped at unauthorized sites without segregation or safeguards.
- Outstanding dues were not recovered.
- Irregular procurement without open tender.

Key Assessment

- Governance, financial management, and operational controls were weak, with recurring irregularities and limited corrective action.
- Waste management remained disposal-oriented, with negligible progress on segregation, recycling, or waste-to-energy initiatives.
- Deficiencies in monitoring, enforcement, and financial discipline undermined service quality, environmental compliance, and sustainability.

What did we recommend?

- Strengthen daily monitoring and reporting of waste collection, transportation, and disposal activities.
- Enforce procurement rules and contract provisions, including performance evaluation, penalties, and blacklisting where warranted.
- Recover outstanding dues and ensure timely deposit of all collected and withheld taxes.
- Develop and implement waste segregation, recycling, and waste-to-energy initiatives to improve sustainability and revenue.
- Improve internal controls through proper record-keeping, timely finalization of financial statements, and stronger supervisory oversight.

HIGHLIGHTS

Entity Summary Sheet – SSWMB (FY 2024-25)

Disclaimer: The financial information presented herein has not been independently verified, as Sindh Solid Waste Management Board 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	• Operates under Amended SSWMB Act, 2021 • Board has not prepared its own rules as required under section 27 of SSWMB Act 2021. Until the rules or regulations are framed by the Board, the Efficiency and Discipline Rules, Conduct Rules, Leave Rules, and all other Administrative and Financial Rules, Regulations and standing orders or instructions of Government shall be applicable. • Sindh Public Procurement Rules, 2010
Key Responsibilities/Mandate and Objectives	The objective of SSWMB is to ensure effective sanitation services through an integrated solid waste management system. It regulates waste collection and disposal, prevents illegal dumping, and promotes recycling and environmental awareness.
Total Assets (Current/Long term)	Not Provided
Total Liabilities (Current/Long term)	Not Provided
Income/Revenue (Own Resources)	Rs.530.00 million
Government Grants	Rs.28,375.00 million
Total Receipts	Rs.28,905.00 million (from all sources i.e; bank balances, Govt, grants, profit on investments, own sources)
Expenditure	Rs.290.00 million (Salary Expenditure) Rs.115.00 million (Non-Salary Expenditure) Rs.27,937.61 million (O&M Expenditure)
Cash Balances	Rs.1,473.03 million (available in 5 Bank Accounts)
Total Investments	Not provided
Funding Sources (Govt/Donor agency)	Sindh Government & Own Source as Autonomous Board
Total Allocations	Rs.28,375.00 million (Budget 2024-25)
Accounting policy	Self-accounting Entity
Status of financial statements	Financial Statement not prepared and audited.
Composite (risk) Rating (derived from audit finding to provide an at-a-glance summary of entity integrity and performance)	D (Due to Non-preparation of financial statements)
Compliance Status of audit recommendations	Awaited

CONTENTS Page No

Abbreviations and Acronyms **1**

Overview of the Entity **3**

1. Stated Mandate, Role and Responsibilities **5**

1.1 Operational and Environmental Assessment **7**

1.2 Non-extension of the scope of operations of the SSWMB 10

2. Financial Management **11**

2.1 Non-Finalization and Non-Submission of Annual Financial Statements 12

2.2 Non-recovery of outstanding dues 14

2.3 Unauthorized clearance of liability 16

3. Human Resource Management **17**

3.1 Non-appointment of Chief Internal Auditor 17

3.2 Unauthorized payment of utility and SSWMB allowance 18

4. Procurement **19**

4.1 Irregular expenditure without inviting open tender 20

4.2 Irregular expenditure without recording details of measurements of executed works 21

5. Operational Processes, Targets and KPIs **22**

5.1 Poor Performance of Contractors 25

6. Others Issues **26**

6.1 Unauthorized issuance of No-objection certificates for dumping of waste at GTS sites 26

Conclusion **28**

Recommendations **29**

Appendices **31**

Audit Objectives, Scope and Methodology **31**

Appendix-1: [Para: 2.3] Unauthorized clearance of liability 33

Appendix-2: [Para: 4.1] Irregular expenditure without inviting open tender 34

Appendix-3: [Para: 4.2] Irregular expenditure without recording of measurements of executed works .. 35

Appendix-4: [Para: 5.1] Poor Performance of Contractors 36

Abbreviations and Acronyms

AIR	Audit & Inspection Report
DAC	Departmental Accounts Committee
DGALGS	Director General Audit, Local Governments, Sindh
GTS	Garbage Transfer Station
KATI	Korangi Association of Trade & Industry
KCIP	Korangi Creek Industrial Park
KPI	Key Performance Indicator
NOC	No Objection Certificate
PAO	Principal Accounting Officer
PTA	Pakistan Telecommunication Authority
SFR	Sindh Financial Rules
SITE	Sindh Industrial Trading Estate
SSWMB	Sindh Solid Waste Management Board
WtE	Waste-to-Energy

Overview of the Entity

The Sindh Solid Waste Management Board (SSWMB) is a statutory and autonomous body established under the Sindh Solid Waste Management Board Act, 2014, subsequently amended through the Sindh Solid Waste Management Board Act, 2021. The Board was constituted with the objective of ensuring integrated, efficient, and environmentally sound management of solid waste across the Province of Sindh, encompassing collection, transfer, transportation, recycling, treatment, disposal, and related sanitation services. For administrative and operational purposes, divisional structures have been envisaged at Karachi, Hyderabad, Mirpurkhas, Sukkur, Shaheed Benazirabad, and Larkana.

Under the Act, the jurisdiction of SSWMB extends to the whole Province of Sindh, and the Board is mandated to perform municipal solid waste management functions within the jurisdiction of local councils, either directly or through outsourcing arrangements, subject to approval of the competent authority. The Board is empowered to plan, regulate, coordinate, and supervise solid waste management activities; develop and operate landfill sites and waste management infrastructure; levy and recover user charges, cess, rates, fees, and penalties; enter into contracts and public-private partnerships; and prepare schemes for recycling, composting, waste-to-energy, and resource recovery, in accordance with applicable environmental laws and government policies.

The governance of SSWMB vests in a Steering Committee (Board) constituted under Sections 8 and 9 of the Act. The Steering Committee is chaired by the Chief Minister, Sindh, with the Minister for Local Government as Vice Chairperson, and includes senior representatives of the Government of Sindh, namely the Chief Secretary, Secretaries of Local Government, Finance, Planning & Development, and Environment Departments, the Mayor, Karachi Metropolitan Corporation, and the Managing Director, SSWMB, who also serves as Secretary to the Board. The Steering Committee is responsible for providing strategic direction, approving policies, plans, budgets, and major projects, and exercising oversight over the performance and governance of the Board. Day-to-day administration and execution of the Board's functions are carried out by the Managing Director as the Principal Executive Officer.

The quantity of municipal solid waste handled is reported to be approximately 12,000–15,000 tons per day, based on vehicle trips to dumping sites. However, a comprehensive waste generation assessment based on population estimates has not been carried out, limiting evidence-based planning and informed decision-making.

Despite a broad statutory mandate and governance framework, operational expansion beyond selected urban centers, diversification into waste processing and energy recovery, and establishment of robust financial and internal control mechanisms remain limited. Consequently, while solid waste management has received increased policy attention at provincial and local levels, significant challenges persist in governance, financial management, service coverage, and sustainability, which are reflected in the audit observations contained in this report.

1. Stated Mandate, Role and Responsibilities

The stated mandate of the Sindh Solid Waste Management Board (SSWMB) is to plan, regulate, manage, and oversee an integrated, efficient, and environmentally sound solid waste management system across designated areas of Sindh Province. Its core responsibilities include collection, transportation, treatment, recycling, and safe disposal of municipal solid waste, as well as engaging private contractors where required. The Board is also mandated to develop policies and standards, monitor performance of service providers, promote waste minimization and recycling initiatives, and ensure compliance with environmental regulations to safeguard public health and urban cleanliness.

