

AUDIT REPORT
ON THE ACCOUNTS OF
LOCAL GOVERNMENT & HOUSING
TOWN PLANNING DEPARTMENT
GOVERNMENT OF SINDH
AUDIT YEAR 2023-24

AUDITOR-GENERAL OF PAKISTAN

PREFACE

Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 116 of the Sindh Local Government Act, 2013 require the Auditor-General of Pakistan to conduct audit of the accounts of receipts and expenditure of the Local Government & Housing Town Planning Department, Government of Sindh.

This report is based on audit of the accounts of various offices of the Local Government & Housing Town Planning Department, Government of Sindh for the financial year 2022-23 and accounts of some of the formations for previous financial years. The Directorate General Audit, Local Governments Sindh conducted audit during 2023-24 on a test check basis with a view to report significant findings to the relevant stakeholders. The main body of the audit report includes systemic issues and significant audit findings. Relatively less significant issues are listed in the Annex-1 of the Audit Report. The audit observations listed in Annex-1 shall be pursued with the Principal Accounting Officer at Departmental Accounts Committee level. In all cases where the Principal Accounting Officer does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

Thematic Audit and Impact Audit were also conducted in selected areas and observations have been incorporated in Chapter-9 and Chapter-10 of this report.

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

Some of the observations included in this report were finalized in the light of written replies of the departments, whereas in most cases the departments did not submit written replies till the finalization of this report. DAC meetings were also not convened by the PAO despite repeated reminders.

There are certain audit paras which were also reported in last years' Audit Reports for the years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18. Recurrence of such irregularities is a matter of concern and needs to be addressed.

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.

-Sd-

Islamabad
Dated: **19-02-2024**

(**Muhammad Ajmal Gondal**)
Auditor-General of Pakistan

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ABBREVIATIONS AND ACRONYMS

ABAD	Association of Builders and Developers
ADLFA	Assistant Director Local Fund Audit
ADP	Annual Development Plan
A.G	Accountant General
AIR	Audit and Inspection Report
BPS	Basic Pay Scale
BoD	Board of Directors
CAR	Contractor All Risk
CBA	Collective Bargaining Agent
CC	Cement Concrete
C.P	Civil Petition
CPWD	Central Public Works Department
CSR	Composite Schedule of Rate
CTC	Certified True Copy
CTMD	City Trunk Main Division
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DDO	Drawing and Disbursing Officer
DG	Director General
DMC	District Municipal Corporation
DMD	Deputy Managing Director
E&IP	Enterprises & Investment Promotion
E&M	Electrical and Mechanical
EoI	Expression of Interest
ERP	Enterprise Resource Planning
FA	Financial Advisor
FAP	Foreign Aided Project
FBR	Federal Board of Revenue
FD	Finance Department/Division
FTM	Federal Trunk Main
F.Y	Financial Year
GI	Group Insurance
GoS	Government of Sindh

GPS	Global Positioning System
GST	General Sales Tax
HBA	Housing Building Allowance
HR	Human Resource
HRA	House Rent Allowance
HRD&A	Human Resource Development & Administration
HMC	Hyderabad Municipal Corporation
HRM	Human Resource Management
IT/I.Tax	Income Tax
IT	Information Technology
J.C	Junior Clerk
KATI	Korangi Association of Trade & Industry
KCIP	Korangi Creek Industrial Park
KD	Karachi Division
KIHD	Karachi Institute of Heart Diseases
KMC	Karachi Municipal Corporation
KW&SB	Karachi Water & Sewerage Board
LE	Leave Encashment
LGD	Local Government Department
LG&HTP	Local Government & Housing Town Planning Department
LoP	Layout Plan
LPC	Last Pay Certificate
LPR	Leave Preparatory to Retirement
MCK	Municipal Committee Kotri
MCQ	Municipal Committee Qasimabad
MD	Managing Director
M&E	Mechanical & Electrical
MfDAC	Memorandum for Departmental Accounts Committee
MGD	Million Gallon per Day
MP&ECD	Master Plan & Environmental Control Department
MS	Municipal Services/Medical Superintendent/Services
MUCT	Municipal Utility Charges and Taxes
NAB	National Accountability Bureau
NBP	National Bank of Pakistan
NIT	Notice Inviting Tender

NOC	No Objection Certificate
NTN	National Tax Number
ODC	Outer Development Charges
OM	Office Memorandum / Observation Memo
OT	Operation Theatre
OZT	Octroi Zila Tax
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PC-I/II	Planning Commission Proforma-1/II
PEC	Pakistan Engineering Council
P&F	Pumping and Filter
P&H	Parks and Horticulture
PLGC	Provincial Local Government Commission
POL	Petrol Oil Lubricant
PPM	Parts per Million
PSS	Provincial Secretariat Services
PTA	Pakistan Telecommunication Authority
PTCL	Pakistan Telecommunication Limited
PVC	Polyvinyl chloride
Pvt.	Private
PWD	Public Works Department
RA	Running Account (RA)
RCC	Reinforcement Cement Concrete
RE	Resident Engineer
RFP	Request for Proposal
RRG	Revenue Resource Generation
RO	Reverse Osmosis
SAP	Systems Applications and Products
SBCA	Sindh Building Control Authority
SCUG	Sindh Council Unified Grade
SDA	Special Drawing Account
SDGs	Sustainable Development Goals
SFR	Sindh Financial Rule
SFT	Square feet
SGA&CD	Service General Administration & Coordination Department

SITE	Sindh Industrial Trading Estate
SLG	Sindh Local Government
SLGA	Sindh Local Government Act
SMPA	Sindh Master Plan Authority
SoE	Schedule of Establishment
S&P	Store and Procurement
SPPRA	Sindh Public Procurement Regulatory Authority
SPSC	Sindh Public Service Commission
SRB	Sindh Revenue Board
SSGC	Sui Southern Gas Company
SST	Sindh Sales Tax on Services
SSWMB	Sindh Solid Waste Management Board
TMA	Town Municipal Administration
TDRs	Terms Deposit Receipts
TDS	Total Dissolved Solids
TS	Technical Services/Technical Sanction
UC	Union Committee/Council
USD	United States Dollar
WHO	World Health Organization
WIP	Work in Progress/Process
WO	Work Order
XEN	Executive Engineer

EXECUTIVE SUMMARY

The Director General Audit, Local Governments, Sindh, Karachi is responsible to carry out the audit of formations of Local Councils, Karachi Metropolitan Corporation, Karachi Water & Sewerage Board, Sindh Solid Waste Management Board, Sindh Building Control Authority and Sindh Master Plan Authority under the administrative control of Secretary, Local Government & Housing Town Planning Department, Government of Sindh on behalf of the Auditor-General of Pakistan to fulfill statutory responsibility under Articles 169 and 171 of the Constitution of the Islamic Republic of Pakistan and in accordance with the provisions of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. This Directorate General has a human resource of 32 officers for the purpose of conducting audit, which comprises of 7,872 man days. The office has a mandate to conduct regularity audit (compliance with authority audit) on a test check basis with a view to report significant findings to the stakeholders. Thematic Audit on "Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi" and Impact Audit on "Impact of door-to-door garbage collection by Sindh Solid Waste Management Board on the Citizens of Korangi and Central Districts of Karachi" conducted during audit year 2023-24, are part of this report.

This office also conducts performance audit of programs/projects, special studies and special audits. Reports of these audits are published separately.

The Province of Sindh consists of six Divisions namely Karachi, Hyderabad, Larkana, Sukkur, Mirpurkhas and Shaheed Benazirabad comprising districts listed below:

Sr. No.	Divisions	Name of Districts
1	Karachi	East, West, South, Central, Korangi, Malir and Keamari
2	Hyderabad	Hyderabad, Badin, Dadu, Thatta, Jamshoro, Sujawal, Matiari, Tando Allahyar and Tando Muhammad Khan
3	Larkana	Larkana, Shikarpur, Jacobabad, Kamber and Kashmore
4	Sukkur	Sukkur, Ghotki and Khairpur
5	Mirpurkhas	Mirpurkhas, Umerkot and Tharparkar
6	Shaheed Benazirabad	Shaheed Benazirabad, Sanghar and Naushahro Feroze

a) Scope of Audit

This office has mandate to conduct audit of 2,007 formations (including 1,531 Union Councils), working under one PAO, namely Secretary, Local Government & Housing Town Planning Department. Total expenditure and revenue receipts of these

formations were Rs159,323.365 million and Rs140,092.536 million respectively for the financial year 2022-23.

Audit of expenditure for financial year 2022-23 amounting to Rs111,003.156 million was conducted during audit year 2023-24, which comprised of 156 formations under one Principal Accounting Officer (Secretary, Local Government & Housing Town Planning Department). In terms of percentage, the audit coverage for expenditure was 70%.

Audit of revenue receipts for the financial year 2022-23 amounting to Rs85,036.087 million was conducted during audit year 2023-24 of the formations falling under the above-mentioned PAO. In terms of percentage, the audit coverage of revenue was 61%.

This audit report also includes audit observations resulting from the audit of expenditure of Rs22,743.910 million and receipts of Rs9,410.805 million of 112 formations pertaining to financial year 2021-22 (Audit Year 2022-23).

b) Recoveries at the Instance of Audit

As a result of audit, recovery of Rs98,813.279 million was pointed out in this report. Recovery effected from January to December 2023 was of Rs269.110 million, which has been verified by Audit.

c) Audit Methodology

Audit was conducted to ensure completeness, accuracy, relevance and fairness of the expenditure incurred by the Local Government & Housing Town Planning Department, Government of Sindh. Before starting the field activity, desk review was undertaken to gain understanding of the system, procedures and control environment of planned entities. The permanent files of the entities maintained by Directorate General of Audit, Local Governments, Sindh were used for understanding the business and legal/institutional framework of the entities before undertaking field audit.

The evidence was primarily gathered by applying procedures like enquiries from the management, review of monitoring and progress reports and examination of payment vouchers.

Audit tests and analytical procedures were performed to evaluate that the expenditure was completely recorded and receipts were realized and timely deposited into government exchequer. The review of payments was made to ensure that these were validated by proper supporting documents and approval of competent authority as per

applicable rules and regulations. Budget comparison with actual expenditure was made to confirm that the expenditure was incurred in accordance with the approved budget, including the revisions made therein.

d) Audit Impact

Despite non-convening of DAC meetings, following impact was made due to audit paras.

i) KW&SB and SSWMB have made recoveries of Rs269.110 million pertaining to dues of water charges and tipping fees in response to the audit observations.

ii) KMC Sports Complex, Kashmir Road, Karachi has been made functional and the indoor recreational facilities have been made operational for general public.

iii) KW&SB has stopped payment of leave encashment to officers which was being paid on yearly basis without occasion of retirement.

iv) Municipal Committee, Qasimabad has shifted garbage site located at Sports Complex, surrounded by densely populated area, to Shah Bukhari, Qasimabad.

v) KW&SB has started managing water tanker operation through KWSB Operation Tanker Service (OTS) application.

vi) Management of few Councils have started revision of rent of properties. District Councils, Mirpurkhas, Sukkur and Town Committees, Tando Muhammad Khan and Sakrand have reported the progress in response to the audit observations.

vii) Most of the formations have opened and started operating bank accounts with Sindh Bank Ltd.

viii) KW&SB has installed water flow meters at all hydrants.

DAC meeting is one of the major tools to improve internal controls and overall governance but the PAO did not convene DAC meetings despite repeated requests. If the DAC meetings are conducted regularly, recurrence of irregularities would decrease and pointed out government dues can be recovered timely. Addressing the issues in DAC meetings may also be helpful in strengthening financial management and improving internal controls.

e) Comments on Internal Controls and Internal Audit Department

The audit observations included in the audit report indicate that the system of internal controls was weak. In all departments audited, the Internal Audit Department existed but it did not function effectively, whereas pre-audit of KMC, KW&SB and Local Councils was being conducted by Local Fund Audit, Finance Department, Government of Sindh. Internal control weaknesses were also reported by Audit previously, but the management did not take corrective steps as indicated in the audit observations included in the report. Recurrence of irregularities is a matter of concern and needs to be addressed by the management. The PAO did not convene DAC meeting till finalization of the report despite pursuance by audit. PAO also did not take any action for non-provision of record against the person (s) at fault.

f) The key audit findings of the report

i. Non-production of record was pointed out in eight cases.

ii. HR/Employees related irregularities were pointed out in 37 cases amounting to Rs1,056.740 million.

iii. Procurement related irregularities were pointed out in 94 cases amounting to Rs46,277.035 million.

iv. Recoveries related irregularities were pointed out in 36 cases amounting to Rs98,813.279 million.

v. Management of accounts with commercial banks was pointed out in two cases.

vi. Value for money and service delivery issues were pointed out in 12 cases amounting to Rs862.570 million.

vii. Other issues were pointed out in 108 cases amounting to Rs44,709.834 million.

viii. Thematic Audit issues were pointed out in 10 cases.

ix. Impact Audit issues were pointed out in 04 cases.

g) Recommendations

i. Responsibility should be fixed on the respective management for non-production of record. Besides, auditable record be produced to Audit for scrutiny.

ii. Appointments/postings should be made as per sanctioned strength and all codal requirements should be completed in the appointments.

iii. The formations should comply with the SPPRA and all other relevant rules.

iv. SBCA and Sindh Master Plan Authority should ensure observance of prescribed rules/criteria in issuance of various NOCs.

v. Dangerous buildings may be got vacated and demolished on priority to safeguard precious lives.

vi. Adherence to delegated administrative and financial powers should be ensured.

vii. Recovery of outstanding dues should be expedited without further delay and recovery of non-deducted taxes and deposit of the same in Government exchequer be ensured.

viii. Timely completion of all development works be ensured.

ix. Realization of targeted receipts should be ensured and rent of properties be revised at fair value as per applicable laws.

x. Establishment of provident, pension and benevolent fund be ensured.

xi. Financial management should be strengthened and improvement of internal controls be ensured.

xii. All encroachments from government land and properties should be removed.

xiii. Reconciliation of receipts with respective departments be ensured.

xiv. PAO should take remedial measures to avoid recurrence of irregularities which is a matter of serious concern.

xv. The non-operational sewage and treatment plants should be made operational on priority.

xvi. KW&SB should ensure completion of S-III project on priority basis.

xvii. KW&SB should take necessary steps to provide better and effective sewerage services to the citizens.

xviii. Sindh Solid Waste Management Board should take practical steps for initiating the door-to-door garbage collection from citizens' homes on priority basis.

xix. Sindh Solid Waste Management Board is required to address the matter of per ton cost on garbage collection which was disproportionately on higher side in comparison to District Municipal Corporations.

xx. Sindh Solid Waste Management Board should take necessary steps to remove all un-authorized dumping points.

xxi. Pre-audit functions by Directorate of Local Fund Audit, Finance Department, Government of Sindh should be strengthened in respect of Local Councils Sindh to exercise due checks before releasing payments.

xxii. Departmental Accounts Committee meetings should be convened on a regular basis.

xxiii. The directives of the Public Accounts Committee (PAC) should be complied with.

SECTORAL ANALYSIS

Local Government & Housing Town Planning Department

Several issues relating to Local Government & Housing Town Planning Department, Government of Sindh were pointed out as a result of annual audit and subsequently have been incorporated in this Audit Report. Human Resource related issues include irregular inclusion of posts in schedule of establishment, payment of salaries without sanctioned posts, unauthorized appointment of staff, unauthorized payment of various allowances, irregular award of promotions without fulfillment of prescribed criteria, and non-establishment of provident, pension and benevolent fund.

Moreover, observations relating to violation of procurement rules include execution of schemes without approval of competent forum, irregular expenditure without inviting open tenders, splitting up of expenditure to avoid tenders, irregular utilization of sanitation funds through quotations, execution of development works through quotations despite ban, irregular expenditure without constituting procurement committee, irregular award of work without technical sanction, unauthorized technical sanction beyond delegated financial powers, non-imposition of liquidated damages, non-deduction of security deposit, irregular expenditure on de-silting and disposal of garbage and irregular award of auctions. Recoveries related matters including non/less deduction and non-deposit of different taxes, non-recovery of outstanding dues, and non-recovery of shrinkage charges have also been reported.

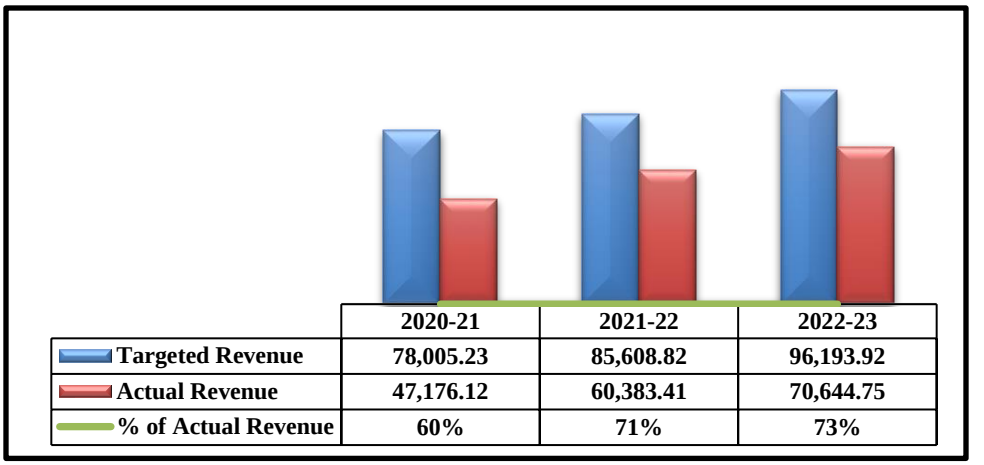
Other issues reported in this audit report include unauthorized operation of bank accounts with private banks, less realization of targeted receipts, unauthorized creation of liability, non-revision of rent of properties at fair value, irregular payment on clearance of previous liability, non-maintenance of POL record, non-maintenance of property record and unauthorized hiring of legal advisors.

Revenue Targets, LG&HTP Department

The table below shows the revenue targets and achievement of Local Government & Housing Town Planning Department for last three years, 2020-21 to 2022-23.

[Rs. in Million]

Components	2020-21	2021-22	2022-23
Targeted Revenue	78,005.234	85,608.816	96,193.916
Actual Revenue	47,176.121	60,383.410	70,644.753
% of Actual Revenue	**60%**	**71%**	**73%**



	2020-21	2021-22	2022-23
Targeted Revenue	78,005.23	85,608.82	96,193.92
Actual Revenue	47,176.12	60,383.41	70,644.75
% of Actual Revenue	60%	71%	73%

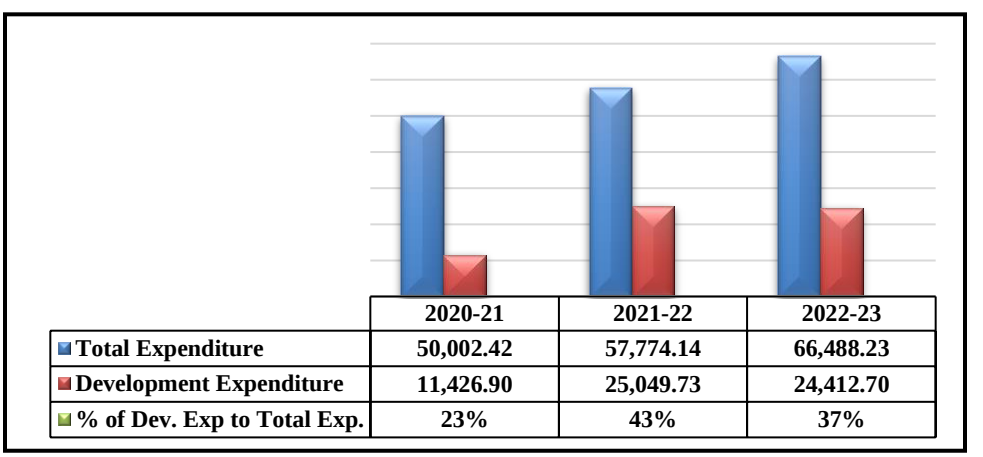
The local councils could not achieve their targeted receipts as laid down in the budget resulting in dependence on share of Octroi Zila Tax (OZT) disbursed by the provincial government. Though, the table above shows increase in actual revenue in the year 2022-23 from 71% to 73% in comparison with previous year 2021-22 but still revenue generation is not up to the mark.

Development Expenditure, LG&HTP Department

Spending by Local Councils on development decreased from 43% to 37%, as compared with previous Financial Year 2021-22 which is tabulated below:

[Rs. in Million]

Components	2020-21	2021-22	2022-23
Total Expenditure	50,002.418	57,774.140	66,488.230
Development Expenditure	11,426.901	**25,049.730**	**24,412.695**
% of Dev. Exp to Total Exp.	**23%**	**43%**	**37%**



	2020-21	2021-22	2022-23
Total Expenditure	50,002.42	57,774.14	66,488.23
Development Expenditure	11,426.90	25,049.73	24,412.70
% of Dev. Exp to Total Exp.	23%	43%	37%

Budget and Accounts

According to section 109(6) of SLGA, 2013, A Council shall prepare the budget in the prescribed manner and in accordance with the chart of accounts notified by the Auditor-General of Pakistan. Furthermore, according to section 109(2) of the Act states that Government shall, sufficiently before the beginning of each financial year, notify the provisional share, which may be credited to the Local Fund of a council from the provincial allocable amount. However, the rules were not complied with.

The Provincial Director, Local Fund Audit is responsible for pre-audit of local fund. However, there is no database for maintenance of accounts of the local councils, which reflects weak internal controls and absence of reconciliation of expenditure with the line departments.

Provincial Finance Commission

According to Chapter-12 of Sindh Local Government Act, 2013, the Provincial Finance Commission shall make recommendations to the government on a formula for resource distribution. However, distribution of OZT share to the local councils is being made on provisional basis by obtaining approval from the Chief Minister, Sindh instead of recommendations of Provincial Finance Commission.

Karachi Metropolitan Corporation

The human resource issues of KMC reported in this Audit Report include expenditure on salaries without sanctioned posts, non-establishment of provident, pension and benevolent funds, irregular payment of house rent allowance and various other allowances, and non-posting of officers and staff in hospitals. Procurement related issues include expenditure without inviting open tenders, award of works in violation of rules, irregular award of development works without obtaining technical sanction, non-imposition of liquidated damages, expenditure on extra items not included in original estimate, non-obtaining of performance security, award of works without constituting procurement committee, non-adoption of due tendering process by not obtaining technical proposal in addition to financial proposal, excess payment to contractor due to allowing enhance rates and award of works without agreements and loss of stamp duty. Recoveries related issues include non-recovery of outstanding dues, non-deposit of taxes into public exchequer and non/less deduction of government taxes. Other issues pointed out in this report include non-revision of rent of property, less-realization of targeted receipts, non-development of parks and evacuation of encroached land, unauthorized creation of liabilities, non-functioning of nursing school and hospital equipment, non-

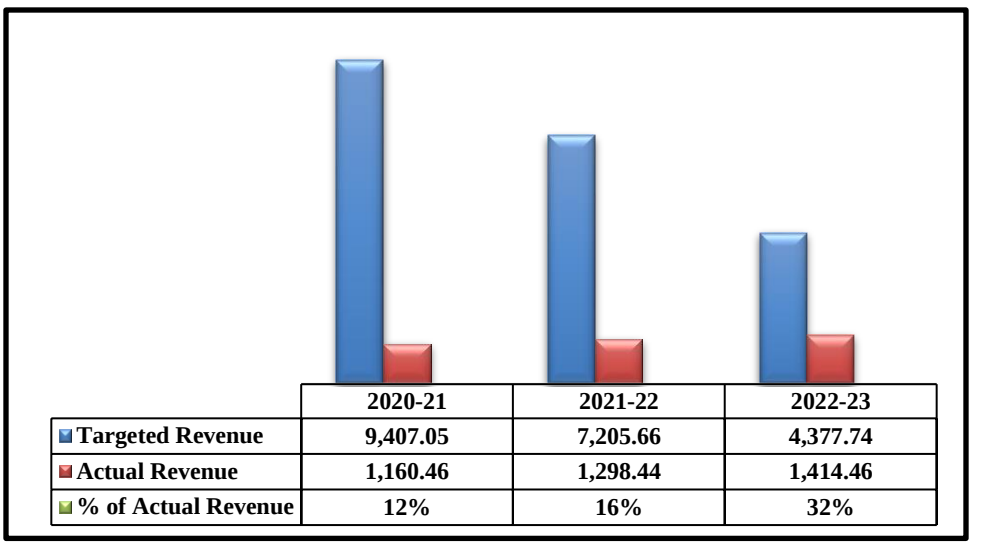
maintenance of property record, non-maintenance of POL record and non-production of record.

Revenue Targets, KMC

Following table indicates that the revenue targets set in the budget could not be achieved. Though, the table below shows increase in actual revenue in the year 2022-23 from 16% to 32% in comparison with previous year 2021-22 but still revenue generation is not up to the mark.

[Rs. in Million]

Components	2020-21	2021-22	2022-23
Targeted Revenue	9,407.049	7,205.662	4,377.743
Actual Revenue	1,160.461	1,298.441	1,414.460
% of Actual Revenue	**12%**	**16%**	**32%**

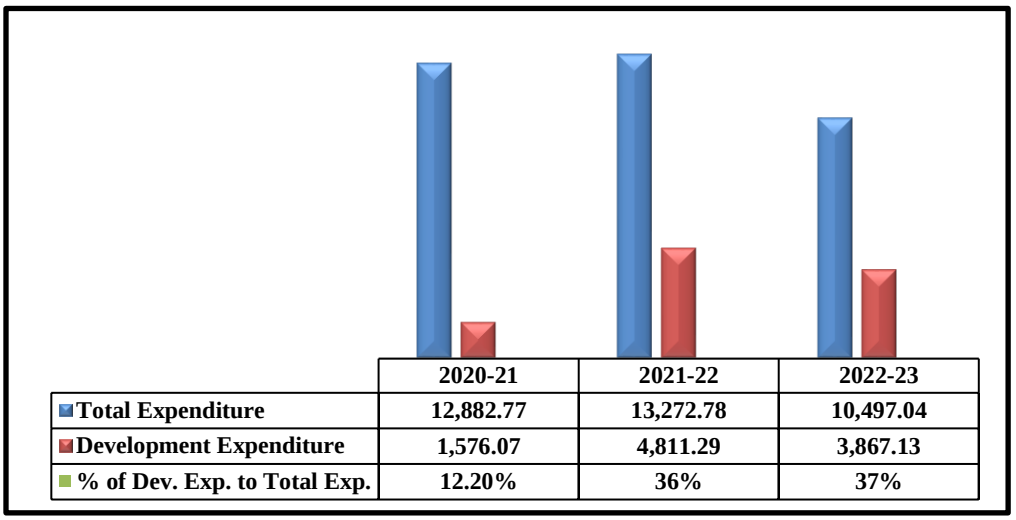


Development Expenditure, KMC

Spending on development by KMC remained 37% of the total expenditure in the year 2022-23. The data of last three years, 2020-21 to 2022-23 as tabulated below:

[Rs. in Million]

Components	2020-21	2021-22	2022-23
Total Expenditure	12,882.765	13,272.775	10,497.035
Development Expenditure	1,576.065	4,811.285	3,867.125
% of Dev. Exp. to Total Exp.	**12.2%**	**36%**	**37%**



	2020-21	2021-22	2022-23
Total Expenditure	12,882.77	13,272.78	10,497.04
Development Expenditure	1,576.07	4,811.29	3,867.13
% of Dev. Exp. to Total Exp.	12.20%	36%	37%

Karachi Water & Sewerage Board

The human resource issues of KW&SB reported in this Audit Report include irregular payment of house rent allowance and leave encashment, payment of salary without sanctioned posts, unauthorized payment of various allowances and appointment of employee on daily wages. Procurement related issues include expenditure without inviting open tenders, splitting up of expenditure to avoid tenders, award of works in violation of rules, irregular award of development work without technical sanction, unauthorized technical sanction beyond powers, expenditure beyond sanctioned estimates, award of work by direct contracting, expenditure through invalid procurement committee, non-obtaining of performance security. Recoveries related issues include non-recovery of outstanding dues, non-deposit of taxes into public exchequer and less/non deduction of government taxes. Other issues pointed out in this report include, non-realization of targeted receipts, unauthorized creation of liabilities, non-maintenance of POL record, unjustified billing of bulk consumers on flat rate, non-imposition of liquidated damages, less production of water than production capacity of R.O. Plants, production of water without achieving WHO standards and operation of bank accounts with private banks. The significant issues in Thematic audit on "Role of KW&SB in providing sewerage services in South and Malir Districts of Karachi" included non-functioning of all three sewage treatment plants in Karachi resulting in release of untreated water into sea, non-installation of sewerage treatment plants on sewerage pumping stations, non-implementation of policies related to disposal of sewage, lack of planning and study to address sewerage needs, non-inclusion of sewerage related project in ADP schemes, non-removal of encroachments from sewerage system i.e. nallah,

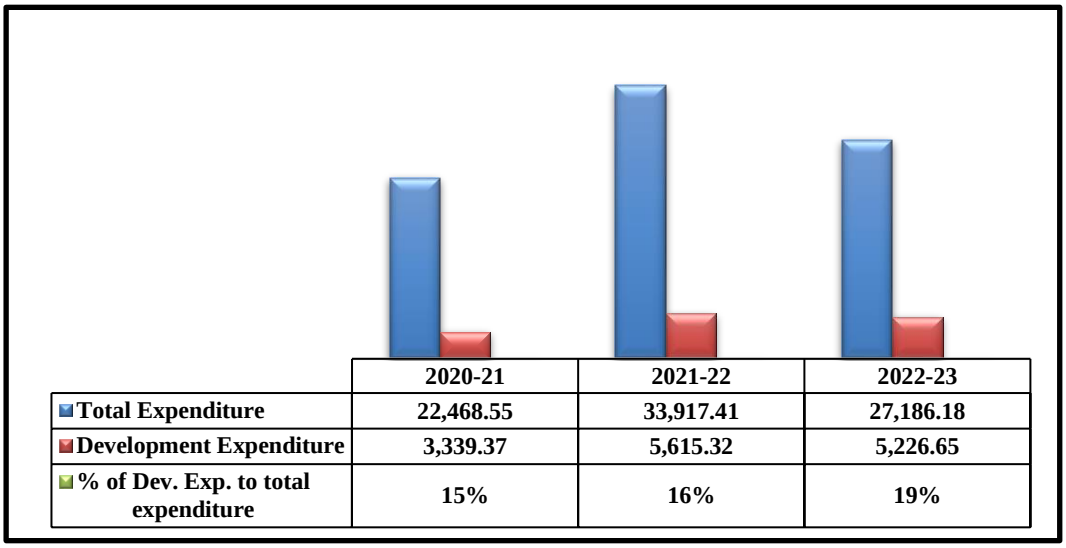
sewerage lines and KW&SB Pumping Station land, non-provision of adequate sewerage services in Karachi and non-completion of S-III Project.

Development Expenditure, KW&SB

Overall spending by KW&SB on development increased from 16% to 19%, as compared with previous financial year, 2021-22.

[Rs. in Million]

Components	2020-21	2021-22	2022-23
Total Expenditure	22,468.55	33,917.410	**27,186.180**
Development Expenditure	3,339.37	5,615.322	5,226.646
% of Dev. Exp. to total expenditure	**15%**	**16%**	**19%**



Sindh Solid Waste Management Board

Overall spending by Sindh Solid Waste Management on non-salary increased by 96% in comparison with previous Financial Year 2021-22. The Budgetary Position of Sindh Solid Waste Management Board for the financial years 2020-21 to 2022-23 is as follows:

[Rs. in Million]

Head of Account	Financial Year 2020-21		Financial Year 2021-22		Financial Year 2022-23	
	Budget	Actual	Budget	Actual	Budget	Actual
Establishment	200.500	157.078	200.000	155.927	230.000	187.949
Non-salary	7,971.920	7,294.910	12,690.000	10,154.000	19,770.000	19,902.898
Total	**8,172.42**	**7,451.988**	**12,890.000**	**10,310.169**	**20,000**	**20,090.847**

Human Resource related issue incorporated in this Audit Report includes unauthorized payment of SSWMB and Utility allowances. Procurement related issues include award of work after expiry of bid validity period, unjustified payment of works in US dollars instead of Pak Rupees and non-maintenance of works and deposit registers. Recoveries related issues include non-recovery of outstanding dues, non-deduction of taxes and non-deposit of taxes. Other issue pointed out in this report includes loss of opportunity due to non-generation of energy from solid waste. Impact Audit on "Impact of door-to-door garbage collection on the citizens of Korangi and Central Districts of Karachi" was conducted during the year and significant issues include collection of garbage from specified points instead of from citizens' doors, which was the very essence of the initiative, per ton cost on garbage collection was disproportionately on higher side in comparison to District Municipal Corporations and non-removal of unauthorized waste dumping points.

Sindh Master Plan Authority

Human Resource related issues relating to Sindh Master Plan Authority as reported in this audit report include irregular payment of leave encashment and non-deposit of various deductions from salary. Recovery related issues include non-recovery of outstanding dues, non-deposit of taxes, unjustified deduction of tax on exempted income and non-recovery of outer development charges of layout plan. Other significant issues in Sindh Master Plan Authority as reported in this report include retention of KW&SB share, non-reconciliation of receipts, non-observance of prescribed criteria for issuance of NOCs, approval of layout plan without obtaining NOCs from utility agencies and conversion of residential/agricultural land into commercial land despite ban.

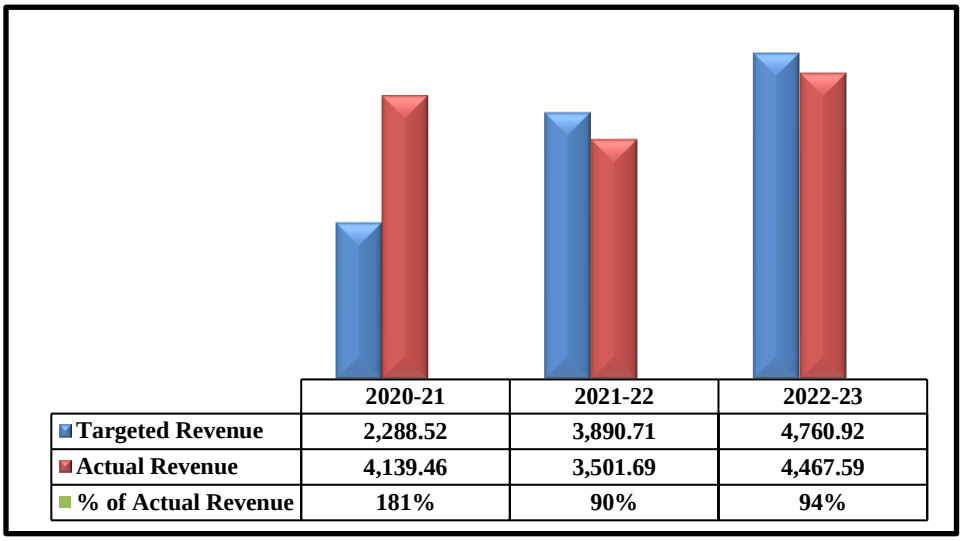
Sindh Building Control Authority

Revenue Targets

The table below shows the revenue targets and achievements of Sindh Building Control Authority for last three years, 2020-21 to 2022-23. Actual Revenue increased from 90% to 94% in comparison with previous year 2021-22.

[Rs. in Million]

Components	2020-21	2021-22	2022-23
Targeted Revenue	2,288.515	3,890.710	4,760.916
Actual Revenue	4,139.461	3,501.687	4,467.586
% of Actual Revenue	**181%**	**90%**	**94%**



	2020-21	2021-22	2022-23
Targeted Revenue	2,288.52	3,890.71	4,760.92
Actual Revenue	4,139.46	3,501.69	4,467.59
% of Actual Revenue	181%	90%	94%

The trend of budget allocation and expenditure reflected enough availability of funds with the Authority to perform its functions. The Budget and Expenditure position of the authority for last three years, 2020-21 to 2022-23 is as follows.

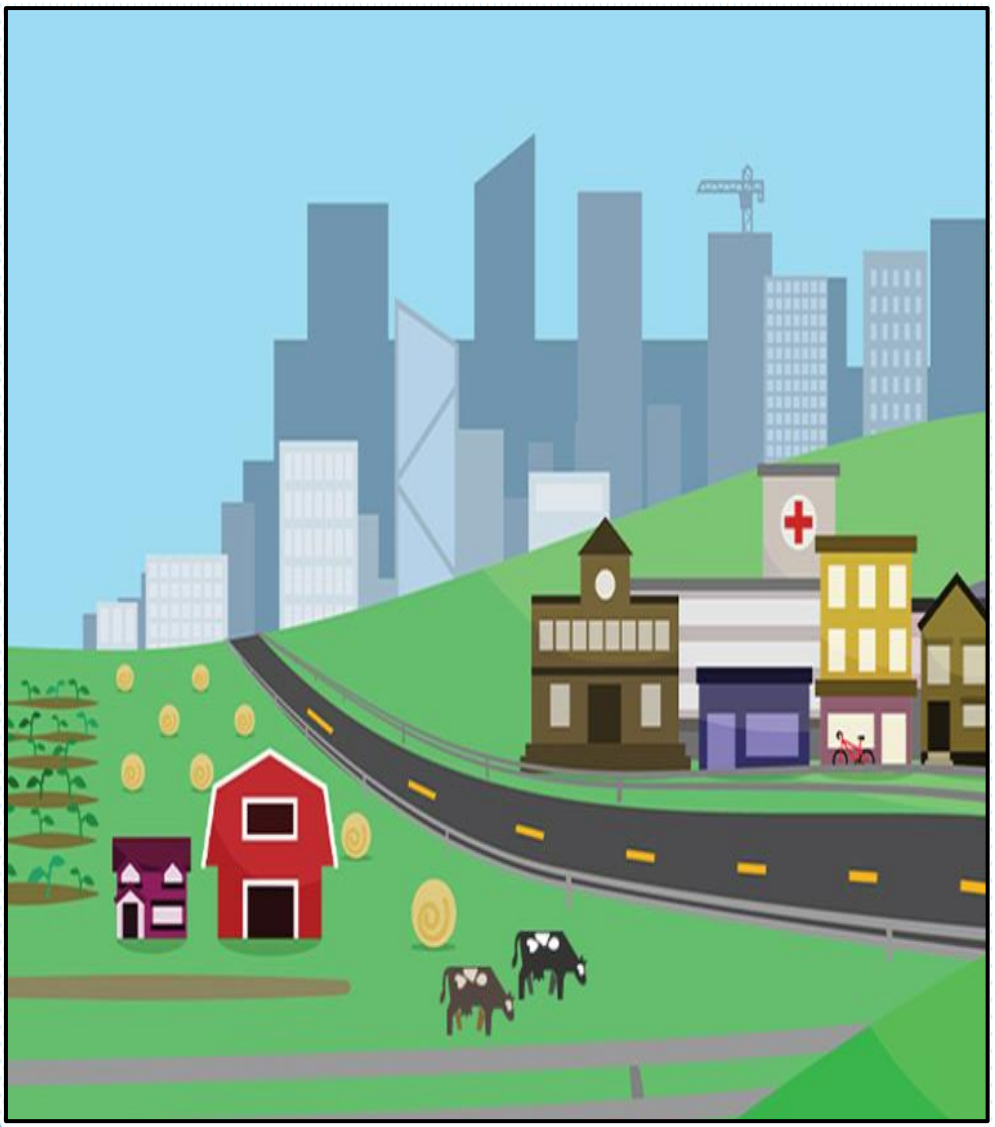
[Rs. in Million]

Description	2020-21		2021-22		2022-23	
	Budget	Expenditure	Budget	Expenditure	Budget	Expenditure
Salary	2,221.020	2,000.030	2,390.281	1,387.417	3,044.868	2,269.925
Non-Salary	1,028.060	247.844	2,490.527	951.163	1,204.581	311.831
Total	**3,249.080**	**2,247.874**	**4,880.808**	**2,338.58**	**4,249.449**	**2,581.756**

Human Resource related issues incorporated in this Audit Report include unauthorized payment of utility allowance, Irregular payment of leave encashment and unauthorized payment of house building advance. Recovery related issue includes non-deduction of government taxes. Other significant issues in SBCA as reported in this audit report include less realization of targeted receipts, non-maintenance of POL record, non-adjustment of advances, unauthorized operation of bank accounts with private bank, failure to demolish dangerous buildings, non-observance of prescribed criteria for approval and issuance of NOCs, irregular conversion of residential/agricultural land into commercial land despite ban, hiring of legal advisors and non-production of record.

Chapter-1

Local Government & Housing Town Planning Department



Chapter-1: Office of the Secretary, Local Government & Housing Town Planning Department, Sub-ordinate offices and Authorities

1.1 Introduction/Profile of the Entities

Secretary, Local Government & Housing Town Planning Department, Government of Sindh, being the PAO is the overall administrative head of regulatory authorities, KMC/Municipal Corporations, KW&SB, Municipal/Town Committees and Union Committees/Councils.

Sindh Local Government is governed by the Sindh Local Government Act, 2013 which is an initiative taken towards enhancing service delivery of Local Government in Sindh.

1.2 Comments on Budget and Accounts (Variance Analysis)

[Rs. in Million]

Sr. No.	Name of office	Head of account	Budget	Actual	Excess (+) Savings (-)
1	Secretary, LG&HTPD	Establishment	229.363	222.335	-7.028
		Non-salary	4,819.599	4,360.283	-459.316
		Development	1,000.139	1,000.139	-0.000
		Total Expenditure	**5,939.354**	**5,483.794**	**-455.560**
		Receipts	**0.000**	**0.000**	**0.000**
2	Project Director, LGD Karachi	Establishment	-	-	-
		Non-salary	-	-	-
		Development	8,365.860	8,120.540	-245.320
		Total Expenditure	**8,365.860**	**8,120.540**	**-245.320**
		Receipts	**-**	**-**	**-**
3	Project Director, LGD Hyderabad	Establishment	-	-	-
		Non-salary	-	-	-
		Development	8,757.374	8,727.640	-29.734
		Total Expenditure	**8,757.374**	**8,727.640**	**-29.734**
		Receipts	**-**	**-**	**-**
4	Sindh Solid Waste Management Board	Establishment	230.000	187.949	-42.051
		Non-salary	19,970.000	19,902.898	-67.102
		Development	-	-	-
		Total Expenditure	**20,100.000**	**20,090.847**	**-9.153**
		Receipts	**22,447.727**	**22,020.692**	**-427.035**
5	Sindh Master Plan Authority	Establishment	527.329	156.248	-371.080
		Non-salary	118.298	27.308	-90.990
		Development	-	-	-
		Total Expenditure	**645.627**	**183.556**	**-462.071**

[Rs. in Million]

Sr. No.	Name of office	Head of account	Budget	Actual	Excess (+) Savings (-)
		Receipts	**365.674**	**671.572**	**+305.898**
6	Sindh Building Control Authority	Establishment	3,044.868	2,269.925	-774.943
		Non-salary	1,204.581	311.831	-892.750
		Development	-	-	-
		Total Expenditure	**4,249.449**	**2,581.756**	**-1,667.693**
		Receipts	**4,760.916**	**4,467.586**	**-293.330**
7	Secretary, Local Government Board	Establishment	165.866	150.477	-15.389
		Non-salary	21.750	13.497	-8.253
		Development	-	-	-
		Total Expenditure	**187.616**	**163.974**	**-23.642**
		Receipts	**-**	**-**	**-**
Total		**Establishment**	**4,197.426**	**2,986.935**	**-1,210.491**
		Non-salary	**26,134.228**	**24,615.816**	**-1,518.412**
		Development	**18,123.373**	**17,848.319**	**-275.054**
		Total Expenditure	**48,245.280**	**45,352.107**	**-2,893.173**
		Receipts	**27,574.317**	**27,159.850**	**-414.467**

The budgeted expenditure of Local Government & Housing Town Planning Department, sub-ordinate offices and authorities for the financial year 2022-23 was Rs48,245.280 million, against which the actual expenditure was Rs45,352.107 million, resulting in saving of Rs2,893.173 million. The management was unable to realize the targeted receipts resulting in shortfall of Rs414.467 million.

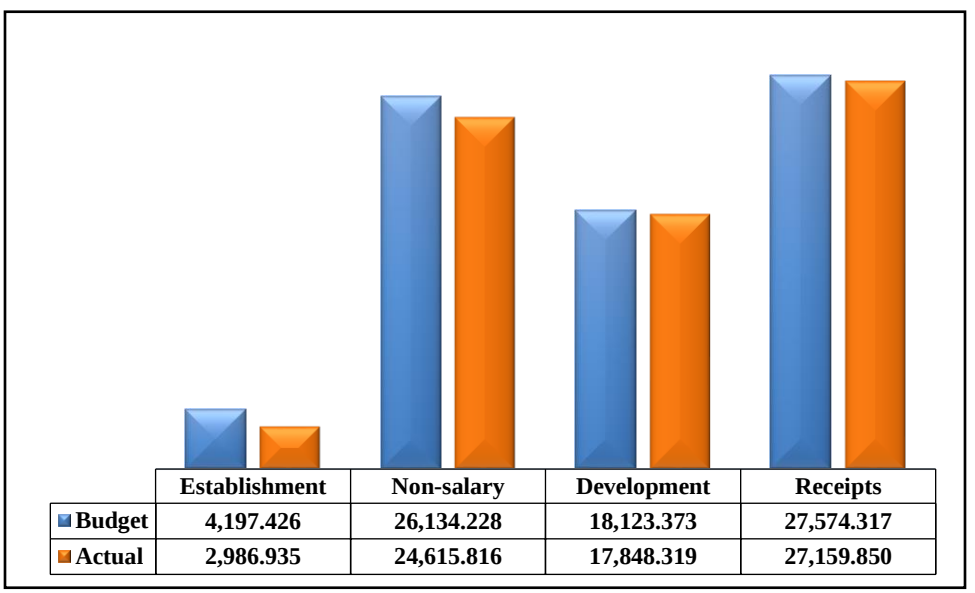


Table-: Audit Profile of Local Government & Housing Town Planning Department

[Rs. in million]

Sr.	Description	Formations		Financial Year 2022-2023	
		Planned	Audited	Expenditure audited	Revenue / Receipts audited
1.	Formations	13	11	42,586.795	22,020.692
2.	Assignment Accounts, SDAs (excluding FAP)	-	-	-	-
3.	Authorities/Autonomous Bodies under the PAO	2	2	2,765.312	5,139.158
4.	Foreign Aided Projects (FAP)	-	-	-	-

1.3 Classified Summary of Audit Observations

Audit observations amounting to Rs53,163.767 million were raised in this report during the current audit of Local Government & Housing Town Planning Department and authorities. The amount also includes recoveries of Rs853.224 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

Table: Overview of Audit Observations:

[Rs. in Million]

Sr.	Classification	Amount
1	Non-Production of Record	-
2	HR/Employees related irregularities	331.228
3	Procurement related irregularities	38,239.635
4	Recoveries related irregularities	853.224
5	Management of Accounts with Commercial Bank related issues	-
6	Other issues	13,739.680
Total		**53,163.767**

1.4 Brief comments on the status of compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Sindh. Detail of paras presented in PAC meetings is reflected hereunder:

Audit Years	No. of Paras	Status of Paras discussed in PAC Meetings
2011-12	13	1 - Partial
2012-13	11	1 - Partial
2013-14	15	1 - Partial
2014-15	22	-Nil-

Audit Years	No. of Paras	Status of Paras discussed in PAC Meetings
2015-16	31	-Nil-
2016-17	37	-Nil-
2017-18	26	-Nil-
2018-19	39	-Nil-
2019-20	43	-Nil-
2020-21	13	-Nil-
2021-22	24	-Nil-
2022-23	23	-Nil-

1.5 Audit Paras

1.5.1 Non-production of record

1.5.1.1 Non-production of record

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

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

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

During audit of following offices of Local Government Department, for the financial years 2021-22 to 2022-23, it was observed that the management did not produce auditable record pertaining to establishment, development, contingency, revenue, adjustment of advances and various registers etc., involving minimum financial impact of Rs1,025.649 million for audit scrutiny. Detail is at **Annex-LGD1.**

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F. Y	Amount
1	Additional Director, Local Government Badin	08	2021-22	0.743
2	Regional Director, Local Government Sukkur	1, 4		0.272
3	Regional Director, Local Government Shaheed Benazirabad	01		-
4	Regional Director, Local Government Larkana	01		-
5	Project Director, Local Government Projects Karachi	14	2022-23	878.678
6	Secretary, Local Government Housing & Town Planning Department	01		132.039
7	Director General, Sindh Building Control Authority	01		-
		23		13.917
8	Senior Director, Sindh Master Plan Authority	01		-
9	Sindh Local Government Board, Karachi	14		-
Total				**1,025.649**

Audit was of 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.