As per Section 7(1) of SSWMB Act 2021, The Board shall,

(i) Have right over the solid waste related issues, assets, funds and liabilities of the Councils and shall possess sole rights on all kinds of solid waste (municipal limits of concerned Councils;

(ii) Have the authority to grant permission to individuals, institutions, industries, factories, workshops, furnaces, compost making and power generation from the solid waste within the territorial jurisdiction of the Board, for segregation of the recyclable material from the waste, collection, treatment, sale and purchase, recycling or disposal of any kinds of waste;

(iii) Recommend to Government through steering committee, a cess, tax or any other charges as per rules prescribed;

(iv) Prepare and submit to Government through Steering Committee the schedule of solid waste tariff, rates, charges or fees to be levied by the Board for approval;

(v) Collect and recover cess, rates and charge fee or impose fine for collection and disposal of solid waste as may be prescribed by rules;

(vi) Charge surcharge not exceeding the double of the due amount, if rates charges or fees for solid waste not paid within time fixed by the Board;

(vii) Have full financial powers within the budget grant;

(viii) Construct, improve, maintain the buildings, sites, and machinery relating to the operation of solid waste management;

(ix) Suggest Steering Committee the rules and regulations for operational, administrative, human resource management and finance for operations of

solid waste management, and submit same to Government for approval through Department;

(x) Review the progress of existing schemes and prepare new schemes relating to solid waste management for approval of competent authority through Steering Committee constituted and undertake execution thereof;

(xi) Get the schemes prepared or arrangement made for outsourcing any functions relating to the collection, transfer, recycling of waste, compost making and energy generation out of solid waste, development of filling sites of the solid waste;

(xii) Regulate control or inspect the source points of generation, accumulation, transfer, recycling trading of the solid;

(xiii) Maintain accounts and records of the Board;

(xiv) Prepare and revise schedule of any post in the Board and submit to Steering Committee for approval;

(xv) Employ third party to take over management of solid waste on behalf of the Board which shall have the authority as vested in Managing Director, to employ such parties as may expedite the waste management and benefit the people:

(xvi) Invite third party through at least two leading newspapers; hammer down the lowest tender subject to cost and quality of service and to follow the relevant operational and financial procedures provided under the Sindh Public Procurement Act and rules made thereunder;

(xvii) Take over the management and control of any waste management institution or service maintained by a council;

(xviii) Make a commercial and social benefit case for the rates to be recommended and Government shall approve such rates unless they are detrimental to Government policy;

(xix) Negotiate, review, and finalise the projects of the waste management with all commercial entities, agencies and foreign organisations in consultation with the Government through Steering Committee.

(xx) To do all such things necessary for achieving the objectives of this Act.

1.1 Operational and Environmental Assessment

A critical examination of the operational and environmental of the Sindh Solid Waste Management Board (SSWMB) indicates that the existing solid waste management framework remains largely disposal-oriented, with limited focus on waste reduction, recovery, and environmentally safe treatment. Urban land-use characteristics reflect a predominance of residential settlements interspersed with commercial and industrial activities, resulting in waste collection routes, transfer stations, and disposal facilities operating in close proximity to populated areas. In the absence of effective segregation, treatment, and controlled disposal mechanisms, this spatial interaction elevates public health and environmental risks, particularly through increased exposure to unmanaged waste, leachate, emissions, and secondary pollution.

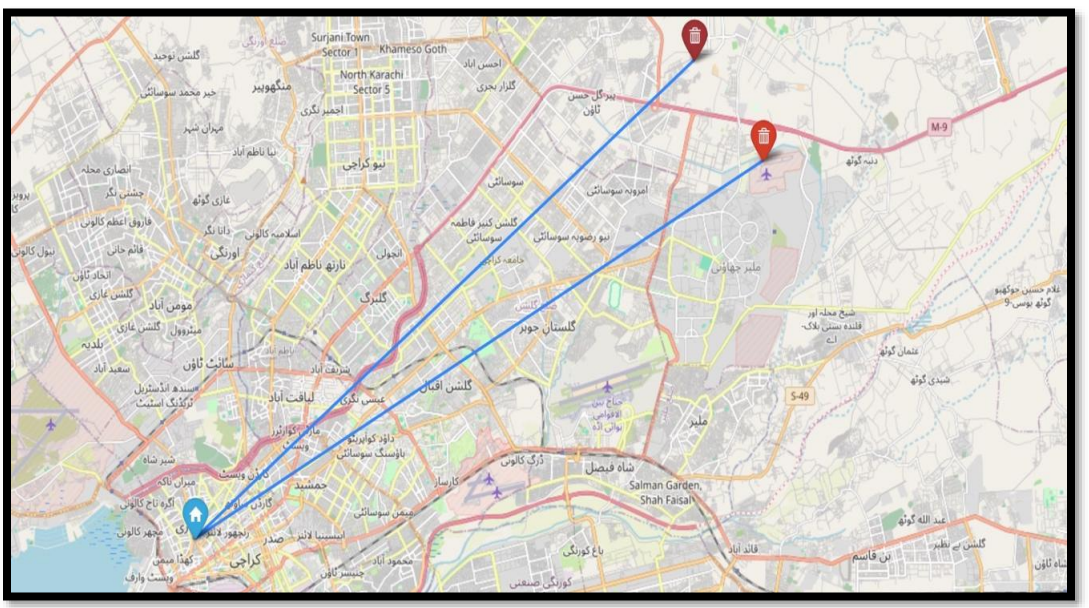


Figure 1 Proximity to City Center

Further, spatial visualization of Jam Chakro and Gond Pass landfill sites on the Karachi map, including distance and buffer analysis, demonstrates that both sites are located within or near inhabited areas, contrary to international best practices that prescribe adequate buffer zones between landfill sites and residential settlements. The absence of an enforced buffer radius and the encroachment of informal settlements around these sites amplify the risks of air pollution, groundwater contamination, and vector-borne diseases, particularly given that both sites function as open dumping grounds rather than engineered or controlled landfills. WHO / World Bank / Asian Development Bank references suggest:

- 500 m – minimum distance from nearest habitation
- 1 km – recommended for urban landfills
- 2–3 km for mega landfills handling >5,000 tons/day
- For **open dumping sites (non-engineered)**, **stricter buffers** are expected not weaker ones

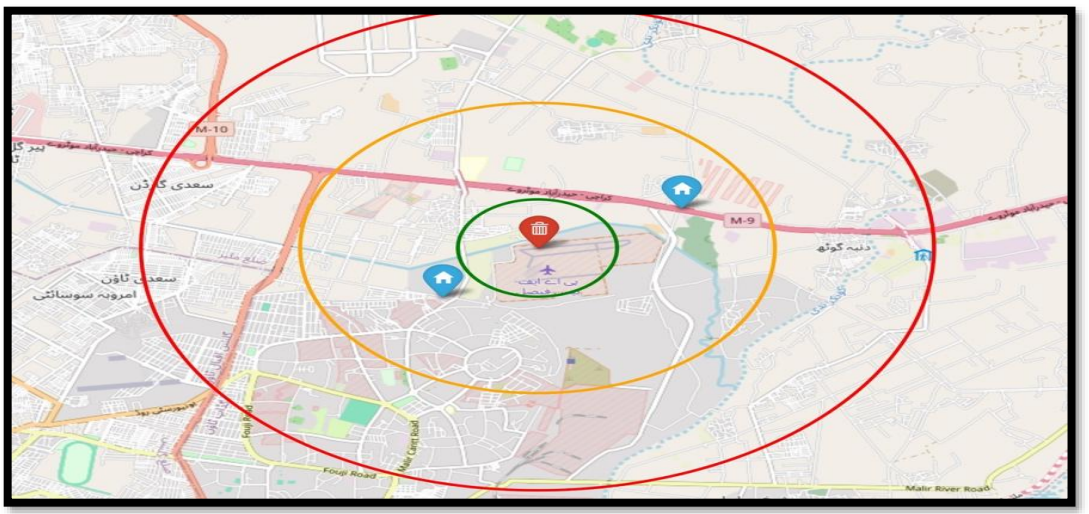


Figure 2 Jam Chakro Landfill site proximity to settlements

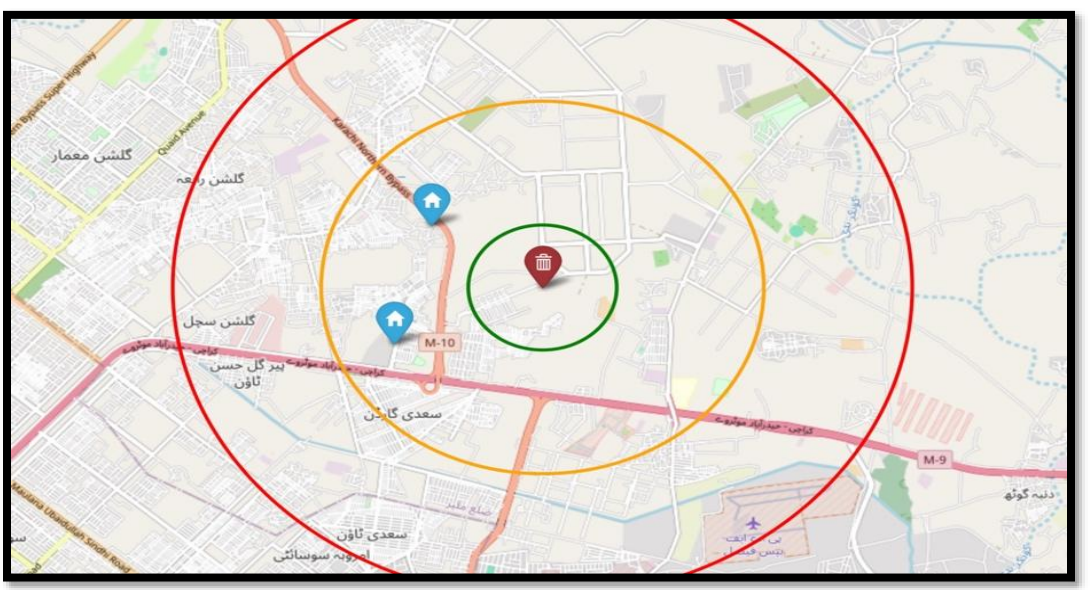


*Figure **3** Gondpass Landfill site proximity to settlement*

Waste composition analysis, supported by graphical representation, highlights that organic and biodegradable waste constitutes more than half (50-55%) of the total municipal solid waste generated.

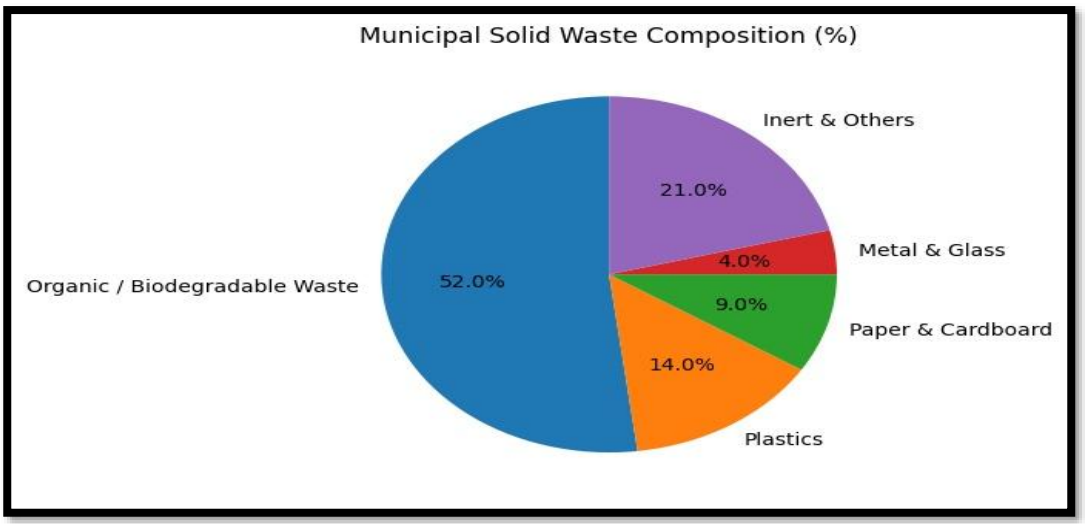


Figure 4 Composition

This presents a significant opportunity for waste diversion through composting and biological treatment. However, the comparative bar-chart analysis between organic waste generation and existing composting capacity reveals a stark mismatch. With only two composting plants of 25 tons per day each, the total composting capacity of 50 tons per day accounts for less than 1% of the estimated organic waste generated daily in Karachi.

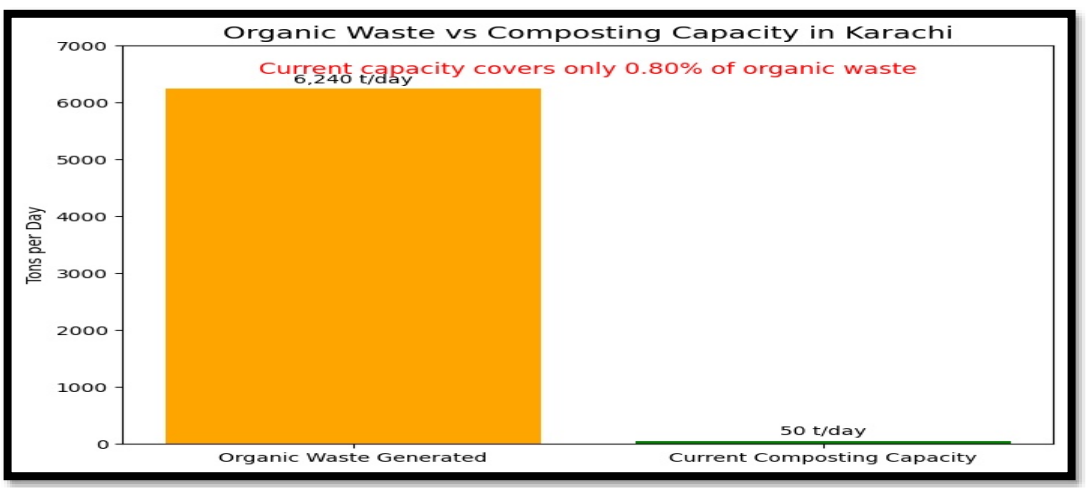


Figure 5 Waste generation vs. composite capacity

This negligible processing capacity indicates that the vast majority of biodegradable waste continues to be dumped untreated at landfill sites, accelerating site saturation, methane generation, and environmental degradation.

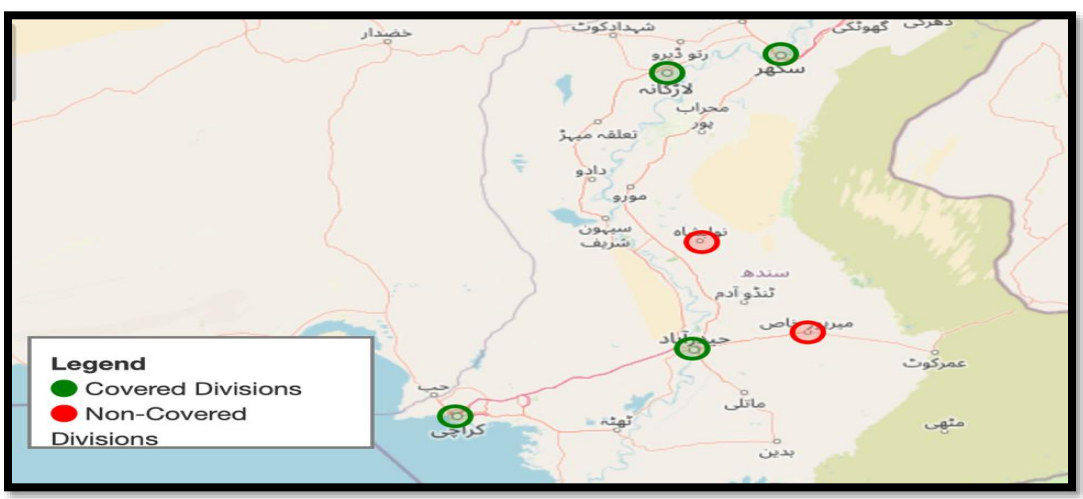
Collectively, the data and trend analyses indicate that while SSWMB enjoys statutory autonomy and a comprehensive mandate, strategic planning and implementation remain fragmented. Waste generation patterns, land-use realities, processing capacities, landfill management practices, and controls are not being addressed in an integrated manner. Without substantial scaling-up of waste processing facilities, transition from open dumping to controlled or sanitary landfilling and enforcement of buffer zones, the current system is unlikely to meet environmental compliance requirements or deliver sustainable solid waste management outcomes.

1.2 Non-extension of the scope of operations of the SSWMB

As per Section-1 (2) of the Sindh Solid Waste Management Board Act,2021, “It shall extend to the whole of the province of Sindh."

"The Sindh Solid Waste Management Board (SSWMB) has been established for the collection and disposal of all solid waste, to arrange for effective delivery of sanitation services, to provide pollution free environment and to deal with other relevant matters”.

During the audit of the Managing Director, Sindh Solid Waste Management Board, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that the Board did not extend its operations to Mirpurkhas and Shaheed Benazirabad Divisions, despite the legal mandate under the Act.



Audit was of the view that due to non- extending of operational activity of Board to whole of Sindh Province after lapse of eight years, the purpose of establishing the board for integrated solid waste was not served and non-cleaning of Sindh from solid waste resulted into more heath issues to the people of the province.

Audit was of the opinion that failure to extend the Board's operational scope limited its effectiveness in managing solid waste and reflected weak strategic planning while exacerbating public health risks and creating environmental hazards.

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 23-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit seeks justification for non-extension of scope of operations.

[AIR Para: 3]

2. Financial Management

The financial management of the Sindh Solid Waste Management Board (SSWMB) is largely dependent on government budgetary allocations, grants, and contractual arrangements with private waste collection companies, making effective financial planning and oversight critical to service delivery. Given the capital-intensive nature of waste management operations—covering collection, transportation, landfill management, and payments to contractors—robust budgeting, timely fund releases, and strict expenditure controls are essential. Challenges may arise in areas such as cost recovery mechanisms, transparency in contractor payments, monitoring of financial performance, and alignment of spending with service targets. Strengthening internal controls, adopting performance-based financial monitoring, and enhancing revenue strategies where applicable would improve financial sustainability and accountability.

Financial statements are vital part of financial management that ensures accuracy, accountability, and confidence in a corporation's financial reporting. They play a key role in decision-making, compliance, governance, and sustainable corporate growth. Sindh Solid Waste Management Board Act, 2021 also emphasizes the importance of Financial Statements.

However, management's non-compliance of the Act reflects disregard for statutory obligations and rule of law. As a result, reasonable assurance regarding the true and fair view of the financial position of the Corporation could not be ensured. This reflected weak

fiscal discipline, ineffective revenue recovery mechanisms, poor financial planning, and increased financial risk to public funds.