The matter was reported to the management from May to November 2023. The office of the Secretary Local Government, Housing & Town Planning Department, Government of Sindh, Karachi replied that the office did not make any expenditure under the head of account "A13602-Highways". However, this department vide letter dated 31-07-2023 has requested the Finance Department to furnish clarification regarding said expenditure. The reply was not tenable as no documentary evidence in support of reply was provided. The office of the Senior Director, Sindh Master Plan Authority replied that the requisitioned record pertaining to the Department of Planning and Urban Design was transferred to Karachi Development Authority and remaining record is ready and can be audited at any time. The reply was not tenable as the management failed to provide requisitioned record during course of audit, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

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 Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 1.5.1.1, 1.5.1.1, 1.5.2.1, 1.2.1.1, and 1.2.2.1 having financial impact of Rs1,095.331 million, Rs1,267.305 million, Rs6,055.360 million, Rs45.255 million, and Rs44,774.942 million respectively. Recurrence of same irregularity is a matter of serious concern.

1.5.2 HR/Employees related irregularities

1.5.2.1 Unauthorized payment of various allowances - Rs222.882 Million

According to Rule 27(3) of Sindh Solid Waste Management Act, 2021, "The pay, allowances and honoraria of the employees shall be as such as may be determined by the Board subject to its approval from the Steering Committee".

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.

During audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that management of SSWMB incurred an expenditure of Rs48.530 million on account of payment of utility allowance and SSWMB

allowance to the employees without approval from Steering Committee. Further, it was observed that the management of SBCA also paid utility allowance to the employees amounting to Rs174.352 million without entitlement as detailed below.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Description	Amount
1.	Director General, Sindh Building Control Authority	19	Utility allowance	174.352
2.	Managing Director, Sindh Solid Waste Management Board	11	SSWMB allowance	39.332
		12	Utility allowance	9.198
Total				**222.882**

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

The matter was reported to the management during September and October, 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders 12-01-2024 and 19-01-2024.

Audit recommends that the unauthorized payment of SSWMB allowance and utility allowance may be discontinued and recovery effected.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 1.5.2.2, 1.5.2.1, 1.5.3.3, 1.2.2.5 and 1.2.3.6 & 1.2.3.14 having financial impact of Rs108.061 million, Rs118.260 million, Rs165.411 million, Rs437.552 million, and Rs172.380 million & Rs24.181 million respectively. Recurrence of same irregularity is a matter of serious concern.

1.5.2.2 Irregular payment of leave encashment - Rs77.921 Million

According to Rule 18-A of Revised Leave Rules, 1980, "A civil servant may fifteen months before the date of superannuation or thirty-year qualifying service on or after the 01-07-1983, at his option, be allowed to encashment his leave preparatory to retirement if he undertakes to in writing to perform duty in lieu of the whole period of three hundred and sixty-five days or lesser period which is due and admissible".

During audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that the management irregularly paid an amount of Rs77.921 million to employees on account of leave encashment on yearly basis

without occasion of retirement in violation of Revised Leave Rules, 1980. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1.	Director General, Sindh Building Control Authority	9	70.440
2.	Senior Director, Sindh Master Plan Authority	20	7.481
Total			**77.921**

Audit was of the view that payment of leave encashment on yearly basis without occasion of retirement was violation of the rules which indicated poor financial management and weak internal controls.

The matter was reported to the management during September and October, 2023. Senior Director, Sindh Master Plan Authority replied that leave encashment account was being maintained properly. The reply was irrelevant as payment of leave encashment was made on yearly basis without occasion of retirement, whereas no reply was received from the office of DG, SBCA. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that irregular payment of leave encashment on yearly basis may be stopped and recovery effected.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22 and 2019-20 vide para numbers 1.5.2.3, 1.5.2.2 & 1.2.2.7 having financial impact of Rs10.772 million, Rs52.594 million and Rs141.105 million respectively. Recurrence of same irregularity is a matter of serious concern.

1.5.2.3 Unauthorized hiring of legal advisors - Rs20.263 Million

Para-2 of Letter No.ADDL.A.G/(LRK) 1570/08-08-2016 issued by Additional Advocate General Sindh, High Court Larkana addressed to Chief Secretary Sindh, stipulated that the departments were engaging private counsels without obtaining the sanction from Law Department which was against the rules. The Chief Secretary of Sindh was therefore requested to look into the matter.

During audit of Sindh Building Control Authority, for the financial year 2022-23, it was observed that the management hired legal advisors and paid an amount of Rs20.263 million on account of legal fees without sanction of Law Department, Government of Sindh, as detailed below:

[Amount in Rs.]

Sr. No.	Name of Office	No. of legal advisors	Amount
1.	SBCA Head Office	35	10,489,913
2.	Regional Director Sukkur	6	3,703,740
3.	Regional Director Hyderabad	8	3,105,745
4.	Regional Director Larkana	3	1,470,353
5.	Regional Director Mirpurkhas	2	994,500
6.	Regional Director Shaheed Benazirabad	1	499,217
Total		**55**	**20,263,468**

Audit was of the view that hiring of legal advisors without sanction of Law Department, Government of Sindh was unauthorized and indicated weak internal controls.

The matter was reported to the management during October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 1.2.2.60 having financial impact of Rs22.137 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 24]

1.5.2.4 Unauthorized payment of House Building Advance - Rs10.162 Million

According to Rule 294(a)I, Chapter-10 of Sindh Financial Rules Vol-I, "Advances may be made under the sanction of Government and Heads of Departments to Governments servants, other than temporary Governments servants, who desire to build the houses, for occupation by themselves, at places where no houses are available, or where house rent is exceptionally high. Also no advance is ordinarily permissible to a Government servant who is likely to be transferred or to retire before complete recovery can be effected".

During audit of Sindh Building Control Authority, Karachi, for the financial year 2022-23, it was observed that Mr. Muhammad Ishaque Khuhro, Ex-Director General, SBCA, a Provincial Secretariat Services officer, allowed himself House Building Advance of Rs10.162 million on 23-08-2022.

Audit observed following discrepancies:

i. The facility of HBA was for the permanent employees of SBCA, whereas, the officer was not permanent employee of SBCA, but posted for a certain period which is evident from the fact that he was transferred from SBCA on 03-05-2023.

ii. SBCA is an Authority which should have a Board of Directors (BoD) constituting of Government and Private members as per rules. The matter of HBA of Ex-DG SBCA was required to be placed before the BoD. The management has neither framed delegation of financial powers for sanction of HBA in respect of various grade officials including DG, the head of SBCA nor have any BoD for making such important administrative and financial decisions.

Audit was of the view that self-drawl of house building advance by Ex-DG, SBCA without approval of competent forum was unauthorized which indicated poor financial management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on person(s) at fault, besides recovery of house building advance.

[AIR Para: 22]

1.5.2.5 Irregular inclusion of posts in schedule of establishment

Section 123(1), Chapter-XIV of Sindh Local Government Act, 2013, stipulates that a Council shall prepare a Schedule of Establishment showing the number 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. Further, sub-section (3) of section 123 ibid stipulates that a change in the Schedule of Establishment approved by the Government under sub-section (1) shall be made in the same manner as the Schedule of Establishment.

During audit of Sindh Local Government Board, Karachi, for the financial year 2022-23, it was observed that the management included 3,062 number of SCUG posts in

the Schedule of Establishment without approval from Administrative Department. Detail is as under:

Sr. No.	Nomenclature of Post	BPS	No. of posts included
1.	Secretary	11	948
2.	Town Officer	16	698
3.	Accountant	14	594
4.	Municipal Officer	17	465
5.	Assistant Executive Engineer (Civil)	17	161
6.	Assistant Accounts Officer	16	117
7.	Assistant Executive Engineer (Mechanical)	17	40
8.	Assistant Executive Engineer (Electrical)	17	39
Total			**3,062**

Audit was of the view that inclusion of posts in schedule of establishment without approval of administrative department indicated poor financial management and weak internal controls.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 01]

1.5.2.6 Irregular award of promotions to employees

Rule 11 of Sindh Council Unified Grades Rules 2020, states that no person convicted for an offence by any court of law or dismissed from Government service shall be appointed to service.

Further, according to Rule 15(3) of Sindh Council Unified Grades Rules 2020, persons possess such qualification and fulfill the conditions laid down for the purpose of promotion to a post shall be considered by the promotion committee giving due regard to the following criteria:

(vii) that the employee has not been awarded minor or major penalties;

(viii) that there are no any enquiries pending against the employee with Anti-corruption Establishment or any Law Enforcement Agency.

During audit of Sindh Local Government Board, Karachi, for the financial year 2022-23, it was observed from the letter No.PA/AS/LG/VR(NAB)/2016, dated 27-09-2016, issued by Local Government Department, Government of Sindh, that some of employees made voluntary return of public money to National Accountability Bureau and the Secretary Board was requested to take action against the employees. The action taken against such employees was not provided to audit. It was further observed that management promoted few of the employees who made voluntary return of public money instead of taking action against them. Detail is at **Annex-LGD2(a) & (b).**

Audit was of the view that award of promotion to the employees who made voluntary returns public money to NAB was violation of the rules which indicated poor management.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 03]

1.5.2.7 Irregular promotion of employees without fulfilment of prescribed criteria

Rule-15(3) of Sindh Council Unified Grades Rules 2020, stipulates that a persons who possesses such qualification and fulfill the conditions laid down for the purpose of promotion to a post shall be considered by the promotion committee giving due regard to the criteria that employee:

i. Should possess the required qualification and experience for the post to which he is promoted;

ii. Must possess the minimum length of service as specified by the Government, from time to time, for the posts or basic pay scales;

iii. Should have completed the training and passed departmental examinations as may be prescribed.

During audit of Sindh Local Government Board, Karachi, for the financial year 2022-23, it was observed that the management promoted various employees without considering prescribed qualifications, mandatory trainings and length of service, in violation of rules. Detail is at **Annex-LGD3.**

Sr. No.	Name of Office	AIR Para	Remarks
1	Secretary Sindh Local Government Board, Karachi	5	Promoted without prescribed qualification
		6	Promoted without mandatory trainings
		7	Promoted without verification of degrees
		8	Promoted without minimum qualification

Audit was of the view that award of promotion to the employees without considering requisite qualification, mandatory trainings and length of service was violation of the rules which indicated poor management and weak internal controls.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

1.5.2.8 Irregular posting of council employees

As per Local Government Department, Government of Sindh, letter No.RO(LG)/Korangi 2(28)/2016 dated 20-01-2017, "Local Government Department is competent to make transfer & posting of officers/officials of Local Councils from one Council to another council against equivalent grade, post and cadre subject to NOC from both councils".

Further, Circular No.SLGB/SCUG/AO(Estt)Gen/2015/1570 dated 29-10-2015 issued by Local Government Department, Government of Sindh, Karachi, stipulates that no any ex-cadre officer/official may be assigned the charge of cadre posts of SCUG Service.

During audit of Sindh Local Government Board, Karachi, for the financial year 2022-23, it was observed that management of Board posted various council employees on the posts of Sindh Council Unified Grades (SCUG), in violation of rules and without approval of administrative department. Detail is at **Annex-LGD4.** Further, verification of following record was not conducted while issuance of transfer posting orders:

i. Appointment orders from the concerned administrative department.
ii. Medical fitness from issuing authority.
iii. Service books from Local Fund Audit Department.

iv. Copy of bank statement(s) from the date of appointment till to date.

v. Endorsement of Last Pay Certificates (LPCs) by the concerned council.

Audit was of the view that transfer and posting of council employees against SCUG posts without observing codal requirements was irregular which indicated poor management and weak internal controls.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 09]

1.5.3 Procurement related irregularities

1.5.3.1 Award of work after expiry of bid validity period - Rs13,973.113 Million

According to Rule 38 (1), Part-II of Sindh Public Procurement Rules, 2010, "A procuring agency, shall subject the bid to a validity period, which shall be specified in the bidding document and not be more than 90 days in case of National Competitive Bidding and 120 days in case of International Competitive Bidding".

Further, Rule 38 (4) & (5) ibid, stipulates that an extension shall not be more than one third of original period of bid validity and in case the procuring agency fails to finalize the bid evaluation within the extended time, the bids shall stand cancelled and a fresh bidding process shall be initiated.

During audit of Sindh Solid Waste Management Board, for the financial year 2022-23, it was observed that management invited bids through tender notice dated 28-09-2021, for the work of establishment of primary and secondary solid waste collection system for Hyderabad city, Qasimabad and Kotri areas with an estimated cost of Rs13,973.113 million through international competitive bidding. Technical bids for the above work were opened on 10-11-2021 and the work was to be awarded before the expiry of bid validity period of 120 days (upto 09-03-2022). However, the work was awarded to M/s Altas Waste Management Company Private Limited-SPV on 25-10-2022 after lapse of 07 months & 16 days of bid validity period, in violation of above rules.

Audit was of the view that award of work after lapse of bid validity was irregular which indicated poor management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 03]

1.5.3.2 Unjustified payment of works in US dollar instead of Pak Rupees Rs9,753.00 Million

Section (1) of Appendix 18-A of Sindh Financial Rule Vol-I, states 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 audit of Sindh Solid Waste Management Board, for the financial year 2022-23, it was observed that management paid Rs9,753.00 million to the contractors for hiring of local labour, transportation and other activities for solid waste management in USD at current exchange rates instead of Pak Rupees, despite the fact that payment of salaries to the locally hired labour and expenses of machinery and equipment, transportation, POL and other operating expenses were paid in Pak Rupees instead of USD by the contractors. Detail is at **Annex-LGD5.**

Audit was of the view that undue favor was extended to various contractors by making payment in USD instead of Pak Rupees without any justification which indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 01]

1.5.3.3 Execution of schemes without obtaining approval from competent forum Rs5,553.639 Million

Rule 2.22 of SPPRA Guidelines / Regulations for Procurement of Works 2010 states 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 following offices of Local Government Department, for the financial year 2022-23, it was observed that the management awarded various development works amounting to Rs5,553.639 million without approval of Central Development Working Party and ECNEC in violation of SPPRA regulations. Detail is at **Annex-LGD6.**

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1	Project Director, Local Government Project, Hyderabad	02	4,293.407
2	Project Director, Local Government Project, Karachi	01	1,260.232
Total			**5,553.639**

Audit was of the view that execution of schemes without obtaining approval from the competent forum was violation of SPPRA regulations which indicated weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 1.2.3.35 having financial impact of Rs3,870.646 million. Recurrence of same irregularity is a matter of serious concern.

1.5.3.4 Award of works without execution of contract agreements Rs4,945.343 Million

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 audit of Project Director, Local Government Projects Hyderabad, for the financial year 2022-23, it was observed that the management awarded works of Rs4,945.343 million without executing contract agreements with the contractors. Further, government also sustained loss of Rs17.308 million on account of stamp duty. Detail is at **Annex-LGD7.**

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

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 1.2.2.27 and 1.2.3.43 having financial impact of Rs742.023 million and Rs667.400 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 01]

1.5.3.5 Execution of scheme without PC-I and PC-II - Rs1,450.177 Million

Guideline No. 2.11 of SPPRA, Regulation for Procurement of Works 2013, stipulates that after conceiving a development project/scheme, it is processed through following stages to secure funds for physical implementation:

i. Preparation of the PC-I or PC-II as the case may be.

ii. Approval from the competent forum.

During audit of Project Director, Local Government Projects, Karachi, for the financial year 2022-23, it was observed that management executed scheme "Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-I to VII)" amounting to Rs1,450.177 million without preparation of PC-I and PC-II. Detail is at **Annex-LGD8.**

Audit was of the view that award of works without preparation of PC-I and PC-II was irregular which indicated weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 1.2.2.19 having financial impact of Rs8,199.682 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 08]

1.5.3.6 Technical sanction beyond delegated financial powers - Rs1,135.378 Million

According to S.No.12(1)(a) of Sindh Delegation of Financial Powers and Financial Control Rules 2019, in case of original works following powers shall be exercised for technical sanctions:

Administrative Department	Full Powers
Chief Engineer	Rs 100.00 million, beyond that concurrence of the administrative department is required
Superintending Engineer	Upto Rs 7.000 million in each case
Executive Engineer	Upto Rs 2.500 million in each case

During audit of Project Director, Local Government Projects Hyderabad, for the financial year 2022-23, it was observed that the management awarded seven contracts at sanctioned cost of Rs1,135.378 million to various contractors with the technical sanction of Project Director (Superintendent Engineer) instead of administrative department in violation of delegated financial powers. Detail is at **Annex-LGD9.**

Audit was of the view that grant of technical sanction of schemes by the Superintendent Engineer beyond delegated powers was violation of the rules which indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 1.5.3.2 having financial impact of Rs246.088 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 03]

1.5.3.7 Irregular award of development works - Rs695.897 Million

Rule 46(2) (a), Part-II of Sindh Public Procurement Rules, 2010, states that single stage - two envelop procedure -bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal (b) envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion.

During audit of Project Director, Local Government Projects Karachi, for the financial year 2022-23, it was observed that management floated Notice Inviting Tender of works valuing Rs695.897 million on the basis of single stage one envelope method without obtaining technical proposals despite the fact that civil works required technical evaluation of bids by adopting single stage two envelope procedure. Detail is as under:

[Rs. in Million]

Sr. No.	Description of Works	ADP. No.	Tender Amount
1.	Construction of Allama Iqbal Park at Federal B Area Karachi	2484	250.000
2.	Imp./ Installation of Water Supply and Sewerage Lines, Paver Blocks and Road Carpeting in UC-23 & 25 District West Karachi	1809	239.713
3.	Reh./Imp/ of Road, Sewerage Line & Water System at PC-106 District East Karachi	1768	206.184
Total			**695.897**

Audit was of the view that evaluation of bids only on financial grounds instead of technical evaluation of bids was an undue favour extended to the contractors which indicated poor management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 05]

1.5.3.8 Award of work without requisite category of PEC - Rs472.483 Million

The bids were invited from the contractors registered with PEC in the following category vide NIT No.PM/ZONE-A/LGP/GOS/2022/390 dated 07-06-2022:

Description of Works	Estimated Cost	PEC Category with Codes
Construction of Civic Centre at Mula Fazal Auditorium Hall Chawkiwara Road Lyari. (ADP-1937)	417.012 million	Valid PEC License, Category-03 & above specialization Code CE01, CE09, CE10, BC03, ME03 & 04, EE03 & EE06

During audit of Project Director, Local Government Projects Karachi, for the financial year 2022-23, it was observed that management awarded work of construction of civic center for Rs472.483 million to M/s Yawar Builders despite the fact that the contractor did not possess the requisite criteria of Pakistan Engineering Council i.e., BC-03 (high rise buildings), ME-03 (Lifts and escalators, compressor, generators) and ME-04 (building automation systems). Detail is as follows:

[Rs. in Million]

Description of Works	Name of Contractor	Work Order # & Date	Contract Cost
Construction of Civic Centre at Mula Fazal Auditorium Hall Chakiwara Road Lyari	M/s Yawar Builders	05 / 04-01-2023	472.483

Audit was of the view that award of work in violation of the requisite PEC specialization showed that an undue favour was extended to the contractor which indicated poor management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

[AIR Para: 03]

1.5.3.9 Irregular award of work without technical sanction - Rs210.000 Million

Section 11.1 of Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works) 2013, stipulates that no development work shall be started unless technical sanction is accorded by the competent authority.

During audit of Project Director, Local Government Projects Hyderabad, for the financial year 2022-23, it was observed that management awarded and executed different works amounting to Rs210.000 million to different contractors without obtaining technical sanction from the competent authority, in violation of regulations as stated above. Detail is at **Annex-LGD10.**

Audit was of the view that execution of development works without obtaining technical sanction from the competent authority in violation of SPPRA Regulations indicated weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 1.2.3.57 having financial impact of Rs147.171 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 04]

1.5.3.10 Irregular payments to the contractor - Rs34.571 Million

According to Rule-42, Part-II of Sindh Public Procurement Rules, 2010, Evaluation of Bids, "(1) All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents".

Further, according to Rule 46 ibid, "Procedures of open competitive bidding- Save as otherwise provided in these rules, the following procedures shall be permissible for open competitive bidding (1) Single Stage – One Envelope Procedure (a) Notice Inviting Tenders and bidding documents of this method shall contain the following eligibility criteria; (i) relevant experience; (ii) turn-over of at least last three years; (iii) registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable).

Furthermore, Finance Department, Government of Sindh O.M No.FD/B&E-I/51/2007 dated 02-07-2007, stipulates that liability of previous years shall not be allowed to be cleared unless concurrence is given by Finance Department (FD).

During audit of Sindh Building Control Authority, Karachi, for the financial year 2022-23, it was observed that the management paid an amount of Rs34.571 million to M/s ANI Expert Dangerous Building & Demolition for demolition of various dangerous buildings and removal of debris. Detail is at **Annex-LGD11.** Audit observed following discrepancies:

i. The record pertaining to tendering process was neither available in file nor provided to audit.

ii. The work completion certificates of the site engineer or any inspection committee constituted by competent authority was not available in the file.

iii. The contractor was not registered with FBR and SRB.

iv. Further, the old liabilities amounting Rs28.515 million pertaining to financial years 2020-21 and 2021-22 were also paid during 2022-23 in violation of Finance Department instructions.

Audit was of the view that award of work and payment of liabilities without following codal requirements was irregular which indicated poor financial management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 13]

1.5.3.11 Award of consultancy work without inviting open tender - Rs8.423 Million

Rule 73(1), Part-III Sindh Public Procurement Rules 2010, stipulates that request for expression of interest shall be advertised or announced in accordance with the provisions of Rule 17.

Further, according to Rule 17(1A), Part-II ibid as amended upto date, "all procurement opportunities over two 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 audit of Project Director, Local Government Projects, Karachi, for the financial year 2022-23, it was observed that management engaged M/s NESPAK (Pvt) Ltd for Consultancy Services for the Project "Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-I to VII)" for Rs8.423 million through direct contracting instead of inviting Expression of Interest through open tender, in violation of rules.

Audit was of the view that due to award of work without inviting open tender competitive rates could not be achieved which indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 09]

1.5.3.12 Non-imposition of liquidated damages - Rs7.611 Million

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".

During audit of Project Director, Local Government Projects Hyderabad, for the financial year 2022-23, it was observed that the management awarded various works of Rs152.227 million but the contractors failed to complete the works within stipulated period. However, the liquidated damages amounting to Rs7.611 million @ 5% of contract value were not imposed. Detail is at **Annex-LGD12.**

Audit was of the view that due to non-imposition of liquidated damages undue favor was extended to the contractors which indicated weak financial management and internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22 and 2018-19 vide para numbers 1.5.6.6, 1.5.6.1 and 1.2.3.17 having financial impact of Rs3.571 million, Rs226.837 million and Rs16.249 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 12]

1.5.3.13 Non-observance of terms and conditions of contract agreements

Clause 4.3.3 of Request for Proposal (RFP) of bidding document for the work primary and secondary collection, manual sweeping, mechanical sweeping and mechanical washing in District East stipulated that the sanitary workers knock on each door or ring door bell and wait for waste to be brought out by the residents. The 100% door to door collection will be make sure where the waste is left outside the house or the

property by the residents which will be collected at door step by the Sanitary Workers every day equipped with handcart and disposal of to the nearest dustbins sites.

Further, as per Clause-viii of contract agreements between SSWMB and M/s Changyi Kangiic Sanitation & M/s Hangzhou Jinjiang Sanitation, "The contractors shall provide and replace the damaged litter bins, metal buckets and metal containers as and when required on the basis of their service life.

As per Clause-8 of contract agreement between SSWMB and M/s. Gansu Construction Heavy Industry Technology Co. "There will be a fixed six-month focused awareness activity by involving minimum 200 mobilizers to take the citizens on board and educate them to do the compliance on the proposed door to door collection mechanism in different zones of Korangi".

During audit of Sindh Solid Waste Management Board, Karachi, for the financial year 2022-23, it was observed that the management failed to achieve the core objective of SSWMB i.e., door to door garbage collection from residents' homes through M/s Changyi Kangjie Sanitation Engineering Company Ltd in respective districts. Further, the contractor neither replaced/provided required number of dust bins as per contract agreement nor hired 200 mobilisers for a period of six-months for awareness activity about the proposed door to door collection mechanism. Detail is at **Annex-LGD13.**

Audit was of the view that due to non-compliance of various clauses of contract agreements, the actual objective of the SSWMB has not been achieved which indicated poor management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

[AIR Paras: 19, 20, 21]

1.5.3.14 Non-deployment of third party for monitoring the work of waste management

According to Rule 7 (1) (xv) of Sindh Solid Waste Management Act, 2021, "the Board shall employ third party to take over management of solid waste on behalf of the

Board which shall have the authority as vested in the Managing Director, to employ such parties as may expedite the waste management and benefit the people".

As per Clause-xxi of contract agreement dated 06-10-2017 signed b/w SSWMB and M/s Hangzhou Jinjiang Group Sanitation Co. Ltd. "The procuring agency may hire the services of a consulting firm for third party Monitoring & Evaluation of the scheme. In addition to regular monitoring, evaluation and feedback, this third-party consulting firm shall also carry out verification of supplies made, works and services carried out as well as claims / bills submitted by the contractors. Payment to the contractor shall be made on verification of their claims/ bills by third party or the departmental scrutiny and verification committee, as the case may be."

During audit of Sindh Solid Waste Management Board, Karachi, for the financial year 2022-23, it was observed that management failed to deploy third party for monitoring the work performed by the solid waste collection companies according to the contract agreement.

Audit was of the view that non-deployment of third party for monitoring the performance of contractors was violation of the Sindh Solid Waste Management Act, 2021.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 17]

1.5.4 Recoveries related issues

1.5.4.1 Non-deposit of taxes into public exchequer - Rs593.864 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, according to Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury".

During audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that the management deducted an amount of Rs593.864 million on account of income tax, general sales tax and Sindh sales tax on services from the bills of contractors but failed to deposit the same into public exchequer as detailed below.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Description	Amount of taxes deducted but not deposit
1.	MD, Sindh Solid Waste Management Board	09	Income Tax	409.455
		10	Sindh Sales Tax and GST	169.148
2.	Project Director Local Government Project, Hyderabad	10	Sindh Sales Tax and Income Tax	10.859
3.	Senior Director, Sindh Master Plan Authority	05	Income Tax on salary	4.402
Total				**593.864**

Audit was of the view that non-deposit of collected taxes into public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management during September 2023. The office of Senior Director Sindh Master Plan Authority replied that this office is regularly collecting/ deducting tax from the monthly salaries and subsequently depositing the same into the relevant head of account. The reply was not tenable as no relevant documentary evidence was provided, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends depositing of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21 and 2018-19 vide para numbers 1.5.4.1 & 1.5.4.3, 1.5.4.3 1.5.3.2, 1.5.3.5 & 1.5.3.6, and 1.2.3.3 having financial impact of Rs67.272 million & Rs2.422 million, Rs8.943 million, Rs248.162 million, Rs3.241 million & Rs1.455 million and Rs837.166 million respectively. Recurrence of same irregularity is a matter of serious concern.

1.5.4.2 Non-recovery of outstanding dues - Rs238.468 Million

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 audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that the management did not recover outstanding dues of Rs238.468 million on account of various heads from defaulters as detailed below.

[Rs. in Million]

Sr. No.	Name of Office	Particulars of dues	Defaulters	AIR Para	Outstanding dues as on 30-06-2023
1	MD, Sindh Solid Waste Management Board	Front end collection services Fee and Tipping Fee	Korangi Association of Trade & Industry (KATI), Korangi Creek Industrial Park (KCIP), Pakistan Telecommunication Authority (PTA), Sindh Industrial Trading Estate (SITE), Cantonment Boards, Other Industries and agencies	08	237.838
2	Sindh Master Plan Authority, Hyderabad Directorate	Less recovery of no objection certificate (NOC) for Layout Plan	Different town/ housing schemes.	06	0.630
Total					**238.468**

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

The matter was reported to the management in September 2023, but no reply was received. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21, 2019-20 and 2018-19 vide para numbers 1.5.3.1, 1.2.2.4, and 1.2.3.1 having financial impact of Rs4,228.191 million, Rs1,481.577 million and Rs66,930.450 million respectively. Recurrence of same irregularity is a matter of serious concern.

1.5.4.3 Non-deduction of government taxes - Rs10.063 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively".

During audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that the management paid an amount of Rs69.554 million to various contractors and suppliers, but did not deduct Rs10.063 million on account of income tax and Sindh sales tax on services from contractors/suppliers. Detail is at **Annex-LGD14.**

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Description	Amount of taxes not deducted
1.	Managing Director, Sindh Solid Waste Management Board	13	Income tax & Sindh Sales Tax on Services	7.635
2.	Director General, Sindh Building Control Authority	15	Sindh Sales Tax on Services	1.729
3.	Project Director, Local Government Project Karachi	11	Income tax	0.699
Total				**10.063**

Audit was of the view that non-deduction of taxes was loss to public exchequer which reflected weak financial and internal controls.

The matter was reported to the management during September and October, 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 1.5.4.2, 1.5.4.2, 1.2.2.6, 1.2.2.12 & 1.2.2.16 and 1.2.3.5, 1.2.3.11, 1.2.3.12 & 1.2.3.20 having financial impact of Rs82.498 million, Rs409.965 million, Rs28.710 million, Rs33.899 million & Rs3.442 million, Rs215.159 million, Rs77.174 million, Rs52.606 million & Rs6.088 million respectively. Recurrence of same irregularity is a matter of serious concern.

1.5.4.4 Non-recovery of shrinkage charges - Rs1.868 Million

As Per Sr. No.8, Para (2) of Introduction to the Schedule Rates (Composite) For finished items of works, 2012, "Deduction for shrinkage, from the bank measurements:- To unify the various formulae now being followed in different parts of the province and to standardize instructions on the subject, the following allowances should be provided for :- (b) Deduction for settlement from the bank measurement when the earth work is done by machine. (Tractor, Scrapers etc…. 5%)".

During audit of Project Director, Local Government Projects Hyderabad, for the financial year 2022-23, it was observed that management incurred expenditure of Rs4.314 million on account of earth work, but failed to deduct 5% shrinkage charges amounting to Rs1.868 million from the bills of contractors. Detail is at **Annex-LGD15.**

Audit was of the view that non-recovery of shrinkage charges on earth work was an undue favour extended to contractor which indicated weak financial management.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 14]

1.5.4.5 Non–recovery of stamp duty - Rs1.377 Million

According to Schedule of prescribed Stamp Duties in Stamp Act, 1899 as amended vide Stamp (Sindh Amendment) Ordinance, 2002 & Sindh Finance Act, 2009, notified vide No. PAS/Legis-B10/2009, dated 08-07-2009 and published in the Sindh

Government Gazette on 09-07-2009, "the rate of proper Stamp Duty is thirty-five paisa for every hundred rupees of the amount of the contract".

During audit of Project Director, Local Government Projects Hyderabad, for the financial year 2022-23, it was observed that the management awarded various works of Rs393.332 million to the contractors, but the Stamp Duty of Rs1.377 million @ Rs0.35 paisa per hundred rupees of the total amount of the agreements was not recovered, in violation of rules. Detail is at **Annex-LGD16.**

Audit was of the view that non-affixing of prescribed stamp duty was an undue favour extended to the contractors which indicated weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends recovery of stamp duty, besides taking remedial measures to avoid recurrence.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2018-19 vide para numbers 1.5.4.4 and 1.2.3.8 having financial impact of Rs1.453 million and Rs103.470 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 15]

1.5.4.6 Non-recovery of Outer Development Charges of layout Plan Rs7.624 Million

According to letters No.URP-42-609/SMPA/2022/UD/3478 and even No. 3479 dated 16-08-2022 issued by Sindh Master Plan Authority, the applicants were required to deposit Outer Development Charges in four equal installments. Further, as per condition No.13 of letter (ibid), if he fails to make payment of installments within stipulated time i.e. each installment in three months, the NOC for Layout Plan will be treated as cancelled/withdrawn automatically.

During audit of Sindh Master Plan Authority, Karachi, for the financial year 2022-23, it was observed that allottees did not pay Outer Development Charges of Rs7.624 million but the management failed to cancel the NOCs for layout plans. Detail is at **Annex-LGD17.**

Audit was of the view that undue favour was extended to the allottees by non-cancelling the NOCs for layout plans despite non-payment of Outer Development Charges.

The matter was reported to the management in September 2023. The management replied that the owners of the plots had submitted the cross cheques amounting to Rs4,374,516/- and Rs3,249,033/-. The reply was not tenable as no documentary evidence in support of reply was provided. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

[AIR Para: 04]

1.5.5 Management of Accounts with Commercial Banks

1.5.5.1 Unauthorized operation of bank accounts with private banks

In pursuance of instructions of Chief Minister Sindh, the office of Secretary, Local Government & Housing Town Planning Department issued letter vide No.SOG (LG)/Misc/2013-2014 dated 03-05-2016, wherein all offices under Local Government Department were directed to open and operate official Bank Accounts/transactions with Sindh Bank.

During audit of Sindh Building Control Authority, Karachi, for the financial year 2022-23, it was observed that the management was operating official bank accounts with private banks instead of Sindh Bank in violation of above instructions. Detail is at **Annex-LGD18.**

Audit was of the view that continuing operation of bank accounts with private banks in violation of Government instructions indicated weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends opening and operation of official bank accounts with Sindh Bank as per instructions of Government of Sindh.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 1.5.5.1. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 30]

1.5.6 Other issues

1.5.6.1 Variation of expenditure in the record of department and AG Sindh Rs10,397.172 Million

As per Rule-42 of Central Public Works Department Code, "The Divisional Officer is required to take the necessary steps for obtaining cash for the works under-his control, to keep accounts, and to submit them punctually to the Audit Officer under the rules for the time being in force. He is responsible for the arrangements for account keeping, in which matter he will be assisted by his Divisional Accountant, and he must see that his accounts are posted from day to day and that the Accountant carries out his duties regularly and punctually. The responsibility for the correctness, in all respects, of the original records of cash and stores, receipts and expenditure, as also for seeing that complete vouchers are obtained rests with the Divisional Officer, who will, before submitting the monthly accounts, carefully examine the books, returns and papers from which the same are compiled".

During audit of Project Director, Local Government Projects Karachi, for the financial year 2022-23, it was observed from the record provided by the management that the total expenditure in cost center KQ6059 under the head of development works (ADPs) was Rs8,120.542 million. Whereas, the data extracted from SAP (A.G Sindh) showed the expenditure of Rs18,499.714 million under the same head, thereby creating variation of Rs10,397.172 million. Further, monthly accounts of the project were also not prepared due to which the actual expenditure incurred could not be reconciled. Detail is as follows:

[Rs. in Million]

Cost Centre	Head of Accounts	Budget Releases	Actual Expenditure
KQ6059	Development Works (ADPs) figures provided by management	8,365.856	8,120.542
	Expenditure as per SAP Data (AG Sindh)		18,499.714
	Difference (un-reconciled Expenditure)		10,397.172

Audit was of the view that variation of figures in the record of two offices indicated that the management failed to reconcile monthly expenditure with the office of

Accountant General Sindh in violation of rules which indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that the management should get the issue of variation resolved by carrying out reconciliation of record with Accountant General Sindh, besides taking remedial measures.

[AIR Paras: 15, 16]

1.5.6.2 Non-maintenance of works and deposit register - Rs2,844.592 Million

Para 285, Chapter-X of the Central Public Works Accounts Code, states that register of works are posted monthly from work abstracts. The transactions relating to each work abstract should be posted separately and an abstract for the entire work should be prepared for comparing the cost of work and its sub-works with the provisions in the estimate.

Further, Para 401 ibid, stipulates that a record of the transactions relating to Public Works deposit should be maintained in the divisional office in a register. This deposit register should show, month by the month, the total receipts and adjustments and the closing balance of each separate deposit item.

During audit of Sindh Solid Waste Management Board, Karachi, for the financial year 2022-23, it was observed that an expenditure of Rs2,844.592 million was incurred by the management on execution of different works. However, management failed to maintain works and security deposit register, in violation of above rules.

Audit was of the view that non-maintenance of relevant registers was violation of the rules which indicated weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends maintenance of relevant registers, besides fixing responsibility on the person(s) at fault.

[AIR Para: 06]

1.5.6.3 Less realization of targeted receipts - Rs293.330 Million

Section 100 (1) of Sindh Local Government Act 2013, states that unless otherwise provided, all taxes, rates, tolls and fees levied under this act shall be collected in the prescribed manner by the persons authorized for such collection: provided that where any tax, rate, toll or fee levied by a Council is also levied by Government, such tax, rate, toll or fee shall be collected with Government tax, and the proceeds thereof be credited to the local fund of the Council.

During audit of Sindh Building Control Authority, Karachi, for the financial year 2022-23, it was observed that the management did not take appropriate measures to realize revenue targets of Rs293.330 million from various heads i.e., e-payment fee, manual fee, e-payment additional floor charges, infrastructure betterment charges (25% share) etc., as detailed below.

[Amount in Rs.]

Targeted Receipts FY 2022-23	Actual Recovery during FY 2022-23	Shortfall
4,760,916,000	4,467,586,230	293,329,770

Audit was of the view that due to less-realization of revenue targets, the authority was deprived of legitimate revenue which indicated poor financial controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for non-achievement of revenue targets.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 1.5.6.1, 1.5.4.1, 1.2.2.18 and 1.2.3.32 having financial impact of Rs193.609 million, Rs497.028 million, Rs9,364.747 million and Rs9,192.926 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 12]

1.5.6.4 Unjustified deduction of tax on exempted income - Rs92.867 Million

According to sub-section (2) of Section 49 of Income Tax Ordinance, 2001, the income of a Provincial Government or a Local Government in Pakistan shall be exempt from tax under this Ordinance, other than income chargeable under the head "Income from Business" derived by a Provincial Government or Local Government from a business carried on outside its jurisdictional area.

Further, sub-section (2)3 any payment received by the Federal Government, a Provincial Government or a [Local Government] shall not be liable to any collection or deduction of advance tax.

During audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that management invested an amount of Rs2,842 million in Term Deposit Receipts in Sindh Bank civic center branch Karachi, and Sindh Bank Shahbaz Building Hyderabad. The said banks credited an amount of Rs309.560 million on account of monthly profit of investment and deducted income tax amounting to Rs92.867 million in violation of above rule provisions. The management also did not take any efforts for recovery of wrongfully deducted income tax by the banks as detailed below.

[Rs. in Million]

Sr. No.	Bank Name and Transaction ID/Cheque No. & Date	TDR Bank Account No.	Amount of Investment for F. Y 2022-23	Amount of Profit for F. Y 2022-23	Amount of Income Tax deducted
Sr. Director, SMPA, Karachi					
1	170787 and 171788 / 4-4-23 (Sindh Bank civic centre A/c No. 0369-621522-1000)	0369-621522-1000 (Sindh Bank civic centre)	2,372.000	261.279	78.383
Director, Town Planning Sindh, Hyderabad					
2	4717851/13-03-2023 (4002734890 NBP Shahbaz building Hyderabad)	00727549175610 0 (Sindh Bank Shahbaz building Hyderabad)	470.000	48.281	14.484
Total			**2,842.000**	**309.560**	**92.867**

Audit was of the view that deduction of income tax was in violation of provisions of Income Tax Ordinance 2001, which resulted into loss of profit to the organization.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report

despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends recovery of wrongfully deducted income tax, besides taking remedial measures.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 1.5.6.8 having financial impact of Rs7.522 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 24]

1.5.6.5 Non-maintenance of POL record - Rs62.218 Million

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".

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 audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs62.218 million on POL for official vehicles but did not maintain of petrol account register, history sheet, log book of each vehicle, tour program/diary of official vehicles as detailed below.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1	Director General, Sindh Building Control Authority	26	59.463
2	Secretary, Sindh Local Government Board	10	2.755
Total			**62.218**

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

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that responsibility be fixed on person(s) at fault for incurring expenditure without maintenance of prescribed record.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 1.2.2.33 and 1.2.3.47 having financial impact of Rs336.492 million and Rs454.876 million respectively. Recurrence of same irregularity is a matter of serious concern.

1.5.6.6 Unauthorized retention of KW&SB share - Rs41.201 Million

Notification dated 19-11-2012 issued by KMC, stipulates that levy of 20% additional charge for changes of land use fee is to be collected by Master Plan Department, KMC and be remitted to Karachi Water & Sewerage Board with effect from 11-07-2012.

During audit of Sindh Master Plan Authority, Karachi, for the financial year 2022-23, it was observed from Bank Statement of account No. 0010011062510291 titled as "Master Plan Department (KW&SB Share)" maintained at Allied Bank, Civic Centre Branch, Karachi that management retained KW&SB share amounting to Rs41.201 million, collected from different applicants but did not remit the same to KW&SB.

Audit was of the view that non-remitting of due share of KW&SB by the management indicated weak financial management.

The matter was reported to the management in September 2023. The management replied that KW&SB share collected in 14 cases have been cancelled / withdrawn and the same would be refunded to the applicants. The reply was not tenable as management failed to remit the due share of KW&SB already available in account. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2019-20 vide para numbers 1.5.6.3 and 1.2.2.11 having financial impact of Rs6.976 million and Rs94.382 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 07]

1.5.6.7 Non-publication of advertisements regarding sale of projects

As per Section 5-2.4 of Chapter-5 pertaining to Public Sale Projects of The Karachi Building & Town Planning Regulations, 2002, the authority shall publish the public notice within 15 days of the issuance of NOC for sale and advertisement of the projects in leading newspapers regarding silent features of each public sale project including name of project location, developer's name, office address, name of Town Planner, nos. and size of plots offered for Sale, detail of mortgaged plots, date of completion and selling price.

During audit of Sindh Building Control Authority, Karachi, for the financial year 2022-23, it was observed that the management collected advertisement fee of Rs13.200 million from builders of various projects for publication of public notice in leading newspapers regarding salient features of each public sale projects. Public Notices were to be published by Public Relation Department SBCA within 15 days from issuance of NOC for information of general public, but the management failed to publish the advertisements, in violation of above regulations.

Audit was of the view that due to non-publication of advertisement about the projects by SBCA, the general public could not be informed about the salient features of the projects.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 14]

1.5.6.8 Non-maintenance of stock registers - Rs4.474 Million

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 audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that management incurred an expenditure of

Rs4.474 million on the purchase of stationery and miscellaneous items but did not maintain stock registers. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1	Secretary, Local Government Housing & Town Planning Department	07	4.231
2	Secretary, Local Government Board, Karachi	11	0.243
Total			**4.474**

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

The matter was reported to the management during September to November, 2023. Secretary, Local Government Housing & Town Planning Department, Karachi replied that the stock register on account of purchase of computer stationery was maintained. The reply was not tenable as stock registers were not maintained as per prescribed format, whereas no reply was received from office of Secretary, Local Government Board. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

1.5.6.9 Savings not surrendered - Rs3.826 Million

According to Para 162 of Sindh Budget Manual, all anticipated Savings should be surrendered to government immediately as they are foreseen without waiting close of financial year.

During audit of following offices of Local Government Department, for the financial year 2021-22, it was observed that an amount Rs3.826 million was neither utilized nor surrendered in time as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	Budget	Expenditure	Saving
1.	Regional Director, Local Government Mirpurkhas	3.403	-	3.403
2.	Additional Director, Local Government Badin	0.423	-	0.423
Total		**3.826**	**-**	**3.826**

Audit was of the view that non-surrendering of savings reflected poor financial management.

The matter was reported to the management in May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks clarification in the matter.

[AIR Paras: 2, 3]

1.5.6.10 Opportunity loss due to non-generation of energy from solid waste

According to Rule 7 (1) (xi) of Sindh Solid Waste Management Act, 2021, "The Board shall get the schemes prepared or arrangement made for outsourcing any function relating to the collection, transfer, re-cycling of waste, compost making and energy generation out the solid waste, development of filling sites of the solid waste".

During audit of Sindh Solid Waste Management Board, Karachi for the financial year 2022-23, it was observed that the management was required to make arrangement for energy generation from solid waste, but the same has not been done despite lapse of considerable time.

Audit was of the view that non-arrangement of energy generation from solid waste showed lethargic attitude of management. Further, the public was also deprived of provision of low-cost energy.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 16]

1.5.6.11 Non-demolition of dangerous buildings

According to Section 14(1) of The Sindh Building Control Ordinance, 1979, "If it comes to the notice of the authority that a building is likely to collapse, the authority

may, after such inquiry as it deems fit order for carrying out the specific repairs or demolition of the whole or part of the building".

During audit of Sindh Building Control Authority, Karachi, for the financial year 2022-23, it was observed that the management did not demolish 713 dangerous buildings declared by the Technical Committee, SBCA as hazardous for living. Detail is as under:

Sr. No	Name of District	No. of Dangerous Buildings
1.	District South	440
2.	Hyderabad Division	81
3.	District Central Karachi	65
4.	Sukkur Division	60
5.	District Keamari	23
6.	District Korangi	14
7.	District East Karachi	13
8.	Mirpurkhas Division	07
9.	District Malir	04
10.	Larkana Division	04
11.	District West	02
Total		**713**

Audit was of the view that due to non-demolition of the dangerous buildings precious lives of the citizens were at high risk which indicated poor management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21 and 2019-20 vide para numbers 1.5.6.5, 1.5.5.6, 1.5.5.4 and 1.2.2.90 respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 07]

1.5.6.12 No mechanism to check completion and occupancy process of the projects

As per Section 4-13.2.7 of Karachi Building & Town Planning Regulations-2002, "The builder/developer shall complete the construction/development work within specified time mentioned in sale and advertisement NOC, hand over possession of units and execute lease/sub-lease in favour of respective allottees on receiving agreed sale price, after obtaining completion plan/occupancy certificate from the authority."

Further, as per Section 7-E(2) of the Sindh Building Control Ordinance, 1979, "The Authority shall cause every building which has been completed to be inspected, and if it has been constructed in violation or contravention of any provisions of this ordinance, if any, the authority may require the alterations of the buildings so as to be in compliance therewith, and where such an alteration is not possible, the authority may require the building or any part thereof to be demolished if it involves any violation or contravention of the provisions of a master plan or of a sanctioned site development scheme."

During audit of Sindh Building Control Authority, Karachi, for the financial year 2022-23, it was observed that the SBCA did not take any action against the builders who failed to submit occupancy certificates to SBCA after completion of their projects. Due to non-submission of occupancy certificates, it could not be checked whether the builders have made any violation in map or in the approved structure. Detail is at **Annex-LGD19.**

Audit was of the view that due to non-obtaining of completion and occupancy certificates of each project, the chances of various fatal incidents due to faulty design or structure could not be ruled out.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 04]

1.5.6.13 Irregular issuance of NOCs without site inspection

According to Regulation No. 3-3.12.1 of Karachi Building and Town Planning Regulations 2002, the applicant submitting a sub-division plan shall arrange for at least

one site inspection by a representative of the concerned Authority or Master Plan Authority & Environmental Control Department or both, as the case may be.

During audit of Sindh Master Plan Authority, Karachi and Director, Town Planning Sindh, Hyderabad, for the financial year 2022-23, it was observed that management issued No Objection Certificates for layout plan without site inspection by a representative of concerned Authority or representative of Master Plan Authority & Environmental Control Department (MP&ECD), in violation of above rules. Detail is as under:

S. No.	Approval No. & Date	Description
(1) Sindh Master Plan Authority, Karachi [OM # 09]		
	967/ 12-5-23	Approval of Layout Plan in respect of land measuring 09-08 acres, sector No. 25-A deh Songal scheme-33 Karachi.
(II) Director, Town Planning Department, Hyderabad [OM # 17]		
1	147/ 3-8-22	Approval of proposed Layout Plan of "Gulshan-e-Hyder Extension housing scheme over R.S.Nos 234, 236,238 (part), 239 (part0, 240 (part), 266 and 406 admeasuring area 39 Acre 2.5 Gunta, situated at deh 109, taluka Hussain Bux Mari, district Mirpur Khas
2	73/ 22-2-23	Approval of proposed Layout Plan of Al-Ghafoor Residency Housing Scheme Phase-I, over survey Nos. 52, 54, 55 and 737 admeasuring area 11 Acers and 15 Gunta situated at deh Gosirji, taluka New Sukkur, district Sukkur
3	243/ 2-11-22	Approval of proposed Layout Plan of Indus Vista Housing Scheme, over survey Nos. 1069 to 1076, 978 and 979 admeasuring area 15 Acers and 4 Gunta situated at deh old Sukkur, taluka new Sukkur, District Sukkur

Audit was of the view that issuance of NOCs without site inspection was irregular which indicated weak internal controls.

The matter was reported to the management during September 2023. The management replied that the audit has not specified/identified the NOCs issued without site inspection reports with their plot numbers etc. Hence, it was very difficult to give any plausible elucidation. The reply was not tenable, as audit provided details of the schemes for which NOCs were issued without inspection. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 10]

1.5.6.14 Irregular approval of Layout Plans

According to Regulation No 20-4.2.4 of Karachi Building and Town Planning Regulations 2002, “On industrial plots of 5 acres and more, 8% of the total plot area in

the rear shall be allowed for residential, local commercial, amenity, road etc, within the premises for labour and staff for which a separate approach shall have to be provided. The minimum distance between the factory and residential units shall be at least 40 feet (12.18 m.)"

Further, according to Regulation No 18-3.1.5 (ibid), "In case of sub-division of industrial plot having area upto 1000 SqYd the sub-divided area shall not be less than 25% of the original allotted plot and for plots having area more than 1000 Sq. yds (836.12 Sq.m) the minimum sub-divided area shall not be less than 1000 Sq. yds".

During audit of Sindh Master Plan Authority, Karachi, for the financial year 2022-23, it was observed that management approved and issued No Objection Certificates (NOCs) for layout plan of plots in violation of above rules as detailed below.

Sr. No.	Description	Survey No.	Violation
Sindh Master Plan Authority, AIR Paras no. 11 and 12			
1	Plot at Deh Dehj, Sub-division Korangi, district Korangi	Survey No. 579, admeasuring 5-0 acres from NA-Class No. 24	Without allocating 8% of total area of plot/land for residential and amenities like Masjid, Hospital, Post office etc.
2	Sub-division of plot Deh Sharafi, Tappo Landhi, Taluka Ibrahim Hyderi, District Malir	Survey No. 99 Admeasuring 03-33 Acres	The plot was divided into area measuring less than 1000 sq. yards in violation of regulations.

Audit was of the view that approval of layout plan of plots without observing prescribed requirements indicated poor management and weak internal controls.

The matter was reported to the management in September 2023. The management replied that NOCs were issued by observing prescribed criteria. The reply was not tenable as the management failed to provide documentary evidence in support of reply. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 1.2.3.103. Recurrence of same irregularity is a matter of serious concern.

[AIR Paras: 11, 12]

1.5.6.15 Non-preparation of Master Plan of all districts of Sindh

According to Section 3(7-B) of Sindh Building Control (Amendment) Act, 2014, "The Authority shall draw up a Master plan for all Districts of the Province which shall, among other matters, as provided below:

i. a survey of the district including its history, statistics, public services and other prescribed particulars;

ii. development, expansion and improvement of any part of the district;

iii. restrictions, regulations and prohibitions to be imposed with regard to the development of sites, and erection and re-erection of buildings within the district; and

iv. earmarking of land for mosques where necessary".

During audit of Sindh Master Plan Authority, Karachi, for the financial year 2022-23, it was observed that management did not prepare master plan of all districts of Province of Sindh. The non-preparation of Master Plan deprived the citizens of purpose-built civic facilities.

Audit was of the view that non-preparation of Master Plan for all districts of Sindh was violation of the Act, which indicated weak internal controls.

The matter was reported to the management in September 2023. The management replied that it had taken up the matter with the higher authorities. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends effective steps for preparation of master plan for all districts of Sindh.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-22 vide para number 1.5.5.8. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 14]

1.5.6.16 Approval of layout plans without obtaining NOCs from utility agencies

As per Regulation No.5-2.28 of Karachi Building & Town Planning Regulation 2002 as amended in 2019, "Developer seeking NOC for sale and advertisement for the housing scheme (open plots) outside planned schemes of KDA/MDA/LDA having no integrated utility infrastructure shall furnish NOC of utility agencies, the concerned

agencies must assure the availability of the services before the completion date of the project".

During audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that management approved layout and building plans without obtaining NOCs from utility agencies for provision of basic utilities. Detail is at **Annex-LGD20.**

Sr. No.	Name of Office	AIR Para
1	Sindh Master Plan Authority, Hyderabad	15
2	Sindh Building Control Authority, Karachi	09

Audit was of the view that the management approved layout and building plans for housing schemes without obtaining NOCs from utility agencies which indicated weak internal controls.

The matter was reported to the management during September and October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-22 vide para number 1.5.6.5. Recurrence of same irregularity is a matter of serious concern.

1.5.6.17 Issuance of No Objection Certificates without observing codal requirements

Section 3-3.11(1), 'Approval procedure for Special Development Permit' of Karachi Building & Town Planning Regulations, 2002, stipulates that the owner shall apply to the concerned authority for special development permit for major sub-division and the concerned authority shall refer the case to Master Plan Group of offices for approval. (2c) the approval of civil aviation, defense authorities, or any other concerned authority, if required.

Further, Section 3.2(3)(III) ibid, states that structural engineer and relevant Engineering and Building Services (E&BS) consultant shall sign on respective drawings and architectural plan.

Furthermore, NOCs of water and sewerage, electricity, natural gas were required for every new project in compliance of Supreme Court of Pakistan orders in C.P. No.

38/2017, dated 05-03-2018 as circulated by Sindh Building Control Authority on 06-03-2018.

During audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that management approved and issued No Objection Certificates for layout plans of various town/housing schemes and building plans without taking into account the requirements and ensuring the compliance of prescribed procedures i.e., attachment of applicant's ownership title, physical and topographical surveys of the site, approval from civil aviation etc. Detail is at **Annex-LGD21.**

Sr. No.	Name of Entity	AIR Para
1	Sindh Master Plan Authority, Hyderabad	16
		17
		21
2	Sindh Building Control Authority, Karachi	02

Audit was of the view that issuance of NOCs without observing requirements was irregular which indicated weak internal control system.

The matter was reported to the management during September and October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

1.5.6.18 Non-observance of prescribed criteria for housing schemes

According to Regulation No 20-4.1(1)(2) & (3) of Regional Interim Building & Town Planning Regulations-2018, allocations for various land uses for new residential schemes shall be as follows.

Sr. No.	Total Saleable Area	Percentage %
1	Residential area maximum	55
2	Commercial maximum	5
	Total Non-saleable Area	
3	Roads/Streets, right of way minimum	25
4	Parks and playground minimum	8
5	Public uses minimum	4
6	Education uses minimum	3
Total area		**100**

During audit of Sindh Master Plan Authority, Hyderabad, for the financial year 2022-23, it was observed that management issued layout plan of new housing schemes for different districts of Sindh without observing prescribed standards ratio, i.e., applicable percentage of reserved area for residential and amenities. The violation could increase the commercial area of the housing schemes at the cost of facilities for residential units. Detail is at **Annex-LGD22.**

Audit was of the view that issuance of layout plan for new housing schemes without observing prescribed standard ratio indicated that undue favour was extended to the builders and developers.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22 and 2018-19 vide para numbers 1.5.5.7 and 1.2.3.102 respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 20]

1.5.6.19 Approval of proposed building plan without verification of title of land

Sindh Building Control Authority, Karachi office order No.SBCA/Secy to DG/SBCA/2016/206 dated 12-08-2016, stipulated that in future at the time of submission of building plan / demolition permission, the owner shall submit a certificate under Section 3-2.2.1 KB&TPR-2002 from the lessor / concerned authority confirming the title of land / land use, physical demarcation of the plot along with any road widening / cut line reservation details. After receiving the case, SBCA shall get re-verification of the letter from the Concerned Authority.

During audit of Sindh Building Control Authority, Karachi, for the financial year 2022-23, it was observed that management approved proposed building plans and layout plans for schemes without confirming the title of land from lessors concerned as well as verification of ownership documents. The site inspection of respective land and plots were also not ensured. Detail is at **Annex-LGD23.**

Audit was of the view that non-verification of the documents submitted by applicants indicated weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 1.5.6.2. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 10]

1.5.6.20 Conversion of residential/agricultural lands into commercial despite ban

Notification No.SBCA/PS-CE/2019/01 dated 10-12-2019 issued in compliance of the orders of Honourable Supreme Court of Pakistan dated 22-01-2019, stipulates that there was complete ban on conversion of residential Plots, amenity plots like that of parks, playgrounds and other amenities across Karachi city including cantonment areas.

During audit of following offices of Local Government Department, for the financial year 2022-23, it was observed that management issued various approvals for conversion of residential/agricultural land into commercial despite ban. Detail is at **Annex-LGD24.**

Sr. No.	Name of Office	AIR Para
1	Sindh Master Plan Authority, Hyderabad	22
2	Sindh Building Control Authority, Karachi	08
		11

Audit was of the view that conversion of residential/agricultural lands into commercial despite ban indicated weak internal controls prevailing in the organization.

The matter was reported to the management during September and October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 1.2.3.99. Recurrence of same irregularity is a matter of serious concern.

Chapter-2

Karachi Metropolitan Corporation



Karachi Water & Sewerage Board



Chapter-2: KMC and KW&SB

2.1 Introduction

i. Karachi Metropolitan Corporation

Karachi has three tiers of Local Government system comprising of Karachi Metropolitan Corporation, District Municipal Corporation and Union Committees. Following are the functions to be performed exclusively by Karachi Metropolitan Corporation.

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.

Activities of KMC are managed through offices of Mayor and Senior Directors under Sindh Local Government Act, 2013. Each group of offices consists of a Senior Director. The Senior Director, by means of a standing order, distributes the work amongst

the officers, branches, or sections of each office. Following is the list of departments which manage the activities of KMC.

1. Mayor
2. Senior Director (FA)
3. Senior Director (Law)
4. Senior Director (IT)
5. Senior Director (MUCT)
6. Senior Director (Veterinary)
7. Senior Director (E&IP)
8. Senior Director (MS)
9. Senior Director, Health Services
10. Senior Director (SP)
11. Director General (P&H)
12. Director General (TS)
13. Municipal Commissioner
14. Senior Director (HRM)

ii. Karachi Water & Sewerage Board

The Government enacted the Sindh Local Government (Amendment) Ordinance, 1983 leading to creation of the Karachi Water & Sewerage Board within KMC. In 1996, a new Act called the Karachi Water & Sewerage Board Act, 1996 was enforced. Under this Act, the Karachi Water & Sewerage Board was separated from KMC and the annual budget is approved by the Government.

The legal frame-work, functions, delegation of powers as well as financial guidelines are provided in the Karachi Water & Sewerage Board Act, 1996. The functions of Karachi Water & Sewerage Board are as follows:

(i) sanction in the manner and on payment of fees as may be prescribed by regulations:
  (a) water connection
  (b) water supply to tankers and
  (c) sewerage connection

(ii) levy, collect or recover rates, charges of fees for water supply and sewerage service, including arrears thereof

(iii) undertake construction improvement, maintenance and operation of:
  (a) water works including wells and recharge facilities for collecting, purifying, pumping, storing and distributing water to all types of consumers.
  (b) Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste,

(iv) produce and supply potable water

(v) place, maintain aqueducts, conduits, sewers etc.

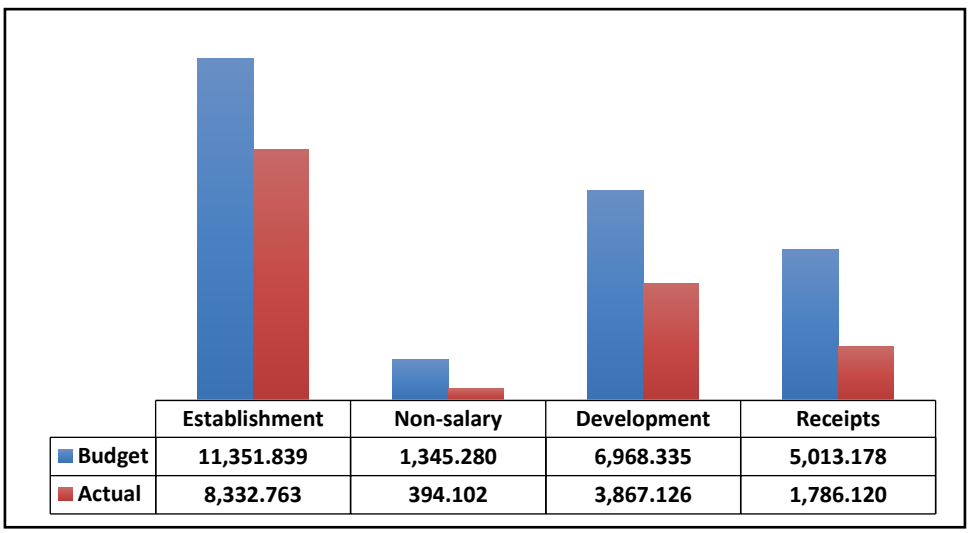
The office of Managing Director, Water & Sewerage Board, Karachi, comprises of five departments, i.e., Planning, Technical Services, Finance, Revenue Resources Generation and Human Resource Development and Administration headed by Deputy Managing Directors. There are Executive Engineers at each divisional level with the supervision of Superintending Engineer at each district under the control of Chief Engineer(s) of Water, Sewerage and Equipment and Machinery.

2.2 Comments on Budget and Accounts (Variance Analysis)

i. Budget of Karachi Metropolitan Corporation

[Rs. in Million]

Formation	Particulars	Budget	Actual	Excess (+) Savings (-)
Karachi Metropolitan Corporation	Salary	11,351.839	8,332.763	-3,019.076
	Non-Salary	1,345.280	394.102	-951.177
	Development	6,968.335	3,867.126	-3,101.209
	Total Expenditure	**19,665.453**	**12,593.991**	**-7,071.462**
	Receipts	**5,013.178**	**1,786.120**	**-3,227.058**

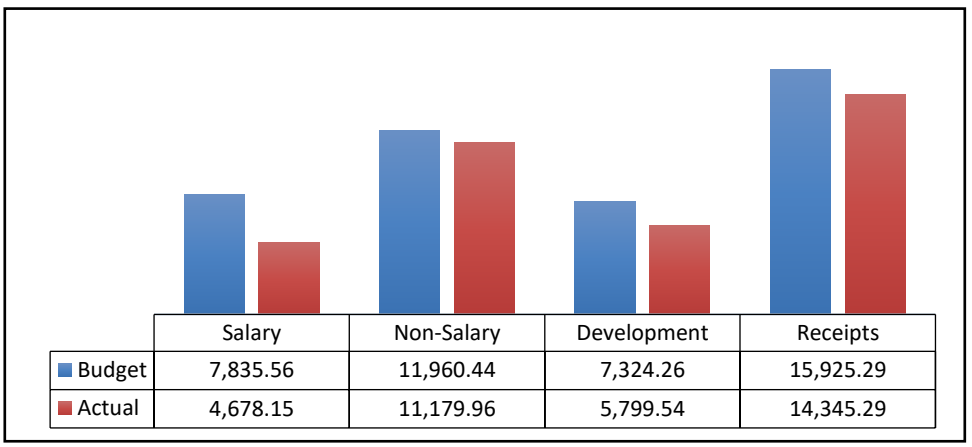


The budgeted expenditure of Karachi Metropolitan Corporation for the financial year 2022-23 was Rs19,665.453 million, against which the actual expenditure was Rs12,593.991 million, resulting in saving of Rs47,071.462 million. The management of KMC was unable to realize the receipts' targets resulting in shortfall of Rs3,227.058 million.

ii. Budget of Karachi Water & Sewerage Board

[Rs. in Million]

Formation	Particulars	Budget	Actual	Excess (+) Savings (-)
Karachi Water & Sewerage Board	Salary	7,835.558	4,678.148	-3,157.410
	Non-Salary	11,960.436	11,179.964	-780.473
	Development	7,324.257	5,799.540	-1,524.717
	Total Expenditure	**26,120.251**	**21,657.652**	**-4,462.599**
	Receipts	**15,925.293**	**14,345.293**	**-1,580.000**



The budgeted expenditure of Karachi Water & Sewerage Board for the financial year 2022-23 was Rs26,120.251 million, against which the actual expenditure was Rs21,657.652 million, resulting in savings of Rs4,462.599 million. The management of KW&SB was unable to realize the receipts targets resulting in shortfall of Rs1,580.000 million.

Table-: Audit Profile of KMC and KW&SB

[Rs. in Million]

Sr.	Description	Formations		Financial Year 2022-2023	
		Planned	Audited	Expenditure audited	Revenue / Receipts audited
1.	Formations	130	92	34,251.643	16,131.413
2.	Assignment Accounts, SDAs (excluding FAP)	-	-	-	-
3.	Authorities/Autonomous Bodies under the PAO	-	-	-	-
4.	Foreign Aided Projects (FAP)	-	-	-	-

2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs124,443.813 million were raised in this report during the current audit of KMC and KW&SB. The amount also includes recoveries of Rs96,535.006 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

Table: Overview of Audit Observations:

[Rs. in Million]

Sr.	Classification	Amount
1	Non-Production of Record	-
2	HR/Employees related irregularities	295.721
3	Procurement related irregularities	3,681.689
4	Recoveries related irregularities	96,535.006
5	Management of Accounts with Commercial Bank related issues	-
6	Value for money and service delivery issues	-
7	Other issues	23,931.397
Total		**124,443.813**

2.4 Brief comments on the status of compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Sindh. Detail of paras presented in PAC meetings is reflected hereunder:

Audit Year	No. of Paras	Status of Paras discussed in PAC Meetings
2011-12	31	1 - Partial
2012-13	28	1 - Partial
2013-14	28	1 - Partial
2014-15	36	-Nil-
2015-16	28	-Nil-
2016-17	51	-Nil-
2017-18	69	-Nil-
2018-19	72	-Nil-
2019-20	69	-Nil-
2020-21	16	-Nil-
2021-22	23	-Nil-
2022-23	38	-Nil-

2.5 Audit Paras

2.5.1 Non-production of record

2.5.1.1 Non-production of record

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

> "(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with 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 audit of various offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, the management did not produce auditable record related to establishment, contingency, revenue, development and various registers etc., involving minimum financial impact of Rs1,633.591 million for audit scrutiny. Detail is at **Annex-KHI1.**

Audit was of 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.

The matter was reported to the management from March to December 2023. The office of Senior Director Estate replied that vehicle Department of KMC issued vouchers to the officers and utilized the POL budget. Reply was not tenable as management allowed utilization of their POL budget for the vehicle department of KMC. The Project Director, S-III replied that payment has been made according to Engineer's Estimate therefore, there was no need of supporting vouchers. Reply was not tenable as the management failed to maintain requisite record. The offices of Executive Director, Karachi Institute of Heart Disease, Senior Director Estate, Director Katchi Abadies, Director Store & Procurement, Incharge Hydrant and DMD Finance replied that requisite record is ready for audit scrutiny. Reply was not tenable as the management failed to provide requisite record during course of audit, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite

issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

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 Audit Years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 vide para numbers 2.5.1.1, 2.5.1.1, 2.5.1.1, 1.2.1.1, and 1.2.2.1 respectively having financial impact of Rs1,403.590 million, Rs163.041 million, Rs308.434 million, Rs8.173 million and Rs4,774.942 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.2 HR/Employees related irregularities

2.5.2.1 Irregular payment of leave encashment - Rs227.269 Million

According to Rule 18-A of Revised Leave Rules 1980, "A civil servant may fifteen months before the date of superannuation or thirty-year qualifying service on or after the 01-07-1983, at his option, be allowed to encashment his leave preparatory to retirement if he undertakes to in writing to perform duty in lieu of the whole period of three hundred and sixty-five days or lesser period which is due and admissible".

During audit of various offices of Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that the management irregularly paid an amount of Rs227.269 million to employees on account of leave encashment on yearly basis without occasion of retirement in violation of Revised Leave Rules, 1980. Detail is **Annex-KHI2.**

Audit was of the view that payment of leave encashment on yearly basis without occasion of retirement was violation of the rules which indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023. The office DMD (RRG), DMD (Finance) and Executive Engineer, Hub Trunk Main replied that leave encashment was allowed to KW&SB employees of BS-1 to BS-15 as per agreement between the management and CBA. Reply was not tenable as the management allowed leave encashment in violation of rules, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends that irregular payment of leave encashment on yearly basis may be stopped and recovery effected.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 2.5.2.3, 2.5.2.3, 1.2.2.7, and 1.2.3.7 respectively having financial impact of Rs356.368 million, Rs292.622 million, Rs141.105 million and Rs106.272 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.2.2 Non-posting of officers and staff

According to budget books of various hospitals of KMC, the position of sanctioned and working strength of various technical and non-technical posts is provided at **Annex-KHI3.**

During audit of various hospitals of Karachi Metropolitan Corporation, for the financial year 2021-22, it was observed that various posts of technical and non-technical officers/staff viz consultants, medical officers, surgeons, anesthetist, paramedics, nurses, radiologists, O.T. technicians, laboratory technicians, pharmacists, mid wives etc. were lying vacant since long. The management did not take serious steps for filling 56.4% of the vacancies of important technical and non-technical officers/staff. Detail is at **Annex-KHI3.**

Audit was of the view that due to non-filling of posts of officers and staff public was being deprived of the proper medical services which indicated poor management and weak internal controls.

The matter was reported to the management in June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 24-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

[AIR Paras: 10, 12]

2.5.2.3 Irregular payment of salary without sanctioned posts - Rs4.685 Million

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 audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial year 2021-22, it was observed that the management posted various employees without sanctioned strength and paid an amount of Rs4.685 million against salary. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Remarks	Salary paid
1.	Senior Director, Human Resource Management	6	01 employee posted as Senior Director HRM, BPS-20 without sanctioned post	3.743
2.	Executive Engineer Sewerage Malir Town	9	01 employee posted as Program Officer, BPS-18 without sanctioned post	0.942
3.	Senior Director, Human Resource Management	7	02 employees posted beyond sanctioned strength in BPS-7 & BPS-16	-
Total				**4.685**

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

The matter was reported to the management in March 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 24-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2021-22 vide para numbers 2.5.2.4 and 2.5.2.2 respectively having financial impact of Rs32.052 million and Rs146.325 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.2.4 Irregular appointment of employees on daily wages - Rs22.399 Million

In compliance of Honorable Supreme Court of Pakistan in Human Rights case No. 104/92, Local Government Department issued directives vide letter No.SO-

V(LG)5(69)/2009/29-06-2010 that even an appointment on adhoc basis cannot be made without publication and proper advertisement.

Further, Rule 8(2) of Sindh Local Councils Employees (Service) Rules 2017 stipulates that initial appointment to the posts in all basic scales not falling within the purview of SPSC, shall be made on the recommendations of the Selection Committee on the basis of interview or test to be held by the Selection Committee after the vacancies have been advertised in leading newspapers in Urdu, Sindhi and English Languages.

During audit of following offices of Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management appointed employees on daily wages without observing prescribed procedure and incurred expenditure of Rs22.399 million on the wages. Further, approval from administrative department was also not obtained. Detail is as under:

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Appointment of daily wages employees	Amount
1.	Executive Engineer Sewer Cleaning Equipment and Services Division	9	25 Drivers 25 Cleaners	18.720
2.	Executive Engineer Sewerage Liaquatabad Town	6	12 Health Workers	3.679
3.	DMD HRD&A	6	200 Health workers	-
Total				**22.399**

Audit was of the view that appointment of employees on daily wages without following prescribed procedure was violation of the rules and Local Government orders which indicated weak internal controls.

The matter was reported to the management in November and December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on person(s) at fault.

2.5.2.5 Irregular payment of house rent allowance - Rs31.785 Million

Para 11 of Finance Department, Government of Sindh's O.M. No.FD (SR-IV)-I (12)/77 dated 13-05-1977, stipulates that the house rent allowance is not admissible to whom accommodation is provided by government.

Further, according to Finance Department, Government of Sindh Notification No. FD(SR-III)5/20-2008 dated 15-07-2008, "All employees not provided with Government accommodation shall continue to be entitled to house rent allowance @ 45% of the minimum basic pay scale, 2008 in big cities of Sindh under jurisdiction of metropolitan/ municipal corporations and 30% of minimum of basic pay scale, 2008 in other cities".

During audit of various offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed from the salary bills and list of accommodation that the management was paying house rent allowance to the officers and staff to whom residential accommodation was allotted which resulted into irregular payment of Rs29.660 million. Further, it was also observed that in two offices of KW&SB, excess payment of Rs2.125 million was made on account of HRA @ 45% instead of 30%, in violation of their entitlement. Detail is at **Annex-KHI4.**

Audit was of the view that irregular payment of house rent allowance was made in violation of Finance Department notifications which reflected poor financial management.

The matter was reported to the management from March to December 2023. The offices of DMD RRG and Executive Engineer Hub Trunk Main replied that house rent allowance along with official residential accommodation was allowed by a resolution of City Districts Council duly approved by Chairman KW&SB. Reply was not tenable as the management allowed house rent allowance along with official residential accommodation in violation of rules, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends that the irregular payment of house rent allowance should be stopped and recovery effected.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22 and 2020-21 vide para numbers 2.5.2.1, 2.5.4.5 and 2.5.4.1 respectively having financial impact of Rs20.645 million, Rs9.784 million and Rs20.863 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.2.6 Unauthorized payment of various allowances - Rs9.583 Million

According to Para-4 of Finance Department O.M. No.FD(SR-I) 1(32)/2008-2011 dated 10-07-2012, "Revised rate of conveyance allowance shall be admissible to civil servants working in BPS 16-19 @ Rs 5,000/- per month".

Further, according to Finance Division (Regulation wing) O.M No.F.3(1) Reg 5/2010 dated 01-10- 2013, "It has been decided that conveyance allowance @ Rs 5,000/- per month will be admissible to officers in BPS-20-22 who are neither availing free transport facility nor have been allowed monetization of transport allowance".

Furthermore, Rule 13.5 of DDO Handbook, "No conveyance allowance is allowed to the employees, who are entitled to draw the same due to their posting in big cities, while on leave of any kind, except casual leave."

Moreover, as per Finance Department, GoS OM No.FD(SR-III)29-2008(B) dated 16.02.2009, "In order to resolve the anomaly in respect of Project Allowance for officers/staff working on Foreign Aided Projects/Programs and locally fund priority programs in Sindh, Government of Sindh with the approval of Competent Authority hereby allows/admissible revised rates of project allowance to regular employees of the Government of Sindh Officers/staff working on Provincial Development Projects/Priority Programs as per Government policy".

During audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that management paid an amount of Rs9.583 million to staff on account of project, conveyance and technical allowances without entitlement as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y.	Description	Amount
1	Karachi Medical & Dental College	8	2021-22	Increased conveyance allowance of officers from BPS-18 to BPS-20 beyond entitlement [BPS-20 Rs15,000 per month BPS-19 Rs12,000 per month BPS-18 Rs9,000 per month]	7.104
3	Project Director, S-III	1	2022-23	Project allowance paid without working in the project ranging from Rs30,000-75,000	1.260
6	Executive Engineer, Sewerage Jamshed Town	3		Technical allowance paid to non- technical employees ranging from Rs252 to Rs428 per month	0.391

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y.	Description	Amount
2	MS Abbasi Shaheed Hospital	3		Conveyance allowance paid to the employees during earned leave	0.286
4	Executive Engineer, Sewerage Pumping Division-I	3		Technical allowance paid to non- technical employees ranging from Rs252 to Rs428 per month	0.279
5	Executive Engineer, Sewerage Pumping Division -II	3			0.263
Total					**9.583**

Audit was of the view that payment of various allowances without entitlement resulted into loss to public exchequer which indicated poor financial management.

The matter was reported to the management from June to November 2023. The Project Director, S-III replied that Mr. Ateeq ur Rehman (Superintendent) was posted in S-III Project but was directed to work at M.D. Secretariat, whereas Mr. Muhammad Umaid (Supervisor) was allowed to work at S-III Project and draw his salary from the office of Chief Engineer (Projects). Reply was not tenable as the management allowed project allowance to the employee who was not entitled for the same, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends that payment of the allowances without entitlement should be stopped and recovery effected.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21, 2019-20 and 2018-19 vide para numbers 2.5.4.2, 1.2.2.5 and 1.2.3.14, respectively having financial impact of Rs5.843 million, Rs437.225 million and Rs24.181 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.3 Procurement related irregularities

2.5.3.1 Irregular award of works beyond delegated powers - Rs1,152.733 Million

According to Delegation of Powers of Karachi Water & Sewerage Board issued in 1991, for "Sanction and acceptance of tenders for works by contract" is as follows:

Nature of Power	Extent of Power
Sanction and acceptance of Tenders for works by contract	Upto Rs 25.00 Lacs by Managing Director Upto Rs 50.00 Lacs by Chairman

Further, Section 7 (v) Chapter-V of Karachi Water & Sewerage Board Act, 1996, stipulates that the Board shall have full financial powers within the budget grant.

During audit of following offices of Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management awarded works of Rs1,152.733 million to various contractors with the approval of Managing Director instead of Chairman and Board according to delegated powers. Detail is as **Annex-KHI5.**

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Amount
1.	P.D R.O Plants	10	918.863
2.	DMD RRG	15	228.094
3.	Executive Engineer Hub Trunk Main	8	5.776
Total			**1,152.733**

Audit was of the view that award of the works by Managing Director beyond delegated powers indicated weak internal controls.

The matter was reported to the management in September and October 2023. Office of DMD, Revenue Resource Generation replied that approval was accorded by Chairman who was competent for approval of the subject works. Reply was not tenable as the subject works required approval of the Board, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 2.5.3.7 having financial impact of Rs154.633 million. Recurrence of same irregularity is a matter of serious concern.

2.5.3.2 Execution of additional work beyond permissible limit Rs11.025 Million

Rule 16(1)(e-i), Part-II of SPPRA 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, and 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.

During audit of office of the Director General, Technical Services, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that management executed quantities of different development works amounting to Rs11.025 million which were beyond permissible limit of the sanctioned quantities of the original estimates ranging from 31% to 118%. Detail is as under:

Name of Work and Contractor	Qty. as per estimate % cft	Qty. Executed % Cft	Excess Qty. %Cft	Rate in Rs	Amount in million	% Increase in Qty
Construction of road from Ramsawmi to Jubile (Dual Track) KMC South Karachi (M/s Shaheen Trading Company)	171,432	305,379	133,947	5,542.24	7.423	71%
	229,800	302,596	72,796	3,341.71	2.432	31%
Construction of Road from Mehran Hotel to Thaddo Nallah and Veryo Goth Sukhya Goth, Jalbani Goth, UC-12, District Malir, (M/s. Allied International)	29,610	64,633	35,023	3,341.71	1.170	118%
Total					**11.025**	**-**

Audit was of the view that execution of excess quantities from the original estimates beyond permissible limit was irregular which indicated that undue favour was extended to the contractors.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 1.2.3.44 having financial impact of Rs598.975 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 14]

2.5.3.3 Irregular expenditure beyond the sanctioned estimates - Rs95.910 Million

According to Delegation of Powers of Karachi Water & Sewerage Board issued in 1991, "For sanction of the amount in excess of the sanctioned estimate (Works): Upto 3%, DMD (Tech. Services) is authorized. In addition, Karachi Water & Sewerage Board Act, 1996 "Appendix "A", Managing Director of the Board is authorized for sanction of the amount in excess of the sanctioned estimate in respect of all works upto 5% and Chairman upto 10%".

Further, Section 7 (v) Chapter-V of Karachi Water & Sewerage Board Act, 1996, stipulates that the Board shall have full financial powers within the budget grant.

Furthermore, 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 audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management of KW&SB awarded contracts of Rs212.677 million with the approval of Managing Director, KW&SB against sanctioned estimates of Rs180.309 million. Thus, approval of amount in excess of the sanctioned estimate by Managing Director, KW&SB beyond his powers ranging from 7.14% to 19.95% resulted into irregular expenditure of Rs32.368 million. Further, management of DG, Technical Services, KMC paid Rs489.136 million against sanctioned estimates of Rs425.594 million without approval of competent authority, resulting into excess payment of Rs63.542 million, ranging from 11.87% to 33.85% in excess of permissible limit. Detail is as under:

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y.	Estimated Cost	Actual Expenditure	Excess amount	Excess in %
1.	Executive Engineer, Purification Plant Division	7	2021-22	12.001	14.375	2.374	19.95
2.	D.G Technical Services	5	2022-23	366.402	409.908	43.506	11.874
		15		59.192	79.228	20.036	33.849
3.	P.D R.O Plants	8		7.500	9.000	1.500	20.000
4.	Executive Engineer Sewerage Liaquatabad Town	4		9.765	11.716	1.951	19.980
5.	Executive Engineer Sewerage Shah Faisal	5		6.184	7.415	1.231	19.906

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y.	Estimated Cost	Actual Expenditure	Excess amount	Excess in %
6.	Executive Engineer Water Keamari Town	5		17.319	20.742	3.423	19.764
7.	Executive Engineer Gharo Division Civil	4		18.794	22.436	3.642	19.379
8.	Executive Engineer Water Shah Faisal	5		3.901	4.647	0.746	19.123
9.	Executive Engineer Sewerage Keamari Town	5		29.519	35.128	5.609	19.001
10.	Executive Engineer KD Civil-I	5		17.119	20.309	3.190	18.634
11.	RE Hub Pumping (Old & New)	4		2.154	2.530	0.376	17.456
12.	Executive Engineer Water Lyari Town	4		12.081	14.187	2.106	17.432
13.	Executive Engineer Hub Division Civil	5		30.508	35.517	5.009	16.419
14.	Executive Engineer K.D Civil-II	5		4.378	4.816	0.438	10.005
15.	Executive Engineer Hub Trunk Main	5		5.066	5.552	0.486	9.593
16.	Executive Engineer Dumlotee	5		4.020	4.307	0.287	7.139
Total				**605.903**	**701.813**	**95.910**	**-**

Audit was of the view that expenditure in excess of sanctioned estimates without approval of the competent forum was irregular which indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023. The Office of Executive Engineer, Hub Trunk Main replied that Sindh Public Procurement Rule 11.3.3 allowed to accept the bid when amount of bid exceeded the engineer's estimate by 20%. Reply was not tenable as audit observation pertained to the powers exercised by MD beyond delegation, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2021-22 vide para numbers 2.5.3.5 and 2.5.3.1 having financial impact of Rs81.911 million and Rs229.640 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.3.4 Award of works without execution of contract agreements - Rs4.672 Million

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 audit of Karachi Medical & Dental College, Karachi Metropolitan Corporation, for the financial year 2021-22, it was observed that the management awarded contracts of Rs4.672 million without executing contract agreements with the contractors. Further, government also sustained loss of Rs0.164 on account of stamp duty. Detail is as under:

[Amount in Rs.]

Sr. No	Name of Work	Name of Contractor	Amount
1	Private Security Services	Saviours Security (Pvt) Ltd	2,996,137
2	Private Janitorial Services	Al-Basit Enterprises	1,675,800
Total			**4,671,937**

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

The matter was reported to the management in June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 24-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20, and 2018-19 vide para numbers 2.5.3.10, 2.5.4.7, 1.2.2.27 and 1.2.3.43 having financial impact of Rs0.996 million, Rs7.828 million, Rs742.023 million and Rs667.400 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 6]

2.5.3.5 Unauthorized expenditure beyond domain - Rs40.000 Million

According to Section 3 (vii) of KW&SB Act, 1996, the Board shall undertake construction improvement, maintenance and operation of:

(a) Water works including wells and recharge facilities for collecting, purifying, pumping, storing and distributing water to all types of consumers,

(b) Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste.

During audit of office of the Director General, Technical Services, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs40.000 million on account of providing and laying water supply and sewerage line beyond domain as the works pertained to the jurisdiction of the Karachi Water & Sewerage Board. Detail is as under:

[Rs. in Million]

Sr. No.	Contractor	Detail of works	Estimated Cost
1	M/s Noman Builder	Providing and laying water supply system for Yousuf Goth Bus Terminal.	20.000
2	M/s Shehzad Yousuf Zai	Providing and Laying 18'' Dia Sewerage Drain from Khokhrapar No. 6 Naddi to Saudabad Chowk District Malir	20.000
Total			**40.000**

Audit was of the view that incurrence of expenditure beyond domain indicated poor management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on person(s) at fault.

[AIR Para: 12]

2.5.3.6 Irregular award of works to various contractors - Rs286.571 Million

Rule 17(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two 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.

Further, Rule 2(1)(r), Part-I ibid, as amended in 2021, states that emergency means natural calamities, disasters, accidents, war and breakdown of operational equipment, plant, machinery or engineering infrastructure, which may give rise to abnormal situation requiring prompt and immediate action to limit or avoid damage to person(s), property or the environment.

Furthermore, as per Rule 16(1)(b)(viii) Part-II ibid, "in cases of emergency" Provided that the Head of the Department or any other officer not below BPS-20 to whom such powers have been delegated by the Head of the Department, declares that a situation of emergency has arisen and reasons for making such a declaration shall be recorded in writing".

During audit of following offices of Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that the management awarded various works of Rs286.571 million to the contractors by way of direct contracting in violation of rules by invoking emergency clause without meeting the conditions of emergency laid down in Sindh Public Procurement Rules as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Amount
1.	Executive Engineer Sewerage Bin Qasim Town	2	2021-22	61.255
2.	Executive Engineer Water Bin Qasim Town	2		54.121
3.	Executive Engineer, Water North Nazimabad	4		7.108
4.	Executive Engineer, Sewerage North Nazimabad	3		5.608
5.	Executive Engineer Hub Division Civil	6	2022-23	35.517
6.	Executive Engineer KD Civil-I	6		24.361
7.	Executive Engineer Sewerage Liaquatabad Town	5		16.917
8.	Executive Engineer Sewerage Shah Faisal Town	6		11.744
9.	Executive Engineer City Trunk Main (CTM)	1		10.687
10.	Executive Engineer Sewerage Korangi Town	3		10.269
11.	Executive Engineer Sewerage Keamari Town	3		9.702
12.	Executive Engineer Sewerage Landhi Town	4		9.634
13.	Executive Engineer K.D Civil-II	6		6.258
14.	Executive Engineer Federal Trunk Main (FTM)	2		5.484
15.	Executive Engineer Water Keamari Town	4		5.226
16.	Executive Engineer Water Liaquatabad Town	4		4.933
17.	Executive Engineer Dumlotee Division	6		4.426
18.	Executive Engineer Water Korangi Town	3		3.321
Total				**286.571**

Audit was of the view that invoking of emergency clause of Sindh Public Procurement Rules by the management for ordinary works without declaring emergency

by competent forums reflected poor oversight mechanism and weak financial management.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20 and 2018-19 vide para numbers 2.5.3.8, 1.2.2.53, 1.2.3.65 having financial impact of Rs1,034.976 million, Rs43.310 million and Rs33.408 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.3.7 Irregular expenditure without provision in estimates - Rs8.583 Million

Para No. 2.86 of The West Pakistan Buildings & Roads Department Code states that, "The authority granted by a sanction to an estimate must on all occasions be looked upon as strictly limited by the precise objects for which the estimate was intended to provide. Accordingly, any anticipated or actual savings on a sanctioned estimate for a definite project should not, without special authority be applied to carry out additional work not contemplated in the original project or fairly contingent on its actual execution."

During audit of office of the Director General, Parks & Horticulture, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that management awarded construction work of jogging track with rubber base paint at Polo ground, KMC, ADP-372 to M/s Venture, Karachi vide work order No. 148/2019 dated 17-05-2019 and paid an amount of Rs8.583 million to the contractor on account of extra items which were not included in the original estimate.

Audit was of the view that incurrence of expenditure without provision in estimate was violation of the rules which indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19, vide para number 1.2.3.78 having financial impact of Rs6.371 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 02]

2.5.3.8 Excess payment to the contractor - Rs3.515 Million

According to PC-I, the item No. 7 of work "Improvement of roads from M.A. Jinnah to I.I. Chundrigar Road" was awarded @ Rs8,274.73 per Sft.

During audit of office of the Director General, Technical Services, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that management paid Rs3.515 million to M/s M. Zahid & Contractor in the 2nd Running Bill for the work "Improvement of roads from M.A. Jinnah to I.I. Chundrigar Road". However, the payment was made at enhanced rate of Rs11,000 per sft instead of the awarded rate of Rs8,274.73 per sft, leading to an excess payment of Rs2,725.27 per sqft. Detail is as under:

[Amount in Rs.]

Detail of item Quantity Executed (Sft)	Approved Rate per Sft	Actual Rate paid per Sft	Variation per Sft	Total Variation	Remarks
Item No.7: 2 inch (50 mm) thick asphalt concrete wearing course plant mix laying to proper line and grade plant mixed asphalt concrete paver finished (Hydraulic / Electronic control) prepared to specified formula according to job mix formula approved by engineer in charge including rolling and finishing to proper line, grade level and camber etc: (Machinery with POL cost of material carriage)					
128,986	8,274.73	11,000	2,725.27	3,515,216	75% in excess of the original rate of the item

Audit was of the view that payment to the contractor on enhanced rates was an undue favour extended to the contractor, which indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 17]

2.5.3.9 Non-publication of tender in widely circulated newspapers Rs263.373 Million

According to Rule 17(1A), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, "All procurement opportunities over two 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 audit of office of the Director General Technical Services, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that management awarded development works amounting to Rs263.373 million. However, notices for inviting tender were not published in widely circulated newspapers, instead the tenders were published in Daily Awami Mahaaz, Daily Parcham, Sindh Sujag, Daily Wisdom and the Explorer, which are less known and not widely circulated newspapers. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Work	AIR Para	Contractor	Work Order No. & date	Original Estimate
1.	Rehabilitation of Road Mewa Shah Graveyard and Surrounding area of District West. ADP No. 2256	18	M/s King Enterprises	No.PD/ENGG/KMC/002 /2022 Dated 29-08-2022	200.839
2.	Improvement of roads from M.A Jinnah to I.I Chundirigar Road. ADP No. 2486		M/s M. Zaid & Contractor	No.PD/ENGG/KMC/004 /2022 Dated 29-08-2022	62.534
Total					**263.373**

Audit was of the view that non-publication of NIT in widely circulated newspapers for obtaining more competitive bidding was violation of Sindh Public Procurements Rules, which indicated weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 1.2.3.53 having financial impact of Rs237.678 million. Recurrence of same irregularity is a matter of serious concern.

2.5.3.10 Expenditure through invalid procurement committee - Rs1.497 Million

According to Rule-7, Part-I of Sindh Public Procurement Rules 2010, "The procuring agency shall, with approval of its Head of the Department, Constitute as many procuring committees, as it deems fit, each comprising odd number of persons and headed by the gazette officer not below the rank of BPS-18, or if not available, the officer of the highest grade, and shall ensure that at least one third of the members of a procurement committee are from the agencies or departments other than the procuring agency".

During audit of office of the Executive Engineer (Water), Saddar Town, Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management incurred expenditure of Rs1.497 million on procurement of works and services without inclusion of external member for evaluation of rates. Detail is as under:

[Amount in Rs.]

Sr. No.	Name of Work	Name of Contractor	Expenditure Amount
1.	Replacement of Damaged / Contaminated 8" Dia Water Line By 200 mm P.E Pipe Near Moin Plaza Baba-E-Urdu Road Saddar District South-B.	M/S Khizer Enterprises	199,991
2.	Replacement of Rusted / Damaged / Old 4" Dia Ac/Ci Water Line By 110mm P.E Pipe at Picture House Street UC-23 Saddar and Repairing of Leakages of 12" Dia In Saddar District South-B.		199,858
3.	Replacement of 8" Dia A.C Water Line By 200 mm P.E Pipe at Outram Road Saddar District South-B.	M/S Shaikh Brothers	199,836
4.	Replacement of 6" Dia A.C Water Line By 160mm P.E Pipe at Mandviwala Old Queens Rd UC-26 Saddar District South-B.		199,817
5.	Replacement & P/F of 6" Dia Sluice Valve and Replace the Damaged Portion of 10" Dia Water Line By 250mm P.E Pipe Near KPT Sports Complex UC-25 Saddar District South-B.		199,680
6.	Replacement of Contaminated / Damaged 4" Dia Water Line By 110mm P.E Pipe at Rew Rajlal St. UC-22 Saddar & Repairing of Leakages of 12" Dia Water Lines in Saddar District South-B.	M/S Khizer Enterprises	199,222
7.	Replacement of 6" Dia A.C Water Line By 160 mm P.E Pipe at Madina Road Saddar & Repairing of Leakages of 12" Dia & 15" Dia Water Lines In District South-B.	M/S DSA Associate	199,153
8.	Repair the Leakages of 12" Dia and 24" Dia Prcc Water Lines in Different Areas of Saddar Town District South-B.	M/S Shaikh Brothers	99,852
Total			**1,497,409**

Audit was of the view that procurements without inclusion of external member was irregular which indicated poor management and weak internal controls.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

[AIR Para: 5]

2.5.3.11 Non-obtaining of performance security - Rs76.708 Million

According to Rule 39(1), Part-II of Sindh Public Procurement Rules 2010 (Amended 2019), "Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price; (3) Validity of performance security shall extend at least ninety days beyond the date of completion of contract to cover defects liability period or maintenance period subject to final acceptance by the procuring agency".