2.1 Non-Finalization and Non-Submission of Annual Financial Statements

As per Section 4-C (6) of the Sindh Solid Waste Management Board Act, 2021, the Board is required to maintain complete and accurate accounts of all funds and transactions in accordance with prescribed rules. Further, Section 111(1) of the Sindh Local Government Act, 2013, mandates that an annual statement of accounts shall be prepared after the close of each financial year and submitted to the Government and Audit Authority within thirty days.

During the audit of the Managing Director, Sindh Solid Waste Management Board, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that the management failed to finalize and submit the annual financial statements within the prescribed timeframe since 2021. Audited financial statements are critical for ensuring accuracy, accountability, transparency, and informed decision-making, as well as for assessing the financial health and operational efficiency of the Board. The absence of finalized statements constrained management's ability to monitor expenditures, track recoveries, evaluate contractor payments, and plan future waste management operations effectively.

Audit was of the view that this delay reflected weak financial management, poor governance, and inadequate internal controls, increasing the risk that the accuracy, completeness, and reliability of financial information cannot be verified.

Audit was of the opinion that reasonable assurance regarding the true and fair view of the Board's financial position and performance remained limited.

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 23-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends that the management ensure timely finalization and submission of annual financial statements in compliance with SSWMB Act, 2021, and SLGA, 2013, to strengthen governance, enhance accountability, and facilitate effective monitoring of municipal solid waste operations.

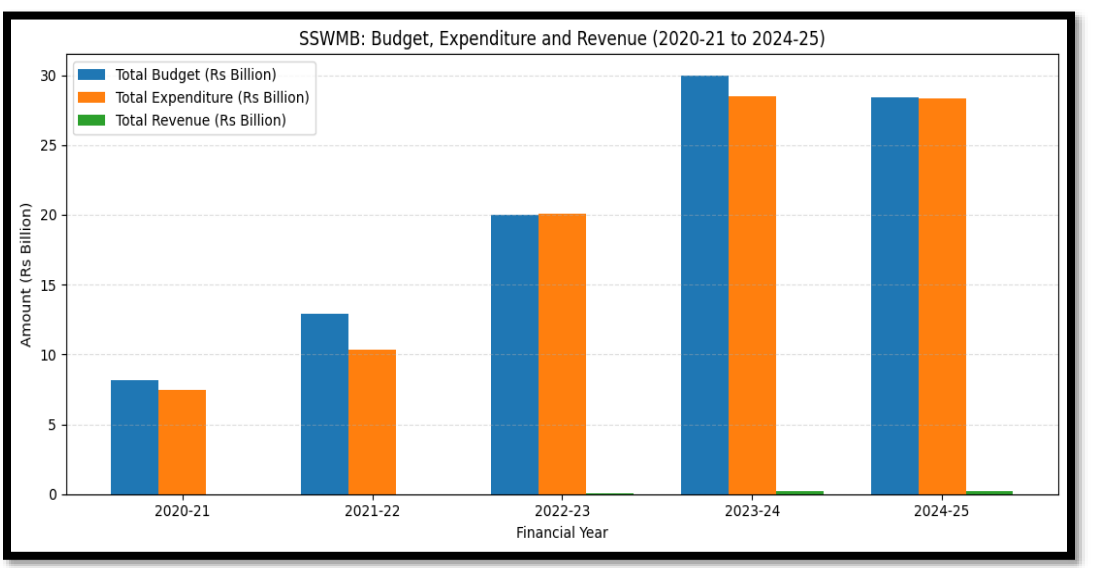
[AIR Para: 21]

Financial Assessment

An analysis of the financial data of the Sindh Solid Waste Management Board (SSWMB) over the last five financial years (2020-21 to 2024-25) reflects a rapid expansion in budgetary allocations and expenditure, accompanied by weak revenue generation and increasing fiscal pressures. During this period, the total budget increased from Rs 8.17 billion in 2020-21 to Rs 28.38 billion in 2024-25, representing more than a threefold increase. Correspondingly, total expenditure rose from Rs 7.45 billion to Rs 28.31 billion, indicating that the expansion in allocations translated almost entirely into higher spending.

Despite this significant growth in financial outlays, own-source revenue generation remained negligible for the first two years, with no revenue reported in FY 2020-21 and FY 2021-22. Revenue streams began to emerge only from FY 2022-23 onwards; however, even by FY 2024-25, total revenue constitutes around 1% of total expenditure. This persistent mismatch between expenditure and revenue indicates a heavy reliance on government funding, raising concerns regarding the long-term financial sustainability of the Board's operations.

Trend analysis further shows that while budget utilization has generally remained high, exceeding 95% in FY 2023-24 and FY 2024-25, the marginal gap between budget and expenditure in the latest year suggests limited fiscal flexibility. The near-full utilization of allocations, combined with low internal revenue mobilization, constrains the Board's capacity to absorb financial shocks, invest in waste processing infrastructure, or diversify into revenue-generating initiatives such as recycling, composting, and waste-to-energy projects.



A review of head-wise budget estimates for FY 2024-25 highlights a highly expenditure-concentrated cost structure, dominated by operational and outsourcing-related heads. Out of the total allocation of Rs 28.38 billion, approximately Rs 26.59 billion (over 93%) was incurred under the head "Transfer & Disposal of Municipal Solid Waste", indicating that financial resources are overwhelmingly consumed by routine collection, transportation, and disposal activities. This leaves limited fiscal space for capacity building, asset creation, modernization, or sustainability-oriented investments.

Personnel-related expenditure, including pay, honoraria, medical charges, and contingent staff, was largely consumed as allocated, reflecting a rigid and recurring expenditure base. In contrast, several heads related to training, capacity development, systems improvement, and technology adoption, such as domestic and international training, electronic communication, and software development, remained either partially utilized or unutilized.

Overall, the financial assessment indicates that while SSWMB has experienced substantial growth in budgetary support, this growth has not been matched by corresponding improvements in revenue generation, cost efficiency, or financial resilience. The Board's financial model remains expenditure-driven and grant-dependent, with limited emphasis on developing sustainable revenue streams or optimizing operational costs. Without strengthening internal revenue recovery mechanisms, improving budget credibility, and reallocating resources towards processing, recovery, and efficiency-enhancing initiatives, the current financial trajectory is likely to continue exerting pressure on public finances while limiting progress toward sustainable solid waste management outcomes.

2.2 Non-recovery of outstanding dues

As per Rule-7(1)(v) of Sindh Solid Waste Management Act, 2021, "The Board shall collect and recover cess, rates and charge fee or impose fine for collection and disposal of solid waste as may be prescribed by rules".

Further, 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".

During the audit of the Managing Director, Sindh Solid Waste Management Board, Karachi, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that the management did not recover outstanding dues of Rs 530.015 million on account of garbage collection from various trade associations, cantonment boards and other agencies, as detailed below:

[Rs. in Million]

Sr. No.	Description	Amount Due	Amount Recovered	Outstanding as on 30.06.2025
1	KATI	231.386	8.182	223.204
2	KCIP	3.336	2.616	0.720
3	PTA	8.448	7.362	1.086
4	Other Industries	46.652	0.268	46.384
5	S.I.T.E.	196.199	13.675	182.524
	Total	**486.021**	**32.103**	**453.918**
1	Clifton Cantonment Board	202.718	134.875	67.843
2	Faisal Cantonment Board	65.692	58.280	7.412
3	Malir Cantonment Board	3.627	3.625	0.001
4	Karachi Cantonment Board	12.412	12.307	0.105
	Total	**284.449**	**209.088**	**75.361**
1	Global Environment Lab	1.584	1.548	0.036
2	Waste Tech International	0.347	0.327	0.020
3	City waste Incinerator	0.681	0.000	0.681
	Total	**2.611**	**1.876**	**0.737**
Grand Total		**773.081**	**243.066**	**530.016**

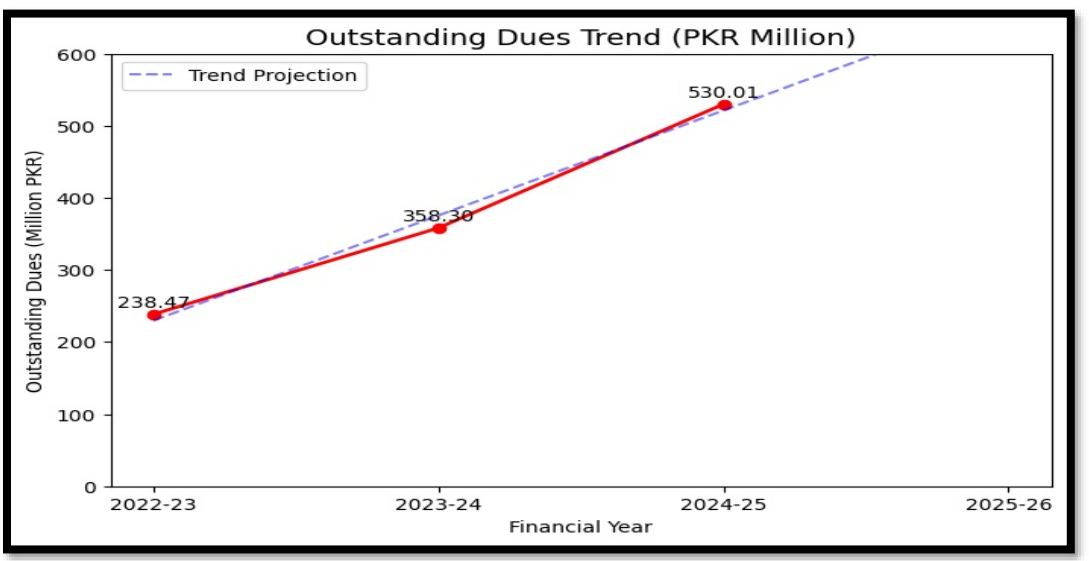


Figure 1 Trend Analysis of Outstanding Dues

The increasing trend and concentration of outstanding dues, as depicted above, clearly indicate persistent weaknesses in the Board's recovery mechanism and lack of effective enforcement of statutory powers.