During audit of following offices of Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that management awarded contracts without obtaining/ revalidating performance security/bank guarantees from different contractors amounting to Rs76.708 million. Detail is at **Annex-KHI6.**

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Amount
1	Project Director R.O Plants	1	45.943
2	Project Director, S-III Project	11	30.765
Total			**76.708**

Audit was of the view that non-obtaining/revalidating of performance security/bank guarantee indicated weak internal controls.

The matter was reported to the management in September and October 2023. The Project Director, S-III project replied that 5% performance security was obtained in shape of bank guarantee and 5% was deducted from running bills. Reply was not tenable as the management failed to provide documentary evidence in support of reply, whereas

no reply was received from P.D (R.O. Plants). The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22 and 2018-19, vide para numbers 2.5.7.2 and (1.2.3.39 & 12.3.49) having financial impact of Rs219.038 million and (Rs1,639.998 million & Rs324.846 million). Recurrence of same irregularity is a matter of serious concern

2.5.3.12 Splitting up of expenditure to avoid open tender - Rs33.513 Million

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(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following offices of Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that the management incurred expenditure of Rs33.513 million through quotations by splitting the procurements which resulted into non-achievement of competitive rates as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y.	Amount
1	Director, City Warden, KMC	7	2021-22	2.787
2	Executive Engineer City Trunk Main (CTM)	4	2022-23	9.213
3	Executive Engineer E&M Keamari Town	1		5.672
4	Executive Engineer Sewerage Scheme – 33	4		3.502
5	Executive Engineer Water Lyari Town	1		2.710
6	Executive Engineer Gharo Division Civil	5		2.592
7	Executive Engineer Water Saddar Town	1		2.588
8	Resident Engineer Gharo (P&F) Division	6		2.004
9	Executive Engineer Sewerage Saddar Town	5		1.957
10	Executive Engineer Sewerage Lyari Town	4		0.488
Total				**33.513**

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

The matter was reported to the management from May to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19, vide para numbers 2.5.3.4, 2.5.3.2, 2.5.3.5, 1.2.2.49 and 1.2.3.60 having financial impact of Rs167.513 million, Rs1.204 million, Rs1.822 million, Rs54.386 million and Rs112.285 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.3.13 Irregular expenditure without inviting open tender - Rs33.898 Million

Rule 17(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of office of the Director Zoo, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs33.898 million on procurements without inviting open tenders. Detail is as under:

[Amount in Rs.]

Sr. No.	Description	Name of Contractor	Amount
1	Supply of Monthly Dietary articles to the Animals of Karachi Zoo Rec, KMC for the months from July-2022 to March-2023	M/s Mehboob Enterprises	6,930,396
2	Supply of Monthly Dietary articles to the Animals of Karachi Zoo Rec, KMC for the months from March-2023 to June-2023		2,358,841
3	Supply of Daily Diet for the M/o July-22	M/s Bilal Construction & Co.	2,952,082
4	Supply of Daily Diet for the M/o Aug-22		2,875,152
5	Supply of Daily Diet for the M/o Sep-22		2,648,478
6	Supply of Daily Diet for the M/o Oct-22		2,753,025
7	Supply of Daily Diet for the M/o Nov-22		2,611,500

[Amount in Rs.]

Sr. No.	Description	Name of Contractor	Amount
8	Supply of Daily Diet for the M/o Dec-22		2,936,653
9	Supply of Daily Diet for the M/o Jan-23		2,843,523
10	Supply of Daily Diet for the M/o Feb-23		2,535,677
11	Supply of Daily Diet for the M/o Mar-23		2,452,547
Total			**33,897,874**

Audit was of the view that due to award of work without inviting open tender competitive rates could not be achieved which indicated poor financial management and weak internal controls.

The matter was reported to the management in October 2023. The management replied that that tenders for dietary articles were invited twice but were not responded. For the third time tender was sent to media management, department of KMC but the same could not be published. Reply was not tenable as procurement was made without inviting open tender. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2019-20, vide para numbers 2.5.3.1 and 1.2.2.51 having financial impact of Rs1,659.140 million and Rs48.085 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 03]

2.5.3.14 Unauthorized technical sanction beyond powers - Rs55.890 Million

The Karachi Water & Sewerage Board in exercise of its powers set out limits of power of Technical Sanction vide Resolution No.02 dated 03-06-1991 for original/repairs/maintenance (works) for different authorities as follows:

To Whom Delegated	Extent of Power
DMD (Tech. Services):	Upto Rs. 2.0 million
Dir. BT/WD/Sew/E&M:	Upto Rs. 1.0 million
Dy. Chief Engineer:	Upto Rs. 0.05 million
Supt. Engineer:	Upto Rs. 0.20 million
Executive Engineer:	Upto Rs. 0.05 million

Further, Karachi Water & Sewerage Board Act, 1996 APPENDIX "A" stipulates that the MD of the Board shall have full powers in terms of Technical Sanction of works.

During audit of following offices of Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the technical sanctions of various development/ repair and maintenance works amounting to Rs55.890 million were granted by the Superintending Engineer and Chief Engineer beyond delegated powers as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Amount
1.	Executive Engineer Water Lyari Town	5	12.273
2.	Executive Engineer Sewerage Liaquatabad Town	2	11.716
3.	Executive Engineer Sewerage Landhi Town	1	10.920
4.	RE Hub Pumping (Old & New)	1	8.196
5.	Executive Engineer Federal Trunk Main (FTM)	1	7.852
6.	Executive Engineer Water Liaquatabad Town	2	4.933
Total			**55.890**

Audit was of the view that grant of technical sanctions by the Superintending Engineer and Chief Engineer beyond delegated powers indicated poor management and weak internal controls.

The matter was reported to the management in November and December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2019-20, vide para numbers 2.5.3.6 and 1.2.2.77 having financial impact of Rs183.334 million, Rs2.762 million and Rs48.085 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.3.15 Non-publication of tenders in print media - Rs48.010 Million

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 opportunities over two 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 audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that management awarded various works of Rs48.010 million to different contractors by splitting up the procurements to avoid publication in print media as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Amount
1.	Executive Engineer Sewerage Scheme – 33	5	13.140
2.	Executive Engineer Sewerage Landhi Town	3	11.131
3.	Executive Engineer Sewerage Malir	6	9.870
4.	Executive Engineer Sewerage Saddar Town	6	6.631
5.	Senior Director, Municipal Services	13	3.982
6.	Executive Engineer Sewerage Lyari Town	5	3.256
Total			**48.010**

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

2.5.3.16 Procurement without constituting committee - Rs9.295 Million

According to Rule 7, Part-I of Sindh Public Procurement Rules 2010, "The procuring agency shall, with approval of Head of the Department, constitute as many procuring committees, as it deems fit, each comprising odd number of persons and headed by a gazetted officer not below the rank of BS-18, or if not available, the officer of the highest grade, and shall ensure that at least one third of the members of a procurement committee are from the agencies or departments other than the procuring agency".

During audit of following offices of Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs9.295 million, on various purchases and works without constitution of procurement committee to evaluate rates offered by bidders, as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Amount
1	Director, Zoo	1	5.375
2	Senior Director Finance, KMC	14	3.920
Total			**9.295**

Audit was of the view that purchases and works were made without constituting the procurement committee which indicated weak internal controls.

The matter was reported to the management in October 2023. The Office of Director Zoo replied that all the procurements were made by the procurement committee. Reply was not tenable as the management failed to provide documentary evidence in support of reply, whereas no reply was received from the office of Senior Director, Finance, KMC. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

2.5.3.17 Irregular award of development works - Rs 882.248 Million

Rule 46(2)(a), Part-II of Sindh Public Procurement Rules, 2010, states that single stage - two envelop procedure -bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal (b) envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion.

During audit of office of the Director General, Technical Services, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that management floated Notice Inviting Tender of works valuing Rs882.248 million on the basis of single stage one envelope method without obtaining technical proposals despite the fact that civil works required technical evaluation of bids by adopting single stage two envelope procedure. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of Work	Contractor	Work Order No. & date	Original Estimate
1.	Rehabilitation of Road Mewa Shah Graveyard and Surrounding area of District West. ADP No. 2256	M/s King Enterprises	No.PD/ENGG/KMC/002 /2022 Dated 29-08-22	200.839
2.	Improvement / Rehabilitation of Shaheed e Millat Express way. ADP No. 2485	M/s Kaim Khani Competition International	No.PD/ENGG/KMC/006 /2022 Dated 29-08-2022	618.875
3.	Improvement of roads from M.A Jinnah to I.I Chundirigar Road. ADP No. 2486	M/s M.Zaid & Contractor	No.PD/ENGG/KMC/004 /2022 Dated 29-08-2022	62.534
Total				**882.248**

Audit was of the view that evaluation of bids only on financial grounds instead of technical evaluation of bids was an undue favour extended to the contractors which indicated poor management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2020-21 vide para number 2.5.3.1 having financial impact of Rs209.142 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 8]

2.5.3.18 Irregular award of development works without technical sanction Rs555.809 Million

Section 11.1 of Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works) 2013, stipulates that no development work shall be started unless technical sanction is accorded by the competent authority.

During audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that the management awarded different development works amounting to Rs555.809 million without obtaining technical sanction from the competent authority, in violation of regulations as stated above. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y.	Amount
1.	Executive Engineer Sewerage Malir Town	5	2021-22	15.376
2.	Resident Engineer Hub Filter Plant	1		6.728
3.	Executive Engineer, Water Malir Town	3		1.995
4.	ADP Schemes	10	2022-23	379.880
5.	D.G, Technical Services	9		95.503
6.	R.E Dhabeji Pumping Division	8		15.137
7.	Executive Engineer Sewerage Gulshan-e-Iqbal Town	4		13.304
8.	Executive Engineer Water Gulshan-e-Iqbal Town	4		11.840
9.	Executive Engineer Water Jamshed Town	5		10.228
10.	Executive Engineer Canal Maintenance Division	4		5.818
Total				**555.809**

Audit was of the view that execution of development works without obtaining technical sanction from the competent authority in violation of SPPRA Regulations indicated weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2018-19 vide para numbers 2.5.3.3 and 1.2.3.57 having financial impact of Rs224.430 million and Rs147.171 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.3.19 Non-imposition of liquidated damages - Rs118.439 Million

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”.

During audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management awarded various works of Rs2,368.768 million but the contractors failed to complete the works within stipulated period. However, the liquidated damages amounting to Rs118.439 million @ 5% of contract value were not imposed as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Contract Amount	Penalty @ 5%
1.	Project Director, S-III	6	1,634.46	81.723
2.	ADP Schemes	11	349.222	17.461
3.	Senior Director, Municipal Services	6	193.53	9.677
4.	D.G, Technical Services	4	131.656	6.583
5.	D.G, Parks & Horticulture	1	59.905	2.995
Total			**2,368.77**	**118.439**

Audit was of the view that due to non-imposition of liquidated damages undue favor was extended to the contractors which indicated weak financial management and internal controls.

The matter was reported to the management from September to November 2023. The Project Director, S-III replied that heavy rain falls and Covid epidemic caused the major delay in progress of work at site. Reply was not tenable as the management failed to impose liquidated damages, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2018-19 vide para numbers 2.5.6.5 and 1.2.3.17 having financial impact of Rs290.040 million and Rs16.249 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.4 Recoveries related issues

2.5.4.1 Non-deduction of government taxes - Rs57.612 Million

Section 8(1) of Sindh Sales Tax on Services Act, 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively. Moreover, Section 236 (A) ibid, rate of collection of tax shall be 10% of the gross sale price of any property or goods sold by auction.

Furthermore, according to Section 3(1) of Sales Tax Act 1990, as amended upto July 2015, "There shall be charged, levied and paid a tax known as sales tax at the rate of 17% of the value of (a) taxable supplies made by a registered person".

During regularity audit of various offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that the management paid an amount of Rs1,096.459 million to various contractors and suppliers, but did not deduct Rs57.612 million on account of income tax, general sales tax and Sindh sales tax on services from contractors/ suppliers. Detail is at **Annex-KHI7.**

Audit was of the view that non-deduction of taxes was loss to public exchequer which reflected weak financial and internal controls.

The matter was reported to the management from March to December 2023. The Office of Executive Director, Karachi Institute of Heart Diseases replied that hospitals were exempted from GST under section 13 read with sixth schedule S.No. 52-A of sales tax Act 1990. Reply was not tenable as quoted section has already been omitted. The Office of Director, Zoo replied that all the licensees were asked to deposit advance tax into NBP. Reply was not tenable as the management failed to collect and deposit amount of advance tax into public exchequer. The Project Director, S-III replied that agreement was executed in 2008 wherein no provision for deduction of SST was kept. Reply was not tenable as the management failed to deduct due amount of SST, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 2.5.4.3, 2.5.4.4, 2.5.2.2, (1.2.2.6, 1.2.2.12 and 1.2.2.17) and (1.2.3.5, 1.2.3.11, 1.2.3.12 and 1.2.3.20) having financial impact of Rs216.975 million, Rs236.682 million, Rs90.997 million,

(Rs28.710 million, Rs33.899 million and Rs1.342 million) and (Rs215.159 million, Rs77.174 million, Rs52.606 million and Rs6.088 million) respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.4.2 Less-deduction of government taxes - Rs43.062 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source at the rates as under:

	Heads	Filer	Non-filer
For rendering or providing of services other than transport services referred to clause (b) of section 153 (1)	Sale of goods	4.5%	9%
	Services	7.5%	15%
	Companies	8 %	12 %
	Others	10%	15%

During audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management paid Rs1,342.626 million to various contractors and suppliers, but less deduct Rs Rs43.062 million on account of income tax, general sales tax and Sindh sales tax on services from contractors/suppliers as detailed below.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	IT	SST	GST	Amount
1.	P.D R.O Plants	7	3.159	25.711	-	28.870
2.	Project Director, S-III	14	7.149	-	-	7.149
3.	Executive Engineer (Sew) Malir Town	5	4.341	-	-	4.341
4.	Executive Engineer (Sew) Bin Qasim Town	4	2.263	-	-	2.263
5.	Senior Director, Municipal Services	5	0.405	-	-	0.405
6.	M.D KW&SB	4	-	-	0.034	0.034
Total			**17.317**	**25.711**	**0.034**	**43.062**

Audit was of the view that less deduction of taxes resulted into loss to public exchequer which indicated poor financial management and weak internal controls.

The matter was reported to the management from September to December 2023. The Project Director, S-III replied that income tax was deducted on payable amount after deduction of secured advance. Reply was not tenable as Income Tax was to be deducted

on gross amount, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 1.2.2.16 and 2.3.3.3 having financial impact of Rs3.442 million and Rs107.087 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.4.3 Non-deposit of taxes into public exchequer - Rs434.427 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, according to Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury".

During audit of various offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that the management deducted an amount of Rs434.427 million on account of income tax, general sales tax and Sindh sales tax on service from contractors/employees but failed to deposit the same into public exchequer. Detail is at **Annex-KHI8.**

Audit was of the view that non-deposit of collected taxes into public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023. The Offices of Director Zoo, DMD, RRG and Executive Engineer, Hub Trunk Main replied that deduction and deposition of income tax and SST was made centrally by Finance & Accounts Department of respective offices. The Offices of DMD, Finance and Project Director, S-III replied that all the deducted taxes were deposited with the concerned tax authorities. The replies were not tenable as the management of respective offices failed to provide documentary evidence in support of reply, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report

despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends depositing of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21 and 2018-19 vide para numbers 2.5.4.2, 2.5.4.2, 2.5.2.3, and 1.2.3.3 having financial impact of Rs630.619 million, Rs340.973 million, Rs24.577 million and Rs837.166 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.4.4 Non-recovery of outstanding dues - Rs95,840.027 Million

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 audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that the management did not recover outstanding dues on account of rent of shops and other properties, water charges, sewerage charges etc. amounting to Rs95,840.027 million from defaulters as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Description	Outstanding Dues as on 30-06-2023
1.	Senior Director, Veterinary	5	2021-22	Amount of auction fees receivable from DMC Malir	145.090
2.		7		Dues from North Karachi Slaughter House	1.885
3.		2		Private Slaughtering Houses Fee, Malir	1.875

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Description	Outstanding Dues as on 30-06-2023
4.	Karachi Medical & Dental College	9		Fees receivable from students	24.956
5.	DMD RRG	1	2022-23	Dues of water to Bulk & retail	93,407.611
6.		5		Less collection of new water connections charges	10.567
7.		6		Non-collection of sewerage charges on new water connections	16.072
8.	Incharge, Hydrant Services & Tanker Cell	2		Dues of water to Government owned dignities	2,137.165
9.	P.D Orangi Township	2		Dues from Police & PTCL	51.213
10.	Director Land Management	3		Rent dues of petrol pump	40.202
11.	D.G, Parks & Horticulture	9		Water charges	1.856
12.	Senior Director, Estate	3		Outstanding dues of shops rent	0.947
13.	R.E Dhabeji Pumping Division	5		Less-recovery of water charges	0.488
14.	R.E Pipri (P&F) Division	3			0.100
Total					**95,840.027**

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

The matter was reported to the management from March to December 2023. The Office of Senior Director Estate replied that outstanding dues of shops have been recovered from tenants and deposited into bank account. Reply was not tenable as the management failed to provide documentary evidence in support of reply. The Office of Incharge Hydrant Services & Tanker Cell replied that the office had collected Rs482,518/-, whereas the efforts are under way for recovery of the remaining amount. The office of DMD, RRG replied that they were making efforts for recovery of outstanding dues whereas, in some cases recoveries were obsolete in nature and other were subjudice. The replies were not tenable as the management of respective offices failed to recover the outstanding dues, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023 and 12-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 2.5.4.1, 2.5.4.1, 2.5.2.1, (1.2.2.1 and 1.2.2.4) and 1.2.3.1 having financial impact of Rs134,760.038 million, Rs7,047.571 million, Rs903.610 million, (Rs31,771.461 million and Rs1481.577 million) and Rs66,930.450 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.5 Management of Accounts with Commercial Bank

2.5.5.1 Unauthorized operation of bank accounts with private banks

In pursuance of instructions of Chief Minister Sindh, the office of Secretary, Local Government & Housing Town Planning Department issued letter vide No.SOG (LG)/Misc/2013-2014 dated 03-05-2016, wherein all offices under Local Government Department were directed to open and operate official Bank Accounts/transactions with Sindh Bank.

During audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management was operating official bank accounts with private banks instead of Sindh Bank in violation of above instructions. Detail is as under:

Sr. No.	Name of entity	AIR Para	Account details
1	Director Land Management	6	HBL account No. 0015 00260790 03
2	DMD RRG	12	ABL account No 490075
3	DMD Finance	10	Detail of accounts at **Annex-KHI9**

Audit was of the view that continuing operation of bank accounts with private banks in violation of Government instructions indicated weak internal controls.

The matter was reported to the management in September 2023. The office of DMD, RRG replied that this matter pertains to Finance Department, KW&SB. The office of DMD, Finance replied that KW&SB was in business with scheduled banks. Reply was not tenable as management failed to comply with the government instructions, whereas no reply was received from the office of Director, Land Management. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends opening and operation of official bank accounts with Sindh Bank as per instructions of Government of Sindh.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2021-22 vide para numbers 2.5.5.1 and 2.5.5.1. Recurrence of same irregularity is a matter of serious concern.

2.5.6 Value for Money and Service Delivery issues

2.5.6.1 Non-development of parks and evacuation of encroached land

As Per Schedule-II (Section 72) of Sindh Local Government Act, 2013, compulsory functions to be performed by Metropolitan corporation (3) Co-ordination. 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."

During audit of office of the Director General Parks & Horticulture, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that the management failed to develop parks on the land reserved for the purpose. Further the management also failed to evacuate the encroached land of parks, depriving the local community of the recreational facilities. Detail is as under:

Sr. No.	Name of Park	Total area in acres	Area developed in acres	Undeveloped area in acer	Remarks
1	Family Park ST-4, Block-4, Clifton	2.23	0	2.23	Fully Encroached
2	Family Park ST-2, Block-4, Clifton	4	0	4	
3	City Park, Sohrab Goth	26.49	0	26.49	
4	Family Park ST-21, Block-4, Clifton	1.27	0	1.27	Undeveloped
5	Family Park ST-5, Block-4, Clifton	1.37	0	1.37	
6	Hippodrum Park, ST-21/B, Block-5 Clifton	7.25	0	7.25	
7	Bath Island Gulshan-e- Faisal ST-17, Block-7, Clifton	1.63	0	1.63	
8	Aziz Bhatti Park, Gulshan-e-Iqbal	38	6	32	Partially Developed
9	National Park (Gutter Baghicha) Pak Colony	180	25	155	

Audit was of the view that non-development and non-evacuation of the encroached land of parks indicated poor management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that management should develop and evacuate encroached land of parks on priority basis.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2020-21 vide para numbers 2.5.6.1 and 2.5.5.2. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 14]

2.5.6.2 Non-functioning of nursing school and hospital equipments

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.

During audit of following hospitals of Karachi Metropolitan Corporation, for the financial years 2021-22 and 2022-23, it was observed that nursing school and essential hospital machinery and equipment were non-functional for the period ranging from three to five years. Resultantly, the general public was deprived of basic medical services and the management did not take serious efforts to make them operational. Detail at **Annex-KHI10.**

Sr. No.	Name of entity	F. Y	AIR Para
1	MS Spencer Eye Hospital	2021-22	4
2	MS Sobhraj Maternity Hospital		2
3	MS Sarfaraz Rafiqui Shaheed Hospital		3
4	Executive Director, KIHD	2022-23	6
5	MS Abbasi Shaheed Hospital		12
6			13
7	MS, Landhi Medical Complex		3

Audit was of the view that non-functioning of nursing school and various hospital equipments since long indicated lethargic attitude of management towards service delivery.

The matter was reported to the management from June to October 2023. The Office of Executive Director Karachi Institute of Heart Diseases replied that repairing of non-functional machinery was under process, whereas, some machinery was obsolete. The office of Medical Superintendent, Landhi Medical Complex replied that X-ray machine and laboratory was closed due to non-availability of films and the matter has been taken up with higher authorities. Reply was not tenable as the management of

respective hospitals failed to make the machinery and equipment functional, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends that management should take steps to make the nursing school and hospital equipments functional on priority basis.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 1.2.3.97. Recurrence of same irregularity is a matter of serious concern.

2.5.7 Other issues

2.5.7.1 Unjustified billing of bulk consumers on flat rate

The standard operating procedure No. 4 (IV-b) of the KW&SB order No. KW&SB/D.M.D/HRD&A/1020 dated 29-09-2016 states that monthly bills on commercial rates will be issued immediately after execution of water connection and installation of meter.

Further, Standard Operating Procedure No.6(h) ibid, states that immediately upon execution / installation of water connection the A&E section shall allot consumer number to the particular connection as per allotted sector of bulk and industrial divisions and send the information to the concerned Executive Engineer / Deputy Director for onward process of meter installation and monthly billing.

During the audit of office of the Deputy Managing Director, Revenue Resources Generation, Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management charged 4,642 bulk water consumers on actual billing through meter out of 7,347 bulk water connections which was 63%, whereas, 2,705 bulk water consumers were charged on flat rate basis (without installation of meters) which was 37% of total connections as detailed below.

Sr. No.	Sector	Total Consumers	Consumers Meter Installed	Consumers Meter Not Installed	Abandoned or Disconnected Consumers
1	Assorted	139	101	29	9
2	Bulk Sector	402	167	99	136
3	Cattle	1,209	29	1,150	30
4	GOP	606	185	307	114
5	GOS	626	58	501	67

Sr. No.	Sector	Total Consumers	Consumers Meter Installed	Consumers Meter Not Installed	Abandoned or Disconnected Consumers
6	High Rise	365	125	97	143
7	KIA	965	467	33	465
8	LIA	728	508	14	206
9	FBIA	820	456	214	150
10	NKIA	742	595	121	26
11	Bin Qasim I.A	271	237	9	25
12	Private Societies	238	110	58	70
13	Site I.A	90	79	0	11
14	K-Electric	78	3	57	18
15	KMC	68	0	16	52
Total		**7,347**	**3,120**	**2,705**	**1,522**

Audit was of the view that issuance of water charges bills on flat rate basis rather than actual consumption was unjustified which resulted into loss of revenue.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-22 vide para number 2.5.7.4. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 14]

2.5.7.2 Production of water without achieving WHO Standards

As per Article (6) of contract agreement, "The contract for Operation and Maintenance of RO Plants shall be one-year period from 1st January 2021 to 31st December 2021 renewable up to three years. The payments shall be made on monthly basis subject to production of product water as per WHO Standards. The payments viz supply and installation of Major spares i.e. Multimedia Filter, Membranes, High Pressure Pumps, Feed Pumps and Construction of new Tube Well and Rehabilitation of existing Tube Wells are subject to production of 50% portable water of that amount".

According to Joint Inspection Report of Inventory by EE/Project Engineer, R.O. Plant Keamari & Lyari, KW&SB, "The WHO Standard of TDS is 500 ppm and production capacity of each R.O. Plant is 0.5 MGD.

During audit of Project Director, Reverse Osmosis Water Desalination Plants, Lyari & Keamari, Karachi Water & Sewerage Board, for the financial year 2022-23, it

was observed from the joint inspection report of executive engineer in respect of R.O Plants, that each plant was not producing water as per WHO Standards of Total Dissolved Solids (TDS) of 500 Parts Per Million (PPM). Detail is as under:

Sr. No.	Name of R.O Plant	WHO Standard of TDS	Water produced of TDS	Variance
1	Muwach Goth	500 ppm	2,200 ppm	1,700 ppm
2	Musharraf Colony	500 ppm	800 ppm	300 ppm
3	500 Quarters	500 ppm	700 ppm	200 ppm
4	Budhni Goth	500 ppm	650 ppm	150 ppm

Audit was of the view that due to non-producing of water as per WHO Standards, the residents of area were consuming water containing high TDS which was hazardous and might cause health related issues.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

[AIR Para: 06]

2.5.7.3 Less production of water than production capacity of R.O Plants

According to Joint Inspection Report of Inventory by EE/Project Engineer, R.O. Plant Keamari & Lyari, KW&SB, "The production capacity of each R.O. Plant namely Muwach Goth, Musharraf Colony, 500 Quarters and Budhni Goth is 0.5 MGD".

During audit of Project Director, Reverse Osmosis Water Desalination Plants, Lyari & Keamari, Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that R.O Plants installed at Muwach Goth and Musharaf Colony produced less water than production capacity of water by the said plants. Detail is as under:

Sr. No.	Name of R.O Plant	Production capacity of R.O Plant in MGD	Water Produced in MGD	Less production in MGD	Less Production in %
1	Muwach Goth	0.500	0.075	0.425	85%
2	Musharraf Colony	0.500	0.050	0.450	90%
3	500 Quarters	0.500	0.050	0.450	90%
4	Budhni Goth	0.500	0.080	0.420	84%

Audit was of the view that due to less production of water against production capacity of R.O Plants, proper service delivery could not be provided to the residents.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2020-21 vide para number 2.5.3.2 having financial impact of Rs207.169 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 09]

2.5.7.4 Unauthorized creation of liability - Rs18,220.213 Million

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

Further, Finance Department, Government of Sindh, vide letter No.FD.SO(LF-I) Misc/(171)2013 dated 13-08-2013, instructed all the Local Councils/District Councils/defunct TMAs that payment of salaries and pension may be given first priority from the OZT funds released by Finance Department.

During audit of following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that the management created liability amounting to Rs18,220.213 million under various heads and put extra burden over council funds. Creation of unauthorized liability under pension and financial assistance showed that payments were made by giving priority to development works in violation of rules. Further, creation of liability under the head of development works showed that management also executed development works without provision of funds/OZT share as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Amount	Nature of liability
1.	Senior Director Finance, KMC	9	10,898.980	Pension liability
2.		7	229.142	Contractors' liability

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Amount	Nature of liability
3.	DMD Finance	6	6,547.050	Employee related, contingency and contractors' dues
4.	Director Medical Services	4	117.844	Hospitals' dues
5.	D.G, Technical Services	13	221.530	Contractors' liability
6.	D.G, Parks & Horticulture	4	9.051	
7.	MS Abbasi Shaheed Hospital	10	145.978	Employee related dues
8.	Executive Engineer Sewerage Malir Town	2	30.075	Contractors' liability
9.	Executive Engineer Sewerage Bin Qasim Town	12	20.563	
Total			**18,220.213**	**-**

Audit was of the view that creation of liability was violation of the rules which indicated poor financial management and weak internal controls.

The matter was reported to the management from September to December 2023. The office of DMD, Finance replied that all payments of financial assistance were scrutinized and paid when cash was available. Reply was not tenable as the management created liability in violation of rules, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20 and 2018-19 vide para numbers 2.5.6.3, 1.2.2.31 and 1.2.3.36 having financial impact of Rs9,646.236 million, Rs633.450 million and Rs2,972.295 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.7.5 Loss due to purchase of medicines on lesser discount - Rs3.540 Million

According to S&GAD Government of Sindh Notification No.SO(C IV) SG&CD/6-25/97 dated 04-10-2001, out of such allocation, medicines upto 10% can be purchased for the Medical Superintendents of the teaching/major hospitals from the medical stores and 15% by the District Health Officers by inviting quotation on special discount rate subject to the condition that price shall be at least 10% less in the case of local manufacturers and 5 % less in case of multinational companies than the trade price.

During audit of office of the Director Medical Services, Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that management paid Rs70.797 million to different medical stores at the panel of KW&SB for supply of medicines to employees/retiring employees and family pensioners of KW&SB by availing discount at the rate of 5% instead of 10 % on all medicines irrespective of verifying manufacturer of medicines, which resulted into loss of Rs3.540 million to public exchequer. Detail is as under:

[Amount in Rs.]

Sr. No.	Detail	Month	Gross amount of bill	Discount to be availed @ 10%	Discount availed @ 5%
1	Supply of medicines to officers/staff of KW&SB	Jun-22	6,107,678	610,768	305,384
2		Jul-22	4,594,460	459,446	229,723
3		Aug-22	5,207,294	520,729	260,365
4		Sep-22	5,503,520	550,352	275,176
5		Oct-22	6,717,387	671,739	335,869
6		Nov-22	10,128,051	1,012,805	506,403
8		Jan-23	10,663,861	1,066,386	533,193
9		Feb-23	7,520,221	752,022	376,011
10		Mar-23	9,306,551	930,655	465,328
11		Apr-23	3,793,196	379,320	189,660
12		May-23	1,254,898	125,490	62,745
Total			**70,797,117**	**7,079,712**	**3,539,856**

Audit was of the view that management failed to avail due discount on purchase of medicines as per orders which resulted into loss to public exchequer and indicated poor financial management.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 07]

2.5.7.6 Non-maintenance of POL record - Rs395.884 Million

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”.

According to Rule 159(4) of Sindh Local Council (Accounts) Rules 1983, "A council's vehicles 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 following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs395.884 million on POL for official vehicles and machinery but did not maintain of petrol account register, history sheet, log book of each vehicle, tour program/diary of official vehicles as detailed below.

[Rs in Million]

Sr. No.	Name of entity	AIR Para	Amount
1	Executive Engineer Sewer Cleaning Equipment & Services Division	1	296.583
2	Senior Director, Municipal Services	14	33.329
3	Senior Director, Land Anti Encroachment	4	17.597
4	MS Abbasi Shaheed Hospital	14	6.443
5	Director Land Management	2	5.414
6	DMD HRD&A	10	4.740
7	R.E Dhabeji Pumping Division	7	4.481
8	Project Director, S-III	5	3.783
9	Director, Media Management	2	3.537
10	R.E Pipri (P&F) Division	4	3.330
11	M.D KW&SB	6	2.574
12	Director, Katchi Abadies	2	2.258
13	Director Charged Parking	2	2.257
14	R.E Gharo (P&F) Division	5	2.233
15	DMD, RRG	9	2.167
16	Senior Director, E&IP	2	2.129
17	Director, Zoo	9	1.311
18	P.D Orangi Township	3	0.810
19	Senior Director, MUCT	4	0.477
20	Senior Director, Medical & Health Services	5	0.355
21	Incharge, Hydrant Services & Tanker Cell	5	0.076
Total			**395.884**

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

The matter was reported to the management from September to November 2023. The offices of Director, Katchi Abadies and Incharge, Hydrant Services & Tanker Cell replied that log books have been maintained. Reply was not tenable as the management

of respective offices failed to provide documentary evidence in support of reply, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that responsibility may be fixed on person(s) at fault for incurring expenditure without maintenance of prescribed record.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 1.2.2.33 and 1.2.3.47 having financial impact of Rs336.492 million and Rs454.876 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.7.7 Irregular expenditure over & above the allocated budget Rs97.602 Million

Rule 75(2) of Sindh Local Councils (Budget) Rules 2017, states that No expenditure shall be incurred without necessary appropriation or in excess of the sanctioned appropriation.

During audit of following offices of Karachi Water & Sewerage Board, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs97.602 million over and above the allocated budget in violation of rules as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Budget Allocation	Expenditure incurred	Excess expenditure
3	Executive Engineer Sewerage Malir Town	17	2021-22	37.500	46.867	9.367
2	Executive Engineer, Sewerage North Nazimabad	2		30.500	37.048	6.548
1	Executive Engineer, Water North Nazimabad	1		12.500	18.917	6.417
4	Executive Engineer Water Keamari Town	1	2022-23	130.298	176.799	46.501
5	Executive Engineer Sewerage Keamari Town	2		45.179	69.444	24.265
6	R.E Gharo (P&F) Division	3		24.903	29.407	4.504
Total				**280.88**	**378.482**	**97.602**

Audit was of the view that incurrence of expenditure over and above the allocated budget was irregular which indicated poor financial management and weak internal controls.

The matter was reported to the management in March and November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on person(s) at fault.

2.5.7.8 Non-maintenance of property record

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 audit of Project Director, Orangi Township (Katchi Abadies), Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that the management failed to maintain property record as mentioned in schedule of Sindh Local Councils (Property) Rules, 2017. 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.

Audit was of the view that management failed to comply with the prescribed rules for maintenance of property record which indicated weak internal controls. Besides, chances of encroachment could not be ruled out.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends maintenance of required property record at the earliest on the prescribed format.

[AIR Para: 07]

2.5.7.9 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 office of Director Land Management, Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that managements did not reconcile the actual figures of receipts i.e Survey & land fee, transfer/mutation fee, Land rent, rent from hawksbay huts and different pakki abadies etc. of Rs396.585 million with the concerned finance department and banks. Detail is as under:

[Amount in Rs.]

Sr. No.	Head of account	Actual Recovery
1	Transfer Fee/Mutation Fee	142,502,887
2	Lease money & Lease renewal	108,880,692
3	Land Rent (Current Charges & Arrears)	85,900,795
4	Rent from Hawksbay Huts	35,332,998
5	Cottage Industrial Zone Baldia Town &Orangi Town	7,770,000
6	Rent from Petrol Pumps	5,065,096
7	Misc Copying Charges	4,257,998
8	Scrutiny fee for building plan	4,014,009
9	Survey & Sand Fee	2,371,978
10	Non-Utilization Fee for Land	293,560
11	Copying Charges & CTC Fee	166,995
12	Gulshan-e-Mazdoor	18,000
13	Different Pakki Abadies	10,000
Total		**396,585,008**

Audit was of the view that non-reconciliation of revenue receipts with quarter concerned indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that reconciliation of receipts be made with concerned finance department and the banks.

[AIR Para: 5]

2.5.7.10 Unauthorized expenditure for arrangement of referendum of CBA Union Rs4.500 Million

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

During audit of office of the Deputy Managing Director (HRD&A), Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that management incurred unauthorized expenditure of Rs4.500 million on account of Collective Bargaining Agent (CBA) referendum as detailed below.

[Amount in Rs.]

Sr. No.	Advance Paid to	Amount
1	Joint Director Labor	800,000
2	Joint Director Labor	800,000
3	Salah Enterprises	200,000
4	Rasheed Sons	200,000
5	Deposit challan	99,785
6	Other	92,085
7	Al-Hassan Corporation	80,000
8	Qadri Book Depo	63,750
9	Iqbal Photocopy	46,875
10	Madina Photocopy	46,875
11	Madina Photocopy	46,870
12	Madina Graphic	23,760
Total		**2,500,000**
1	Joint Director Labor	1,500,000
2	Others (Vender/suppliers i.e. photocopy, restaurant)	500,000
Total		**2,000,000**
Grand Total		**4,500,000**

Audit was of the view that incurrence of expenditure for arranging referendum for CBA union was unauthorized which indicated poor financial management.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 05]

2.5.7.11 Non-maintenance of works and security deposit register - Rs102.819 Million

Para 285, Chapter-X of the Central Public Works Accounts Code, states that registers of works are posted monthly from work abstracts. The transactions relating to each work abstract should be posted separately and an abstract for the entire work should be prepared for comparing the cost of work and its sub-works with the provisions in the estimate.

Further, Para 401, Chapter-XV ibid, stipulates that a record of the transactions relating to Public Works deposit should be maintained in the divisional office in a register. This deposit register should show, month by the month, the total receipts and adjustments and the closing balance of each separate deposit item.

During audit of following offices of Karachi Water & Sewerage Board, for the financial year 2022-23, it was observed that an expenditure of Rs102.819 million was incurred by the management on execution of different works. However, management failed to maintain works and security deposit register, in violation of above rules as detailed below.

[Rs in Million]

Sr. No.	Name of entity	AIR Para	Amount
1	R.E Dhabeji Pumping Division	9	95.215
2	Executive Engineer Canal Maintenance Division	5	7.604
Total			**102.819**

Audit was of the view that non-maintenance of relevant record was non-compliance of government rules and procedures which indicated weak internal controls.

The matter was reported to the management in November and December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends maintenance of relevant record, besides fixing responsibility on the person(s) at fault.

2.5.7.12 Non-revision of fine rates/fees and rent of property

Section 9(1) of Sindh Rental Premises Ordinance 1979, stipulates that where the fair rent of any premises has been fixed, no further increase thereof shall be effected unless a period of three years has elapsed from the date of such fixation or commencement of this ordinance whichever is later. Further, sub-section (2) of Section 9 ibid states, the increase is allowed @ 10% per annum on the existing rent.

During audit of following offices of Karachi Metropolitan Corporation, for the financial year 2022-23, it was observed that the management rented out different shops and properties but failed to revise rent of shops and other properties allotted to various tenants. The record of allotments was also not provided; hence the actual period of tenancy could not be ascertained. Moreover, fine rates of confiscated property, monthly generator fee for utilizing KMC land and rent of bachat bazar, were also not revised resulting into loss of legitimate revenue to the council. Detail is at **Annex-KHI11.**

Sr. No.	Name of entity	AIR Para	Description
1	Senior Director, Estate	6	Non-revision of rent of shops & shopping centers since 2017
2	Senior Director, Enforcement/Anti Encroachment	3	Non-revision of fine rates of confiscated property heads i.e. cattels, articles & generator fees since 1999 and 2000
3	Senior Director, E&IP	7	Non-revision of rent of bachat bazar since 2015

Audit was of the view that non-revision of rent/fees was a loss to the Council which reflected poor financial management.

The matter was reported to the management from September to December 2023. The office of Senior Director, Estate replied that case for enhancement of rent was forwarded with recommendations to the higher authorities for approval, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends revision of rent/fees, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 2.5.6.7. Recurrence of same irregularity is a matter of serious concern.

2.5.7.13 Non-maintenance of stock registers - Rs51.604 Million

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 following offices of Karachi Metropolitan Corporation and Karachi Water & Sewerage Board, for the financial years 2022-23, it was observed that management incurred an expenditure of Rs51.604 million on the purchase of stationery, tranquilizer weapon, electrical items, printers, computers, furniture, main hole covers, ring slabs, etc., but did not maintain stock registers as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	Amount
1.	Director, Zoo	10	22.633
2.	Executive Engineer, Sewerage Saddar Town	7	9.939
3.	Executive Engineer, Sewerage Landhi Town	5	9.151
4.	Senior Director Finance, KMC	12	4.087
5.	Senior Director, Recreation Culture and Sports	4	3.996
6.	Executive Engineer, Sewerage Bin Qasim Town	13	1.798
Total			**51.604**

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 03-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

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

2.5.7.14 Less realization of targeted receipts - Rs4,981.144 Million

Section 100 (1) of Sindh Local Government Act 2013, states that unless otherwise provided, all taxes, rates, tolls and fees levied under this act shall be collected in the prescribed manner by the persons authorized for such collection: provided that where any tax, rate, toll or fee levied by a Council is also levied by Government, such tax, rate, toll or fee shall be collected with Government tax, and the proceeds thereof be credited to the local fund of the Council.

During the audit of following offices of Karachi Metropolitan Corporation, for the financial years 2021-22 and 2022-23, it was observed that the management did not take appropriate measures to realize revenue targets of Rs4,981.144 million from various heads i.e., income from amusement parks, entry fee of parks, parking fees from parking sites, income from jumping castle, safari cafeteria, lease, slaughtering fees, dues from bulk and retail consumers etc. as detailed below.

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Targeted Receipts	Recovery Affected	Shortfall
1.	Senior Director, Veterinary, KMC	3	2021-22	216.959	13.361	203.598
2.	Director, Solid Waste Management	4		70.000	42.366	27.634
3.	MS Sobhraj Maternity Hospital	1		7.500	4.351	3.149
4.	Medical Superintendent, Gizri Maternity Hospital	3		4.400	1.705	2.695
5.	MS Spencer Eye Hospital	2		1.800	0.439	1.361
6.	Senior Director, MUCT	1	2022-23	2,500.000	127.541	2,372.459
7.	DMD RRG	4		15,080.000	13,500.490	1,579.510
8.	Director Land Management	4		565.100	143.427	421.673
9.	P.D Orangi Township	5		105.000	-	105.000
10.	Director, Zoo	5		111.300	32.084	79.216
11.	Senior Director, Land Anti Encroachment	1		110.600	60.945	49.655
12.	Director, Safari Park	3		45.200	6.635	38.565
13.	Director, Katchi Abadies	3		110.000	81.205	28.795
14.	Senior Director, Recreation Culture and Sports	2		32.750	9.809	22.941
15.	D.G, Parks & Horticulture	5		27.740	8.260	19.480
16.	Senior Director, E&IP	4		36.175	21.878	14.297
17.	Director Charged Parking	8		85.000	74.800	10.200
18.	Senior Director, Medical & Health Services	6		1.005	0.089	0.916
Total				**19,110.529**	**14,129.385**	**4,981.144**

Audit was of the view that due to less-realization of revenue targets, the organizations were deprived of legitimate revenue which indicated poor financial controls.

The matter was reported to the management from March to December 2023, The Office of Director Katchi Abadies replied that recovery targets could not be met due to declaring 200 acre of Katchi abadies land as Park at Gutter Baghicha and recovery from Katchi abadies of Baldia Town was stopped by Mukhtiarkar. The Office of Director Zoo replied that receipt target set-forth in the budget for the F.Y 2022-23, were overestimated and 10 Nos of annual revenue licenses could not be auctioned despite repeated attempts. The Office of DMD, RRG replied that short realization of targeted receipt was due to non-payment of Government Sector Entities of Bulk side. Replies were not tenable as the management of respective offices failed to achieve the targeted receipts, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 24-07-2023 and 03-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for non-achievement of revenue targets.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20, 2018-19 vide para numbers 2.5.6.2, 2.5.7.1,1.2.2.18 and 1.2.3.32 having financial impact of Rs8,052.751 million, Rs4,054.086 million, Rs9,364.747 million and Rs9,192.926 million respectively. Recurrence of same irregularity is a matter of serious concern.

2.5.7.15 Non-establishment of provident fund, pension fund and benevolent fund

Rule 125 (1), Chapter-XIV of SLGA 2013, states that a Council may, establish and maintain-

(a) Provident fund for the benefit of its employees, who shall contribute to such fund in such manner and proportion as may be prescribed;

(b) Pension fund from which pension, shall, in the prescribed manner, be paid to the employees of the Councils; and

(c) Benevolent fund, in the prescribed manner from which any special pension or gratuity, shall, in the prescribed manner be paid to the family of

employee of the Council, who dies of disease or injury contracted or suffered by him in the discharge of his official's duties.

During audit of Karachi Medical & Dental College, Karachi Metropolitan Corporation, for the financial year 2021-22, it was observed that the management failed to establish provident, pension and benevolent fund for the benefits of employees of the college. KMC is making payments of provident fund, pension and benevolent fund from the OZT share received from Government of Sindh.

Audit was of the view that non-establishment of mandatory funds indicated weak internal controls and poor financial management.

The matter was reported to the management in June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 24-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends establishment of mandatory funds as per provision of the SLG Act, 2013.

[AIR Para: 11]

Regularity paras of Performance Audit on "Construction of new 100 MGD Pump House (equipped with M&E Pumping Machineries) at Dhabeji", KW&SB – Audit Year 2022-23

2.5.7.16 Non-deduction of Sindh Sales Tax on Services - Rs84.651 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the rate specified in the schedule of working tariff as given below:

S. No.	Tariff Heading	Description	Rate
1	9815.5000	Services provided or rendered by professionals and consultants Technical, scientific and engineering consultants	13%
2	9824.0000	Construction Services	5%

During performance audit of the project, Construction of New 100 MGD Pump House (Equipped with M&E Pumping Machineries) at Dhabeji, it was observed that management did not deduct Sindh Sales Tax on Services from payments made to various contractors and consultant amounting to Rs84.651 Million. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Contractor	Amount Paid	% of SST to be deducted	Amount of sales tax to be deducted
1.	M/s KSB	875.976	5%	43.799
2.	M/s Madni Construction	405.318	5%	20.266
3.	M/s ATL	239.945	5%	11.998
4.	M/s Osmani & Co	66.061	13%	8.588
Total		**1,587.300**	**-**	**84.651**

Audit was of the view that non-deduction of taxes was loss to public exchequer which reflected weak financial and internal controls.

The matter was reported to the management in May, 2023. The management replied that the ADP schemes were exempted from Sindh sales tax on services. The reply was not tenable as the exemption was granted by Sindh Revenue Board on new development schemes and projects for the financial year 2019-20 or thereafter, whereas this project was executed in 2016. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 14-07-2023, followed by reminders dated 04-08-2023, 19-10-2023 and 22-11-2023.

Audit recommends recovery of Sindh sales tax on services, besides fixing responsibility on the person(s) at fault.

[OM # 10 & 17]

2.5.7.17 Non-deposit of income tax into public exchequer - Rs60.485 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, according to Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury".

During performance audit of the project, Construction of New 100 MGD Pump House (Equipped with M&E Pumping Machineries) at Dhabeji, it was observed that the management deducted Income Tax amounting to Rs60.485 Million but failed to deposit the same into public exchequer. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of contractor	Amount paid	Amount of income tax deducted but not deposited
1.	M/s Madni Construction	405.318	28.922
2.	M/s ATL	239.945	17.996
3.	M/s Osmani & Co (Consultant)	66.061	7.630
4.	M/s KSB	875.976	5.937
Total		**1,587.300**	**60.485**

Audit was of the view that non-deposit of collected taxes into public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management in May, 2023, but no reply was received. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 14-07-2023, followed by reminders dated 04-08-2023, 19-10-2023 and 22-11-2023.