Audit was of the opinion that failure to recover outstanding dues resulted in loss of legitimate revenue which the board is deprived off and which weakens the financial position of the organization.

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 23-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for the Audit Years 2024-25 and 2023-24 vide para numbers 1.5.3.2 and 1.5.4.2 with financial impact of Rs 358.298 million and Rs237.838 respectively. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 1]

2.3 Unauthorized clearance of liability

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 the Managing Director, Sindh Solid Waste Management Board, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that the management cleared previous year's liabilities amounting to Rs. 1,467.685 million through payment of seven running bills relating to the month of May 2024. The payments were made during August 2024 to various contractors on account of front-end, primary and secondary municipal solid waste collection and disposal services in Districts Keamari, West, Malir, Korangi, South, Sukkur and Kotri (Hyderabad Division) without obtaining prior approval of the Local Government Department, Government of Sindh. Detail is at **Appendix-1.**

Audit was of the view that clearance of liabilities without approval of administrative department is irregular which indicated poor financial management and weak internal controls.

Audit was of the opinion that payment of liability without approval was against the rules and put extra burden on the financial resources.

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 23-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends fixing of responsibility on the person(s) at fault for the unauthorized clearance of liabilities without prior approval from the administrative department, and strengthening internal controls to ensure that all liabilities are created or cleared only after obtaining the necessary approvals.

[AIR Para: 24]

3. Human Resource Management

The human resource management of the Sindh Solid Waste Management Board (SSWMB) is central to ensuring effective oversight of large-scale waste collection and disposal operations, particularly where services are outsourced to private contractors. HRM challenges often include limited technical and environmental expertise within the Board, gaps in monitoring and contract management capacity, and reliance on contractual or deputed staff. Inadequate workforce planning, training, and performance evaluation mechanisms can affect regulatory oversight and service quality. Strengthening merit-based recruitment, enhancing professional development in environmental management and contract supervision, and implementing clear accountability frameworks would significantly improve institutional efficiency and operational control.

3.1 Non-appointment of Chief Internal Auditor

According to Section 14(5) of the Sindh Solid Waste Management Board Act, 2021 “There shall be a Chief Internal Auditor appointed by the Board from market through a competitive process or posting by transfer by Government having relevant professional qualification and experience. The Chief Internal Auditor shall establish adequate internal

control mechanism to ensure efficient management of accounting records and shall conduct pre-audit of the account of the board".

During the audit of the Managing Director, Sindh Solid Waste Management Board, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that management failed to appoint Chief Internal Auditor, in violation of above rules.

Audit was of the view that non-appointment of Chief Internal Auditor was non-compliance of Government rules which indicated weak internal control system.

Audit was of the opinion that in absence of Chief Internal Auditor adequate internal control mechanism to ensure efficient management of accounting records and conduct pre-audit of the account of the board was missing.

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 23-12-2025, 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.

[AIR Para: 20]

3.2 Unauthorized payment of utility and SSWMB allowance

According to Finance Department, Government of Sindh vide O.M No.FD (SR-III)-5-145/2012, dated 02/03/2012, allowed / grant of utility allowance w.e.f. 01-01-2012 to regular employees of Sindh Civil Secretariat and Provincial Assembly Sindh.

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 the audit of the Managing Director, Sindh Solid Waste Management Board, under the administrative control of Local Government & Housing Town Planning

Department, Government of Sindh, for the financial year 2024-25, it was observed that the management incurred an expenditure of Rs 67.722 million on account of payment of utility and SSWMB allowance to the employees without entitlement, as detailed below:

[Rs. in Million]

Sr. No.	Detail of allowance	AIR Para	Violation	Monthly payment	Total paid during F.Y-2024-25
1.	SSWMB Allowance	19	Payment of allowances paid to officer/staff Without entitlement	4.520	54.240
2.	Utility allowance	2		1.124	13.482
Total				**5.644**	**67.722**

Audit was of the view that payment of utility and SSWMB allowance to the employees without entitlement was unauthorized which indicated poor financial management and weak internal controls.

Audit was of the opinion that payment of allowances led to avoidable expenditure, violated financial rules, and reflected poor internal controls.

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 23-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends that the unauthorized payment of allowances may be discontinued and recovery effected.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2023-24 vide para number 1.5.2.1 with financial impact of Rs 222.882 million. The recurrence of the same irregularity is a matter of serious concern.

4. Procurement

The procurement function of the Sindh Solid Waste Management Board (SSWMB) is critical due to its heavy reliance on outsourcing waste collection, transportation, and landfill management services to private contractors. Given the high-value, long-term nature of such contracts, procurement must strictly adhere to public procurement rules to ensure transparency, competitiveness, and value for money. Risks may arise in areas such as limited competition, weak bid evaluation processes, variations in contract terms, and insufficient monitoring of contractor performance. Strengthening pre-bid planning, adopting clear technical specifications, ensuring independent evaluation

committees, and enforcing performance-based contract management would enhance accountability and improve service outcomes.

4.1 Irregular expenditure without inviting open tender

Rule 17 (1A), Part-II of Sindh Public Procurement Rules, 2010 (as amended on 26-10-2023) stipulates 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 Managing Director, Sindh Solid Waste Management Board, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that the management incurred an expenditure of Rs 75.426 million on vehicle trackers service without inviting open tender, in violation of rule. Detail is at **Appendix-2.**

Audit was of the view that incurrence of expenditure without inviting open tenders was irregular which indicated poor financial management.

Audit was of the opinion that expenditure without competitive bidding deprived the board of obtaining the most economical rates and to utilize the resources in the most efficient ways.

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 23-12-2025, 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.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25 vide para number 1.5.2.13 with financial impact of Rs 43.414 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 8]

4.2 Irregular expenditure without recording details of measurements of executed works

According to Rule 144(1) of Sindh Financial Rules, 2023 (Volume-I & II), "Payments for all work done other than works by daily labour or on lump sum contract, and for all supplies, the payments are made on the basis of measurements recorded, Form-26 of SFR Volume-II (2) All the books of a division shall be numbered and a register shall be maintained in Form-27. Further, Rule instructions 149 (notes) of ibid, the document on which payment is made shall invariably show, in the space provided for the purpose, the number and page of the measurement book in which the detailed measurements are recorded, and the date on which the measurement was made".

During the audit of the Managing Director, Sindh Solid Waste Management Board, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that the management made payments to different contractors amounting to Rs 791.637 million for execution of various works without recording detailed measurements in relevant measurement books and mentioning exact location, in violation of above rules. Detail is at **Appendix-3.**

Audit was of the view that expenditure on account of execution of works without recording detail measurements was irregular which indicated weak internal controls.

Audit was of the opinion that expenditure without measurement records increases the risk of potential loss and misuse 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 23-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends fixing responsibility on the 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 1.5.5.12 with financial impact of Rs 538.728 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 7]

5. Operational Processes, Targets and KPIs

- **Contract Management**

The Sindh Solid Waste Management Board (SSWMB) implemented Front-End Collection (FEC) services through open competitive tendering, resulting in the engagement of six (06) contractors / consortiums for different districts. These include: (i) Changyi Kangjie Sanitation Engineering Company (Pvt.) Ltd, (ii) Hangzhou Jinjiang Sanitation Engineering Company (Pvt.) Ltd, (iii) Gansu Construction Heavy Industry Technology Pakistan (Pvt.) Ltd, (iv) Al-TasPak Waste Management Co. (Pvt.) Ltd, (v) Endurance Environment (Pvt.) Ltd, and (vi) AYSİS–STANDART–Sardar Muhammad Ashraf D. Baluch Joint Venture. Contracts were awarded between 2021 and 2023 for terms ranging from 5 to 9 years, covering South, East, Malir, West, Korangi, Central Districts and Hyderabad, Sukkur and Larkana Divisions. The agreements are performance-based and require contractors to meet defined operational targets and Key Performance Indicators (KPIs) linked with waste collection, transportation, service coverage, and compliance with operational standards.