Audit recommends depositing of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

[OM # 20]

2.5.7.18 Non-deposit of water charges into KW&SB account - Rs14.742 Million

As per KW&SB Notification No. DMD/HRD&A/Works/265 dated 01-11-2019, water charges are to be deducted from contractor's bills at the enhanced revised rates with effect from 01-07-2019, as specified below:

Particulars	Rates
For Drinking purpose	1% of the total cost of work
For Civil Works other than construction work	1.5% of the total cost of work
For construction work	2.5% of the total cost of work

During performance audit of the project, Construction of New 100 MGD Pump House (Equipped with M&E Pumping Machineries) at Dhabeji, it was observed that the management deducted water charges of Rs14.742 million from the bills of contractors but did not deposit the same in to KW&SB account. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Contractors	Amount Paid	Amount of water charges deducted
1.	M/s KSB	875.976	7.987
2.	M/s Madni Construction	405.318	3.677
3.	M/s ATL	239.945	2.399
4.	M/s Osmani & Co	66.061	0.679
Total		**1,587.300**	**14.742**

Audit was of the view that non-deposit of collected water charges into KW&SB account indicated poor financial management and weak internal controls.

The matter was reported to the management in May, 2023, but no reply was received. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 14-07-2023, followed by reminders dated 04-08-2023, 19-10-2023 and 22-11-2023.

Audit recommends depositing of the amount of deducted water charges into KW&SB account.

[OM # 21]

2.5.7.19 Variation in reconciliation of expenditure - Rs74.091 Million

As per Rule-100 of Sindh Budget Manual, "The consolidated accounts of the controlling officer have to be reconciled/verified monthly with the accounts of the Government Treasury. The object of this procedure is to ensure the accuracy of departmental accounts, and such accuracy is necessary in order to make departmental control really effective and to prevent misclassification or other errors in accounts."

During performance audit of the project, Construction of New 100 MGD Pump House (Equipped with M&E Pumping Machineries) at Dhabeji, it was observed that there was variation of Rs74.091 million in the expenditure statement of the project reconciled with the record of the Provincial Treasury Office Government of Sindh. Detail is as under:

[Amount in Rs.]

Amount as per Provincial Treasury Office, Sindh	Amount as per expenditure statement	Variation
1,513,209,482	1,587,300,135	74,090,653

Audit was of the view that variation of figures in the record of two offices indicated that the management failed to reconcile monthly expenditure with the Provincial Treasury Office in violation of rules which indicated poor financial management and weak internal controls.

The matter was reported to the management in May, 2023. The management replied that in the light of the auditor's recommendation, we will initiate an internal review of the expenditure statement and diligently work towards reconciling it with the Provincial Treasury Office. The PAO did not convene DAC meeting till finalization of

the report despite issuance of letter dated 14-07-2023, followed by reminders dated 04-08-2023, 19-10-2023 and 22-11-2023.

Audit recommends that the management should get the issue of variation resolved by carrying out reconciliation of record with Provincial Treasury Office.

[OM # 34]

2.5.7.20 Non-taking over of electronic items

Clause 7.2 of Special Provision of Contract Agreement stipulates that the contractor shall keep insured all equipment supplied to the Employer to their full local value until the end of the Defect Liability Period when the same will be handed over to the Employer in satisfactorily working condition and shall remain Employer's property.

During performance audit of the project, Construction of New 100 MGD Pump House (Equipped with M&E Pumping Machineries) at Dhabeji, it was observed that management failed to provide details of taking over of electronic items after the completion of the project. Detail is as under:

Sr. No.	Name of items	Quantity
1.	Laptops Core i7	03
2.	Digital Cameras (Brand New Nikon)	03
3.	Smart Phones	08

Audit was of the view that non-taking over of electronic items after completion of project indicated weak financial management and internal controls.

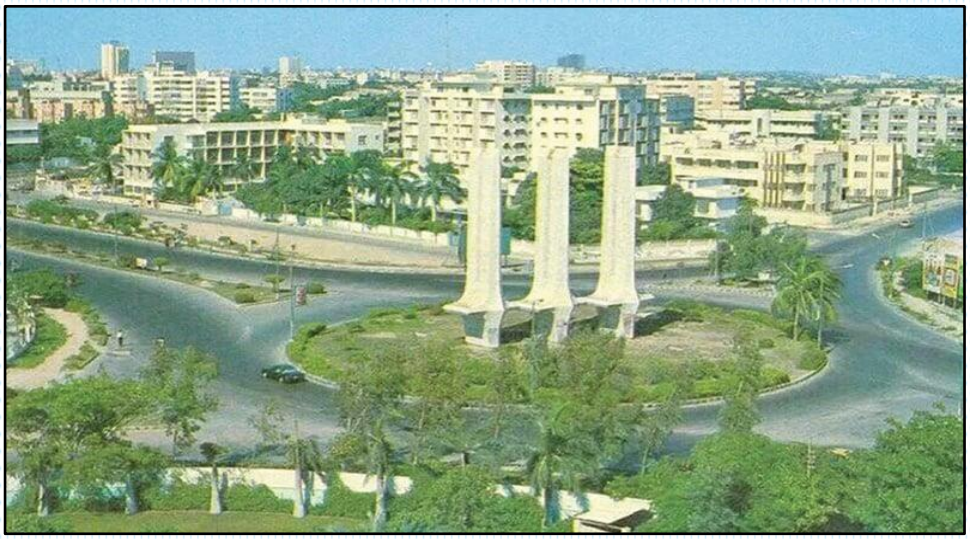
The matter was reported to the management in May, 2023. The management replied that the electronic items were entered in stock register. Reply was not tenable as the management failed to provide documentary evidence showing the proof of handing /taking over of the said items. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 14-07-2023, followed by reminders dated 04-08-2023, 19-10-2023 and 22-11-2023.

Audit recommends that the electronic items be taken over from the contractor on priority.

[OM # 30]

Chapter-3

Karachi Division





Chapter-3: Local Councils, Karachi Division

3.1 Introduction

Karachi Division has been divided into one District Council and Seven District Municipal Corporations, namely, Karachi East, West, South, Central, Malir, Korangi and Keamari. Each Municipal Corporation/District Council is headed by Municipal Commissioner/Chief Officer who carries out operations as per Sindh Local Government Act, 2013. The functions of Municipal Corporation are as following:

i. Prepare development plans for the Town including plans for land use, zoning and functions for which Municipal Corporation is responsible.

ii. Exercise control over land use, land subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, transport freight and transit stations.

iii. Enforce all municipal laws, rules and bye-laws governing Municipal Corporations functioning.

iv. Prepare budget, long term and annual municipal development programs in collaboration with the Union Councils.

v. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.

vi. Manage properties, assets and funds vested in the Municipal Corporations.

vii. Develop and manage schemes, including site development in collaboration with Union Administration.

viii. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.

ix. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.

x. Maintain municipal records and archives.

3.2 Comments on Budget and Accounts (Variance Analysis)

[Rs. in Million]

Sr. No.	Name of office	Head of Account	Budget	Actual	Excess (+) Savings (-)
1	DMC East	Establishment	1,842.500	1,308.602	-533.898
		Non-salary	514.200	315.837	-198.363
		Development	1,256.000	1,230.892	-25.108
		Total Expenditure	**3,612.700**	**2,855.331**	**-757.369**
		Receipts	**3,312.700**	**2,368.948**	**-943.752**
2	DMC Malir	Establishment	1,421.735	1,082.965	-338.770
		Non-salary	142.963	51.634	-91.329
		Development	1,098.341	338.672	-759.669
		Total Expenditure	**2,663.039**	**1,473.271**	**-1,189.768**
		Receipts	**1,839.722**	**1,473.696**	**-366.026**
3	DMC West	Establishment	1,570.000	966.491	-603.509
		Non-salary	407.500	244.866	-162.634
		Development	1,180.000	387.296	-792.704
		Total Expenditure	**3,157.500**	**1,598.653**	**-1,558.847**
		Receipts	**3,158.000**	**1,602.683**	**-1,555.317**
4	DMC South	Establishment	3,698.217	1,999.455	-1,698.762
		Non-salary	675.395	496.461	-178.934
		Development	1,244.050	755.375	-488.675
		Total Expenditure	**5,617.662**	**3,251.291**	**-2,366.371**
		Receipts	**5,622.715**	**3,251.953**	**-2,370.762**
5	DMC Korangi	Establishment	3,922.902	2,619.480	-1,303.422
		Non-salary	458.529	229.274	-229.255
		Development	687.793	22.682	-665.111
		Total Expenditure	**5,069.224**	**2,871.437**	**-2,197.787**
		Receipts	**5,069.224**	**2,479.660**	**-2,589.564**
6	DMC Central	Establishment	6,109.416	3,992.611	-2,116.805
		Non-salary	976.960	200.422	-776.538
		Development	2,241.000	643.441	-1,597.559
		Total Expenditure	**9,327.376**	**4,836.475**	**-4,490.901**
		Receipts	**9,327.911**	**4,710.172**	**-4,617.739**
7	DMC Keamari	Establishment	2,397.600	2,098.409	-299.191
		Non-salary	270.000	238.355	-31.645
		Development	1,394.500	320.259	-1,074.241
		Total Expenditure	**4,062.100**	**2,657.023**	**-1,405.077**
		Receipts	**3,961.968**	**2,660.966**	**-1,301.002**
8	District Council	Establishment	1,941.399	1,053.017	-888.382
		Non-salary	742.358	507.207	-235.151
		Development	1,383.000	406.125	-976.875

[Rs. in Million]

Sr. No.	Name of office	Head of Account	Budget	Actual	Excess (+) Savings (-)
		Total Expenditure	**4,066.757**	**1,966.350**	**-2,100.407**
		Receipts	**3,387.150**	**1,909.295**	**-1,477.855**
Grand Total		**Establishment**	**22,903.769**	**15,121.032**	**-7,782.737**
		Non-salary	**4,087.905**	**2,284.058**	**-1,803.847**
		Development	**10,184.684**	**4,104.742**	**-6,079.942**
		Total Expenditure	**37,176.358**	**21,509.832**	**-15,666.526**
		Receipts	**35,679.389**	**20,457.373**	**-15,222.016**

The budgeted expenditure of Local Councils of Karachi Division for the financial year 2022-23 was Rs37,176.358 million, against which the actual expenditure was Rs21,509.832 million, resulting in saving of Rs15,666.526 million. The management of Local Councils was unable to realize the receipts' targets resulting in shortfall of Rs15,222.016 million.

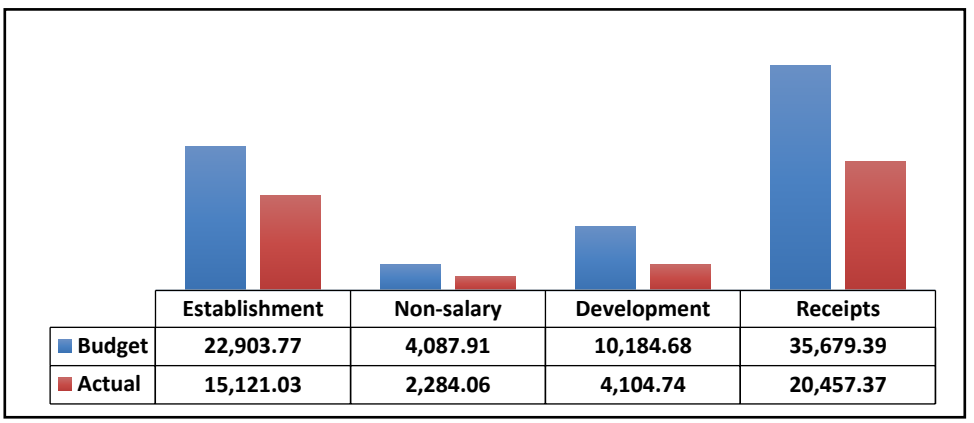


Table-: Audit Profile of DMCs and District Council, Karachi

[Rs. in Million]

Sr.	Description	Formations		Financial Year 2022-2023	
		Planned	Audited	Expenditure audited	Revenue / Receipts audited
1.	Formations	8	8	21,509.832	20,457.373
2.	Assignment Accounts, SDAs (excluding FAP)	-	-	-	-
3.	Authorities/Autonomous Bodies under the PAO	-	-	-	-
4.	Foreign Aided Projects (FAP)	-	-	-	-

3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs6,084.846 million were raised in this report during the current audit of District Council and District Municipal Corporations of Karachi Division. The amount also includes recoveries of Rs317.459 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

Table: Overview of Audit Observations:

[Rs. in million]

Sr. No.	Classification	Amount
1	Non-Production of Record	-
2	HR/Employees related irregularities	95.181
3	Procurement related irregularities	1,787.922
4	Recoveries related irregularities	317.459
5	Value for money and service delivery issues	541.879
6	Other issues	3,342.405
Total		**6,084.846**

3.4 Brief Comments on the Status of Compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Sindh. Detail of paras presented in PAC meetings is reflected hereunder:

Audit Year	No. of Paras	Status of Paras discussed in PAC Meetings
2012-13	8	2 – Partial
2013-14	7	1 – Partial
2014-15	70	-Nil-
2015-16	30	-Nil-
2016-17	32	-Nil-
2017-18	54	-Nil-
2018-19	35	-Nil-
2019-20	26	-Nil-
2020-21	15	-Nil-
2021-22	13	-Nil-
2022-23	17	-Nil-

3.5 Audit Paras

3.5.1 Non-production of record

3.5.1.1 Non-production of record

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

> "(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with 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 audit of following Local Councils of Karachi Division, for the financial year 2022-23, the management did not produce auditable record related to establishment, development, contingency, revenue and various registers etc. involving minimum financial impact of Rs309.512 million for audit scrutiny. Detail is at **Annex-KYC1.**

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1.	DMC Keamari Karachi	4	105.559
		1	-
2.	District Council Karachi	1	63.201
3.	DMC, South Karachi	3	45.483
4.	DMC Korangi Karachi	1	42.908
		18	8.412
5.	DMC, East Karachi	2	23.949
6.	DMC Malir Karachi	1	20.000
7.	DMC West Karachi	1	-
8.	DMC Central Karachi	1	-
Total			**309.512**

Audit was of 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.

The matter was reported to the management from September to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization

of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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 Audit Years 2022-23, 2021-22, and 2018-19 vide para numbers 3.5.1.1, 3.5.1.1, and 3.2.1.1 having financial impact of Rs592.061 million, Rs225.749 million, and Rs758.611 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.2 HR/Employees related irregularities

3.5.2.1 Irregular appointment of staff on contract basis - Rs81.600 Million

In compliance of Honorable Supreme Court of Pakistan in Human Rights case No. 104/92, Local Government Department issued directives vide letter No.SO-V(LG)5(69)/2009/29-06-2010 that even an appointment on adhoc basis cannot be made without publication and proper advertisement.

Further, Para 8 (2) of Sindh Local Councils Employees (Service) Rules, 2017 stipulates that initial appointment to the posts in all basic scales not falling within the purview of SPSC, shall be made on the recommendations of the Selection Committee on the basis of interview or test to be held by the Selection Committee after the vacancies have been advertised in leading newspapers in Urdu, Sindhi & English Languages.

During audit of District Municipal Corporation, South, Karachi Division, for the financial year 2022-23, it was observed that the management appointed 272 employees on contract basis @ Rs25,000/- per month without observing prescribed procedure and incurred expenditure of Rs81.600 million. Further, approval from administrative department was also not obtained. Detail is as under:

[Rs in Million]

Sr. No.	Particulars	No. of Employees	Total Salary Per Month @ 25,000 per month	Total Salary Per Year
1	Education Branch	186	4.650	55.800
2	Medical Branch	86	2.150	25.800
Total		**272**	**6.800**	**81.600**

Audit was of the view that appointment of employees on contract basis without following prescribed procedure was violation of the rules and Local Government orders which indicated weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2019-20 vide para numbers 3.5.2.1 and 2.2.2.17 having financial impact of Rs75.000 million and Rs57.336 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 1]

3.5.2.2 Unauthorized payment of overtime to staff - Rs5.890 Million

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

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

During audit of District Municipal Corporation, South, Karachi Division, for the financial year 2022-23, it was observed that management paid Rs5.890 million to the staff i.e. Fitter, Cooly, Electrician, Munshi, Telephone Operator, Supervisor, Foreman, Naib Qasid, Machine Attendant and Estimator etc. on account of overtime without entitlement. Detail is as under:

[Rs. in Million]

Sr. No.	Month	Amount
1	September-2022	0.692
2	October-2022	0.752
3	December-2022	0.739
4	January-2023	1.043
5	February-2023	0.763
6	March-2023	0.874
7	April-2023	0.061
8	May-2023	0.966
Total		**5.890**

Audit was of the view that payment of overtime to the employees without entitlement was unauthorized which indicated weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that payment of the overtime allowances without entitlement should be stopped and recovery effected.

[AIR Para: 15]

3.5.2.3 Unauthorized hiring of legal advisors - Rs7.691 Million

Para-2 of Letter No.ADDL.A.G/(LRK)/1570 dated 08-08-2016 issued by Additional Advocate General Sindh, High Court Larkana addressed to Chief Secretary Sindh, stipulated that the departments were engaging private counsels without obtaining the sanction from Law Department which was against the rules. The Chief Secretary of Sindh was therefore requested to look into the matter.

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management hired legal advisors and paid an amount of Rs7.691 million on account of legal fees without sanction of Law Department, Government of Sindh. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1.	DMC Keamari Karachi	12	2.909
2.	DMC Malir Karachi	8	2.070
3.	DMC Korangi Karachi	23	1.301
4.	DMC West Karachi	12	0.986
5.	DMC East Karachi	17	0.425
Total			**7.691**

Audit was of the view that hiring of legal advisors without sanction of Law Department, Government of Sindh was unauthorized and indicated weak internal controls.

The matter was reported to the management from September to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 3.5.2.2 having financial impact of Rs9.146 million. Recurrence of same irregularity is a matter of serious concern.

3.5.3 Procurement related irregularities

3.5.3.1 Execution of works without PC-I - Rs192.954 Million

According to letter No.SOI/LG/MISC/10-7/2013 dated 07-01-2014 issued by Local Government Department, Government of Sindh, "All the development works of various local councils and other subordinate offices of Local Government Department, shall be carried-out after the approval/ permission of this department. In this regard PC-Is of all development works should be prepared according to the procedure/policy and be forwarded to this department for approval/ permission and thereafter necessary action be taken for execution of such works after completion of required codal formalities".

During audit of District Municipal Corporation, Central, Karachi Division, for the financial year 2022-23, it was observed that the management awarded various development works amounting to Rs192.954 million without preparation of PC-I and approval from administrative department. Detail is at **Annex-KYC2.**

Audit was of the view that execution of works without preparation of PC-I and approval from the competent authority was irregular which indicated weak internal controls.

The matter was reported to the management in October, 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 3.5.3.1 having financial impact of Rs127.212 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 2]

3.5.3.2 Splitting up of works to avoid open tender - Rs52.067 Million

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(1), Part-II (ibid), stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management incurred expenditure of Rs52.067 million through quotations by splitting the procurements which resulted into non-achievement of competitive rates. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1.	DMC Malir Karachi	6	14.440
2.	District Council Karachi	2	11.340
3.	DMC Korangi Karachi	2	4.257
4.	DMC Central Karachi	4	6.577
		5	5.382
		3	4.781
5.	DMC South Karachi	4	3.867
6.	DMC Keamari Karachi	8	1.423
Total			**52.067**

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

The matter was reported to the management from September to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 3.5.3.1, 3.5.3.2, 2.2.2.15 and 3.2.2.18 having financial impact of Rs37.348 million, Rs74.255 million, Rs102.355 million and Rs41.239 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.3.3 Splitting up of works to avoid publication of tender in print media Rs187.580 Million

According to 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".

Rule 17(1), Part-II (ibid), stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management awarded various works of Rs187.580 million by splitting of the expenditure to avoid publication of the tenders in print media. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1.	DMC Keamari Karachi	6	169.747
2.	DMC West Karachi	5	13.929
3.	DMC Korangi Karachi	20	3.904
Total			**187.580**

Audit was of the view that award of works by splitting procurements to avoid publication of the tender in print media resulted into non-obtaining of competitive rates and violation of Sindh Public Procurement Rules which indicated weak internal controls.

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2018-19 vide para numbers 3.5.3.3 and 3.2.2.14 having financial impact of Rs63.197 million and Rs128.151 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.3.4 Execution of development works through quotations instead of NIT Rs15.972 Million

According to the instructions issued by the Local Government Department, Government of Sindh vide letter No.SOI/LG/MICS/10-7/2013 dated 07-01-2014, "No development work on quotation should be carried-out. All development works be carried-out through NIT".

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs15.972 million on development works through quotations instead of inviting open tenders in violation of government instructions. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1.	DMC Korangi Karachi	3	7.718
2.	District Council Karachi	3	5.277
3.	DMC South Karachi	5	2.977
Total			**15.972**

Audit was of the view that execution of development works through quotation in violation of government instructions was irregular which indicated weak internal controls.

The matter was reported to the management from September to October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 3.5.3.6 having financial impact of Rs20.540 million. Recurrence of same irregularity is a matter of serious concern.

3.5.3.5 Award of works without execution of contract agreement Rs1,009.035 Million

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 audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management awarded contracts of Rs1,009.035 million without executing contract agreements with the contractors. Further, government also sustained loss of Rs3.532 million on account of stamp duty. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Contract Amount
1.	DMC Keamari Karachi	20	921.617
2.	District Council Karachi	10	45.639
3.	DMC Korangi Karachi	9	32.065
4.	DMC South Karachi	9	9.714
Total			**1,009.035**

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

3.5.3.6 Irregular award of work without technical sanction - Rs9.345 Million

Section 11.1 of Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works) 2013, stipulates that no development work shall be started unless technical sanction is accorded by the competent authority.

During audit of District Municipal Corporation, West, Karachi Division, for the financial year 2022-23, it was observed that the management awarded and executed different development works amounting to Rs9.345 million without obtaining technical sanction from the competent authority, in violation of regulations as state above. Detail is as under:

[Rs. in Million]

Sr. No.	Name of work	Name of Contractor	Amount
1.	Repair & Maintenance of Sanitation Tractor Trolley	M/S A.S Enterprises	1.780
2.	Rehabilitation of Road Carpeting at World Mobile Office	M/S Saleem & Co	1.641
3.	Improvement of CC Flooring in different Roads in UC-21	Fiza Group of Construction	1.638
4.	Providing / Fixing of Moon Lights & Repair UC 15	Waheed & Sons	1.387
5.	Construction of Damage Roads	Shams Construction Co	1.045
6.	Rehabilitation of Sewerage System Gali No 1 UC 22	Aqeel Khan Sherani & Brothers	0.996
7.	Rehabilitation of Sewerage System in Muslim Town	Tariq Jamal Company	0.858
Total			**9.345**

Audit was of the view that execution of development works without obtaining technical sanction from the competent authority in violation of SPPRA Regulations indicated weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 2.2.2.19 and 3.2.2.21 having financial impact of Rs47.449 million and Rs23.977 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 10]

3.5.3.7 Irregular utilization of sanitation funds through quotations Rs9.190 Million

According to Rule 11(1), Part-II of Sindh Public Procurement Rules 2010, "All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements".

Rule 17(1), Part-II (ibid), stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of District Council, Karachi, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs9.190 million on various sanitation works (hiring of machinery and labour for cleaning of streets, roads and drain/nallahs) through quotations by keeping each transaction below Rs300,000/- to avoid open competitive bidding; whereas, the work of sanitation being a mandatory function of the Council was foreseen prior to commencement of financial year at the time of budget preparation/approval. Detail is at **Annex-KYC3.**

Audit was of the view that incurrence of expenditure through quotations without obtaining competitive rates was violation of Sindh Public Procurement Rules which indicated weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 3.5.3.4, 3.5.3.2, 2.2.2.13 and 3.2.2.23 having financial impact of Rs33.039 million, Rs34.910 million, Rs144.400 million and Rs15.971 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 8]

3.5.3.8 Irregular award of works without publication of tender in print media Rs28.944 Million

Rule 17(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of District Municipal Corporation, Keamari, Karachi Division, for the financial year 2022-23, it was observed that management awarded various works of Rs28.944 million to different contractors without publication of tenders in print media. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Works	Name of Contractors	Amount
1	Improvement of CC Drain Mubarak Masjid UC-46	Dawood Engineering & Co.	2.438
2	Cons of CC Floor UC 44 Bhutta		2.328
3	Rehib of CC Drain Nallah Keamari	Habib Gul & Brothers	3.552
4	Improvement of CC Flooring at Ward 1&2 in UC-45		2.386
5	Cleaning Nallah UC 42	Habibullah & Brothers	2.999
6	Cleaning Nallah UC 42		5.864
7	Construction of Road UC 40	Niaz Muhammad Construction	6.437
8	Imp rehabilitation from SWAT Net Zone UC 4 SITE	Sun Builder	2.940
Total			**28.944**

Audit was of the view that non-publication of tender in print media resulted into non-obtaining of competitive rates in violation of rules which indicated poor financial management and weak internal controls.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 3.5.3.5 having financial impact of Rs27.264 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 19]

3.5.3.9 Irregular procurement of electrical material - Rs91.763 Million

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

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

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs91.763 million on the procurement of electrical material as detailed below:

[Rs. in Million]

Sr. No	Name of Entity	AIR Para	Amount
1.	District Council Karachi	7	3.206
		5	15.289
2.	DMC, South Karachi	6	25.807
3.	DMC West Karachi	7	20.343
4.	DMC Central Karachi	7	11.681
5.	DMC Keamari Karachi	11	7.699
6.	DMC Korangi Karachi	19	3.975
		5	3.763
Total			**91.763**

Following irregularities were noticed:

i. The electrical works were awarded to the contractors who had no government electrical contractor license.

ii. Purchases were made on quotation basis by splitting up procurements.

iii. Location for installation of purchased electric material was not recorded.

iv. Inspection of street lights material was not carried out.

v. Warranty cards of saver bulbs and other lights were not available.

vi. Neither the purchased material was accounted for in the stock register nor issuance record of the material was available.

vii. Inventory of replaced articles were not available.

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2020-21 vide para number 3.5.3.1 having financial impact of Rs139.637 million. Recurrence of same irregularity is a matter of serious concern.

3.5.3.10 Non-mentioning of specific locations of the works in NIT - Rs19.437 Million

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 the councils were directed to mention the location, starting and end point, length width of streets / drains etc. in the tenders being published in various dailies. It was further directed that in case of non-compliance it will be Prima facie presumed that there is malafide intension of the council functionaries, which will be viewed seriously".

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that management hoisted tender notices through SPPRA website for various works costing Rs19.437 million without mentioning exact locations, starting and ending points etc. in the tenders. Detail is at **Annex-KYC4.**

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1	DMC West	6	11.555
2	DMC Keamari	7	7.882
Total			**19.437**

Audit was of the view that hoisting of tenders without mentioning exact location of the works created ambiguity and resulted in non-transparency in use of public funds.

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 7]

3.5.3.11 Execution of scheme without approval of competent forum Rs171.055 Million

Rule 2.22 of SPPRA Guidelines / Regulations for Procurement of Works 2010 states 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)	Rs 20 million
2	Departmental Development Working Party (DDWP)	Rs 40.00 million
3	Provincial Development Working Party (PDWP)	Rs 5.00 billion
4	Central Development Working Party (CDWP)	Rs One billion
5	Executive Committee of the National Economic Council (ECNEC). After clearance from CDWP	Above Rs One billion

During audit of District Municipal Corporation, Keamari, Karachi Division, for the financial year 2022-23, it was observed that the management awarded 104 development works to various contractors amounting to Rs171.055 million without approval of District Development Working Party in violation of SPPRA regulations. Detail is at **Annex-KYC5.**

Audit was of the view that execution of schemes without obtaining approval from the competent forum was violation of SPPRA regulations which indicated weak internal controls.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

[AIR Para: 2]

3.5.3.12 Non-imposition of liquidated damages - Rs0.580 Million

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".

During audit of District Municipal Corporation, Malir, Karachi Division, for the financial year 2022-23, it was observed that the management awarded various works of Rs11.608 million but the contractors failed to complete the works within stipulated period. However, the liquidated damages amounting to Rs0.580 million @ 5% of contract value were not imposed as detailed below.

[Rs. in Million]

Sr. No.	Name of Contractor	Date of start	Stipulated date of completion	Status at the time of audit	Amount	Penalty 5%
Construction of Green Belt along Rice Godown in UC-01, DMC, Malir						
1	M/s Ahsan Enterprises	18-03-20	17-07-20	Not completed	3.631	0.181
Construction of metaled road from Hussaini Chowrangi to Star Ground ward-01 of UC-01, Dawood Chowrangi in DMC, Malir.						
2	M/s Muhammad Zada & Sons	17-09-20	17-03-21	Not completed	7.977	0.399
Total					**11.608**	**0.580**

Audit was of the view that due to non-imposition of liquidated damages undue favor was extended to the contractors which indicated weak financial management and internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 3.2.2.11 having financial impact of Rs235.518 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 11]

3.5.4 Recoveries related issues

3.5.4.1 Non-deposit of taxes into public exchequer - Rs142.559 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, according to Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury".

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management deducted an amount of Rs142.559 million on account of income tax and Sindh sales tax on services and general sales tax from the bills of contractors but failed to deposit the same into public exchequer as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	IT deducted	SST deducted	GST deducted	Total Taxes deducted but not deposited
1.	District Council Karachi	12	36.375	20.366	8.812	65.553
2.	DMC West Karachi	3, 9	17.663	12.283	-	29.946
3.	DMC Malir Karachi	4, 5	9.047	8.956	-	18.003
4.	DMC Korangi Karachi	8	9.074	7.143	-	16.217
5.	DMC East Karachi	1, 5	5.123	7.717	-	12.840
Total						**142.559**

Audit was of the view that non-deposit of collected taxes into public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management from September to October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends depositing of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, and 2018-19 vide para numbers 3.5.4.1, 3.5.4.2 and 3.2.2.1 having

financial impact of Rs134.637 million, Rs209.310 million and Rs237.063 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.4.2 Non-deduction of government taxes - Rs7.122 Million

According to Section 3(1) of Sales Tax Act 1990, as amended upto July 2015, "There shall be charged, levied and paid a tax known as sales tax at the rate of 17% of the value of (a) taxable supplies made by a registered person".

According to Seventh Schedule of Sindh Finance Act, 1964 amended vide Schedule-II of Sindh Finance Ordinance, 2000, Professional tax is required to be deducted from the payments made to the contractors engaged in construction work or providing services and labour vide Rate / Fee of Tax Receipts.

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management paid to different contractors on account of various heads but did not deduct general sales tax and professional tax amounting to Rs7.122 million as detailed below.

[Rs. in Million]

Sr. No.	Name of offices	AIR Para	Heads	Taxes not deducted
1.	DMC West Karachi	11	GST	4.401
2.	DMC Keamari Karachi	13		1.311
3.	DMC East Karachi	9		1.280
4.	DMC Malir Karachi	12	Professional Tax	0.066
5.	DMC Central Karachi	16		0.064
Total				**7.122**

Audit was of the view that non-deduction of taxes was loss to public exchequer which reflected poor financial management and weak internal controls.

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 3.5.4.2, 3.5.4.4, 3.5.2.3, (2.2.2.1, 2.2.2.2, 2.2.2.3) and 3.2.2.3 having financial impact of Rs43.027

million, Rs33.504 million, Rs32.764 million, Rs113.569 million and Rs78.056 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.4.3 Less deduction of income tax - Rs7.618 Million

As per Section-12 (1) of Income Tax Ordinance, 2001 (Amended up to date), any salary received by an employee in a tax year, other than salary that is exempt from tax under this Ordinance, shall be chargeable to tax in that year under the head "Salary".

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively".

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management made payments to different contractors and salaries to employees but deducted less amount of income tax Rs7.618 million as detailed below. Further detail is as under:

[Rs in Million]

Sr. No.	Name of office	AIR Para	Income tax		
			Due	Deducted	Variation
1	DMC South Karachi	10	9.246	2.749	6.497
2	DMC Central Karachi	8	16.818	15.697	1.121
Total			**26.064**	**18.446**	**7.618**

Audit was of the view that less deduction of income tax resulted into loss to public exchequer which indicated weak financial management.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

3.5.4.4 Non-recovery of outstanding dues - Rs160.160 Million

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 audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management did not recover the outstanding dues of Rs160.160 million on account of rent of shops/bungalows and betterment charges from defaulters and Sindh Building Control Authority. Detail is as under:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Particulars	Outstanding
1.	DMC East Karachi	4	Betterment Charges from SBCA	100.000
2.	District Council Karachi	11	Milching Animals	58.980
			Rent from shops/bungalows	0.780
			Rent from NBP	0.400
Total				**160.160**

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

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22 and 2018-19 vide para numbers 3.5.4.3 and 3.2.2.2 having financial impact of Rs67.519 million and Rs199.867 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.5 Value for Money and Service Delivery issues

3.5.5.1 Unjustified expenditure beyond purview - Rs541.879 Million

According to Section 8(1) of Sindh Solid Waste Management Board Act, 2014, "The Board shall have the 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 within the limit so fall Councils".

Further, Rule 159(4) of Sindh Local Council (Accounts) Rules, 1983, stipulates that a council vehicles 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 audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs541.879 million on POL for vehicles providing sanitation services despite the fact that lifting of door to door garbage was the responsibility of Sindh Solid Waste Management Board which is already incurring huge expenditure on this account through its contractors. It was further observed that no log book and POL accounts were maintained as per prescribed rule. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1	DMC South Karachi	14	268.857
2	District Council, Karachi	9	256.437
3	DMC Central Karachi	15	16.585
Total			**541.879**

Audit was of the view that incurrence of expenditure on sanitation services despite availability of Sindh Solid Waste Management Board was un-justified. Further, the prescribed POL record was also not maintained which showed poor financial management and weak internal controls.

The matter was reported to the management from September to October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 3.2.2.17 having financial impact of Rs43.499 million. Recurrence of same irregularity is a matter of serious concern.

3.5.5.2 Non-functioning of dispensaries

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

During audit of District Council, Karachi, for the financial year 2022-23, it was observed that there were 60 dispensaries in total out of which 30 were non-functional due to which health service delivery was not being provided to the general public. Further, it was also observed that one Medical Officer and 24 No. of staff e.g. Chowkidars, Naib Qasids, Senior Dispensers were posted in non-functional dispensaries. Detail is at **Annex-KYC6.**

Audit was of the view that due to non-functioning of dispensaries, health services delivery could not be provided to general public which indicated poor management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that non-functional dispensaries be made functional on priority basis besides, fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-22 vide para number 3.5.5.2. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 14]

3.5.6 Other issues

3.5.6.1 Less realization of targeted receipts - Rs1,768.328 Million

Section 100 (1) of Sindh Local Government Act 2013, states that unless otherwise provided, all taxes, rates, tolls and fees levied under this act shall be collected in the prescribed manner by the persons authorized for such collection: provided that where any tax, rate, toll or fee levied by a Council is also levied by Government, such tax, rate, toll or fee shall be collected with Government tax, and the proceeds thereof be credited to the local fund of the Council.

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management did not take appropriate measures to realize revenue targets of Rs1,768.328 million from various heads i.e. rent of shops, road cutting charges, bill board fees, property tax, trade license fees, nursery fees, cattle pirri fees, parking fees, licensing fee etc. Detail is at **Annex-KYC7.**

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Targeted Receipts	Recovery effected	Shortfall
1.	DMC Central Karachi	14	1,524.550	520.727	1,003.823
2.	DMC East Karachi	11	1,744.000	1,108.863	635.137
3.	DMC Malir Karachi	9	150.000	52.597	97.403
4.	DMC West Karachi	4	44.430	12.465	31.965
Total			**3,462.980**	**1,694.652**	**1,768.328**

Audit was of the view that due to less-realization of revenue targets, the councils were deprived of legitimate revenue which indicated poor financial controls.

The matter was reported to the management from September to October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for non-achievement of revenue targets.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 3.5.5.1, 3.5.4.1, 2.2.2.5 and 3.2.2.7 having financial impact of Rs1,456.646 million, Rs1,035.276 million, Rs1,527.575 million and Rs1,424.010 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.6.2 Non-deposit of security deposit in separate bank account - Rs7.873 Million

According to Rule 104 (3) of Chapter-XI of Sindh Local Government Act 2013, Refundable deposits credited by any person shall not form part of the Local Fund, but will be kept in a separate "Deposit Fund".

During audit of District Municipal Corporation, Malir, Karachi Division, for the financial year 2022-23, it was observed that the management deducted security deposit amounting to Rs7.873 million from contractors' bills, but did not maintain separate bank account for security deposit.

Audit was of the view that due to non-maintenance of separate security deposit account, the chances of misuse of the deducted security money could not be ruled out.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

[AIR Para: 16]

3.5.6.3 Unauthorized creation of liability - Rs810.497 Million

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

Further, Finance Department, Government of Sindh, vide letter No.FD.SO(LF-I)Misc/(171)2013 dated 13-08-2013, instructed all the Local Councils/District Councils/defunct TMAs that payment of salaries and pension may be given first priority from the OZT funds released by Finance Department.

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management created liability amounting to Rs810.497 million in the head of leave encashment, financial assistance, contingencies and development works etc. in violation of rule as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount of Leave encashment/ Financial Assistance/ Group Insurance/ suppl. salary	Amount of contingencies	Amount of development	Total
1.	DMC Keamari Karachi	3	-	-	713.712	713.712
2.	DMC Malir Karachi	14	34.061	5.292	57.432	96.785
Total						**810.497**

Audit was of the view that creation of liability under the head of pensionary benefits, contingencies and development works indicated weak financial management.

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2020-21 vide para number 3.5.5.1 having financial impact of Rs1,079.899 million. Recurrence of same irregularity is a matter of serious concern.

3.5.6.4 Irregular payment on clearance of previous liability - Rs111.055 Million

Finance Department, GoS O.M No.FD/B&E-I/51/2007 dated 02-07-2007, stipulates that liability of previous years shall not be allowed to be cleared unless concurrence is given by Finance Department (FD).

Further, as per approval of budget by Secretary Local Government Department vide Letter No.SO-I(LG)/02-48/2017 N.F dated: 1st October 2021, "No liabilities of previous year will be cleared from yearly budget without approval of Local Govt. Department."

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs111.055 million on clearance of previous years' liability without approval of Finance Department and Local Government Department, Government of Sindh as detailed below. Further detail is at **Annex-KYC8.**

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Year of liability	Amount
1	DMC West Karachi	8	2021-22	104.741
2	DMC Keamari Karachi	18	2020-21, 2021-22	6.314
Total				**111.055**

Audit was of the view that clearance of liabilities without approval of Finance Department and administrative department was irregular and indicated weak financial management.

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 2.2.2.12 and 3.2.2.20 having financial impact of Rs167.066 million and Rs25.140 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.6.5 Non-establishment of provident fund, pension fund and benevolent fund

Rule 125 (1), Chapter-XIV of SLGA 2013, states that a Council may, establish and maintain-

a. Provident fund for the benefit of its employees, who shall contribute to such fund in such manner and proportion as may be prescribed.

b. Pension fund from which pension, shall, in the prescribed manner, be paid to the employees of the Council.

c. Benevolent fund, in the prescribed manner from which any special pension or gratuity, shall, in the prescribed manner be paid to the family of employee of the Council, who dies of disease or injury contracted or suffered by him in the discharge of his official's duties.

During audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management failed to establish provident, pension and benevolent fund for the benefits of employees of the council.

Sr. No.	Name of Entity	AIR Para
1	DMC East Karachi	15
2	DMC Malir Karachi	19
3	DMC South Karachi	2
4	DMC Korangi Karachi	29

Audit was of the view that non-establishment of mandatory funds indicated poor financial management and weak internal controls.

The matter was reported to the management from September to October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends establishment of mandatory funds as per provision of the Sindh Local Government Act, 2013.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2021-22 vide para number 3.5.2.1. Recurrence of same irregularity is a matter of serious concern.

3.5.6.6 Non-maintenance of property record

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 audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management failed to maintain property record as mentioned in schedule of Sindh Local Councils (Property) Rules, 2017. 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 Entity	AIR Para
1	DMC East Karachi	18
2	DMC Malir Karachi	18
3	DMC Korangi Karachi	28

Audit was of the view that management failed to comply with the prescribed rules for maintenance of property record which indicated weak internal controls. Besides, chances of encroachment could not be ruled out.

The matter was reported to the management from September to October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends maintenance of required property record at the earliest on the prescribed format.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 3.5.5.5. Recurrence of same irregularity is a matter of serious concern.

3.5.6.7 Non-maintenance of POL record - Rs276.033 Million

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".

According to Rule-159(4) of Sindh Local Council (Accounts) Rules 1983, "A council vehicles 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 audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs276.033 million on POL for official vehicles and machineries but did not maintain of petrol account register, history sheet, log book of each vehicle, tour program/diary of official vehicles. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1.	DMC East Karachi	3	88.924
2.	DMC West Karachi	2	70.264
3.	DMC Central Karachi	13	39.075
4.	DMC Keamari Karachi	9	24.131
5.	DMC Malir Karachi	2	23.723
6.	DMC Korangi Karachi	10	15.433
7.	District Council Karachi	13	9.348
8.	DMC South Karachi	13	5.135
Total			**276.033**

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that responsibility may be fixed on person(s) at fault for incurring expenditure without maintenance of prescribed record.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 2.2.2.6 and 3.2.2.8 having financial impact of Rs620.315 million and Rs880.825 million respectively. Recurrence of same irregularity is a matter of serious concern.

3.5.6.8 Non-maintenance of stock registers - Rs127.724 Million

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 audit of following Local Councils of Karachi Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs127.724 million on the purchase of stationery, furniture, electrical appliances, ration bags, fogging machines, medicines, dewatering pumps, crockery, electrical articles, sanitation material, fumigation chemical, etc. but did not maintain stock registers. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1.	District Council Karachi	15	45.110
2.	DMC Malir Karachi	7	32.490
3.	DMC South Karachi	16	16.818
4.	DMC Korangi Karachi	13	15.284
5.	DMC East Karachi	12	7.367
6.	DMC Keamari Karachi	15	7.067
7.	DMC Central Karachi	17	3.588
Total			**127.724**

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

3.5.6.9 Non-recording the particulars of payments in cheque register Rs240.895 Million

Rule 70 (3) of Sindh Local Councils Accounts Rules, 1983, stipulates that in Councils where there is no Day-to-Day audit of the Local Fund Audit Department, the Chief Accounts Officer shall proceed to issue cheque soon after Payment order has been recorded by the Chief Executive or his authorized delegate. Simultaneously with the preparation of the cheque, its entry shall be made in the cheque Register in Form No.62 and forwarded to the officers authorized to sign cheques of the Council for payment.

During audit of District Municipal Corporation, Keamari, Karachi Division, for the financial year 2022-23, it was observed that management incurred expenditure amounting to Rs240.895 million without recording details of work executed or particulars of payments in Cheque Issue Register produced to audit for scrutiny. Further, due to non-provision of cash book the expenditure could not be reconciled. Detail is at **Annex-KYC9.**

Audit was of the view that due to incurring of huge expenditure without recording details and particulars of executed works in Cheque Issue Register, the expenditure could not be verified.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

[AIR Para: 10]

Chapter-4

Hyderabad Division





Chapter-4: Local Councils, Hyderabad Division

4.1 Introduction

Hyderabad Division consists of nine Districts namely Hyderabad, Badin, Dadu, Thatta, Matiari, Jamshoro, Sujawal, Tando Allahyar and Tando Muhammad Khan. Each Corporation / District Council / Municipal Committee / Town Committee in Hyderabad Division is headed by a Chairman/ MC/Chief Officer / Chief Municipal Officer/ Town Officer who carries out operations as per Sindh Local Government Act, 2013.

The functions of Local Councils are as following:

i. Prepare development plans for the Town including plans for land use, zoning and functions for which Municipal Corporation/Committees are responsible.

ii. Exercise control over land-use, land-subdivision, land development and zoning by the public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.

iii. Enforce all municipal laws, rules and bye-laws governing Municipal Corporation/Committees functioning.

iv. Prepare budget, long-term and annual municipal development programs in collaboration with the Union Councils.

v. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.

vi. Manage properties, assets and funds vested in the Municipal Corporation/Committees.

vii. Develop and manage schemes, including site development in collaboration with Union Administration.

viii. Issue notice for committing any municipal offence by any person and initiate legal proceedings for the commission of such offence or failure to comply with the directions contained in such notice.

ix. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.

x. Maintain municipal records and archives.