In addition to FEC operations, SSWMB also engaged three (03) contractors for Mechanical End Cleaning (MEC) services, namely M/s Sanco Technologies, M/s Balaji Enterprises, and M/s Ahmed & Co, primarily for mechanized sweeping, removal of backlog waste, emergency cleaning, and deployment of heavy machinery such as loaders and excavators. While FEC constitutes the primary component of waste management operations, MEC services supplement collection activities by addressing residual waste, road sweeping, and machinery-based interventions across various districts.

The financial analysis indicates that the solid waste management expenditure during FY 2024-25 was overwhelmingly concentrated on Front-End Collection (FEC) operations, which consumed PKR 26.06 billion (98%) of the total allocation. In contrast, Mechanical End Cleaning (MEC) activities accounted for only PKR 0.53 billion (2%), reflecting the limited financial footprint of mechanized cleaning compared to primary waste collection. This distribution highlights the operational dependence of the waste management framework on FEC contractors, while mechanized cleaning remains a supplementary activity primarily focused on maintenance of major corridors and removal of residual waste.

As per the Request for Proposal (RFP), the cumulative planned collection capacity across districts amounted to 4.62 million tons annually. Performance during FY 2024-

25 indicates mixed achievement against these targets. Major district-wise planned vs actual collection is summarized below:

Waste Collection Performance vs Plan (SSWMB)				
District / Contract Area	**Planned Waste (Tons)**	**Collected Waste (Tons)**	**Shortfall (Tons)**	**Shortfall (%)**
East	611,740	476,043	135,697	22.18%
South	415,370	247,421	167,949	40.43%
Malir	321,565	150,918	170,647	53.07%
Keamari	427,415	338,320	89,095	20.84%
West	373,030	297,817	75,213	20.16%
Korangi	866,510	570,975	295,535	34.11%
Central	919,070	644,568	274,502	29.87%
Hyderabad	412,085	264,418	147,667	35.83%
Larkana	123,005	114,502	8,503	6.91%
Sukkur	149,650	62,526	87,124	58.22%
Total	**4,619,440**	**3,167,508**	**1,451,932**	**31.43%**

Overall, against the planned 4.62 million tons, contractors collectively lifted approximately 3.17 million tons during FY 2024-25, indicating a significant shortfall against operational targets. The KPIs embedded in the contracts link payments with actual waste lifted, service quality, and compliance with operational benchmarks; however, persistent gaps between planned and actual collection reflect operational inefficiencies, capacity constraints, and uneven contractor performance across districts.

- **Fleet Management**

As per the Sindh Solid Waste Management Board (SSWMB) RFP document and contract agreement Front-End Collection (FEC) contractors were required to deploy a complete operational fleet including mini tippers (1–2 m^3), bin compactors (7 m^3), large compactors (13–25 m^3), arm-roll trucks, dumpers (7–25 ton), loaders, mechanical sweepers, water bowsers, tractors with blades, hand carts, and waste containers, along with supporting manpower such as drivers, helpers, and field staff. Contractial obligations specified district-wise quantities required for door-to-door collection, residential and commercial waste handling, bulk waste lifting, mechanical sweeping, and landfill operations, with certain heavy equipment permitted on rental basis while core fleet remains contractor-owned.

Review of machinery deployment data indicates that although contractors maintained substantial fleets, shortages persisted across several key equipment categories. In District West, shortages were noted in bin compactors (8 short), large compactors (6), mini tippers (27), containers (58 combined), arm-roll units (10), dumpers and loaders (8 combined), and a major deficit of hand carts and labour (over 330 each). In District Malir,

gaps existed in mini tippers (76), containers (37), dumpers and loaders (26 combined), and significant shortages of drivers (118), helpers (122), and hand carts (236). District Kemari also showed deficits in mini tippers (21), containers (43), arm-roll units (5), dumpers and loaders (9 combined), and manpower including drivers (60) and helpers (34). These shortages demonstrate that in multiple operational zones the available machinery and workforce remained below the required levels prescribed in the RFP, potentially affecting operational efficiency, waste collection coverage, response time, and overall compliance with contractual service performance standards.

- **Non-generation of energy from solid waste**

The Sindh Solid Waste Management Act, 2021 envisages a progressive and resource-efficient approach to municipal waste management by requiring the Board to develop schemes or make arrangements for outsourcing functions related to recycling, composting, and energy generation from solid waste. However, the operational reality reflects limited advancement toward this objective. During the audit period under review, no structured initiative was undertaken to establish waste-to-energy (WtE) facilities or comparable arrangements for energy recovery from municipal waste. Karachi generates an estimated 11,000 tons of solid waste daily, yet the absence of functional WtE infrastructure and the existence of only marginal composting capacity indicate that a significant portion of waste continues to be disposed of without resource recovery. This situation suggests underutilization of waste as a potential economic and environmental asset and reflects gaps in long-term strategic planning.

From a comparative perspective, cities operating under similar fiscal and institutional constraints have gradually transitioned toward resource recovery models. Evidence from international development reports and sectoral studies indicates that Jakarta has progressively moved toward resource recovery from municipal waste. The city has established refuse-derived fuel (RDF) and pilot waste-to-energy (WtE) facilities at the Bantar Gebang Integrated Waste Management Site, where waste is processed into alternative fuel and electricity, reducing dependence on landfills and promoting circular waste utilization. The RDF facility at Bantar Gebang processes around 2,000 tons of waste per day and converts a portion into alternative fuel for industrial and energy use, while Jakarta has also developed pilot WtE initiatives as part of broader waste sector reforms (Asian News Network, 2023).

Further policy and development literature confirms that Jakarta generates approximately 7,500–8,000 tons of municipal waste daily and has adopted phased

planning, regulatory backing, and public-private participation to transition from landfill-dependent disposal toward energy and fuel recovery from waste (Reccessary, 2023).

These documented initiatives demonstrate that even under fiscal and institutional constraints comparable to those faced by SSWMB, structured planning and implementation frameworks can enable gradual conversion of municipal solid waste into a viable energy and revenue source (UNDP Indonesia, 2022).

In the present context, the continued absence of waste-to-energy development reflects limited progress toward financial and operational sustainability of the solid waste management system. The non-utilization of waste for energy recovery represents a missed opportunity to diversify revenue streams, reduce environmental burden, and strengthen long-term resilience of the municipal waste framework. The recurrence of this issue over successive years further indicates the need for a more integrated and forward-looking approach toward resource recovery and sustainable waste management.

5.1 Poor Performance of Contractors

As per Rule 19(1) and Rule 19(2) of the Sindh Public Procurement Rules, 2010, a procuring agency is empowered to blacklist or debar a contractor for persistent failure to perform in accordance with the terms of the contract, after providing due opportunity of hearing. The repeated imposition of substantial penalties for non-compliance with contractual obligations constitutes prima facie evidence of persistent default, warranting initiation of punitive action under the said rules. Failure to invoke the provisions of Rule 19 despite continued poor performance reflects non-enforcement of procurement regulations, weak contract administration, and inadequate safeguarding of public interest.

During the audit of the Managing Director, Sindh Solid Waste Management Board, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that the management deducted Rs 853.852 million from contractors' bills on account of penalties for non-compliance with contractual terms. The imposition of such substantial penalties indicates that contractor performance was persistently below the prescribed service standards. Detail is at **Appendix-4.**

Audit observed that although penalties were imposed, the management did not take further corrective or punitive measures, such as blacklisting or suspension of repeatedly non-performing contractors, as envisaged under contract provisions and

procurement regulations. This reflects weak contract management, inadequate enforcement of accountability mechanisms, and ineffective oversight.

Audit was of the view that the failure to take decisive action against non-performing contractors not only compromises service delivery and operational efficiency but also increases the risk of recurrence of substandard performance in municipal solid waste management operations.

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 23-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit recommends that responsibility be fixed on the person(s) at fault, appropriate punitive action including blacklisting of non-performing contractors be initiated, and that contract management and oversight be strengthened to prevent recurrence of poor performance.

Note: The issue was reported earlier also in the Audit Report for the Audit Year 2024-25 vide para number 1.5.5.11 with financial impact of Rs 0.968 million. The recurrence of the same irregularity is a matter of serious concern.

[AIR Para: 15]

6. Others Issues

6.1 Unauthorized issuance of No-objection certificates for dumping of waste at GTS sites

Section 30(1) of the Sindh Solid Waste Management Board Act, 2021 expressly provides that the Sindh Solid Waste Management Board Act, 2014 stands repealed. Consequently, any powers, permissions, or authorities derived exclusively from the repealed Act ceased to have legal effect upon enforcement of the Act, 2021.

During the audit of the Managing Director, Sindh Solid Waste Management Board, under the administrative control of the Local Government & Housing Town Planning Department, Government of Sindh, for the financial year 2024-25, it was observed that the management issued No-Objection Certificates (NOCs) to private firms for dumping of non-hazardous waste at Garbage Transfer Station (GTS) sites by invoking Section 8(2) of Chapter-III of the repealed Sindh Solid Waste Management Board

Act, 2014. As the said provision no longer had legal force, the NOCs issued on its basis were unauthorized, void, and without lawful backing. Detail is as under:

Sr. No.	Name of firm	NOC issued vide No. & date	Remarks
1	M/s Muzzammil & Company	03 / dt 30.01.2025	Allowed to dump non-hazardous waste at GTS Sharafi operated by SSWMB
2	M/s BB Associates	99 / dt 30.06.2025	Allowed to dump non-hazardous waste at GTS Imtiaz operated by SSWMB

Audit further observed that while the Sindh Solid Waste Management Board Act, 2021 empowers the Board to regulate waste management activities and outsource services, no specific provision, rule, or regulation framed under the 2021 Act was produced to justify issuance of NOCs for dumping of waste at GTS sites, nor was any approval of the competent authority placed on record. The action therefore lacked both statutory backing and procedural authorization.

Audit was of the view that issuance of NOCs on the basis of a repealed law reflects weak internal controls, poor legal vetting, and non-compliance with statutory requirements.

Audit was of the opinion that allowing dumping of waste at GTS sites without valid authorization exposes the environment and public health to potential risks and undermines regulatory control mechanisms.

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 23-12-2025, followed by reminders dated 30-12-2025 and 07-01-2026.

Audit seeks justification in the matter.

[AIR Para: 18]

Conclusion

The audit of Sindh Solid Waste Management Board (SSWMB) for the financial year 2024-25 highlights systemic weaknesses in financial management, operational oversight, and strategic planning. Despite the board's statutory mandate to provide integrated solid waste management across the province of Sindh, audit observations indicate recurring irregularities, including non-recovery of outstanding dues (Rs 530.015 million), irregular expenditure without competitive bidding (Rs 75.426 million), and failure to implement schemes for energy generation from waste. Further, gaps in internal control mechanisms, such as non-maintenance of measurement records and the non-appointment of a Chief Internal Auditor, have compromised financial accountability. Operational shortcomings, including limited coverage of divisions, poor performance of contractors, and failure to collect industrial and hospital waste, have constrained the Board's effectiveness in delivering essential sanitation services.

The audit also noted that these issues were recurring in nature, reflected weak governance, lack of timely response to audit queries, and inadequate enforcement of regulatory frameworks. Collectively, these deficiencies not only undermined public confidence in the board's operations but also deprived the Government of Sindh of significant revenue and impede progress towards a clean, sustainable, and pollution-free environment.

Audit recommends urgent remedial measures, including enforcement of procurement and tax regulations, recovery of outstanding dues, extension of operational coverage to all divisions across Sindh, adoption of modern waste-to-energy solutions, strengthening of internal controls, and accountability for responsible officers. Implementation of these recommendations is essential for ensuring fiscal discipline, operational efficiency, and realization of the Board's objectives for effective solid waste management across Sindh.

Recommendations

In view of the key audit findings, Audit recommends the following measures to strengthen internal controls, regulatory compliance, governance, financial management, and operational efficiency of the Sindh Solid Waste Management Board (SSWMB):

i. Ensure that all landfill operations comply strictly with international standards, including site selection, waste segregation, and environmental safeguards.

ii. Develop and implement a comprehensive waste management plan with clear budget allocations, eliminating situations where expenditure (e.g., salaries, overtime) occurs without prior approval.

iii. Undertake regular monitoring of landfill sites to prevent open dumping practices and ensure proper waste containment, leachate management, and odor control.

iv. Conduct inquiries and fix responsibility for officials involved in the irregular operation of landfills or mismanagement of solid waste funds.

v. Develop and implement plans for waste segregation, recycling, and energy recovery from solid waste, and hold officers accountable for failing to introduce environmentally sustainable initiatives.

vi. Ensure that buffer zones around landfill sites are respected according to international norms, preventing habitation near hazardous waste areas.

vii. Implement strict approval mechanisms for hiring contractors, purchasing equipment, and engaging consultancy services, ensuring codal formalities are observed.

viii. Maintain complete records for all operational and financial activities, including landfill operations, waste collection, contractor payments, and disposal practices, to support audit verification.

ix. Introduce automated reporting systems to track waste collection, disposal, and site maintenance, ensuring transparency and timely reporting to management and oversight authorities.

x. Conduct periodic environmental and health impact assessments at landfill sites to mitigate risks to surrounding communities and maintain compliance with environmental regulations.

xi. Take disciplinary action against officials who fail to supervise landfill operations effectively or allow non-compliance with operational, financial, or environmental guidelines.

xii. Develop and enforce standard operating procedures (SOPs) for all waste management activities, including waste segregation, collection, transport, and disposal, ensuring operational efficiency.

xiii. Undertake public awareness campaigns to improve waste segregation at source and reduce pressure on landfill sites, ensuring sustainability of waste management practices.

Appendices

Audit Objectives, Scope and Methodology

a) Source of Financing:

The Sindh Solid Waste Management Board (SSWMB) is financed through a combination of government allocations, user fees, and miscellaneous charges, including tipping fees, collection charges, licensing of waste contractors, and sale of recyclable materials. The board relies on these sources to fund its operations, including salaries, landfill management, and waste collection services.

b) Audit Scope:

The audit comprised a regularity and performance audit of the SSWMB. Key areas reviewed included:

- Salaries and overtime payments of landfill staff and management.
- Landfill operations and compliance with international standards.
- Procurement and engagement of contractors for waste collection and disposal.
- Revenue collection, tipping fees, and financial record maintenance.
- Waste segregation, recycling, and disposal processes.

The audit also focused on identifying deviations from approved budgets and assessing operational efficiency.

The scope was limited due to non-production or incomplete maintenance of records, including:

- Complete operational records of landfill sites.
- Records of waste segregation, recycling, and disposal volumes.
- Details of contracts awarded to waste collection and disposal contractors.
- Monitoring reports on buffer zones and environmental safeguards at landfill sites.
- Records of community complaints, health hazards, or public awareness campaigns.

c) Audit Methodology:

The audit methodology comprised the following procedures:

i. Review of financial records, payrolls, contractor payments, contracts, revenue receipts, and other supporting documents to verify authenticity and compliance with rules.

ii. Discussions with SSWMB management, operational staff, and contractors to understand workflow, operational challenges, and internal control mechanisms.

iii. Trend analysis of salaries, overtime payments, and operational expenditure to identify anomalies, excessive payments, or deviations from approved budgets.

iv. Assessment of compliance with international landfill and solid waste management standards, including site buffer zones, waste segregation, and environmental safeguards.

Appendix-1: [Para: 2.3] Unauthorized clearance of liability

(Amount in Rs.)

S#	Description	Name of contractor	Cheque No. & date	Gross amount of bill
01	Payment of 59th R/bill for front-end collection of municipal solid waste for district Keamari for the month of May, 2024	M/s Hangzhou Jinjiang Group Sanitation Services Co. Pakistan (Pvt) Ltd	47650938 dt 27.08.2024	273,630,413
02	Payment of 60th R/bill for front-end collection of municipal solid waste for district West for the month of May, 2024		47650932 dt 27.08.2024	232,572,522
	Payment of 78th R/bill for front-end collection & disposal of municipal solid waste for district Malir for the month of May, 2024		47650944 dt 27.08.2024	185,849,064
03	Payment of 30th R/bill for primary & secondary solid waste collection management system for district Korangi, Ibrahim Hyderi and Rehri goth, Karachi for the month of May, 2024	M/s Gansu Construction Heavy Industry Technology Pakistan (Pvt) Ltd	47650920 dt 27.08.2024	398,922,291
04	Payment of 20th R/bill for the work of Establishment of Primary & secondary solid waste collection system and Kotri areas, Hyderabad Division for the month of May, 2024	M/s Atlas Pak Waste Management (Pvt) Ltd	47650921 dt 27.08.2024	169,261,275
05	Payment of 16th R/bill for primary and secondary solid waste collection management system for Sukkur Municipal Corporation Jurisdiction) including Municipal committee Rohri for the month of May, 2024	M/s Endurance Environment (Pvt) Ltd	47650897 dt 26.08.2024	134,257,474
06	Payment of 6th R/bill for primary & secondary solid waste collection system of district South for the month of May, 2024	M/s Aysis International Waste Management Company (Pvt) Ltd	47650900 dt 27.08.2024	73,191,729
Total				**1,467,684,768**

Appendix-2: [Para: 4.1] Irregular expenditure without inviting open tender

(Amount in Rs.)