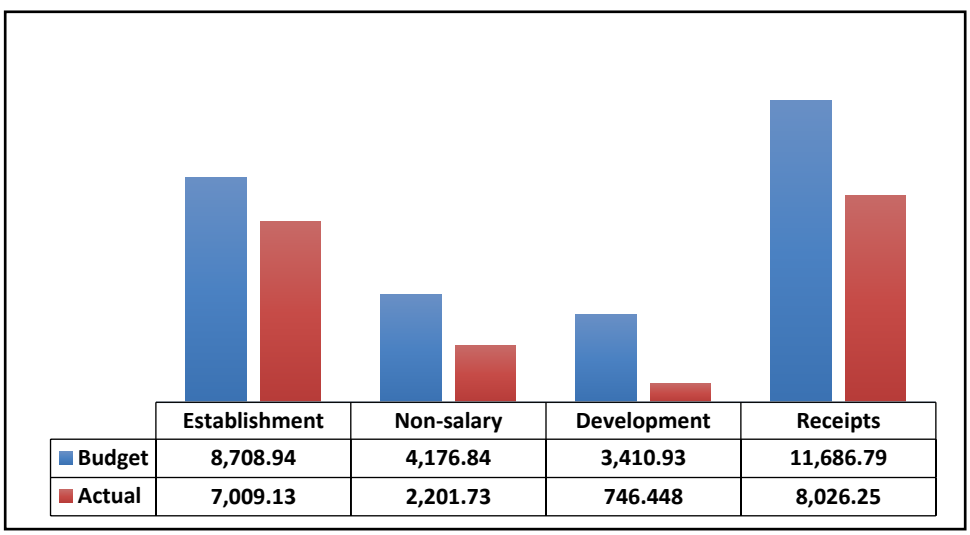
4.2 Comments on Budget and Accounts (Variance Analysis)

[Rs. in Million]

Sr. No.	Districts	Head of Account	Budget	Actual	Excess (+) Savings (-)
1	**Hyderabad**	Establishment	2,702.401	2,664.763	-37.638
		Non-salary	514.357	169.752	-344.605
		Development	404.467	135.661	-268.806
		Total Expenditure	**3,621.225**	**2,970.176**	**-651.049**
		Receipts	**1,762.278**	**1,142.153**	**-620.125**
2	**TM Khan**	Establishment	548.616	536.456	-12.160
		Non-salary	616.839	282.448	-334.392
		Development	336.400	16.803	-319.597
		Total Expenditure	**1,501.855**	**835.707**	**-666.148**
		Receipts	**1,444.063**	**848.688**	**-595.375**
3	**Tando Allahyar**	Establishment	628.112	494.417	-133.696
		Non-salary	458.538	436.744	-21.794
		Development	422.413	35.395	-387.018
		Total Expenditure	**1,509.063**	**966.556**	**-542.507**
		Receipts	**1,033.072**	**831.420**	**-201.652**
4	**Jamshoro**	Establishment	621.377	474.572	-146.805
		Non-salary	365.303	279.051	-86.252
		Development	312.791	85.122	-227.670
		Total Expenditure	**1,299.471**	**838.745**	**-460.726**
		Receipts	**724.943**	**713.088**	**-11.855**
5	**Matiari**	Establishment	838.042	432.690	-405.352
		Non-salary	692.626	184.499	-508.127
		Development	357.807	26.496	-331.311
		Total Expenditure	**1,888.475**	**643.685**	**-1,244.789**
		Receipts	**1,722.469**	**687.215**	**-1,035.254**
6	**Dadu**	Establishment	1,129.329	812.955	-316.374
		Non-salary	286.987	160.973	-126.014
		Development	298.577	121.655	-176.923
		Total Expenditure	**1,714.894**	**1,095.583**	**-619.311**
		Receipts	**1,586.897**	**1,124.681**	**-462.215**
7	**Badin**	Establishment	983.720	860.818	-122.902
		Non-salary	431.506	250.578	-180.928
		Development	774.585	154.441	-620.144
		Total Expenditure	**2,189.811**	**1,265.837**	**-923.974**
		Receipts	**1,676.472**	**1,343.401**	**-333.071**

[Rs. in Million]

Sr. No.	Districts	Head of Account	Budget	Actual	Excess (+) Savings (-)
8	**Sujawal**	Establishment	506.025	344.554	-161.470
		Non-salary	448.367	309.764	-138.603
		Development	65.495	0.000	-65.495
		Total Expenditure	**1,019.886**	**654.318**	**-365.568**
		Receipts	**726.670**	**706.430**	**-20.240**
9	**Thatta**	Establishment	751.315	387.908	-363.407
		Non-salary	362.315	127.919	-234.396
		Development	438.397	170.875	-267.522
		Total Expenditure	**1,552.027**	**686.702**	**-865.325**
		Receipts	**1,009.927**	**1,002.927**	**-7.000**
Grand-Total Hyderabad Division		**Establishment**	**8,708.937**	**7,009.134**	**-1,699.803**
		Non-salary	**4,176.838**	**2,201.728**	**-1,975.111**
		Development	**3,410.932**	**746.448**	**-2,664.485**
		Total Expenditure	**16,296.707**	**9,957.309**	**-6,339.398**
		Receipts	**11,686.790**	**8,026.252**	**-3,660.538**



The budgeted expenditure of Local Councils of Hyderabad Division for the financial year 2022-23 was Rs16,296.707 million, against which the actual expenditure was Rs9,957.309 million, resulting in saving of Rs6,339.398 million. The management of Local Councils was unable to realize the receipts' targets resulting in shortfall of Rs3,660.538 million.

Table-: Audit Profile of Hyderabad Division

[Rs. in million]

Sr.	Description	Formations		Financial Year 2022-2023	
		Planned	Audited	Expenditure audited	Revenue / Receipts audited
1.	Formations	90	48	9,957.309	8,026.252
2.	Assignment Accounts, SDAs (excluding FAP)	-	-	-	-
3.	Authorities/Autonomous Bodies under the PAO	-	-	-	-
4.	Foreign Aided Projects (FAP)	-	-	-	-

4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs1,985.036 million were raised in this report during the current audit of Hyderabad Division. The amount also includes recoveries of Rs234.205 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

Table: Overview of Audit Observations:

[Rs. in million]

Sr.	Classification	Amount
1	Non-Production of Record	-
2	HR/Employees related irregularities	79.693
3	Procurement related irregularities	471.650
4	Recoveries related irregularities	234.205
5	Value for money and service delivery issues	196.591
6	Other issues	1,002.897
Total		**1,985.036**

4.4 Brief Comments on the Status of Compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Sindh. Detail of paras presented in PAC meetings is reflected hereunder:

Audit Year	No. of Paras	Status of Paras discussed in PAC Meetings
2012-13	81	2 - Partial
2013-14	39	3 - Partial
2014-15	80	-Nil-

Audit Year	No. of Paras	Status of Paras discussed in PAC Meetings
2015-16	38	-Nil-
2016-17	67	-Nil-
2017-18	38	-Nil-
2018-19	51	-Nil-
2019-20	69	-Nil-
2020-21	20	-Nil-
2021-22	28	-Nil-
2022-23	25	-Nil-

4.5 Audit Paras

4.5.1 Non-Production of Record

4.5.1.1 Non-production of record

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

> "(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with 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 audit of various Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not produce auditable record pertaining to establishment, development, contingency, revenue, property, various registers, credentials of contractors etc. involving minimum financial impact of Rs282.065 million for audit scrutiny. Detail is at **Annex-HYD1.**

Audit was of 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.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023 and 09-01-2024.

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 Audit Years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 vide para numbers 4.5.1.1, 4.5.1.1, 4.5.1.1, 3.2.1.1, 4.2.2.1 and 4.2.2.1 having financial impact of Rs194.265 million, Rs995.245 million, Rs96.062 million, Rs252.002 million, Rs553.830 million and

Rs472.277 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.2 HR/Employees related irregularities

4.5.2.1 Illegal authorization of expenditure after retirement - Rs27.228 Million

As per Notification issued by Local Government Department, Government of Sindh vide No.SLGB/SCUG/AO(U.A-II)/4(171)/2022/1169 dated 29-11-2021, Mr. Khair Muhammad s/o Haji Allah Bux Jhatial, Secretary (BPS-11/SCUG) Town Committee Makli, District Thatta retired from Government Service w.e.f. 02.03.2022 on attaining the age of superannuation.

During audit of Town Committee Makli, Hyderabad Division, for the financial year 2021-22, it was observed that Mr. Khair Muhammad, the Ex-Secretary of council retired on 02-03-2022 from service. However, he unauthorizedly continued service as administrator of the council and also approved expenditure of Rs27.228 million. Further, he also continued drawing his salary after retirement. Detail is at **Annex-HYD2.**

Audit was of the view that the authorization of payments after his retirement was illegal which indicated weak internal controls.

The matter was reported to the management in March 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

[AIR Para: 2]

4.5.2.2 Irregular inclusion of posts in schedule of establishment

According to Section 123(1), Chapter-XIV of Sindh Local Government Act, 2013, "A Council shall prepare a Schedule of Establishment showing the number 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. Further, sub-section (3) of section 123 ibid stipulates that a change in the Schedule of Establishment approved by the Government under sub-section (1) shall be made in the same manner as the Schedule of Establishment".

During audit of Municipal Committee Badin, Hyderabad Division, for the financial year 2022-23, it was observed that the management included 04 number of posts in the Schedule of Establishment (SoE) without approval of the Administrative Department. Detail is as under:

Sr. No.	Nomenclature of the Post	Number of Posts Included
1	Chief Admin Officer (BS-17/18)	01
2	Audit Officer (BS-17/18)	01
3	Municipal Planning Officer (BS-17/18)	01
4	Chief Officer (BS-17)	01
Total		**04**

Audit was of the view that inclusion of posts in schedule of establishment without approval of competent authority indicated poor financial management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 4.2.3.47. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 5]

4.5.2.3 Irregular appointment of staff on adhoc basis - Rs46.442 Million

In compliance of Honorable Supreme Court of Pakistan in Human Rights case No. 104/92, Local Government Department issued directives vide letter No.SO-V(LG)5(69)/2009/29-06-2010 that even an appointment on adhoc basis cannot be made without publication and proper advertisement.

Further, Rule 8(2) of Sindh Local Councils Employees (Service) Rules, 2017 stipulates that initial appointment to the posts in all basic scales not falling within the purview of SPSC, shall be made on the recommendations of the Selection Committee on the basis of interview or test to be held by the Selection Committee after the vacancies have been advertised in leading newspapers in Urdu, Sindhi & English Languages.

During audit of following Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management appointed employees on adhoc basis without observing prescribed procedure and incurred expenditure of Rs46.442 million on the wages. Further, approval from administrative department was also not obtained as detailed below:

[Rs. in Million]

Sr. No.	Name of offices	AIR Para	F. Y	Number of Adhoc Employees	Amount
1.	Town Committee Husri	5	2021-22	36	2.500
2.	Town Committee Chamber	11		-	0.734
3.	Municipal Committee Sehwan	13	2022-23	120	23.396
4.	Municipal Committee Dadu	1		110	13.200
5.	Municipal Committee Qasimabad	7		29	6.612
Total					**46.442**

Audit was of the view that appointment of employees on adhoc basis without following prescribed procedure was violation of the rules and Local Government orders which indicated weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023 and 09-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20, 2018-19 and 2017-18 vide para numbers 4.5.2.2, 4.5.2.1, 3.2.3.21 & 3.2.3.35, 4.2.3.10 and 4.2.3.12 having financial impact of Rs36.911 million, Rs137.945 million, Rs195.769 million, Rs131.422 million and Rs88.909 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.2.4 Unauthorized hiring of legal advisors - Rs6.023 Million

Para-2 of Letter No.ADDL.A.G/(LRK) 1570/08-08-2016 issued by Additional Advocate General Sindh, High Court Larkana addressed to Chief Secretary Sindh, stipulated that the departments were engaging private counsels without obtaining the sanction from Law Department which was against the rules. The Chief Secretary of Sindh was therefore requested to look into the matter.

During audit of following Local Councils of Hyderabad Division, for the financial year 2022-23, it was observed that the management hired legal advisors and paid an amount of Rs6.023 million on account of legal fees without sanction of Law Department, Government of Sindh as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	No. of legal advisors	Paid Amount
1.	Municipal Committee Qasimabad	10	1	1.893
2.	District Council Hyderabad	5	1	1.430
3.	District Council Tando Muhammad Khan	9	2	0.625
4.	District Council Sujawal	10	1	0.600
5.	Town Committee Sujawal	5	3	0.492
6.	Municipal Committee Sehwan	14	3	0.445
7.	Municipal Committee Tando Jam	7	1	0.338
8.	District Council Dadu	9	2	0.200
Total			**14**	**6.023**

Audit was of the view that hiring of legal advisors without sanction of Law Department, Government of Sindh was unauthorized and indicated weak internal controls.

The matter was reported to the management from July to December 2023, but no reply was received The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20 and 2018-19 vide para numbers 4.5.2.5, 3.2.3.58 and 4.2.3.28 having financial impact of Rs0.647 million, Rs1.040 million and Rs7.584 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.2.5 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 audit of following Local Councils of Hyderabad Division, for the financial year 2021-22, it was observed that the management posted employees on various posts without or beyond sanctioned strength. Detail is as follows. Further detail is at **Annex-HYD3.**

Sr. No.	Name of Offices	AIR Para	Name of Post	Sanctioned Strength	Working Strength	Variation
1	Municipal Committee Matli	10	Municipal Engineer	0	1	1
2	Town Committee Chamber	2	13 Different posts	14	36	22

Audit was of the view that posting of employees beyond or without sanctioned posts was irregular which indicated weak internal controls.

The matter was reported to the management from March to June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2021-22 vide para numbers 4.5.2.3 and 4.5.2.2 having financial impact of Rs8.607 million and Rs9.776 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.2.6 Irregular transfer and posting of employees from one council to another

As per Local Government Department, Government of Sindh, letter No.RO(LG)/Korangi 2(28)/2016 dated 20-01-2017, "Local Government Department is competent to make transfer & posting of officers/officials of Local Councils from one Council to another council against equivalent grade, post and cadre subject to NOC from both councils".

During audit of Municipal Committee Badin, Hyderabad Division, for the financial year 2022-23, it was observed that management allowed joining to 28 numbers of council employees of other councils without obtaining NOC from both councils. Further, transfer and posting of employees from one council to another council were

made by Sindh Local Government Board without authorization of Secretary Local Government Department, Government of Sindh and verification of service profile of employees. Detail is at **Annex-HYD4.**

Further, verification of following record was also not conducted while issuance of transfer posting orders:

i. Appointment orders from the concerned administrative department.
ii. Medical fitness from issuing authority.
iii. Service books from Local Fund Audit Department.
iv. Copy of bank statement(s) from the date of appointment till to date.
v. Endorsement of Last Pay Certificates (LPCs) and charge relieving report from the concerned council.

Audit was of the view that transfer and posting of employees from one council to another council were made without following due process and verification of service record due to which the authenticity of transferred employees could not be verified.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

[AIR Para: 06]

4.5.3 Procurement related irregularities

4.5.3.1 Execution of scheme without approval of competent forum Rs79.086 Million

Rule 2.22 of SPPRA Guidelines / Regulations for Procurement of Works 2010 states 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)	Rs 20 million
2	Departmental Development Working Party (DDWP)	Rs 40.00 million
3	Provincial Development Working Party (PDWP)	Rs 5.00 billion
4	Central Development Working Party (CDWP)	Rs One billion
5	Executive Committee of the National Economic Council (ECNEC). After clearance from CDWP	Above Rs One billion

During audit of District Council Thatta, Hyderabad Division, for the financial year 2022-23, it was observed that the management awarded development work amounting to Rs79.086 million without approval of Provincial Development Working Party in violation of SPPRA regulations. Detail is as under:

[Rs. in Million]

Name of Work	Contractor	Amount
Repair of Metaled Road and protection of bund at different villages of various union councils of District Thatta and remaining construction of waiting shed for Darga Mian Syed Ali Shah Sheerazi.	M/s Maya Enterprises	79.086

Audit was of the view that execution of schemes without obtaining approval from the competent forum was violation of SPPRA regulations which indicated weak internal controls.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 02]

4.5.3.2 Award of auctions without publication - Rs1.825 Million

Rule 5(1)(i), Chapter-II of Sindh Local Councils (Auctioning of Collection Rights) Rules 2016, states that the public notice for conduct of an auction, in not less than three widely circulated newspapers in Urdu, Sindhi and English languages, shall be published by the Local Council, at least fifteen days before the date of auction.

During audit of Municipal Committee, Tando Muhammad Khan, Hyderabad Division, for the financial year 2022-23, it was observed that the management awarded various auction of collection rights of Rs1.825 million to different contractors without publishing auction notice in the newspapers in violation of rules. Detail is as follows:

[Rs. in Million]

Sr. No	Description of Contracts	Name of Contractors	Approved Bid
1	Katcha Pacca Pirri Fee	Mr. Gulzar Bhatti	0.975
2	Slaughter House Fee		0.300
3	Advertisement Fee	Mr. Khursheed Ali	0.400
4	Power Generator Fee		0.150
Total			**1.825**

Audit was of the view that award of auctions without publication of notice in the newspapers was irregular which indicated that undue favour was extended to the contractors.

The matter was reported to the management in September and December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

[AIR Para: 9]

4.5.3.3 Splitting up of expenditure to avoid open tender - Rs63.695 Million

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(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred expenditure of Rs63.695 million through quotations by splitting the procurements which resulted into non-achievement of competitive rates. Detail is as follows.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F.Y.	Amount
1.	Town Committee Tando Ghulam Hyder	4	2021-22	3.694
2.	Town Committee Phulji Station	2		2.463

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F.Y.	Amount
3.	Town Committee Tharirri Muhabbat	2		1.728
4.	Town Committee Husri	1		1.309
5.	District Council Dadu	5	2022-23	15.302
6.	Town Committee Chuhar Jamali	2		11.633
7.	District Council Thatta	8		7.114
8.	Town Committee Bhit Shah	7		6.651
9.	Town Committee Jati	4		3.960
10.	Municipal Committee Sehwan	11		3.790
11.	Municipal Committee Qasimabad	4		3.597
12.	District Council Tando Allahyar	8		2.454
Total				**63.695**

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

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023 and 09-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21 and 2019-20 vide para numbers 4.5.3.2, 4.5.3.2, 4.5.4.3 and 3.2.3.23 having financial impact of Rs137.649 million, Rs74.199 million, Rs215.020 million and Rs152.936 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.3.4 Irregular utilization of sanitation funds through quotations Rs201.320 Million

According to Rule 11(1), Part-II of Sindh Public Procurement Rules 2010, "All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements".

Further, Rule 17(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and

up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Hyderabad Division, for the financial years 2020-22 and 2022-23, it was observed that the management incurred an expenditure of Rs201.320 million on various sanitation works (hiring of machinery and labour for cleaning of streets, roads and drain/nallahs) through quotations by keeping each transaction below Rs300,000/- to avoid open competitive bidding. Whereas, the work of sanitation being a mandatory function of the Council was foreseen prior to commencement of financial year at the time of budget preparation/ approval. Detail is as follows.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F.Y.	Amount
1	Town Committee Kadhan	2	2020-22	1.235
2	Town Committee Mirpur Bathoro	2	2021-22	7.376
3	Town Committee Gharo	3		6.960
4	Town Committee Makli	5		5.623
5	Town Committee Nassarpur	4		5.078
6	Municipal Committee Johi	1		4.237
7	Town Committee Chuhar Jamali	2		4.154
8	Town Committee Ghora Bari	3		3.089
9	Town Committee Chamber	10		2.537
10	Town Committee Tando Ghulam Hyder	1		2.278
11	Town Committee Khoski	3		1.744
12	Town Committee Shaheed Fazil Rahu	2		1.497
13	Municipal Committee Tando Muhammad Khan	1	2022-23	7.981
		3		7.204
14	Municipal Committee Hala	4		16.093
		5		3.279
15	District Council Matiari	1		29.970
16	Town Committee Bhit Shah	4		12.537
17	District Council Hyderabad	1		28.246
18	Town Committee Matiari	3		6.473
		6		
19	District Council Badin	5		3.229
20	Town Committee Jamshoro	2		10.274
21	Town Committee Tando Ghulam Hyder	2		11.330
		13		5.898
22	Municipal Committee Tando Jam	4		4.560
23	Municipal Committee Tando Allahyar	3		8.438
Total				**201.320**

Audit was of the view that incurrence of expenditure by quotations without obtaining competitive rates was violation of Sindh Public Procurement Rules which indicated weak internal controls.

The matter was reported to the management from March to December 2023. The office of District Council Matiari replied that sanitation works were executed on quotations due to emergency of heavy rain and district was declared as climate effected area by Government of Sindh. Reply was not tenable as no documentary evidence in support of reply was provided, whereas no reply was received from others offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20, 2018-19 and 2017-18 vide para numbers 4.5.3.1, 4.5.3.3, 3.2.3.32, 4.2.3.14 and 4.2.3.24 having financial impact of Rs126.367 million, Rs133.119 million, Rs43.631 million, Rs59.561 million and Rs13.394 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.3.5 Execution of development works through quotations instead of NIT Rs58.301 Million

According to the instructions issued by the Local Government Department, Government of Sindh vide letter No.SOI/LG/MICS/10-7/2013 dated 07-01-2014, "No development work on quotation should be carried-out. All development works be carried-out through NIT".

During audit of following Local Councils of Hyderabad Division, for the financial years 2020-22 and 2022-23, it was observed that the management incurred an expenditure of Rs58.301 million on development works through quotations instead of open competitive bidding in violation of government instructions. Detail is as follows.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F.Y.	Amount
1.	Town Committee Kadhan	1	2020-22	1.852
2.	Town Committee Nassarpur	8	2021-22	2.769
3.	Municipal Committee Matli	3		1.751
4.	Town Committee Piyaro Lund	8		0.887

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F.Y.	Amount
5.	Municipal Committee Tando Muhammad Khan	4	2022-23	13.730
6.	Municipal Committee Qasimabad	1		12.091
7.	District Council Hyderabad	10		8.430
8.	District Council Sujawal	3		7.559
9.	District Council Tando Muhammad Khan	6		5.610
10.	District Council Tando Allahyar	6		2.394
11.	Town Committee Tando Ghulam Hyder	7		1.228
Total				**58.301**

Audit was of the view that execution of development works through quotation in violation of government instructions was irregular which indicated weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2021-22 vide para numbers 4.5.3.3 and 4.5.3.1 having financial impact of Rs45.520 million and Rs4.752 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.3.6 Non-transparency in procurement - Rs5.242 Million

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 audit of Town Committee, Bhit Shah, Hyderabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs5.242 million on account of procurement of various goods and services through

doubtful work orders and bills. Further, the POL was filled in the vehicles beyond tank capacity at a time.

Following discrepancies were also noticed:

i. Vouchers were pre-audited before work orders and submission of contractor's bills.

ii. Contractors were not registered with SRB.

iii. Procurement committee was not constituted.

iv. Some work orders were issued on holidays.

Audit was of the view that pre-audit of vouchers before work orders and submission of contractors' bills indicated that the procurement was doubtful and chances of misuse of public funds could not be ruled out.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that matter may be investigated for fixing responsibility on the person(s) at fault.

[AIR Para: 02]

4.5.3.7 Expenditure through invalid procurement committee - Rs5.468 Million

According to Rule-7, Part-I of Sindh Public Procurement Rules, 2010, "The procuring agency shall, with approval of its Head of the Department, Constitute as many procuring committees, as it deems fit, each comprising odd number of persons and headed by the gazette officer not below the rank of BPS-18, or if not available, the officer of the highest grade, and shall ensure that at least one third of the members of a procurement committee are from the agencies or departments other than the procuring agency".

During audit of following Local Councils of Hyderabad Division, for the financial year 2021-22, it was observed that the management incurred expenditure of Rs5.468 million on procurement of works and services without inclusion of external member for evaluation of rates and quality of the procured items. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	Amount
1	Town Committee Thariri Muhabbat	5	4.408
2	Town Committee Phulji Station	5	1.060
Total			**5.468**

Audit was of the view that procurements without inclusion of external member was irregular which indicated poor management and weak internal controls.

The matter was reported to the management in June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2017-18 vide para number 4.3.2.7 having financial impact of Rs251.997 million. Recurrence of same irregularity is a matter of serious concern.

4.5.3.8 Irregular procurement without constituting procurement committee Rs25.179 Million

According to Rule-7, Part-I of Sindh Public Procurement Rules 2010, "The procuring agency shall, with approval of its Head of the Department, constitute as many procuring committees, as it deems fit, each comprising odd number of persons and headed by a gazetted officer not below the rank of BS-18, or if not available, the officer of the highest grade, and shall ensure that at least one third of the members of a procurement committee are from the agencies or departments other than the procuring agency".

During audit of following Local Councils of Hyderabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs25.179 million on various purchases and works without constitution of procurement committee to evaluate rates offered by bidders. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1.	Municipal Committee, Sehwan	19	22.738
2.	Town Committee, Chuhar Jamali	3	2.441
Total			**25.179**

Audit was of the view that purchases and works were made without constituting the procurement committee which indicated weak internal controls.

The matter was reported to the management from July to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 3.2.3.17 having financial impact of Rs307.170 million. Recurrence of same irregularity is a matter of serious concern.

4.5.3.9 Irregular expenditure on earth filling without estimates - Rs2.185 Million

According to Rule 109, Chapter-XIII of Sindh Local Council (Accounts) Rules 1983, "No works shall be commenced unless administrative approval by competent authority is given and properly detailed design and estimate has been sanctioned, allotment of funds made, and order for its commencement are issued by competent authority".

During audit of following Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs2.185 million on earth filling works without preparation of estimates as detailed below.

[Rs. in Million]

Sr. No.	Name of offices	AIR Para	F. Y	Amount
1.	Town Committee Tando Ghulam Ali	3	2021-22	0.731
2.	District Council Tando Muhammad Khan	19	2022-23	1.454
Total				**2.185**

Audit was of the view that incurrence of expenditure on earth filling without preparation of estimates reflected poor internal controls.

The matter was reported to the management in June and September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22 and 2019-20 vide para numbers 4.5.3.11 and 3.2.3.52 having financial impact of Rs6.287 million and Rs2.001 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.3.10 Non-imposition of liquidated damages - Rs18.464 Million

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".

During audit of following Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management awarded various works of Rs369.280 million but the contractors failed to complete the works within stipulated period. However, the liquidated damages amounting to Rs18.464 million @ 5% of contract value were not imposed as detailed below.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Total Cost	Amount of liquidated damages @5%
1.	Town Committee Tando Ghulam Ali	11	2021-22	84.318	4.216
2.	Municipal Committee Qasimabad	3	2022-23	84.905	4.245
3.	District Council Dadu	1		44.500	2.225
4.	District Council Thatta	4		79.080	3.954
5.	District Council Jamshoro	3		76.477	3.824
Total				**369.280**	**18.464**

Audit was of the view that due to non-imposition of liquidated damages undue favor was extended to the contractors which indicated weak financial management and internal controls.

The matter was reported to the management from June to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20, 2018-19 and 2017-18 vide para numbers 4.5.6.2, 3.2.3.42, 4.2.3.21 and 4.2.3.28 having financial impact of Rs11.665 million, Rs16.176 million, Rs23.762 million and Rs3.533 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.3.11 Irregular payment of extra lead miles - Rs8.074 Million

According to Para-4 of Composite Schedule of Rates 2012, approved by Standing Rates Committee Karachi, Government of Sindh, "No lead small or long for carriage of material for items as per this Schedule is to be paid separately. However, provision for the cost of Carriage of material from a predetermined nearest source of supply may be made in the estimates.

During audit of District Council Badin, Hyderabad Division, for the financial year 2022-23, it was observed that the management awarded works of Rs53.992 million to the contractors. However, the management allowed irregular payment of Rs8.074 million for extra lead upto three miles on account of transportation of material in all works, in absence of lead chart. Detail is at **Annex-HYD5.**

Audit was of the view that payment on account of extra lead miles for carriage of material without preparation and approval of lead chart was undue favour extended to the contractors which indicated poor financial management.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 02]

4.5.3.12 Unjustified expenditure on supply of water - Rs1.794 Million

According to Rule 04, Part-I of 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 audit of Town Committee, Tando Ghulam Hyder, Hyderabad Division, for the financial year 2021-22, it was observed that management incurred expenditure of Rs1.794 million on purchase of water without any justification. Detail is as follows.

[Amount in Rs.]

Sr. No.	Description of Expenditure	Name of Contractors	Work Order	Cheque # Dated	Amount
1	Providing of Water Tanker for Town	M/S Jawad Ali Traders	39 / 06-10-21	Nil / Oct, 21	269,800
2			40 / 06-10-21	Nil / Oct, 21	277,400
3		M/A A.H Soomro	79 / 05-11-21	Nil / Nov, 21	258,400
4		M/S A.H Soomro	87 / 05-11-21	Nil / Nov, 21	266,000
5		M/S Z.A Construction	82 / 05-11-21	Nil / Nov, 21	243,200
6		M/S M.J Enterprises	66 / 16-12-21	Nil / Dec, 21	231,800
7			68 / 16-12-21	Nil / Dec, 21	247,000
Total					**1,793,600**

Following discrepancies were noticed:

i. Shortage of water was not declared by concerned department.

ii. Water was shown as supplied to public without their demand.

iii. Detail of beneficiaries alongwith acknowledgement receipt was also not available on record.

iv. No recovery was made from the beneficiaries.

Audit was of the view that supply of water to public without any demand, proper justification and maintenance of relevant record indicated poor management and weak internal controls.

The matter was reported to the management in April 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

[AIR Para: 2]

4.5.3.13 Unjustified expenditure on fumigation services - Rs1.017 Million

According to Rule 04, Part-I of 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 audit of Town Committee, Tando Ghulam Hyder, Hyderabad Division, for the financial year 2021-22, it was observed that management incurred expenditure of Rs1.879 million on outsourcing of fumigation services through private contractors. It was further observed that an expenditure of Rs1.017 million was also shown incurred on POL for Fumigation Spray in town despite the fact that same job was already outsourced. Detail is at **Annex-HYD6.**

Audit was of the view that incurrence of expenditure on POL for fumigation services despite outsourcing the same was unjustified which indicated poor management and weak internal controls.

The matter was reported to the management in April 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

[AIR Para: 3]

4.5.4 Recoveries related issues

4.5.4.1 Non-recovery of outstanding dues - Rs137.744 Million

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 audit of following Local Councils of Hyderabad Division, for the financial years 2020-22 and 2022-23, it was observed that the management did not recover the outstanding dues of Rs137.744 million on account of rent of shops and other properties, water supply charges, gate entry fee, advertisement tax, parking fee etc. from defaulters as detailed below.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y	Amount
1.	Town Committee Kadhan	8	2020-22	1.415
2.	Municipal Committee Matli	8	2021-22	1.971
3.	Town Committee Makli	6		5.034
4.	Municipal Committee Badin	10	2022-23	38.663
5.	District Council Hyderabad	3		31.387
6.	District Council Jamshoro	1		20.889
7.	Town Committee Thana Bula Khan	2		14.548
8.	Municipal Committee Qasimabad	9		11.459
9.	Town Committee Bhan Saeedabad	4		3.853
10.	Municipal Committee Tando Muhammad Khan	10		0.957
11.	Municipal Committee Hala	7		0.124
		9		2.489
12.	Town Committee Sujawal	4		2.511
13.	Town Committee Bhit Shah	12		1.668
14.	District Council Dadu	16		0.509
15	Municipal Committee Dadu	2		0.267
Total				**137.744**

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

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2017-18 vide para numbers 4.5.4.1, 4.5.4.1, 4.5.3.1, 3.2.3.1 and 4.2.3.4 having financial impact of Rs106.214 million, Rs497.384 million, Rs362.018 million, Rs153.637 million and Rs93.141 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.4.2 Non-deduction of government taxes - Rs5.421 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively".

Furthermore, according to Section 3(1) of Sales Tax Act 1990, as amended upto July 2015, "There shall be charged, levied and paid a tax known as sales tax at the rate of 17% of the value of (a) taxable supplies made by a registered person".

During audit of following Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management paid Rs116.970 million to various contractors, suppliers and employees, but did not deduct income tax, Sindh sales tax on services and general sales tax from contractors/suppliers/employees amounting to Rs5.421 million. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Paid Amount	IT	GST	SST	Total Taxes not deducted
1	Town Committee Tando Bago	7	2021-22	20.701	0.255	-	-	0.255
		10		0.356	-	0.071	-	0.071
2	Town Committee Makli	10		6.151	-	0.205	0.178	0.383
3	Town Committee Tando Ghulam Hyder	12		12.937	0.136	-	-	0.137
4	Town Committee Khoski	8		11.226	0.111	-	-	0.111
5	Town Committee Tando Ghulam Ali	12		-	-	-	-	0.040
6	Municipal Committee Tando Allahyar	6	2022-23	0.991	-	0.168	-	0.168
7	Town Committee Bhit Shah	6		22.344	-	3.798	-	3.798
8	Municipal Committee Badin	12		1.695	0.084	-	0.169	0.254
9	Municipal Committee Tando Jam	2		40.569	0.204	-	-	0.204
Total				**116.970**	**0.790**	**4.242**	**0.347**	**5.421**

Audit was of the view that non-deduction of taxes was loss to public exchequer which reflected weak financial and internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of

the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 vide para numbers 4.5.4.2, 4.5.4.4, 4.5.3.4, 3.2.3.2, 4.2.3.2 and 4.2.3.5 having financial impact of Rs46.514 million, Rs33.462 million, Rs29.186 million, Rs49.471 million, Rs39.392 million and Rs23.062 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.4.3 Less deduction of government taxes - Rs20.171 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively".

Furthermore, according to Section 3(1) of Sales Tax Act 1990, as amended upto July 2015, "There shall be charged, levied and paid a tax known as sales tax at the rate of 17% of the value of (a) taxable supplies made by a registered person".

During audit of following Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management paid Rs370.122 million to various contractors, suppliers and employees, but deducted less amount of income tax, general sales tax and Sindh sales tax on services from the bills of contractors/suppliers/employees amounting to Rs20.171 million. Detail is as follows.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Paid Amount	IT	GST	SST	Total Taxes
1	Town Committee Nassarpur	9	2021-22	60.365	-	0.335	0.611	0.946
2	Town Committee Chamber	5		42.491	2.691	0.698	3.619	7.008
3	Town Committee Tando Bago	9		0.891	-	-	0.067	0.067
4	Town Committee Tando Ghulam Ali	5		2.009	-	-	0.100	0.100

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Paid Amount	IT	GST	SST	Total Taxes
5	Municipal Committee Tando Muhammad Khan	6	2022-23	36.256	-	-	1.984	1.984
6	Municipal Committee Hala	3		11.930	0.298	-	-	0.298
7	Town Committee Bhit Shah	13		10.080	-	-	0.806	0.806
8	District Council Hyderabad	11		82.047	0.944	2.416	1.514	4.874
9	District Council Badin	11		3.912	-	0.541	-	0.541
10	Municipal Committee Badin	9		43.574	0.477	-	-	0.477
11	Town Committee Tando Ghulam Hyder	11		34.827	-	-	1.534	1.534
12	District Council Sujawal	6		20.724	-	-	1.047	1.047
		7		21.016	0.489	-	-	0.489
Total				**370.122**	**4.899**	**3.99**	**11.282**	**20.171**

Audit was of the view that undue favour was extended to the contractors/employees by less deduction of taxes which resulted into loss to public exchequer due to weak financial management.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 vie para numbers 4.5.4.2, 4.5.4.4, 4.5.3.4, 3.2.3.2, 4.2.3.2 and 4.2.3.5 having financial impact of Rs46.514 million, Rs33.462 million, Rs29.186 million, Rs49.471 million, Rs39.392 million and Rs23.062 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.4.4 Non-deposit of taxes into public exchequer - Rs70.869 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the

Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, according to Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury".

During audit of various Local Councils of Hyderabad Division, for the financial years 2020-22 and 2022-23, it was observed that the management deducted an amount of Rs70.869 million on account of income tax, general sales tax and Sindh sales tax on service from the bills of contractors but failed to deposit the same into public exchequer. Detail is at **Annex-HYD7.**

Audit was of the view that non-deposit of collected taxes into public exchequers indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received from others offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends depositing of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2018-19 and 2017-18 vide para numbers 4.5.4.3, 4.5.4.3, 4.5.3.2, 4.2.3.1 and 4.2.3.2 having financial impact of Rs102.072 million and Rs83.430 million, Rs196.992 million, Rs43.833 million and Rs147.566 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.5 Value for Money and Service Delivery issues

4.5.5.1 Un-justified expenditure on municipal services beyond purview Rs28.183 Million

The Local Government Department, Government of Sindh, vide Notification No. SO-III(LG)/1-27/2021 dated 08 June 2021, in exercise of the powers conferred under section 8(8) of Sindh Solid Waste Management Act, 2014, has granted approval for transfer of sanitation (Sindh Solid Waste Management) Department, including staff along

with movable and immovable assets from HMC, MCQ and MCK to the Sindh Solid Waste Management Board with immediate effect.

During audit of Municipal Committee Qasimabad, Hyderabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs28.183 million on the POL for sanitation vehicles and repair of iron dustbins in various locations of the town despite the fact that lifting of garbage and fixing of waste bins was the responsibility of Sindh Solid Waste Management Board (SSWMB) which was already incurring huge expenditure on this account through contractors. Further, following irregularities were also noted:

i. Expenditure was made on quotation basis instead of inviting open tender.
ii. Inventory and history sheet of repair of the dustbins was not maintained.
iii. Record of Sale of broken / replaced iron material was available.
iv. Location wise installation of dustbins was not maintained.

Audit was of the view that incurrence of expenditure beyond purview was un-justified which indicated poor financial management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 8+11]

4.5.5.2 Irregular expenditure on de-silting and disposal of garbage Rs131.275 Million

As per Schedule-II (Section 72-3) Part-II Compulsory Function of Sindh Local Government Act-2013, stipulates that a Corporation, Municipal Committee or Town Committee shall make adequate arrangements for the removal of refuse from all public streets, public latrines, urinals, drains and all buildings and lands vested in the Council concerned and for the collection and proper disposal of such refuse.

During audit of following Local Councils of Hyderabad Division, for the financial years 2020-22 and 2022-23, it was observed that the management incurred an expenditure of Rs131.275 million through quotations on de-silting, clearance of drain and

nallahs, lifting of garbage and removal of debris etc. from limits of towns and districts, detail is as follows.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F.Y.	Amount
1	Town Committee Kadhan	4	2020-22	0.883
2	Town Committee Kario Ghanwar	2		6.474
3	Municipal Committee Mehar	2		5.734
4	Town Committee Tando Ghulam Hyder	5		5.280
5	Town Committee Gharo	7		4.149
6	Town Committee Chamber	9		3.528
7	Town Committee Mirpur Sakro	2		1.995
8	Town Committee Nassarpur	7	2021-22	2.769
9	Town Committee Tharirri Muhabbat	3		2.709
10	Town Committee Khoski	4		2.016
11	Town Committee Piyaro Lund	6		1.121
12	Town Committee Tando Bago	2		1.081
13	Town Committee Husri	4		0.760
14	Town Committee Tando Ghulam Ali	2		1.278
15	District Council Tando Muhammad Khan	12		21.196
16	Town Committee Bhit Shah	5		11.193
17	District Council Badin	6		4.152
18	Municipal Committee Badin	1		3.015
19	District Council Dadu	6	2022-23	10.610
20	Town Committee Tando Ghulam Hyder	3		17.598
21	Town Committee Jati	7		4.802
22	Municipal Committee Sehwan	20		3.019
23	District Council Sujawal	4		15.913
Total				**131.275**

Following short comings were noticed:

i. Works of garbage lifting were outsourced instead of utilization of own staff, vehicles and machinery.

ii. Estimation for de-silting works was not prepared and measurement was also not recorded in the measurement books.

iii. Rates were not evaluated by procurement committee.

iv. Record of daily quantity of garbage lifted and disposed-off at dumping site(s) was not maintained to ensure check and balance before making payment to the contractors.

v. Supervision of works by sanitation incharge and certificate for satisfactory completion of work was not recorded.

Audit was of the view that incurrence of expenditure on collection, removal and disposal of silt and garbage without maintaining supporting record was irregular which indicated weak internal controls.

The matter was reported to the management from March to December 2023. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2019-20 vide para numbers 4.5.5.1 and 3.2.3.56 having financial impact of Rs115.394 million and Rs1.294 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.5.3 Wasteful expenditure due to non-functioning of dispensaries Rs37.133 Million

Section 116 (07), Chapter-XII of the Sindh Local Government Act, 2013, states 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 the Government in the prescribed manner.

Further, Rule 2(jj), Part-I of Sindh Public Procurement Rules 2010, stipulates that value for Money means best returns for each rupee spent in terms of quality, timeliness, reliability, after sales service, up-grade ability, price, source, and the combination of whole-life cost and quality to meet the procuring agency's requirements.

During audit of District Council Badin, Hyderabad Division, for the financial year 2022-23, it was observed that the management incurred expenditure of Rs37.133 million on the rehabilitation and renovation of dispensaries at various villages/union councils of District Badin but failed to post Medical Officers and other staff to provide medical relief to the inhabitants of the local areas. Due to non-posting of medical officers and staff, the service delivery and facility of health could not be extended to the public. Detail is at **Annex-HYD8.**

Audit was of the view that rehabilitation of dispensaries without posting of medical officers and staff resulted into wastage of public funds which indicated poor management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 01]

4.5.6 Other issues

4.5.6.1 Unjustified drawl of funds - Rs22.215 Million

Secretary, Local Government Department, Government of Sindh issued policy guidelines regarding expenditure of local Councils vide circular No.RO(LG)MISC/ 423/2020 dated 23-08-2022, wherein all the councils were directed to make expenditure only on salary, pension, utility bills and POL. Any other expenditure was to be incurred out of available budget strictly on relief rehabilitation of flood areas with the consultation/direction of Deputy Commissioner concerned in writing.

During audit of District Council, Sujawal, Hyderabad Division, for the financial year 2022-23, it was observed that management incurred expenditure of Rs22.215 million under the heads other than salary/pension, utility bills and POL after 23-08-2022 by issuing back dated cheques, in violation of directions issued by Local Government Department, Government of Sindh. As per record of entries in cheque register continuous payments were made from 01-08-2022 to 30-08-2022 against vouchers # 01 to 52, but amount of Rs22.215 million was drawn vide vouchers # 53 to 124 by showing cheque issued date prior to 23-08-2022. Detail is as at **Annex-HYD9.**

[Amount in Rs.]

Sr. No.	Vr # / Date	Cheque Register Page #	Cheque #	Paid Amount
1	01 to 12 / 11/8/2022	8 to 9	36810561 to 36810569	-
2	13 to 14 / 15-08-2022	9	36781836 to 36781837	-
3	15 to 24 / 30-08-2022	9 to 10	36781838 to ---------	-
4	25 to 38 / 30-08-2022	10 to 11	---------- to 36781870	-
5	39 to 45 / 30-08-2022	12	36781871 to 36781878	-
6	46 / 30-08-2022	13	36781881 & 36781887	-
7	47 / 30-08-2022	13	36810586	-

[Amount in Rs.]

Sr. No.	Vr # / Date	Cheque Register Page #	Cheque #	Paid Amount
8	48 to 52 / 30-08-2022	13 to 14	36781882 to 36781886	-
9	53 to 54 / 22-08-2022	14	36810584 to 36810585	100,000
10	55 / 22-08-2022	14	36810587	26,420
11	56 to 97 / 22-08-2022	14 to 18	-	14,792,748
12	98 to 101 / 22-08-2022	21	-	745,724
13	103 to 115 / 22-08-2022	6 to 7	36810570 to 36810583	2,961,743
14	116 to 124 / 22-08-2022	56	37916343 to 37916353	3,588,687
Total				**22,215,322**

Audit was of the view that drawl of funds after 23-08-2022 through issuance of back dated cheques and payments to the contractors were violation of the rules/instructions.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that the matter may be investigated for fixing responsibility on the person(s) at fault.

[AIR Para: 2]

4.5.6.2 Less realization of targeted receipts - Rs91.513 Million

Section 100 (1) of Sindh Local Government Act 2013, states that unless otherwise provided, all taxes, rates, tolls and fees levied under this act shall be collected in the prescribed manner by the persons authorized for such collection: provided that where any tax, rate, toll or fee levied by a Council is also levied by Government, such tax, rate, toll or fee shall be collected with Government tax, and the proceeds thereof be credited to the local fund of the Council.

During audit of various Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not take appropriate measures to realize revenue targets of Rs91.513 million from various heads i.e. rent of shops, water tax, nali tax, property tax, cattle pirri fees, sabzi mundi fees, pat/katchi pirri fees, parking fees, slaughtering fees, certificate fee, NOC/Approval fees, licensing fee etc. Detail is at **Annex-HYD10.**

Audit was of the view that due to less-realization of revenue targets, the councils were deprived of legitimate revenue which indicated poor financial controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for non-achievement of revenue targets.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20, 2018-19 and 2017-18 vide para numbers 4.5.6.3, 4.5.4.2, 3.2.3.11, 4.2.3.5 and 4.2.3.1 having financial impact of Rs315.178 million, Rs481.776 million, Rs528.807 million, Rs716.548 million and Rs206.186 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.6.3 Non-revision of rent of property at fair value

Section 9(1) of Sindh Rental Premises Ordinance 1979, stipulates that "where the fair rent of any premises has been fixed, no further increase thereof shall be effected unless a period of three years has elapsed from the date of such fixation or commencement of this ordinance whichever is later". Further, sub-section (2) of Section 9 ibid, "The increase is allowed @ 10% per annum on the existing rent".

During audit of following Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management rented out different shops and properties but did not revise rent of various tenants since many years, resulting into loss of legitimate revenue to the councils. The record of allotments was also not provided; hence the actual period of tenancy could not be ascertained as detailed below:

Sr. No.	Name of Offices	AIR Para	Number of Property	Rent not Revised Since
1	Municipal Committee Matli	7	387 Shops	2008 to 2021
2	Town Committee Chuhar Jamali	8	27 Shops	2016 to 2021
3	Town Committee Mirpur Sakro	8	24 Shops	
4	Town Committee Mirpur Bathoro	8	24 Shops	
5	Town Committee Tando Ghulam Ali	16	43 Shops & Plots	2017 to 2021
6	District Council Hyderabad	9	161	1979 to 2022
7	Town Committee Bhit Shah	15	52	2016 to 2022

Sr. No.	Name of Offices	AIR Para	Number of Property	Rent not Revised Since
8	Town Committee Matiari	6	75	
9	Town Committee Sujawal	3	205	
10	Municipal Committee Badin	11	205	
11	Town Committee Chuhar Jamali	5	27	
12	Town Committee Jati	3	26	
13	Municipal Committee Tando Jam	9	3	

Audit was of the view that non-revision of rent of properties was a loss to the councils which reflected poor financial management.

The matter was reported to the management from July to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends revision of rent of shops and other property at fair value.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2018-19 and 2017-18 vide para numbers 4.5.6.8, 4.5.4.5, 4.5.7.3, 4.2.3.49 and 4.2.3.3 respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.6.4 Unauthorized construction over council property by tenants

According to Rule-12, Chapter-III of Sindh Local Councils (Property) Rules, 2017, "No immovable property of a Council shall be alienated by way of a sale or otherwise except through an open auction and with the sanction of Government"

Further according Rule-4(l), Chapter-I (ibid), stipulates that the officer Incharge shall be responsible to the Council for any loss destruction or deterioration of the property, if such loss, destruction or deterioration has occurred because of the default.

During audit of Municipal Committee, Matli, Hyderabad Division, for the financial year 2021-22, it was observed that the management had rented out the shops to various tenants but the tenants unauthorizedly constructed additional floors over the shops, as detailed bellow:

Shop No.	Name of Tenants / Allotted to.	Location of Property	Remarks
31	Mahesh Kumar	Tando Ghulam Ali Road Near Municipal Office	G + 2
33	Mirchoo Mal		G + 2

Shop No.	Name of Tenants / Allotted to.	Location of Property	Remarks
42	Ashraf Kamal		G + 2
44	Amjad Ali		G + 2
51	Naveed Ahmed		G + 2

Audit was of the view that unauthorized construction of additional floors over the council's property by tenants indicated poor oversight mechanism and weak internal controls.

The matter was reported to the management in April 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends that the enquiry may be conducted into matter for fixing responsibility on the person(s) at fault.

[AIR Para: 06]

4.5.6.5 Non-maintenance of POL record - Rs302.007 Million

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".

According to Rule-159(4) of Sindh Local Council (Accounts) Rules 1983, "A council vehicles 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 audit of following Local Councils of Hyderabad Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs302.007 million on POL for official vehicles and machinery but did not maintain of petrol account register, history sheet, log book of each vehicle, tour program/diary of official vehicles. Detail is as follows.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	Expenditure on POL
1	Municipal Committee Dadu	6	59.016
2	Municipal Committee Sehwan	10&17	38.883

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	Expenditure on POL
3	Town Committee Bhit Shah	11	21.518
4	Municipal Committee Hala	6	19.051
5	Municipal Committee Badin	2	18.502
6	Town Committee Jamshoro	3	18.274
7	Municipal Committee Tando Allahyar	4	17.772
8	District Council Badin	7	13.159
9	Town Committee Sujawal	7	12.227
10	Municipal Committee Tando Muhammad Khan	7	10.975
11	District Council Hyderabad	8	10.544
12	Town Committee Chuhar Jamali	4	9.872
13	District Council Tando Allahyar	4	9.124
14	District Council Sujawal	11	8.478
15	Town Committee Bhan Saeedabad	5	7.294
16	District Council Matiari	3	5.929
17	Town Committee Matiari	5	5.338
18	Town Committee Tando Ghulam Hyder	4	3.489
19	Town Committee Jati	5	3.175
20	Municipal Committee Tando Jam	5	2.708
21	District Council Dadu	8	2.295
22	District Council Thatta	9	2.200
23	District Council Jamshoro	7	1.420
24	Town Committee Thana Bula Khan	5	0.764
Total			**302.007**

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

The matter was reported to the management from July to December 2023. The office of District Council, Matiari submitted reply with incomplete and improper supporting documents, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that responsibility may be fixed on person(s) at fault for incurring expenditure without maintenance of prescribed record.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 3.2.3.18 having financial impact of Rs275.068 million. Recurrence of same irregularity is a matter of serious concern.

4.5.6.6 Non-maintenance of stock registers - Rs161.411 Million

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 audit of following Local Councils of Hyderabad Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs161.411 million on the purchase of air-conditions, water cooler, furniture, fumigation & dewatering machines, diesel engines, fibber tanks, solar panels, electrical articles, sanitation material, PVC, RCC & delivery pipes, stationery, fumigation chemical, tyres, lime powder, valves, food items etc. but did not maintain stock registers. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	Amount
1	Municipal Committee Qasimabad	13	50.424
2	Town Committee Bhit Shah	16	22.344
3	District Council Matiari	8	13.322
4	District Council Tando Muhammad Khan	14	12.903
5	District Council Sujawal	12	9.886
6	District Council Tando Allahyar	7	9.596
7	District Council Thatta	10	7.200
8	Town Committee Chuhar Jamali	7	5.515
9	Town Committee Tando Ghulam Hyder	8	4.507
10	Town Committee Jati	8	4.129
11	District Council Badin	8	3.912
12	Municipal Committee Hala	13	3.643
13	Municipal Committee Badin	4	2.630
14	Town Committee Bhan Saeedabad	6	1.958
15	Municipal Committee Dadu	8	1.958
16	District Council Hyderabad	7	1.492
17	Town Committee Jamshoro	6	1.478
18	Town Committee Sujawal	9	1.407
19	District Council Dadu	11	1.087
20	Town Committee Matiari	10	1.037
21	Municipal Committee Tando Allahyar	8	0.580
22	Town Committee Thana Bula Khan	6	0.403
Total			**161.411**

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

The matter was reported to the management from July to December 2023. The office of District Council Matiari submitted reply with copies of incomplete stock register without complete entries of procured articles, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2017-18 vide para number 4.2.3.24 having financial impact of Rs11.581 million. Recurrence of same irregularity is a matter of serious concern.

4.5.6.7 Irregular procurement of electrical material - Rs13.161 Million

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

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

During audit of following Local Councils of Hyderabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs13.161 million on the procurement of electrical material. Detail is as under.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	Amount
1	Municipal Committee Qasimabad	11	5.957
2	Town Committee Tando Ghulam Hyder	6	3.724
3	District Council Tando Allahyar	9	3.480
Total			**13.161**

Following irregularities were noticed:

i. The electrical works was awarded to contractors not holding valid Electrical Contractor License.
ii. Purchases were made on quotation basis by splitting up procurements.
iii. Location for installation of purchased electric material was not recorded.
iv. Inspection of street lights material was not carried out.
v. Warranty cards of saver bulbs and other lights were not available.
vi. Neither the purchased material was accounted for in the stock register nor issuance of the material was recorded.
vii. Inventory of replaced articles were not available.

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

The matter was reported to the management from July to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22 and 2018-19 vide para numbers 4.5.3.9 and 4.2.3.33 having financial impact of Rs20.085 million and Rs3.398 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.6.8 Non-maintenance of record of procured RCC Pipes - Rs2.667 Million

According to Rule-95, Chapter-XII of Sindh Local Councils (Accounts) Rules, 1983, stipulates that all materials received from the suppliers, workshops, manufacturers, departments of Government and any other agency, should be examined, counted, measured or weighed as the case may be, when delivery is taken they should be taken by a responsible government officer who should see that the quantities are correct and their quality is good and record certificate that he has actually received as the materials and recorded them in the appropriate stock register.

During audit of Town Committee, Khoski, Hyderabad Division, for the financial year 2021-22, it was observed that management procured RCC pipes of Rs2.667 million but the procured material was not accounted for in the stock register. Detail is as follows:

[Amount in Rs.]

Sr. No.	Description of Material	Name of Contractors	Work Order # & Date	Cheque # & Date	Paid Amount
1	Purchase of RCC Pipes 18" x 8 Feet	M/S Sindh RCC Pipe Supplier, Badin	30 / 16-07-21	32104346/01-02-21	292,000
2			56 / 06-08-21	32104346/01-02-21	299,300
3		M/S Indus Enterprises	181 / 25-11-21	34670731/07-12-21	292,000
4			174 / 05-11-21	34670731/07-12-21	299,300
5			255 / 25-01-22	34670769/04-02-22	292,000
6			286 /24-02-22	34670798/07-03-22	292,000
7	Purchase of RCC Pipes 24" x 8 Feet	M/S Indus Enterprises	237 / 14-01-22	34670769/04-02-22	300,000
8			272 / 11-02-22	34670805/07-03-22	300,000
9		M/S Muhammad Ismail Chawro	309 / 24-03-22	34670817/05-04-22	300,000
Total					**2,666,600**

Following further irregularities were also observed.

i. RCC Pipes were purchased without any indent/demand.

ii. Location-wise utilization of pipes as well as replacement of old pipes were not recorded to justify the procurements.

iii. Delivery challans as well as test report of pipes were not available on record.

iv. Inspection report of procured items was also not available on record.

Audit was of the view that procurement of RCC Pipes without maintaining the prescribed record along with utilization was irregular which indicated weak internal controls.

The matter was reported to the management in April 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

[AIR Para: 01]

4.5.6.9 Unauthorized creation of liability - Rs20.239 Million

According to Section 105(1), Chapter-XI of Sindh Local Government Act-2013, "A Council shall not incur any debt nor borrow any money or give any guaranty without prior approval of Government." Further, Section 106(2) ibid, "The moneys credited to the

Local Fund shall be applied in the order; firstly, in the payment of salaries and allowances to the employees of the Councils".

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

During audit of following Local Councils of Hyderabad, Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management created liability amounting to Rs20.239 million in the head of pension and financial assistance and put extra burden over council funds. Creation of liability under the heads of pension and financial assistance showed that payments were made by giving priority to the development works in violation of rules as detailed below.

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y	Description of Liability	Amount of Liability
1	Town Committee Gharo	4	2021-22	Pension and financial assistance	5.758
2	District Council Hyderabad	4	2022-23		14.481
Total					**20.239**

Audit was of the view that creation of pension liability by giving priority to the payment of development works in violation of rules and instructions of finance department indicated weak financial management.

The matter was reported to the management in March and October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20 and 2017-18 vide para numbers 4.5.6.5, 3.2.3.25 and 4.2.3.27 having financial impact of Rs402.968 million, Rs112.148 million and Rs11.166 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.6.10 Irregular payment on clearance of previous liability - Rs1.622 Million

Finance Department, GoS O.M No.FD/B&E-I/51/2007 dated 02-07-2007, stipulates that liability of previous years shall not be allowed to be cleared unless concurrence is given by Finance Department (FD).

Further, as per approval of budget by Secretary Local Government Department vide Letter No.SO-I(LG)/02-48/2017 N.F dated: 1st October 2021, "No liabilities of previous year will be cleared from yearly budget without approval of Local Govt. Department."

During audit of District Council Dadu, Hyderabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs1.622 million on clearance of previous year's liability without approval of Finance Department and Local Government Department, Government of Sindh. Detail is as follows:

[Rs. in Million]

Description of Liability	Paid to	Date of Completion/ Period of Liability	Cheque # & Date	Amount Paid
Construction of paving & drains @ village Muhammad Khan Taluka, Dadu	M/s Khadim Hussain & Co.	24-01-22/ (2021-22)	38568905 06-03-23	1.622

Audit was of the view that clearance of liabilities without approval of Finance Department and administrative department was irregular and indicated weak financial management.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 3.2.3.36 having financial impact of Rs35.568 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 2]

4.5.6.11 Irregular expenditure without approved budget - Rs345.820 Million

As per Section-110(1) of Sindh Local Government Act 2013, stipulates that "the Council shall, in the prescribed manner, prepare and sanction before the commencement

of each financial year, a statement of its estimated receipts and expenditure for that year, hereinafter referred to as the budget, and forward a copy thereof to Government".

During audit of following Local Councils of Hyderabad Division, for the financial year 2021-22, it was observed that management incurred expenditure of Rs345.820 million without approval of budget by the competent authority as detailed below:

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	Total Expenditure
1	Municipal Committee Johi	6	165.460
2	Town Committee Tando Bago	1	117.555
3	Municipal Committee Mehar	7	62.805
Total			**345.820**

Audit was of the view that incurrence of expenditure without approved budget was unauthorized which indicated poor financial management and weak internal controls.

The matter was reported to the management from March to June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 3.2.3.13 and 4.2.317 having financial impact of Rs477.299 million and Rs233.392 million respectively. Recurrence of same irregularity is a matter of serious concern.

4.5.6.12 Irregular expenditure over & above the allocated budget Rs30.223 Million

Rule 75(2) of Sindh Local Councils (Budget) Rules 2017, states that no expenditure shall be incurred without necessary appropriation or in excess of the sanctioned appropriation.

During audit of Municipal Committee Sehwan, Hyderabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs30.223 million over and above the allocated budget in violation of rules. Detail is as follows:

[Amount in Rs.]

Sr. No.	Description	Head of Account	Budget Allocated	Expenditure incurred	Excess
1.	Water Supply Sehwan Sharif, District Jamshoro Branch	Contingency	375,000	10,450,187	10,075,187
2.	Street Light Branch		150,000	7,596,478	7,446,478
3.	Sanitation Branch		27,080,000	31,024,046	3,944,046
4.	Disaster Management		4,000,000	5,174,809	1,174,809
5.	Roads/Drainage/Lines/ Desilting	Development	23,200,000	30,782,216	7,582,216
Total			**54,805,000**	**85,027,736**	**30,222,736**

Audit was of the view that incurrence of expenditure over and above the allocated budget was irregular which indicated poor financial management and weak internal controls.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 22]

4.5.6.13 Payment of sales tax on behalf of the contractors - Rs4.866 Million

Section-3(1) of Sindh Sales Tax on Service Act 2011, stipulates that a taxable service is a service listed in the Second Schedule to this Act, which is provided (a) by a registered person from his registered office or place of business in Sindh.

Further, Section 9(1) (ibid), "Person liable to pay tax" states 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 audit of District Council Badin, Hyderabad Division, for the financial year 2022-23, it was observed that the management awarded various works to the contractors and paid Rs97.463 million. However, instead of deduction of Sindh Sales Tax on Services from their bills, the amount of SST @ 5% amounting to Rs4.866 million was included first to make it gross claimed bill and subsequently the same added amount in the bill was deducted as Sindh Sales Tax. Thus, the management extended undue favour to the contractors by making payment of Sindh Sales Tax from public exchequer.

Audit was of the view that payment of sales tax on behalf of the contractors was an undue favour extended to the contractors by the management at the cost of public exchequer.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22 and 2020-21 vide para numbers 4.5.5.4 and 4.5.3.6 having financial impact of Rs6.432 million and Rs5.713 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 03]

4.5.6.14 Unjustified expenditure on POL and repair & maintenance of vehicles Rs7.153 Million

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

During audit of Town Committee, Bhit Shah, Hyderabad Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs7.153 million on POL and repair of sanitation vehicles (tractor, dozer, loader rickshaw) without justification as an amount of Rs12.536 million was also paid to the contractors on sanitation works and removal of garbage. Detail is at **Annex-HYD11.**

Audit was of the view that incurrence of expenditure without justification indicated weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report

despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 14]

4.5.6.15 Non-establishment of provident fund, pension fund and benevolent fund

Rule 125 (1), Chapter-XIV of SLGA 2013, states that a Council may, establish and maintain-

a. Provident fund for the benefit of its employees, who shall contribute to such fund in such manner and proportion as may be prescribed.

b. Pension fund from which pension, shall, in the prescribed manner, be paid to the employees of the Council.

c. Benevolent fund, in the prescribed manner from which any special pension or gratuity, shall, in the prescribed manner be paid to the family of employee of the Council, who dies of disease or injury contracted or suffered by him in the discharge of his official's duties.

During audit of following Local Councils of Hyderabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management failed to establish provident, pension and benevolent fund for the benefits of employees of the council.

Sr. No.	Name of Offices	AIR Para	Financial Year
1	Town Committee Gharo	13	2021-22
2	Town Committee Chuhar Jamali	9	
3	Town Committee Mirpur Sakro	9	
4	Town Committee Ghora Bari	9	
5	Town Committee Makli	13	
6	Town Committee Mirpur Bathoro	9	
7	Town Committee Piyaro Lund	10	
8	Town Committee Chamber	14	
9	Town Committee Nassarpur	10	
10	Town Committee Shaheed Fazil Rahu	8	
11	Town Committee Kario Ghanwar	8	
12	Town Committee Tando Ghulam Ali	23	
13	District Council Hyderabad	6	2022-23
14	Town Committee Matiari	8	
15	District Council Jamshoro	5	
16	District Council Sujawal	14	

Audit was of the view that non-establishment of mandatory funds indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends establishment of mandatory funds as per provision of the Sindh Local Government Act, 2013.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2020-21 vide para number 4.5.2.1. Recurrence of same irregularity is a matter of serious concern.

Chapter-5

Larkana Division





Chapter-5: Local Councils, Larkana Division

5.1 Introduction

Larkana Division consists of five Districts namely Larkana, Shikarpur, Jacobabad, Kamber @ Shahdadkot and Kashmore @ Kandhkot. Each Corporation/ District Council/Municipal Committee/Town Committee in Larkana Division is headed by Mayor/Chairman/ Municipal Commissioner/Chief Officer/Chief Municipal Officer/ Town officer who carries out operations as per Sindh Local Government Act, 2013.

The functions of Local Councils are summarized below:

i. Prepare development plans for the Town including plans for land use.

ii. Exercise control over land use, land subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.

iii. Enforce all municipal laws, rules and bye-laws governing Municipal Corporation/Committees functioning.

iv. Prepare budget, long term and annual municipal development programs in collaboration with the Union Councils.

v. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.

vi. Manage properties, assets and funds vested in the Municipal Corporation/Committees.

vii. Develop and manage schemes, including site development in collaboration with Union Administration.

viii. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.

ix. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.

x. Maintain municipal records and archives.

5.2 Comments on Budget and Accounts (Variance Analysis)

[Rs. in Million]

Sr. No.	Districts	Head of Account	Budget	Actual	Excess (+) Savings (-)
1.	**Larkana**	Establishment	1,655.445	1,314.554	-340.891
		Non-salary	511.215	318.492	-192.723
		Development	196.268	65.283	-130.985
		Total Expenditure	**2,362.928**	**1,698.329**	**-664.599**
		Receipts	**2,174.350**	**1,821.446**	**-352.904**
2.	**Kamber-Shahdadkot**	Establishment	1,342.847	1,076.593	-266.255
		Non-salary	1,454.890	439.651	-1,015.239
		Development	765.306	47.057	-718.249
		Total Expenditure	**3,563.043**	**1,563.300**	**-1,999.742**
		Receipts	**1,795.579**	**1,273.589**	**-521.990**
3.	**Shikarpur**	Establishment	1,162.707	749.788	-412.919
		Non-salary	961.572	422.931	-538.641
		Development	645.257	0.000	-645.257
		Total Expenditure	**2,769.536**	**1,172.719**	**-1,596.817**
		Receipts	**2,768.986**	**1,311.481**	**-1,457.505**
4.	**Kasmhore @ Kandhkot**	Establishment	1,017.912	834.343	-183.570
		Non-salary	581.343	328.746	-252.596
		Development	529.535	34.179	-495.355
		Total Expenditure	**2,128.790**	**1,197.268**	**-931.521**
		Receipts	**1,900.786**	**1,225.235**	**-675.551**
5.	**Jacobabad**	Establishment	1,440.510	669.810	-770.700
		Non-salary	277.401	263.529	-13.873
		Development	389.731	97.695	-292.037
		Total Expenditure	**2,107.642**	**1,031.034**	**-1,076.609**
		Receipts	**1,786.986**	**1,108.099**	**-678.887**
Grand-Total Larkana Division		**Establishment**	**6,619.422**	**4,645.088**	**-1,974.334**
		Non-salary	**3,786.421**	**1,773.349**	**-2,013.072**
		Development	**2,526.096**	**244.214**	**-2,281.882**
		Total Expenditure	**12,931.939**	**6,662.651**	**-6,269.288**
		Receipts	**10,426.688**	**6,739.851**	**-3,686.837**

The budgeted expenditure of Local Councils of Larkana Division for the financial year 2022-23 was Rs12,931.939 million, against which the actual expenditure was Rs6,662.651 million, resulting in saving of Rs6,269.288 million. The management of Local Councils was unable to realize the receipts' targets resulting in shortfall of Rs3,686.837 million.

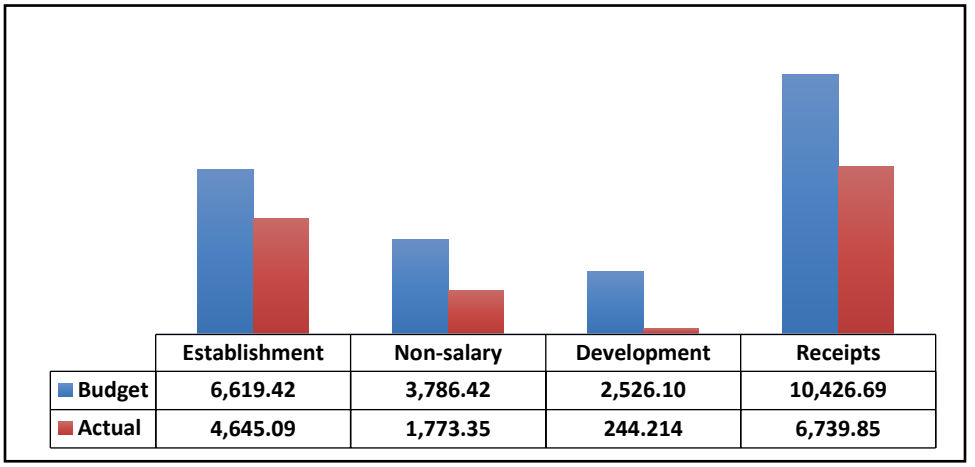


Table-: Audit Profile of Larkana Division

[Rs. in Million]

Sr.	Description	Formations		Financial Year 2022-2023	
		Planned	Audited	Expenditure audited	Revenue / Receipts audited
1.	Formations	46	29	6,662.651	6,739.851
2.	Assignment Accounts, SDAs (excluding FAP)	-	-	-	-
3.	Authorities/Autonomous Bodies under the PAO	-	-	-	-
4.	Foreign Aided Projects (FAP)	-	-	-	-

5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs2,518.619 million were raised in this report during the current audit of Larkana Division. The amount also includes recoveries of Rs285.821 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

Table: Overview of Audit Observations:

[Rs. in million]

Sr.	Classification	Amount
1	Non-Production of Record	-
2	HR/Employees related irregularities	149.881
3	Procurement related irregularities	821.160
4	Recoveries related irregularities	285.821
5	Value for money and service delivery issues	42.193
6	Other issues	1,219.564
Total		**2,518.619**

5.4 Brief Comments on the Status of Compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Sindh. Detail of paras presented in PAC meetings is reflected hereunder:

Audit Year	No. of Paras	Status of Paras discussed in PAC Meetings
2012-13	21	1 – Partial
2013-14	3	1 - Partial
2014-15	69	-Nil-
2015-16	21	-Nil-
2016-17	44	-Nil-
2017-18	27	-Nil-
2018-19	20	-Nil-
2019-20	40	-Nil-
2020-21	13	-Nil-
2021-22	15	-Nil-
2022-23	26	-Nil-

5.5 Audit Paras

5.5.1 Non-Production of Record

5.5.1.1 Non-production of record

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

> (2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with 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 audit of various Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not produce auditable record pertaining to establishment, contingency, revenue, development and various registers, etc., involving minimum financial impact of Rs306.481 million for audit scrutiny. Detail is at **Annex-LRK1.**

Audit was of 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.

The matter was reported to the management from March to December 2023. The management of Municipal Committee Thul replied that requisite record was ready and can be produced. The reply was not tenable as the requisite record was not produced to audit, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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 Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 5.5.1.1, 5.5.1.1, 5.4.1.1, 7.2.1.1, and 8.2.1.1, having financial impact of Rs389.344 million, Rs209.674

million, Rs1,822.080 million, Rs655.24 million and Rs189.754 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.5.2 HR/Employees related irregularities

5.5.2.1 Irregular expenditure on payment of overtime - Rs22.102 Million

Para 2 of Finance Division O.M No. F.4(1) R-5/2010 dated 2/7/2018 states that the existing condition that the overtime allowance to staff car driver/dispatch riders will only be paid if it is verified by the officer concerned, will continue apply.

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

During audit of Larkana Municipal Corporation, Larkana Division, for the financial year 2022-23, it was observed that an expenditure of Rs22.102 million was incurred on account of payment of overtime to the staff posted in fire brigade and disposal branch on regular basis without any justification, in violation of above rules. Detail is at under:

[Amount in Rs.]

Sr. No.	Month	Payment of overtime to staff posted at Fire brigade branch	Payment of overtime to staff posted at Disposal Branch	Total
1	August-2022	815,083	1,258,420	2,073,503
2	September-2022	1,208,140	2,625,374	3,833,514
3	October-2022	634,484	1,470,575	2,105,059
4	November-2022	617,688	1,396,173	2,013,861
5	January-2023	1,144,911	2,754,371	3,899,282
6	March-2023	998,263	2,532,388	3,530,651
7	May-2023	1,305,765	3,243,755	4,549,520
8	June-2023	0	96,384	96,384
Total		**6,724,334**	**15,377,440**	**22,101,774**

Following discrepancies were also observed:

i. No office order(s) were available in relevant record for allowing overtime to staff

ii. No justification was recorded for the payment of overtime

iii. Approval of competent authority for grant of overtime was also not available

iv. Payment was made on regular basis

Audit was of the view that payment of overtime in violation of rules resulted into irregular expenditure which indicated weak internal controls.

The matter was reported to the management during October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 6]

5.5.2.2 Joining of transferred employees without verification of service profile

According to instructions issued by Local Government Department, Government of Sindh vide No. SOA/(LG)/3(4)/2017 dated 18.04.2017, all Councils were directed to get the orders of transfer posting verified from the Department or respective Assistant Director, Local Government and concerned Assistant Director, Local Fund Audit (ADLFA) from where the person is transferred and getting salaries.

During audit of District Council Shikarpur, Larkana Division, for the financial year 2022-23, it was observed from the service record provided to audit that management accepted joining of employees transferred from other councils/offices without verification of service profile, last payment certificate (LPC) from parent offices, Assistant Director, Local Government Department & Local Fund Audit (ADLFA) concerned, in violation of above Government orders. Due to non-verification of service profile of employees, their previous services could not be verified. Detail is at **Annex-LRK2.**

Audit was of the view that management failed to comply the instructions of administrative department and allowed joining to employees without verification of their service profile which indicated poor management and weak internal controls.

The matter was reported to the management during December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

[AIR Para: 11]

5.5.2.3 Unauthorized expenditure on account of adhoc staff - Rs54.511 Million

In compliance of Honorable Supreme Court of Pakistan in Human Rights case No. 104/92, Local Government Department issued directives vide letter No.SO-V(LG)5(69)/2009/29-06-2010 that even an appointment on adhoc basis cannot be made without publication and proper advertisement.

Further, Para 8 (2) of Sindh Local Councils Employees (Service) Rules, 2017 stipulates that initial appointment to the posts in all basic scales not falling within the purview of SPSC, shall be made on the recommendations of the Selection Committee on the basis of interview or test to be held by the Selection Committee after the vacancies have been advertised in leading newspapers in Urdu, Sindhi & English Languages.

During audit of following Local Councils of Larkana Division, for the financial year 2022-23, it was observed that management appointed employees on adhoc basis without observing prescribed procedure and incurred expenditure of Rs54.511 million on the wages. Further, approval from administrative department was also not obtained as detailed below:

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	Amount
1	Municipal Committee Shikarpur	11	44.973
2	Municipal Committee Jacobabad	3	8.458
3	Larkana Municipal Corporation	7	1.080
Total			**54.511**

Audit was of the view that appointment of employees on adhoc basis without following prescribed procedure was violation of the rules and Local Government orders which indicated weak internal controls.

The matter was reported to the management from October to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 5.5.2.4 with a financial impact of Rs48.280 million. Recurrence of same irregularity is a matter of serious concern.

5.5.2.4 Irregular expenditure without approval of schedule of establishment Rs73.268 Million

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 audit of following Local Councils of Larkana Division, for the financial year 2021-22, it was observed that the management incurred an expenditure of Rs73.268 million on pay and allowances of employees without approval of schedule of establishment from government and maintenance of establishment check register as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1	Town Committee Dokri, Larkana	7	52.018
2	Town Committee Mirokhan, Kamber-Shahdadkot	6	21.250
Total			**73.268**

Audit was of the view that incurrence of expenditure on account of pay and allowances of employees without approval of schedule of establishment from government was irregular and indicated poor financial management and weak internal controls.

The matter was reported to the management in May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

5.5.3 Procurement related irregularities

5.5.3.1 Splitting up of expenditure to avoid open tender - Rs154.335 Million

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(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred expenditure of Rs154.335 million through quotations by splitting the procurements which resulted into non-achievement of competitive rates, as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F.Y.	Amount
1	Town Committee Kashmore	2	2021-22	26.905
2	Town Committee Gouspur	1		24.931
3	Municipal Committee Kandhkot	3		23.159
4	Town Committee Guddu	2		18.272
5	Town Committee Naseerabad	2		14.625
6	Town Committee Garhi Yaseen	1		5.216
7	Municipal Committee Shahdadkot	4		4.028
8	Town Committee Khanpur	2		3.238
9	Municipal Committee Jacobabad	5	2022-23	13.685
10	Municipal Committee Shikarpur	2		11.782
11	District Council Jacobabad	6		5.926
12	District Council, Kamber-Shahdadkot	9		2.568
Total				**154.335**

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

The matter was reported to the management in April to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20, and 2018-19 vide para numbers 5.5.3.2, 5.5.3.1, 5.4.3.1, 7.2.2.10 and 8.2.2.8, having financial impact of Rs101.476 million, Rs137.081

million, Rs286.144 million, Rs118.275 million, Rs34.517 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.5.3.2 Irregular utilization of sanitation funds through quotations Rs171.824 Million

According to Rule 11(1), Part-II of Sindh Public Procurement Rules 2010, "All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements".

Further, Rule 17(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs171.824 million on various sanitation works (hiring of sanitation labour for cleaning streets, roads and drain/nalas) through quotations by keeping each transaction below Rs300,000/- to avoid open competitive bidding. Whereas, the work of sanitation being a mandatory function of the Council was foreseen prior to commencement of financial year at the time of budget preparation/ approval. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F.Y.	Amount
1	Municipal Committee Kandhkot	4	2021-22	22.929
2	Town Committee Warah	3		14.786
3	Town Committee Buxapur	2		9.856
4	Town Committee Khanpur	1		8.647
5	Municipal Committee Shahdadkot	1		7.375
6	Town Committee Qubo Saeed Khan	1		6.839
7	Town Committee Garhi Khairo	4		3.863
8	Town Committee Dokri	3		3.771
9	Municipal Committee Thul	7		3.640
10	Municipal Committee Shikarpur	3	2022-23	28.850
11	Municipal Committee Jacobabad	6		21.908
12	Larkana Municipal Corporation	1		12.597
13	District Council Jacobabad	7		8.877

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F.Y.	Amount
14	Municipal Committee Kamber	12	2021-22 and 2022-23	7.786
15	District Council Kashmore	4	2022-23	5.779
16	Municipal Committee Ratodero	1		4.321
Total				**171.824**

Audit was of the view that incurrence of expenditure through quotations without obtaining competitive rates was violation of Sindh Public Procurement Rules which indicated weak internal controls.

The matter was reported to the management from March to December 2023. The management of Municipal Committee, Thul replied that as per Sindh Local Government Act it was the responsibility of the Municipal Committee for removal and disposal of garbage. The sanitation work was outsourced for desilting and cleaning of drains. The reply was not tenable as the management of MC, Thul have submitted irrelevant reply, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 5.5.3.1 having financial impact of Rs66.246 million. Recurrence of same irregularity is a matter of serious concern.

5.5.3.3 Award of contracts to unregistered contractors - Rs45.142 Million

According to the Rule 46 (1), Part-II of Sindh Public Procurement Rules 2010, stipulates that Notice Inviting Tenders shall contain eligibility criteria (iii) registration with FBR, for income tax, sales tax in case of procurement of goods. Registration with the SRB in case of procurement of work and services, and registration with Pakistan Engineering Council (where applicable).

During audit of following Local Councils of Larkana Division, for the financial year 2021-22, it was observed that the management awarded contracts of Rs45.142 million to different contractors who were not registered with FBR and SRB resulting in non-transparency in awarding contracts. Detail is as under:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount
1	Town Committee Guddu	5	24.989
2	Town Committee Buxapur	4	11.148
3	Town Committee Kashmore	7	8.815
4	District Council Shikarpur	4	0.190
Total			**45.142**

Audit was of the view that award of contracts to unregistered contractors was irregular which indicated weak internal controls.

The matter was reported to the management in March and May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20 and 2018-19 vide para numbers 5.5.3.4, 7.2.2.21 and 8.2.2.7 having financial impact of Rs20.031 million, Rs20.325 million and Rs35.250 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.5.3.4 Unjustified outsourcing of municipal services - Rs2.683 Million

As per Schedule-II (Section 72-3) Part-II, Compulsory Function of Sindh Local Government Act-2013, stipulates that a Corporation, Municipal Committee or Town Committee shall make adequate arrangements for the removal of refuse from all public streets, public latrines, urinals, drains and all buildings and lands vested in the Council concerned and for the collection and proper disposal of such refuse.

During audit of Town Committee Warah, Larkana Division, for the financial year 2021-22, it was observed that the management incurred expenditure of Rs2.683 million on sanitation services outsourced through private contractors instead of utilizing services of 146 own sanitation staff available in the town committee as detailed below.

[Amount in Rs.]

Sr. No:	Cheque No: & Date	Name of Contractor	Amount
1.	32378728/ 14-07-21	M/s M.Nawaz Khuhawar	250,087
2.	32378730/ 14-07-21		250,087
3.	32378718/ 14-07-21		241,195

[Amount in Rs.]

Sr. No:	Cheque No: & Date	Name of Contractor	Amount
4.	32378726/ 14-07-21		233,415
5.	32378724/ 14-07-21		233,415
6.	35194556/ 08-03-22	M/s Imran Hussain	248,976
7.	35194551/ 08-03-22	M/s Mumtaz	248,976
8.	35194552/ 08-03-22		248,976
9.	35194571/ 01-04-22	M/s M.Nawaz Khuhawar	242,550
10.	35194572/ 01-04-22		242,550
11.	35194573/ 01-04-22		242,550
Total			**2,682,777**

Audit was of the view that incurring of expenditure on outsourcing of municipal services through private contractors despite availability of own sanitary staff was unjustified which indicated poor management.

The matter was reported to the management in June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 7.2.2.14 and 8.2.2.9 having financial impact of Rs40.739 million and Rs24.970 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 4]

5.5.3.5 Execution of schemes without approval of competent forum Rs334.932 Million

Rule 2.22 of SPPRA Guidelines / Regulations for Procurement of Works 2010 states 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)	Rs 20 million
2	Departmental Development Working Party (DDWP)	Rs 40.00 million

Sr. No.	Competent Forum	Cost of Scheme up to
3	Provincial Development Working Party (PDWP)	Rs 5.00 billion
4	Central Development Working Party (CDWP)	Rs One billion
5	Executive Committee of the National Economic Council (ECNEC). After clearance from CDWP	Above Rs One billion

During audit of District Council Jacobabad, Larkana Division, for the financial year 2022-23, it was observed that the management awarded various development works amounting to Rs334.932 million without approval of Provincial Development Working Party (PDWP), in violation of SPPRA regulations. Detail is at **Annex-LRK3.**

Audit was of the view that execution of schemes without obtaining approval from the competent forum was violation of SPPRA regulations which indicated weak internal controls.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 3]

5.5.3.6 Award of works without execution of agreements - Rs106.058 Million

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 audit of District Council Jacobabad, Larkana Division, for the financial year 2022-23, it was observed that the management awarded contracts for Construction of Paving Block / Tuff Tiles with Edge Wall and CC Drain in various Union Councils of District Jacobabad amounting to Rs106.058 million without executing contract agreements with the contractors. Further, government also sustained loss of Rs0.371 million on account of stamp duty. Detail is as under:

[Amount in Rs.]

Sr. No.	Name of work	Name of contractor	Contract Amount	Stamp Duty
1.	Construction of Paving Block / Tuff Tile with Edge Wall and CC Drain at UC Doda Pur, UC Muhammad Pur Odho, UC Allahabad, UC Miranpur & UC Sheran Pur Taluka Garhi Khairo District Jacobabad	M/S Bin Muhammad Enterprises	44,821,324	156,875
2.	Construction of Paving Block / Tuff Tile with Edge Wall and CC Drain at UC Mirpur Buriro, UC Joungle, UC Bachro & UC Dinpur Taluka Thul District Jacobabad	M/S New Ali Nawaz Buriro	41,814,493	146,351
3.	Construction of Paving Block / Tuff Tile with Edge Wall at UC Garhi Hassan, UC Jaariyoun, UC Misripur, UC Toj & UC Kareem Bux Taluka Thull District Jacobabad	M/s. S.S Baloch	19,422,256	67,978
Total			**106,058,073**	**371,204**

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

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 7.2.2.11 having financial impact of Rs101.033 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para 3]

5.5.3.7 Irregular procurement of electrical material - Rs3.626 Million

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

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

During audit of Municipal Committee Jacobabad, Larkana Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs3.626 million on the procurement of electrical material. Detail is as under:

[Amount in Rs.]

Sr. No	Particulars	Name of Payee	Cheque No.	V # & Date	Amount
1	Supply of electric material	M/s. Al-Riaz	37009372	57 / 05/09/2022	276,300
2			37453266	191 / 09/09/2022	293,000
3			37453266	192 / 09/09/2022	293,000
4			37453266	193 / 09/09/2022	293,000
5			37453266	194 / 09/09/2022	293,000
6		M/s. Al-Farhan Ali	38388579	189 / 20/12/2022	268,000
7			38388579	190 / 20/12/2022	268,000
8			38388579	¦191 / 20/12/2022	268,000
9			38388579	192 / 20/12/2022	268,000
10			38388579	193 / 20/12/2022	254,000
11		M/s. Al-Riaz	38491605	45 / 06/02/2023	298,500
12			39413333	169 / 18/04/2023	254,300
13			39874498	321 / 28/04/2023	298,800
Total					**3,625,900**

Following irregularities were noticed:

i. Electric material was purchased without any indent/demand by Store Keeper/In charge.

ii. Purchases were made on quotation basis by splitting up procurement.

iii. Location for installation of purchased electric material was not recorded.

iv. Inspection of street lights material for ascertaining their quality and quantity was not done.

v. The purchased material was not accounted for in the stock register record was also not maintained.

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

The matter was reported to the management during November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: .4]

5.5.3.8 Non-imposition of liquidated damages - Rs2.560 Million

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".

During audit of following Local Councils of Larkana Division, for the financial year 2021-22, it was observed that the management awarded various works of Rs51.200 million but the contractors failed to complete the works within stipulated period. However, the liquidated damages amounting to Rs2.560 million @ 5% of contracts value were not imposed. Detail is at **Annex-LRK4.**

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Contract Amount	Liquidity damages @ 5%
1	Town Committee Tangwani	2	49.700	2.485
2	Municipal Committee Kandhkot	2	1.500	0.075
Total			**51.200**	**2.560**

Audit was of the view that due to non-imposition of liquidated damages undue favor was extended to the contractors which indicated weak financial management and internal controls.

The matter was reported to the management in April and May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

5.5.4 Recoveries related issues

5.5.4.1 Non-recovery of outstanding dues - Rs123.917 Million

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 audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not recover the outstanding dues of Rs123.917 million on account of rent of shops, local cess, animal/mall piri fee, market fee and cabin piri, etc., from defaulters as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F. Y.	Outstanding dues as of 30-06-2023
1	Town Committee Kashmore,	5	2021-22	0.768
2	District Council Larkana	8	2022-23	44.164
3	Municipal Committee Shikarpur	4		34.729
4	District Council Shikarpur	8		22.951
5	Municipal Committee Jacobabad	7		9.308
6	Larkana Municipal Corporation	2		7.379
7	Municipal Committee Ratodero	2		2.696
8	Municipal Committee Kandhkot	11		1.708
9	District Council Jacobabad	8		0.214
Total				**123.917**

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

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20, and 2018-19 vide para numbers 5.5.4.2, 5.5.4.1, 5.4.2.2, 7.2.2.1 and 8.2.2.1 having financial impact of Rs68.657 million, Rs41.410

million, Rs56.228 million, Rs67.182 million and Rs20.615 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.5.4.2 Non-deduction of government taxes - Rs23.806 Million

As per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively". Moreover, Section 236A(1) ibid stipulates that any person making sale by public auction[or auction by a tender] of any property or goods either belonging to or not belonging to the Government, local Government, any authority, a company, under sub-clause (vi) of clause (b) of Sub-section-2 of Section 80, or any other authority shall collect advance tax @10% sale price of such property.

Further, according to Section 3(1) of Sales Tax Act 1990, as amended upto July 2015, "There shall be charged, levied and paid a tax known as sales tax at the rate of 17% of the value of (a) taxable supplies made by a registered person".

Furthermore, Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

During audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not deduct/recover income tax, Sindh sales tax on services, general sales tax and advance tax amounting to Rs23.806 million from payments made to various contractors, suppliers and employees. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F.Y.	IT	Advance Tax	GST	SST	Taxes not deducted
1	Town Committee Naseerabad	6	2021-22	-	-	-	0.584	0.584
2	Town Committee Mirokhan	3-7		-	-	0.079	0.438	0.517
3	Town Committee Dokri	2-4		-	-	0.139	0.147	0.286
4	Town Committee Garhi Khairo	8		0.195	-	-	-	0.195
5	District Council Shikarpur	2 & 6	2022-23	9.923	-	1.206	-	11.129

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F.Y.	IT	Advance Tax	GST	SST	Taxes not deducted
6	Larkana Municipal Corporation	3		-	2.755	-	3.582	6.337
7	District Council Larkana	7		-	-	-	2.052	2.052
8	Municipal Committee Shikarpur	7		-	0.609	-	0.792	1.401
9		8		-	-	1.305	-	1.305
Total				**10.118**	**3.364**	**2.729**	**7.595**	**23.806**

Audit was of the view that non-deduction/recovery of taxes was loss to public exchequer which reflected weak financial management and internal controls.

The matter was reported to the management from May 2023 to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20, and 2018-19 vide para numbers 5.5.4.3, 5.5.4.3, (5.4.2.3, 5.4.2.6 & 5.4.2.7), 7.2.2.2 and 8.2.2.2 having financial impact of Rs4.925 million, Rs7.287 million, Rs52.137 million, Rs23.588 million and Rs23.364 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.5.4.3 Less deduction of government taxes - Rs2.120 Million

As per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively".

Further, Section 8(1) of Sindh Sales Tax on Services Act, 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

During audit of following Local Councils of Larkana Division, for the financial year 2022-23, it was observed that the management paid Rs66.833 million to various contractors, but deducted less amount of income tax and Sindh sales tax on services from the bills of contractors amounting to Rs2.120 million as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Expenditure Incurred	IT	SST	Total
1	Municipal Committee Jacobabad	8	41.708	1.043	-	1.043
2	Municipal Committee Kandhkot	7	18.704	0.748	-	0.748
3	District Council Shikarpur	4	2.100	0.053	0.168	0.221
4	Municipal Committee Ratodero	4	4.321	0.108	-	0.108
Total			**66.833**	**1.952**	**0.168**	**2.120**

Audit was of the view that undue favour was extended to the contractors by less deduction of taxes which resulted into loss to public exchequer due to weak financial management.

The matter was reported to the management from November to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

5.5.4.4 Non-deposit of taxes into public exchequer - Rs135.978 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, according to Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to government are regularly received and checked against demands and that they are paid into the treasury".

During audit of various Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management deducted an amount of Rs135.978 million on account of income tax and Sindh sales tax on services from the bills of contractors but failed to deposit the same into public exchequer. Detail is at **Annex-LRK5.**

Audit was of the view that non-deposit of collected taxes into public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023. The management of Municipal Committee, Thul replied that taxes have been deducted and paid to concerned authority. Reply was not tenable as provided copies of challans and cheques in respect of tax deposited by the council did not pertain to the figures pointed out by audit, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends depositing of the amount of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, and 2018-19 vide para numbers 5.5.4.1, 5.5.4.2, 5.4.2.1 and 8.2.2.10 having financial impact of Rs92.618 million, Rs36.900 million, Rs85.408 million and Rs20.195 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.5.5 Value for money and service delivery issues

5.5.5.1 Irregular expenditure on de-silting and disposal of garbage Rs42.913 Million

As per Schedule-II (Section 72-3) Part-II Compulsory Function of Sindh Local Government Act-2013, stipulates that a Corporation, Municipal Committee or Town Committee shall make adequate arrangements for the removal of refuse from all public streets, public latrines, urinals, drains and all buildings and lands vested in the Council concerned and for the collection and proper disposal of such refuse.

During audit of following Local Councils of Larkana Division, for the financial year 2021-22, it was observed that the management incurred an expenditure of Rs42.913 million on de-silting of drain/nallahs/ponds and lifting of garbage from the limits of towns. Detail is as under.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1	Municipal Committee Thul	4	19.810
2	Town Committee Tangwani	3	17.634
3	Town Committee Mirokhan	2	5.469
Total			**42.913**

Following discrepancies were noticed:

i. Contract agreement was not executed with contractors.
ii. Starting and ending point of locations were not identified.
iii. Rate analysis of works was not available in the record.
iv. Work was split up into parts to avoid calling tender and constitution of procurement committee.
v. No officer was deputed to monitor the progress of lifting of silt and garbage removal.
vi. Satisfactory work completion report was not obtained.

Audit was of the view that incurrence of expenditure on collection, removal and disposal of silt and garbage without supporting record was irregular which indicated weak internal controls.

The matter was reported to the management in May and June 2023. The management of Municipal Committee, Thul replied that as per Sindh Local Government Act it was the responsibility of the Municipal Committee for removal and disposal of garbage. The sanitation work was outsourced for desilting and cleaning of drains. The reply was not tenable as the management of MC, Thul have submitted irrelevant reply, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 8.2.2.11 having financial impact of Rs18.317 million. Recurrence of same irregularity is a matter of serious concern.

5.5.6 Other issues

5.5.6.1 Less realization of targeted receipts - Rs237.625 Million

Section 100 (1) of Sindh Local Government Act 2013, states that unless otherwise provided, all taxes, rates, tolls and fees levied under this act shall be collected in the prescribed manner by the persons authorized for such collection: provided that where any tax, rate, toll or fee levied by a Council is also levied by Government, such

tax, rate, toll or fee shall be collected with Government tax, and the proceeds thereof be credited to the local fund of the Council.

During audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not take appropriate measures to realize revenue targets of Rs237.625 million from various heads i.e. rent of shops, water tax, nali tax, property tax, cattle piri fees, sabzi mundi fees, katchi piri fees, parking fees, slaughtering fees, certificate fee, NOC/Approval fees, licensing Fee etc. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F.Y.	Target Receipts	Actual Receipt	Shortfall
1	Town Committee Qubo Saeed Khan	6	2021-22	104.452	-	104.452
2	Municipal Committee Shahdadkot	7		44.357	8.288	36.069
3	Town Committee Kashmore	6		35.074	21.68	13.394
4	Municipal Committee Kandhkot	7		13.149	2.886	10.263
5	Town Committee Warah	5		7.036	1.138	5.898
6	Town Committee Tangwani	8		10.246	6.072	4.174
7	Town Committee Gouspur	6		3.685	0.093	3.592
8	Town Committee Garhi Khairo	6		0.886	0.412	0.474
9	Municipal Committee Kamber	3	2021-22 and 2022-23	65.100	30.683	34.417
10	Larkana Municipal Corporation	13	2022-23	54.342	39.849	14.493
11	Municipal Committee Ratodero	5		6.470	0.825	5.645
12	Municipal Committee Kandhkot	4		5.154	0.400	4.754
Total				**349.951**	**112.326**	**237.625**

Audit was of the view that due to less-realization of revenue targets, the councils were deprived of legitimate revenue which indicated poor financial management.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for non-achievement of revenue targets.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20, and 2018-19 vide para numbers 5.5.5.1, 5.5.4.4, 7.2.2.13 and 8.2.2.6 having financial impact of Rs139.255 million, Rs1.070 million, Rs59.929 million and Rs51.323 million respectively. Recurrence of same irregularity is a matter of serious concern.

5.5.6.2 Irregular expenditure without approved budget - Rs655.800 Million

As per Section 110 (1) of Sindh Local Government Act 2013, the council shall in prescribed manner, prepare and sanction before the commencement of each financial year a statement of its estimated receipts and expenditure for that year, hereinafter referred to as budget, and forward a copy thereof to the Government.

During audit of following Local Councils of Larkana Division, for the financial year 2021-22, it was observed that the management incurred expenditure amounting to Rs655.800 million under various head of accounts without approval of budget by the competent authority as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Description of Budget Heads	Amount
1	Municipal Committee Shahdadkot	6	Pay & allowances, contingencies and development	242.125
2	Town Committee Khanpur	6	Pay & allowances and contingencies	102.305
3	Town Committee Qubo Saeed Khan	5	Pay & allowances, contingencies and development	95.807
4	Town Committee Ghari Yaseen	6	Pay & allowances and contingencies	70.941
5	Town Committee Ghouspur	5	Pay & allowances, contingencies and development	66.819
6	Town Committee Tangwani	10	Pay & allowances and contingencies	51.600
7	Town Committee Buxapur	5		26.203
8	Town Committee Lakhi	10		-
Total				**655.800**

Audit was of the view that incurring of expenditure without approved budget was unauthorized which indicated poor financial management.

The matter was reported to the management from April to June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2018-19 vide para number 8.2.2.3 having financial impact of Rs415.133 million. Recurrence of same irregularity is a matter of serious concern.

5.5.6.3 Unauthorized payment of garbage collection to irrelevant person Rs0.294 Million

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

During audit of District Council Shikarpur, Larkana Division, for the financial year 2022-23, it was observed that work "Removal/shifting of de-silted debris/garbage from various sites of UC Mureed Sethar, District Shikarpur" was awarded to M/s Syed Waqar Ali Shah Naqvi on 23-02-2023. However, the payment of Rs0.294 million was made to irrelevant person named M/s Salahduddin vide cheque No.3922819 dated 14-04-2023, instead of contractor M/s Syed Waqar Ali Shah Naqvi.