Sr. No.	Details	Cheque No.	Name	Amount
1	Vehicle Tracker for June-23	36380630	M/s Telogix Private Ltd..	5,187,581
2	Vehicle Tracker for July-23	36380665		3,693,890
3	Vehicle Tracker for Aug-23	38833158		3,951,348
4	Vehicle Tracker for Aug-23	38833158		3,951,348
5	Vehicle Tracker for Sept-23	38833169		3,681,461
6	Vehicle Tracker for Oct-23	38833176		3,715,983
7	Vehicle Tracker for Nov-23	38833215		3,701,002
8	Vehicle Tracker for Dec-23	38833217		3,665,177
9	Vehicle Tracker for Jan-2024	38833224		3,639,123
10	Vehicle Tracker for Feb-2024	38833226		3,639,123
11	Vehicle Tracker for Mar-2024	38833237		3,619,582
12	Vehicle Tracker for Apr-2024	38833241		3,617,629
13	Vehicle Tracker for May-2024	38833265		3,623,490
14	Vehicle Tracker for June-2024 & July-2024	38833321		6,389,729
15	Tracker Aug & Sept 2024	38833334		5,528,569
16	Tracker Oct 2024	38833340		2,764,285
17	Vehicle Tracker for Nov-2024	51756000		2,764,285
18	Vehicle Tracker for Dec-2024	51756014		2,764,285
19	Vehicle Tracker for Jan-2025	51756022		2,764,285
20	Vehicle Tracker for Feb-2025	51756028		2,764,285
Total				**75,426,460**
Rupees in million				**75.426**

Appendix-3: [Para: 4.2] Irregular expenditure without recording of measurements of executed works

(Amount in Rs.)

S. No.	Name of work	Name of contractor	Cheque No. & date	Gross amount of bill
01	Payment of 68th R/bill for front-end collection and disposal of municipal solid waste for district Keamari for the month of January, 2025	M/s Hangzhou Jinjiang Group Sanitation Services Co Pakistan (Pvt) Ltd	5250882 dt 22.04.2025	253,556,067
02	Payment of 62nd R/bill for front-end collection and disposal of municipal solid waste for district Keamari for the month of August, 2024		50020466 dt 14.11.2024	273,131,695
03	Payment of 93rd R/bill for front-end collection and disposal of municipal solid waste for district South for the month of July, 2024	M/s Changyi Kangjie Sanitation Engineering Company Ltd	50020454 dt 14.11.2024	71,092,470
04	Payment of 94th R/bill for front-end collection and disposal of municipal solid waste for district South for the month of August, 2024		50020674 dt 28.11.2024	54,489,882
05	Establishment of primary & secondary solid waste collection system for Hyderabad city (Hyderabad MC) Qasimabad and Kotri Hyderabad for the month of December, 2024	M/s Atlas Pak Waste Management (Pvt) Ltd	50444461 dt 10.03.2025	139,367,174
Total				**791,637,288**

Appendix-4: [Para: 5.1] Poor Performance of Contractors

[Amount in Rs.]

Sr. No.	Name of contractor	District	Month	Penalty imposed
1	M/S CHANGYI KANGJIE	EAST	June, 2024	9,231,754
2	M/S CHANGYI KANGJIE	SOUTH		16,912,677
3	M/S HANGZHOU JINJIANG	MALIR		6,143,885
4	M/S HANGZHOU JINJIANG	KEEMARI		15,866,496
5	M/S HANGZHOU JINJIANG	WEST		9,651,247
6	M/S GANSU BIGUIYUAN	CENTRAL		8,754,076
7	M/S GANSU CONSTRUCTION	KORANGI		14,336,428
8	M/S GANSU CONSTRUCTION	LARKANA		690,803
9	M/S AYSIS INTERNATIONAL	SOUTH		56,000
10	M/S ALTASPAK	HYDERABAD		1,314,813
11	M/S CHONGGING ENDURANCE	SUKKUR		3,000
12	M/S CHANGYI KANGJIE	EAST	Jul, 2024	24,114,813
13	M/S CHANGYI KANGJIE	SOUTH		15,755,211
14	M/S HANGZHOU JINJIANG	MALIR		4,587,997
15	M/S HANGZHOU JINJIANG	KEEMARI		8,804,687
16	M/S HANGZHOU JINJIANG	WEST		7,452,605
17	M/S GANSU BIGUIYUAN	CENTRAL		51,384,170
18	M/S GANSU CONSTRUCTION	KORANGI		21,190,464
19	M/S GANSU CONSTRUCTION	LARKANA		689,436
20	M/S AYSIS INTERNATIONAL	SOUTH		55,000
21	M/S ALTASPAK	HYDERABAD		1,399,610
22	M/S CHONGGING ENDURANCE	SUKKUR		974,235
23	M/S CHANGYI KANGJIE	EAST	August, 2024	39,813,894
24	M/S CHANGYI KANGJIE	SOUTH		31,895,054
25	M/S HANGZHOU JINJIANG	MALIR		4,635,357
26	M/S HANGZHOU JINJIANG	KEEMARI		9,313,402
27	M/S HANGZHOU JINJIANG	WEST		4,479,427
28	M/S GANSU BIGUIYUAN	CENTRAL		46,049,691
29	M/S GANSU CONSTRUCTION	KORANGI		10,330,469
30	M/S GANSU CONSTRUCTION	LARKANA		746,451
31	M/S AYSIS INTERNATIONAL	SOUTH		20,000
32	M/S ALTASPAK	HYDERABAD		1,316,321
33	M/S CHONGGING ENDURANCE	SUKKUR		979,235
34	M/S CHANGYI KANGJIE	EAST	Sep, 2024	12,670,714
35	M/S HANGZHOU JINJIANG	MALIR		8,442,037
36	M/S HANGZHOU JINJIANG	KEEMARI		17,146,094
37	M/S HANGZHOU JINJIANG	WEST		4,688,735
38	M/S GANSU BIGUIYUAN	CENTRAL		49,545,897
39	M/S GANSU CONSTRUCTION	KORANGI		14,230,917
40	M/S GANSU CONSTRUCTION	LARKANA		741,451
41	M/S AYSIS INTERNATIONAL	SOUTH		11,000
42	M/S ALTASPAK	HYDERABAD		1,414,322
43	M/S CHONGGING ENDURANCE	SUKKUR		974,235
44	M/S CHANGYI KANGJIE	EAST	Oct, 2024	75,602,751
45	M/S HANGZHOU JINJIANG	MALIR		10,240,469
46	M/S HANGZHOU JINJIANG	KEEMARI		16,685,260

[Amount in Rs.]

Sr. No.	Name of contractor	District	Month	Penalty imposed
47	M/S HANGZHOU JINJIANG	WEST		12,725,444
48	M/S GANSU BIGUIYUAN	CENTRAL		16,494,619
49	M/S GANSU CONSTRUCTION	KORANGI		13,543,556
50	M/S GANSU CONSTRUCTION	LARKANA		5,883,886
51	M/S AYSIS INTERNATIONAL	SOUTH		214,000
52	M/S ALTASPAK	HYDERABAD		1,365,321
53	M/S CHONGGING ENDURANCE	SUKKUR		975,235
54	M/S CHANGYI KANGJIE	EAST	Nov, 2024	12,433,534
55	M/S HANGZHOU JINJIANG	MALIR		1,024,228
56	M/S HANGZHOU JINJIANG	KEEMARI		1,605,968
57	M/S HANGZHOU JINJIANG	WEST		1,371,628
58	M/S GANSU BIGUIYUAN	CENTRAL		18,701,663
59	M/S GANSU CONSTRUCTION	KORANGI		13,240,206
60	M/S GANSU CONSTRUCTION	LARKANA		751,559
61	M/S AYSIS INTERNATIONAL	SOUTH		552,000
62	M/S ALTASPAK	HYDERABAD		1,422,321
63	M/S CHONGGING ENDURANCE	SUKKUR		977,235
64	M/S CHANGYI KANGJIE	EAST	Dec, 2024	23,035,057
65	M/S HANGZHOU JINJIANG	MALIR		7,538,363
66	M/S HANGZHOU JINJIANG	KEEMARI		8,081,832
67	M/S HANGZHOU JINJIANG	WEST		7,864,944
68	M/S GANSU BIGUIYUAN	CENTRAL		13,326,287
69	M/S GANSU CONSTRUCTION	KORANGI		13,202,859
70	M/S GANSU CONSTRUCTION	LARKANA		750,559
71	M/S AYSIS INTERNATIONAL	SOUTH		1,150,000
72	M/S ALTASPAK	HYDERABAD		1,459,321
73	M/S CHONGGING ENDURANCE	SUKKUR		980,235
74	M/S CHANGYI KANGJIE	EAST	Jan, 2025	26,334,450
75	M/S HANGZHOU JINJIANG	MALIR		1,072,193
76	M/S HANGZHOU JINJIANG	KEEMARI		1,588,140
77	M/S HANGZHOU JINJIANG	WEST		1,402,362
78	M/S GANSU BIGUIYUAN	CENTRAL		38,777,174
79	M/S GANSU CONSTRUCTION	KORANGI		16,259,892
80	M/S GANSU CONSTRUCTION	LARKANA		747,559
81	M/S AYSIS INTERNATIONAL	SOUTH		1,078,000
82	M/S CHONGGING ENDURANCE	SUKKUR		998,478
83	M/S ALTASPAK	HYDERABAD		3,579,903
Total				**853,852,601**