Audit was of the view that issuance of contract payment to irrelevant person was doubtful which indicated poor financial management and weak internal controls.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

[AIR Para: 3]

5.5.6.4 Non-utilization of funds for municipal services - Rs11.355 Million

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

During audit of following Local Councils of Larkana Division, for the financial year 2021-22, it was observed from the bank statement that closing balance as on 30th June 2022 was Rs11.355 million. Due to non-utilization of funds by the management, the

general public was deprived of various municipal services e.g. public health, recreational facilities, drainage, street lights etc. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1	Town Committee Lakhi	2	6.943
2	Town Committee Ghari Yaseen	5	4.412
Total			**11.355**

Audit was of the view that non-utilization of funds till close of financial year showed inefficiency of the management which indicated poor financial management.

The matter was reported to the management in June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

5.5.6.5 Irregular payment on clearance of previous liability - Rs5.705 Million

Finance Department, GoS O.M No.FD/B&E-I/51/2007 dated 02-07-2007, stipulates that liability of previous years shall not be allowed to be cleared unless concurrence is given by Finance Department (FD).

Further, as per approval of budget by Secretary Local Government Department vide Letter No.SO-I(LG)/02-48/2017 N.F dated 01-10-2021, "No liabilities of previous year will be cleared from yearly budget without approval of Local Govt. Department."

During audit of following Local Councils of Larkana Division, for the financial year 2021-22, it was observed that the management incurred an expenditure of Rs5.705 million on clearance of liabilities pertaining to financial years 2019-20 and 2020-21 without the approval of Finance Department and Local Government Department, Government of Sindh. Detail is at **Annex-LRK6.**

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Amount
1.	Municipal Committee Kandhkot	5	3.138
2.	Town Committee Dokri	11	1.364
3.	Town Committee Mirokhan	12	1.203
Total			**5.705**

Audit was of the view that clearance of liability of the previous financial years without approval of Finance Department and administrative department was irregular and indicated weak financial management.

The matter was reported to the management in April and May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 7.2.2.19 having financial impact of Rs24.291 million. Recurrence of same irregularity is a matter of serious concern.

5.5.6.6 Non-deduction of security deposit - Rs1.845 Million

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

During audit of Municipal Committee Thul, Larkana Division, for the financial year 2021-22, it was observed that management awarded contract of sanitation services for Rs18.448 million to M/S Din Muhammad Enterprises but did not deduct Security deposit of Rs1.845 million @ 10%, from the bills. Detail is at **Annex-LRK7.**

Audit was of the view that security deposit was not deducted to safeguard the government interest which indicated that undue favour was extended to the contractor.

The matter was reported to the management in June 2023. The management replied that security deposit has been deducted from bills of the contractor. The reply was not tenable as management failed to provide documentary evidence in support of reply. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

[AIR Para: 5]

5.5.6.7 Unauthorized creation of liability - Rs34.269 Million

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

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

During audit of following Local Councils of Larkana Division, for the financial years 2021-22 & 2022-23, it was observed that the management created liability amounting to Rs34.269 million under the heads of employees related expenditure and contingencies and put extra burden over council funds. Creation of liability under the head of employees related expenditure showed that payments were made by giving priority to contingent payments in violation of rule / instructions. Further, creation of liability under the head of contingencies showed that management made expenditure without provision of OZT/release. Detail is at **Annex-LRK8.**

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F. Y	Amount
1	Municipal Committee Kamber	6	2021-22 and 2022-23	18.000
2	Municipal Committee Ratodero	6	2022-23	8.400
3	District Council Larkana	11		7.869
Total				**34.269**

Audit was of the view that creation of liability under various heads indicated poor financial management and weak internal controls.

The matter was reported to the management from November to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 7.2.2.31 having financial impact of Rs1.668 million. Recurrence of same irregularity is a matter of serious concern.

5.5.6.8 Non-revision of rent of shops and properties at fair value

Rule 9(1) of Sindh Rental Premises Ordinance 1979, stipulates that where the fair rent of any premises has been fixed, no further increase thereof shall be effected unless a period of three years has elapsed from the date of such fixation or commencement of this ordinance whichever is later. Further, Rule 9(2) ibid states, "The increase is allowed @ 10% per annum on the existing rent".

During audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management rented out different shops and properties to various tenants but did not revise rent of various tenants since many years, resulting into loss of legitimate revenue to the councils. The record of allotments was also not provided; hence the actual period of tenancy could not be ascertained as detailed below:

Sr. No.	Name of Entity	AIR Para	No of Properties
1	Municipal Committee Shahdadkot	8	191
2	Town Committee Ghouspur	7	1
3	District Council Larkana	21	47
4	Municipal Committee Ratodero	11	239
5	Municipal Committee Kandhkot	9	159

Audit was of the view that non-revision of rent of properties was a loss to the Councils which reflected poor financial management.

The matter was reported to the management from April to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends revision of rent of shops and other properties at fair value.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21 and 2018-19 vide para numbers 5.5.5.4, 5.5.4.5, 5.4.2.4 and 8.2.2.14 respectively. Recurrence of same irregularity is a matter of serious concern.

5.5.6.9 Irregular expenditure without supporting vouchers - Rs10.549 Million

As per Rule-23, Chapter-2 of Sindh Financial Rules Vol-I, "Every Payment including repayment of money previously lodged with government for whatever purpose must be supported by a voucher setting forth full and clear particulars of the claim".

During audit of Town Committee Lakhi, Larkana Division, for the financial year 2021-22, it was observed from the bank statement that management incurred expenditure of Rs10.549 million without supporting vouchers and documents. Detail is at **Annex-LRK9.**

Audit was of the view that due to non-availability of relevant supporting vouchers, the expenditure incurred could not be verified.

The matter was reported to the management in June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 19-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 7.2.1.2 and 8.2.1.2 having financial impact of Rs89.574 million and Rs62.259 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 5]

5.5.6.10 Non-maintenance of property record

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 audit of following Local Councils of Larkana Division, for the financial year 2022-23, it was observed that the management failed to maintain property record as mentioned in schedule of Sindh Local Councils (Property) Rules, 2017. 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 Entity	AIR Para	F.Y.
1	Town Committee Kashmore	13	2021-22
2	Town Committee Guddu	9	
3	Town Committee Tangwani	9	
4	Town Committee Mirokhan	17	
5	Town Committee Dokri	15	
6	District Council Kashmore	10	2022-23
7	District Council Larkana	22	

Audit was of the view that management failed to comply with the prescribed rules for maintenance of property record which indicated weak internal controls. Besides, chances of encroachment could not be ruled out.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends maintenance of required property record at the earliest on the prescribed format.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 5.5.5.2. Recurrence of same irregularity is a matter of serious concern.

5.5.6.11 Unauthorized expenditure over and above the budget allocation Rs106.959 Million

According to Rule 75(1) of Sindh Council Budget Rules, 1985, "Every disbursing officer shall be responsible for watching expenditure incurred against supply communicated to him (2) No expenditure shall be incurred without necessary appropriation or in excess incurred of the sanction appropriation (3) No money shall be incurred without necessary appropriation simply because it is available (4) Expenditure shall be watched and controlled not with a view to adapting the appropriations to the expenditure but the expenditure to appropriations".

During audit of following Local Councils of Larkana Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs106.959 million over and above the allocated budget, in violation of above rule. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Budget Allocation	Actual Expenditure	Excess
1	Larkana Municipal Corporation	14	127.500	214.367	86.867
2	Municipal Committee Shikarpur	9	36.500	56.592	20.092
Total			**164.000**	**270.959**	**106.959**

Audit was of the view that incurrence of expenditure over and above the budget allocation was violation of the rules which indicated poor financial management and weak internal controls.

The matter was reported to the management from October to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

5.5.6.12 Non-maintenance of POL record - Rs101.800 Million

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 the Sindh Local Council (Accounts) Rules, 1983 "A council vehicles 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 audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that management incurred an expenditure of Rs101.800 million on POL for official vehicles and machinery but did not maintain of petrol account register, history sheet, log book of each vehicle, tour program/diary of official vehicles. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F.Y.	Amount
1	Municipal Committee Shikarpur	10	2022-23	36.414
2	Municipal Committee Kandhkot	3		22.839
3	Municipal Committee Kamber	4	2021-22 and 2022-23	14.624
4	Municipal Committee Ratodero	7	2022-23	12.538
5	District Council Kamber	4		8.154
6	Municipal Committee Jacobabad	10		6.102
7	District Council Larkana	10		1.129
Total				**101.800**

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

The matter was reported to the management from November to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for incurring expenditure without maintaining supporting record.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 7.2.2.6 having financial impact of Rs154.858 million. Recurrence of same irregularity is a matter of serious concern.

5.5.6.13 Non-maintenance of stock registers - Rs42.828 Million

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 audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that management incurred an expenditure of Rs42.828 million on the purchase of fumigation & dewatering machines, diesel engines, fibber tanks, solar panels, electrical articles, sanitation material, PVC, RCC & delivery pipes, stationery, fumigation chemical, tyres, lime powder, valves, food items, etc., but did not maintain stock registers. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F.Y.	Amount
1	District Council Larkana	15	2022-23	11.893
2	Municipal Committee Jacobabad	12		11.786
3	District Council Jacobabad	11		6.909
4	Municipal Committee Shikarpur	15		5.928
5	Municipal Committee Kamber	9	2021-22 and 2022-23	2.573
6	Municipal Committee Ratodero	9	2022-23	2.029
7	District Council Kamber	6		1.325
8	District Council Shikarpur	7		0.385
Total				**42.828**

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

The matter was reported to the management from November to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

5.5.6.14 Irregular award of auctions - Rs6.095 Million

Notification No.SOA/LG/4(82)/2013 dated 03-05-2016, issued by Local Government Department, Government of Sindh, stipulates that the auction committee comprising the following shall supervise the process of various auctions of Municipal Committees.

Director Local Government	Chairman
Assistant Director Local Government	Member
Chief Executive of the Council concerned	Member
Taxation officer	Member/Secretary
Accounts Officer	Member

During audit of Municipal Committee Shikarpur, Larkana Division, for the financial year 2022-23, it was observed that the management awarded auctions of

Rs6.095 million for collection rights of different fees i.e., park entry fee, trade license fees, grass fee, signboard fees, Tah-Bazari fee, etc., without participation of concerned external members of the committee, i.e., Director and Assistant Director, Local Government Department, in violation of above notification. Detail is as under:

[Amount in Rs.]

Sr. No.	Description	Name of contractor	Awarded at cost of
1.	Tah-Bazari Fee	Waseemuddin	2,770,000
2.	Sign board fees	Masood Ahmed Qureshi	950,000
3.	Generator fee		325,000
4.	Liaquat Park entry fee	Mr. Arslan Ahmed	650,000
5.	Parking fees	Ghulam Ali Soomro	540,000
6.	License on trade	Altaf Hussain Shaikh	500,000
7.	Grass Fee	Junaid Ahmed	360,000
Total			**6,095,000**

Audit was of the view that award of auctions without participation of external members of the committee was irregular which indicated weak internal controls.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20, 2018-19 vide para numbers 5.5.3.11, 7.2.2.17 and 8.2.2.12 having financial impact of Rs17.418 million, Rs36.155 million and Rs11.760 million respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 14]

5.5.6.15 Non-vacation of encroached property of council

According to Section 145, Chapter-XIV of Sindh Local Government Act, 2013, "Encroachments shall be dealt with in accordance with the provisions of the laws relating to removal of encroachments".

During audit of District Council Larkana, Larkana Division, for the financial year 2022-23, it was observed that the properties of District Council were encroached but the management failed to vacate occupation/ encroachment from the council's property. Detail is as under:

Sr. No.	Detail of property	Encroached by	Remarks
01	Office accommodation of District Council Larkana	National Database & registration Authority (NADRA) Zone-IV Larkana	Encroached since 01.06.2014 (office issued notice vide No. DCL/Tax/2022/02 Dt. 11.01.22) for deposit of rent amounting to Rs5.400 million @ 50,000/ Per Month w.e.f 01.06.2014 to 30.06.2023 and vacate the office accommodation.
02	Agriculture land/plot situated on Dokri-Gujhar road opposite Dokri Agriculture farm	Private Personnel	Office Issued Notice vide No. DCL/Estt/2022/60 Dt. 24.02.2022 to vacate the property.
03	Residential Quarter in premises of District Council Larkana	Mr. Waheed Ali Depar, Junior Clerk	Office issued notice vide No. DCL/Estt/2021/42 Dt. 08.02.2022 to vacate the property.

Audit was of the view that non-vacation of council property from the encroachers reflected lack of interest on the part of management to safeguard government assets.

The matter was reported to the management during December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends vacation of council property from the encroachers on priority basis.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22 and 2019-20 vide para numbers 5.5.5.5, 5.5.5.1 and 7.2.2.38 respectively. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 19]

5.5.6.16 Unauthorized procurement of Dettol soap with ration bags Rs4.440 Million

The Deputy Commissioner, Shikarpur vide letter No. DC/SHP/GB/3234/2022 dated 24-08-2022 and No.3240 dated 25-08-2022 directed the management of District Council, Shikarpur to procure 60,000 ration bags containing following 9 items for rain affectees:

1. Aata
2. Rice
3. Sugur
6. Chili
7. Tea
8. Salt

4. Daal chana
5. Cooking oil
9. Match Box

During audit of District Council Shikarpur, Larkana Division, for the financial year 2022-23, it was observed that the management procured Dettol soap amounting to Rs4.440 million as ration item which was not included in the approved items of ration bags by the Deputy Commissioner Shikarpur. Further, management failed to maintain stock and issue register for procured ration bags. Detail is as under:

[Amount in Rs.]

Sr. No.	Description	Name of Supplier	Cheque No & Date	Gross amount of bill	Excess Expenditure for purchase of Dettol soap (small)
1	Purchase of 31600 ration bags	M/s Regional Manager Utility Stores Corporation Shikarpur Region	35588949 dt 25.08.2022	111,927,200	2,338,400
2	Purchase of 28400 ration bags		35588950 dt 25.08.2022	100,292,800	2,101,600
Total				**212,220,000**	**4,440,000**

Audit was of the view that procurement of Dettol soaps was unauthorized which indicated poor financial management and weak internal controls.

The matter was reported to the management during December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 1]

5.5.6.17 Non-establishment of provident fund, pension fund, benevolent fund

As per Sindh Local Government Act, 2013, section 125 (a) (b) & (c), "Provident Fund and Social Insurance. (1) A Council may, establish and maintain: -

a) Provident fund for the benefit of its servants, who shall contribute to such fund in such manner and proportion as may be prescribed.

b) Pension fund from which pension, shall, in the prescribed manner, be paid to the servants of the Council;

c) Benevolent fund, in the prescribed manner from which any special pension or gratuity, shall, in the prescribed manner be paid to the family of a servant of

the Council, who dies of disease or injury contracted or suffered by him in the discharge of his officials' duties.

During audit of following Local Councils of Larkana Division, for the financial years 2021-22 and 2022-23, it was observed that the management failed to establish provident, pension and benevolent funds for the benefits of employees of the council.

Sr. No.	Name of Entity	AIR Para	Financial Year
1	Municipal Committee Thul	3	2021-22
2	Town Committee Mirokhan	18	
3	Town Committee Dokri	16	
4	Town Committee Garhi Khairo	3	
5	Larkana Municipal Corporation	17	2022-23
6	Municipal Committee Jacobabad	13	
7	Municipal Committee Shikarpur	17	
8	District Council Larkana	17	
9	District Council Jacobabad	12	
10	Municipal Committee Kamber	11	2021-22 and 2022-23
11	District Council Shikarpur	13	2022-23
12	Municipal Committee Ratodero	12	

Audit was of the view that non-establishment of mandatory funds indicated poor financial management and weak internal controls.

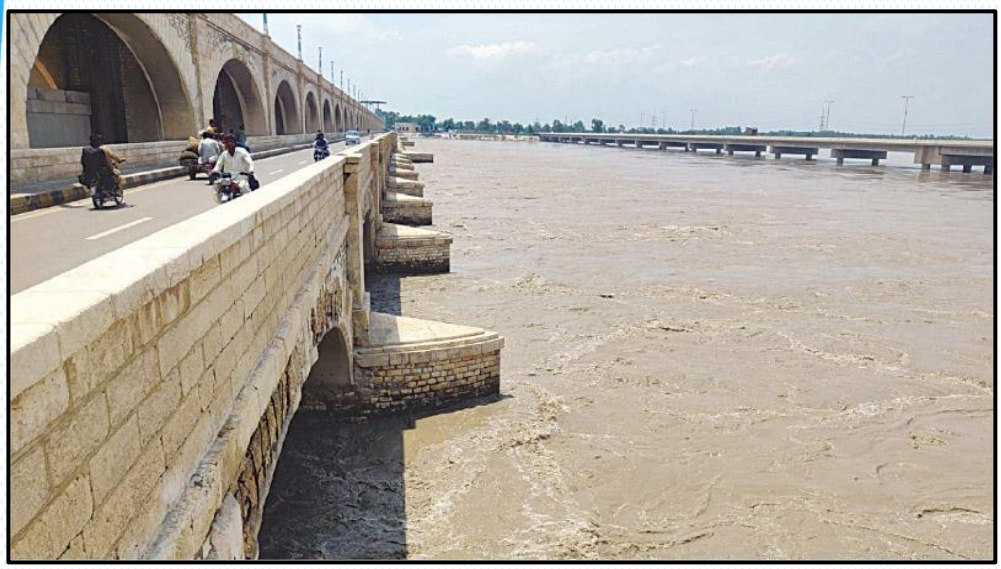
The matter was reported to the management from May to December 2023. The management of Municipal Committee Thul agreed with audit contention and replied that no any benevolent fund and general provident fund pertain to council had been established, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 19-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends establishment of mandatory funds as per provision of the Sindh Local Government Act, 2013.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 5.5.2.6. Recurrence of same irregularity is a matter of serious concern.

Chapter-6

Sukkur Division





Chapter-6: Local Councils, Sukkur Division

6.1 Introduction

Sukkur Division consists of 03 Districts namely Sukkur, Ghotki and Khairpur. Each Corporation / District Council / Municipal Committee / Town Committee in Sukkur Division is headed by Chairman / Municipal Commissioner /Chief Officer / Chief Municipal Officer/ Town officer who carries out operations as per Sindh Local Government Act-2013.

The functions of Local Councils are summarized below:

i. Prepare development plans for the Town including plans for land use, zoning and functions for which Municipal Corporation/Committees is responsible.

ii. Exercise control over land use, land subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.

iii. Enforce all municipal laws, rules and bye-laws governing Municipal Corporation/Committees functioning.

iv. Prepare budget, long term and annual municipal development programs in collaboration with the Union Councils.

v. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.

vi. Manage properties, assets and funds vested in the Municipal Corporation/Committees.

vii. Develop and manage schemes, including site development in collaboration with Union Administration.

viii. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.

ix. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.

x. Maintain municipal records and archives.

6.2 Comments on Budget and Accounts (Variance Analysis)

[Rs. in Million]

Sr.	Districts	Head of Account	Budget	Actual	Excess (+) Savings (-)
1.	Sukkur	**Establishment**	2,862.447	1,878.822	-983.625
		Non-salary	1,085.527	667.006	-418.521
		Development	2,193.448	162.095	-2,031.353
		Total Expenditure	**6,141.422**	**2,707.923**	**-3,433.499**
		Receipts	**5,507.179**	**2,908.040**	**-2,599.140**
2.	Khairpur	**Establishment**	1,911.305	1,529.937	-381.368
		Non-salary	1,164.675	591.439	-573.236
		Development	1,596.070	606.075	-989.995
		Total Expenditure	**4,672.050**	**2,727.451**	**-1,944.599**
		Receipts	**7,802.648**	**2,675.755**	**-5,126.892**
3.	Ghotki	**Establishment**	1,552.595	1,020.086	-532.509
		Non-salary	602.720	292.353	-310.367
		Development	804.995	81.346	-723.649
		Total Expenditure	**2,960.310**	**1,393.786**	**-1,566.524**
		Receipts	**3,019.895**	**1,606.318**	**-1,413.577**
Grand-Total Sukkur Division		**Establishment**	**6,326.347**	**4,428.846**	**-1,897.501**
		Non-salary	**2,852.923**	**1,550.799**	**-1,302.124**
		Development	**4,594.513**	**849.516**	**-3,744.997**
		Total Expenditure	**13,773.783**	**6,829.160**	**-6,944.622**
		Receipts	**16,329.722**	**7,190.113**	**-9,139.609**

The budgeted expenditure of Local Councils of Sukkur Division for the financial year 2022-23 was Rs13,773.783 million, against which the actual expenditure was Rs6,829.160 million, resulting in overall saving of Rs6,944.622 million. The management of Local Councils was unable to realize the receipts' targets resulting in shortfall of Rs9,139.609 million.

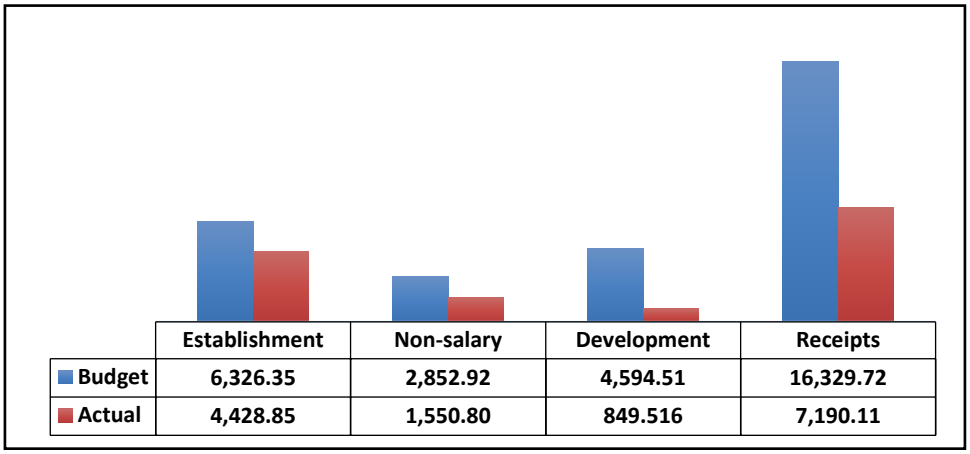


Table-: Audit Profile of Sukkur Division

[Rs. in million]

Sr.	Description	Formations		Financial Year 2022-2023	
		Planned	Audited	Expenditure audited	Revenue / Receipts audited
1.	Formations	47	25	6,829.160	7,190.113
2.	Assignment Accounts, SDAs (excluding FAP)	-	-	-	-
3.	Authorities/Autonomous Bodies under the PAO	-	-	-	-
4.	Foreign Aided Projects (FAP)	-	-	-	-

6.3 Classified Summary of Audit Observations

Audit observations amounting to Rs1,564.392 million were raised in this report during the current audit of Sukkur Division. The amount also includes recoveries of Rs180.449 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

Table: Overview of Audit Observations:

[Rs. in million]

Sr.	Classification	Amount
1	Non-Production of Record	-
2	HR/Employees related irregularities	102.274
3	Procurement related irregularities	696.273
4	Recoveries related irregularities	180.449
5	Value for money and service delivery issues	37.617
6	Other issues	547.779
Total		**1,564.392**

6.4 Brief Comments on the Status of Compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Sindh. Detail of paras presented in PAC meetings is reflected hereunder:

Audit Year	No. of Paras	Status of Paras discussed in PAC Meetings
2012-13	29	2 - Partial
2013-14	6	1 - Partial
2014-15	64	-Nil-
2015-16	64	-Nil-
2016-17	22	-Nil-
2017-18	51	-Nil-
2018-19	61	-Nil-
2019-20	44	-Nil-
2020-21	15	-Nil-
2021-22	14	-Nil-
2022-23	23	-Nil-

6.1 Audit Paras

6.5.1 Non-Production of Record

6.5.1.1 Non-production of record

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

> "(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with 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 audit of various Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not produce auditable record pertaining to establishment, development, contingency, revenue, property, various registers etc. involving minimum financial impact of Rs613.765 million for audit scrutiny. Detail is at **Annex-SUK1.**

Audit was of 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.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

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 Audit Years 2022-23, 2021-22, 2020-21 and 2018-19 vide para numbers 6.5.1.1, 6.5.1.1, 6.5.1.1 and 7.2.2.1 having financial impact of Rs1,487.068 million, Rs341.515 million, Rs879.505 million and Rs1,873.568 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.2 HR/Employees related irregularities

6.5.2.1 Irregular appointment of staff on adhoc basis - Rs76.115 Million

In compliance of Honorable Supreme Court of Pakistan in Human Rights case No. 104/92, Local Government Department issued directives vide letter No.SO-V(LG)5(69)/2009/29-06-2010 that even an appointment on adhoc basis cannot be made without publication and proper advertisement.

Further, Para 8(2) of Sindh Local Councils Employees (Service) Rules, 2017 stipulates that initial appointment to the posts in all basic scales not falling within the purview of SPSC, shall be made on the recommendations of the Selection Committee on the basis of interview or test to be held by the Selection Committee after the vacancies have been advertised in leading newspapers in Urdu, Sindhi & English Languages.

During audit of following Local Councils of Sukkur Division, for the financial year 2022-23, it was observed that management appointed staff on adhoc basis without observing prescribed procedure and incurred expenditure of Rs76.115 million on the wages. Further, approval from administrative department was also not obtained. Detail is at **Annex-SUK2.**

[Rs. in Million]

Sr. No.	Name of office	AIR Para	No of adhoc Employees	Amount
1	Sukkur Municipal Corporation	5	406	76.115
2	Municipal Committee Khairpur	20	92	-
Total				**76.115**

Audit was of the view that appointment of employees on adhoc basis without following prescribed procedure was violation of the rules and government orders which indicated weak internal controls.

The matter was reported to the management in October and November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 01-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 6.2.3.23 and 7.2.3.19 having financial impact of Rs25.101 million and Rs177.341 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.2.2 Non-implementation of various modules in the newly established ERP Rs24.525 Million

As per Clause A-1 of appendix A of contract agreement executed between Municipal Committee Khairpur and M/s Ideal Automatics (Pvt) Limited, Karachi, "The contractor was to provide appropriate information technology system through Automation & E-governance software, which significantly improve efficiency, effectiveness, accountability and quality of services to the municipality and citizen of Khairpur city comprising of various features such as Human Resources and Performance Management System, Budgeting, Finance & Accounting System, Revenue Management and Complaint Management System".

During audit of Municipal Committee Khairpur, Sukkur Division, for the financial year 2022-23, it was observed that management awarded the work of "Automation & E-Governance ERP" at sanctioned cost of Rs28.750 million on 05-10-2022 to M/s Ideal Automatics (Pvt) Ltd and incurred an expenditure of Rs24.525 million. As per terms & conditions of contract agreement, the contractor was required to develop following various modules and get them implemented before final payment. However, same have not been implemented as yet. Detail is provided as under:

Sr. No.	Module Name	Functions of the Module
1	Revenue and Recovery Management Module	This module was to automate various processes including various fee structure policies, rental billing, rental fee projection reports, closing of billing period, fee receipts, various reports, tax management on fees, etc.
2	Financial Management Module	This module was to automate chart of account, budgeting, asset management, bills & vouchers, banking, remuneration & TA/DA management and financial statements.
3	Payroll Management Module	With the assistance of this module integrated payroll setup, advance/loan management, annual increments, gratuity & provident fund management, block/un-block salary, etc., were to be automated.
4	Human Resources Management Module	This module was to automate vacancy & recruitment management, employee profiling service record, attendance & leave management, HRM reports etc.,
5	General Requirements	This module was required to automate and monitor various locations, real time operations, workflow, attach supporting documents, pop-up/visual alerts in mobile apps, export reports, customization etc.
6	Citizen Complain Management Module	With the proper implementation of this module, system generated complaints, their settlement status for daily, weekly, monthly was to be monitored.

Audit was of the view that management failed to implement various modules as per terms & conditions of contract agreement, which indicated poor financial management and weak internal control.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 01-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends implementation of various modules of ERP on priority basis.

[AIR Para: 12]

6.5.2.3 Unauthorized hiring of legal advisors - Rs1.634 Million

Para-2 of Letter No.ADDL.A.G/(LRK) 1570/08-08-2016 issued by Additional Advocate General Sindh, High Court Larkana addressed to Chief Secretary Sindh, stipulated that the departments were engaging private counsels without obtaining the sanction from Law Department which was against the rules. The Chief Secretary of Sindh was therefore requested to look into the matter.

During audit of following Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management hired legal advisors and paid Rs1.634 million on account of legal fees without sanction of Law Department, Government of Sindh as detailed below:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	F.Y.	Paid Amount
1	Town Committee Pacca Chang	3	2021-22	0.385
2	Town Committee Therhi-I	4		0.200
3	Municipal Committee Khairpur	27	2022-23	0.590
4	Municipal Committee Gambat	3		0.459
Total				**1.634**

Audit was of the view that hiring of legal advisor without sanction of Law Department; Government of Sindh was unauthorized and indicated weak internal controls.

The matter was reported to the management from May to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2018-19 vide para numbers 6.5.2.3 and 7.2.3.38 having financial impact of Rs3.516 million and Rs4.337 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.3 Procurement related irregularities

6.5.3.1 Irregular utilization of sanitation funds through quotations Rs243.189 Million

According to Rule 11(1), Part-II of Sindh Public Procurement Rules, 2010, as amended in 2019, "All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements".

Further, Rule 17(1), Part-II ibid, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Sukkur Division, for the financial years 2020-21, 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs243.189 million on sanitation works, (removal of garbage, de-silting of drains/nallahs, sweeping of roads/streets) through quotations by keeping each transaction below Rs300,000/- to avoid open competitive bidding; whereas, the work of sanitation being a mandatory function of the Council was foreseen prior to commencement of financial year at the time of budget preparation/approval. Detail is as under:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	F.Y.	Amount
1.	Town Committee Ranipur	1	2020-21 & 2021-22	13.096
		3		8.555
2.	Town Committee Daharki	5	2021-22	43.536
3.	Town Committee Pano Akil	4		27.720
4.	Town Committee Ubaro	7		23.497
5.	Municipal Committee Kingri	1		11.419
		2		4.731
6.	Town Committee Kandhra	3		8.810

[Rs. in Million]

Sr. No.	Name of office	AIR Para	F.Y.	Amount
7.	Town Committee Therhi-I	2	2021-22	8.202
8.	Town Committee Therhi-II	2		7.488
		1		4.181
9.	Town Committee Saleh Pat	4		4.250
10.	District Council Khairpur	7	2022-23	45.144
11.	Municipal Committee Khairpur	8		14.489
12.	Municipal Committee Ghotki @ Mirpur Mathelo	2		6.486
13.	District Council Ghotki @ Mirpur Mathelo	2		6.107
14.	Municipal Committee Gambat	6		5.478
Total				**243.189**

Audit was of the view that incurrence of expenditure through quotations without obtaining competitive rates was violation of Sindh Public Procurement Rules which indicated weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2021-22 vide para numbers 6.5.3.1 and 6.5.2.1 having financial impact of Rs100.777 million, and Rs181.915 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.3.2 Execution of development works through quotations instead of NIT Rs34.556 Million

According to the instructions, vide letter No.SOI/LG/MICS/10-7/2013 dated 07-01-2014 by the Local Government Department, Government of Sindh, "No development work on quotation should be carried-out. All development works be carried-out through NIT".

During audit of following Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs34.556 million on development works through quotations instead of open competitive bidding in violation of government instructions as detailed below.

[Rs. in Million]

Sr. No.	Name of office	AIR Para	F.Y.	Amount
1	Municipal Committee Rohri	4	2021-22	3.951
2	Town Committee Therhi-I	5		2.376
3	Town Committee Pacca Chang	6		1.825
4	Town Committee PanoAkil	5		1.676
5	Municipal Committee Khairpur	5	2022-23	18.510
6	Sukkur Municipal Corporation	6		3.829
7	Town Committee Thari Mirwah	4		2.389
Total				**34.556**

Audit was of the view that execution of development works through quotation in violation of government instructions was irregular which indicated weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 6.5.3.2, 6.5.2.4, 6.2.3.32 and 7.2.3.32 having financial impact of Rs7.583 million, Rs22.247 million, Rs3.620 million and Rs9.195 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.3.3 Splitting up of expenditure to avoid open tender - Rs27.507 Million

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(1), Part-II ibid, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred expenditure of

Rs27.507 million through quotations splitting the procurements which resulted into non-achievement of competitive rates. Detail is at **Annex-SUK3.**

[Rs. in Million]

Sr. No.	Name of office	AIR Para	F.Y.	Amount
1	Town Committee Pano Akil	6	2021-22	2.214
2	District Council Khairpur	9	2022-23	13.719
3	Municipal Committee Gambat	5		4.707
4	District Council Sukkur	3		4.352
5	Town Committee Thari Mirwah	5		2.515
Total				**27.507**

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

The matter was reported to the management from May 2023 to December 2023 but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 6.5.3.4, 6.5.2.2, 6.5.4.1, 6.2.3.15 and 7.2.3.20 having financial impact of Rs38.018 million, Rs81.378 million, Rs152.622 million, Rs91.655 million and Rs26.425 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.3.4 Award of works to unregistered contractors - Rs76.465 Million

According to the Rule 46 (1), Part-II of Sindh Public Procurement Rules 2010, stipulates that Notice Inviting Tenders shall contain eligibility criteria (iii) registration with FBR, for income tax, sales tax in case of procurement of goods. Registration with the SRB in case of procurement of work and services, and registration with Pakistan Engineering Council (where applicable).

During audit of following Local Councils of Sukkur Division, for the financial year 2021-22, it was observed that the management incurred expenditure of Rs76.465 million through contractors who were not registered with FBR and SRB resulting in non-transparency in awarding works. Detail is as under:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount
1	Town Committee Daharki	9	44.382
2	Town Committee Ubaro	10	25.937
3	Town Committee Kandhra	5	6.146
Total			**76.465**

Audit was of the view that award of works to unregistered contractors was irregular which indicated weak internal controls.

The matter was reported to the management from March to June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2020-21 and 2018-19 vide para numbers 6.5.4.2 and 7.2.3.22 having financial impact of Rs77.708 million and Rs78.425 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.3.5 Irregular procurement of electrical material - Rs17.795 Million

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

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

During audit of following Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs17.795 million on the procurement of electrical material as detailed below:

[Rs. in Million]

Sr. No.	Name of office	Para No.	F.Y.	Amount
1	Town Committee Pano Akil	7	2021-22	1.839
2	Town Committee Ahmedpur	9		0.457
3	Sukkur Municipal Corporation	8	2022-	8.935

[Rs. in Million]

Sr. No.	Name of office	Para No.	F.Y.	Amount
		7	23	4.958
4	Municipal Committee Gambat	4		1.606
Total				**17.795**

Following irregularities were noticed:

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

ii. Purchases were made on quotation basis by splitting up procurements.

iii. Location for installation of purchased electric material was not recorded.

iv. Inspection of street lights material was not carried out.

v. Warranty cards of saver bulbs and other lights were not available.

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

vii. Inventory of replaced articles was not available.

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

The matter was reported to the management from March 2023 to December 2023 but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2021-22, 2019-20 and 2018-19 vide para numbers 6.5.2.6, 6.2.3.24 and 7.2.3.27 having financial impact of Rs11.032 million, Rs14.857 million and Rs28.514 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.3.6 Award of works without execution of contract agreement Rs111.054 Million

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 audit of following Local Councils of Sukkur Division, for the financial year 2022-23, it was observed that the management awarded contracts of Rs111.054 million without executing contract agreements with the contractors. Further, government also sustained loss of Rs0.388 million on account of stamp duty as detailed below. Detail is at **Annex-SUK4.**

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount	Stamp Duty
1.	Sukkur Municipal Corporation	10	101.560	0.355
2.	Municipal Committee Gambat	8	9.494	0.033
Total			**111.054**	**0.388**

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

The matter was reported to the management from October to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2019-20 vide para numbers 6.5.4.4 and 6.2.3.19 having financial impact of Rs0.244 million and Rs43.000 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.3.7 Irregular award of development works - Rs52.939 Million

Rule 46(2) (a), Part-II of Sindh Public Procurement Rules, 2010, states that single stage - two envelop procedure -bid shall comprise a single package containing two separate envelopes. Each envelope shall contain separately the financial proposal and the technical proposal (b) envelopes shall be marked as “FINANCIAL PROPOSAL” and “TECHNICAL PROPOSAL” in bold and legible letters to avoid confusion.

Further, according to Rule 4, Part-I 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 audit of Municipal Committee Khairpur, Sukkur Division, for the financial year 2022-23, it was observed that management invited bids for 09 works through tender notice No.GB/MC/KHP/1779/2022 dated 30-05-2022 and corrigendum issued vide No.GB/MC/KHP/2043/2022 dated 16-06-2022 through single stage two-envelope basis and awarded five works at the sanctioned cost of Rs52.939 million. Detail is at **Annex-SUK5**. Audit observed following discrepancies in the tendering process:

i. According to the corrigendum issued vide No.GB/MC/Khp/2044 /2022 dated 16.06.2022 the bids were required to be invited on single stage two-envelope basis 'Financial' and 'Technical'. The technical proposals were to be evaluated first. However, the tender was processed through single stage one envelope basis i.e. financial proposal only, in violation of above rule.

ii. The tender was processed without constitution of procurement committee.

iii. Procurement was made from suppliers other than manufacture or authorized dealer.

Audit was of the view that evaluation of bids only on financial grounds instead of technical evaluation of bids was an undue favour extended to the contractors which indicated poor management and weak internal controls.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

[AIR Para: 4]

6.5.3.8 Technical sanction beyond delegated financial powers - Rs127.738 Million

According to S.No.12(1)(a) of Sindh Delegation of Financial Powers and Financial Control Rules 2019, in case of original works following powers shall be exercised for technical sanctions:

Administrative Department	Full Powers
Chief Engineer	Rs 100.00 million, beyond that concurrence of the administrative department is required
Superintending Engineer	Upto Rs 7.000 million in each case
Executive Engineer	Upto Rs 2.500 million in each case

During audit of Municipal Committee Khairpur, Sukkur Division, for the financial year 2022-23, it was observed that management awarded the work "Establishment of "Theme Park Khairpur city" (remaining work) at sanctioned cost of Rs127.738 million to M/s Arshad & Co. with the technical sanction of Chief Engineer instead of administrative department in violation of delegated financial powers.

Audit was of the view that grant of technical sanction of scheme by the Chief Engineer beyond delegated powers was violation of the rules which indicated poor financial management and weak internal controls.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 01-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 6]

6.5.3.9 Procurement without constituting committee - Rs5.030 Million

According to Rule 7, Part-I of Sindh Public Procurement Rules, 2010, "The procuring agency shall, with approval of its Head of the Department, constitute as many procuring committees, as it deems fit, each comprising odd number of persons and headed by a gazetted officer not below the rank of BS-18, or if not available, the officer of the highest grade, and shall ensure that at least one third of the members of a procurement committee are from the agencies or departments other than the procuring agency".

During audit of Town Committee, Khangarh, Sukkur Division, for the financial year 2021-22, it was observed that the management incurred an expenditure of Rs5.030 million on various purchases and works without constitution of procurement committee.

Audit was of the view that purchases and works were made without constituting the procurement committee which indicated weak internal controls.

The matter was reported to the management in May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 6.2.3.17 having financial impact of Rs89.715 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 6]

6.5.4 Recoveries related issues

6.5.4.1 Non-deduction of government taxes - Rs28.725 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively".

Furthermore, according to Section 3(1) of Sales Tax Act 1990, as amended upto July 2015, "There shall be charged, levied and paid a tax known as sales tax at the rate of 17% of the value of (a) taxable supplies made by a registered person".

During audit of following Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management paid Rs559.417 million to various contractors, suppliers and employees, but did not deduct income tax, Sindh sales tax on services and general sales tax from contractors/suppliers/ employees amounting to Rs28.725 million. Detail is as under:

[Rs. in Million]

Sr. No.	Name of office	Para No	F.Y.	Heads	Paid Amount	Taxes not deducted
1	Municipal Committee Rohri	6	2021-22	GST	11.796	2.005
2	Town Committee Daharki	4		IT	43.537	1.741
		13			8.587	0.129
3	Town Committee Ubaro	6			23.498	1.174
		13			16.381	0.189

[Rs. in Million]

Sr. No.	Name of office	Para No	F.Y.	Heads	Paid Amount	Taxes not deducted
4	Town Committee Therhi-I	7		GST	2.036	0.499
5	Town Committee Pano Akil	9			1.834	0.312
6	Town Committee Saleh Pat	6			0.737	0.125
7	Town Committee Kandhra	6			1.046	0.073
8	Sukkur Municipal Corporation	14		GST	47.843	8.133
		16		IT	279.936	2.796
9	Municipal Committee Khairpur	15	2022-23	GST	36.624	6.247
		16		SST	33.32	2.859
10	District Council Sukkur	4		IT	23.111	1.854
11	Municipal Committee Gambat	10			16.538	0.211
12	Municipal Committee Ghotki	3		SST	6.486	0.195
13	District Council Ghotki	3			6.107	0.183
Total					**559.417**	**28.725**

Audit was of the view that non-deduction of taxes was loss to public exchequer, which reflected weak financial and internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 6.5.4.1, 6.5.3.3, 6.5.3.2, (6.2.3.1, 6.2.3.2 and 6.2.3.5) and (7.2.3.2 and 7.3.2.12) having financial impact of Rs103.830 million, Rs35.712 million, Rs23.283 million, (Rs14.741 million, Rs7.115 million and Rs1.720 million) and (Rs75.124 million and Rs0.111 million) respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.4.2 Non-deposit of taxes into public exchequer - Rs148.198 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, as per Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to government are regularly received and checked against demands and that they are paid into the treasury".

During audit of following Local Councils of Sukkur Division, for the financial years 2020-21, 2021-22 and 2022-23, it was observed that the management deducted an amount of Rs148.198 million on account of income tax, general sales tax and Sindh sales tax on service from the bills of contractors but failed to deposit the same into public exchequer. Detail is as follows:

[Rs. In Million]

Sr. No.	Name of office	AIR Para	F.Y.	IT	SST	GST	Total tax not deposited
1	Town Committee Daharki	2	2021-22	4.354	4.354	-	8.708
2	Town Committee Ubaro	2		2.593	2.359	0.234	5.186
3	Town Committee Ranipur	2	2020-21 & 2021-22	0.982	1.309	-	2.291
4	Town Committee Khangarh	2	2021-22	0.944	0.498	0.719	2.161
5	Municipal Committee Kingri	3		0.856	1.141	-	1.997
6	Town Committee Therhi-I	8		0.835	1.113	-	1.948
7	Town Committee Kandhra	7		0.404	0.709	0.801	1.914
8	Town Committee Ahmedpur	2		1.411	-	-	1.411
9	Town Committee Khuhra	2		0.565	0.807	-	1.372
10	Town Committee Therhi-II	3		0.561	0.741	-	1.302
11	Town Committee Hingorja	2		0.482	0.725	-	1.207
12	Town Committee Agra	2		0.388	0.516	-	0.904
13	Municipal Committee Mirpur Mathelo	2		0.37	0.514	-	0.884
14	Municipal Committee Khairpur	3	2022-23	-	73.652	-	73.652
		13		5.35	-	-	5.35
		14		-	1.58	-	1.58
15	Sukkur Municipal Corporation	15		4.598	3.247	4.218	12.063
16	District Council Khairpur	2		9.164	-	-	9.164
		3		-	6.549	-	6.549
17	Municipal Committee Gambat	11		1.746	2.531	-	4.277
18	District Council Sukkur	5		1.438	0.93	-	2.368
19	Town Committee Thari Mirwah	9		0.815	1.095	-	1.910
Total				**37.856**	**104.370**	**5.972**	**148.198**

Audit was of the view that non-deposit of collected taxes into public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of

the report despite issuance of letters dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends depositing of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21 and 2018-19 vide para numbers 6.5.4.2, 6.5.3.4, 6.5.3.1 and 7.2.3.1 having financial impact of Rs125.940 million, Rs40.848 million, Rs137.307 million and Rs87.973 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.4.3 Non-recovery of outstanding rent - Rs3.526 Million

As per Section 100 (2) 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 audit of following Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not recover the outstanding dues of rent of shops and other properties from defaulters amounting to Rs3.526 million as detailed below.

[Rs. in Million]

Sr. No.	Name of office	AIR Para	F.Y.	Outstanding rent as on 30-06-2023
1	Municipal Committee Rohri	7	2021-22	0.964
2	Town Committee Therhi-II	5		0.151
3	District Council Sukkur	6	2022-23	1.013
4	District Council Khairpur	4		0.555
5	Municipal Committee Gambat	9		0.500
6	Town Committee Thari Mirwah	6		0.343
Total				**3.526**

Audit was of the view that non-recovery of outstanding rent indicated weak financial management.

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 6.5.4.3, 6.5.3.2, 6.5.3.3, 6.2.3.3 and 7.2.3.10 having financial impact of Rs60.171 million, Rs14.679 million, Rs13.493 million, Rs3.891 million and Rs0.681 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.5 Value for money and service delivery issues

6.5.5.1 Non-provision of health facilities to public

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

During audit of District Council Sukkur, Sukkur Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs31.403 million on salary of 73 employees of Medical Branch without utilizing their services. Detail of posting of 73 number of medical staff was not provided to audit. It was found that three dispensaries out of six were non-functional. Moreover, no expenditure on purchase of medicines was incurred during the year. Detail of payment of salaries is as under:

[Amount in Rs.]

Sr. No.	Particulars	Amount/Month F.Y 2022-23	No. of staff	Amount/Year F.Y 2022-23
1	Salary Medical Officer	146,119	01	1,753,428
2	Salary Medical Branch	2,470,775	72	29,649,300
Total			**73**	**31,402,728**

Audit was of the view that payment of salary to medical branch without utilizing their services indicated poor internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 01-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that services of staff may be utilized for providing better health facilities to public.

[AIR Para: 7]

6.5.5.2 Irregular expenditure on de-silting and disposal of garbage Rs37.617 Million

As per Schedule-II (Section 72-3) Part-II Compulsory Function of Sindh Local Government Act-2013, stipulates that a Corporation, Municipal Committee or Town Committee shall make adequate arrangements for the removal of refuse from all public streets, public latrines, urinals, drains and all buildings and lands vested in the Council concerned and for the collection and proper disposal of such refuse.

During audit of following Local Councils of Sukkur Division, for the financial year 2021-22, it was observed that management incurred an expenditure of Rs37.617 million on de-silting of drain, nallahs, ponds and lifting of garbage from the limits of towns as detailed below:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount
1	Town Committee Ahmedpur	5	7.164
		8	6.307
2	Town Committee Hingorja	8	5.418
		5	2.33
3	Town Committee Khuhra	5	5.296
		8	2.060
4	Town Committee Agra	5	3.307
		7	1.701
5	Municipal Committee Mirpur Mathelo	5	2.857
6	Town Committee Khangarh	5	1.177
Total			**37.617**

Following discrepancies were noticed:

i. Contract agreement was not executed with contractors.

ii. Starting and ending point of locations were not identified.

iii. Rate analysis of works was not available in the record.

iv. No officer was deputed to monitor the progress of lifting of silt and garbage removal.

v. Work was split up into parts to avoid calling tender and constitution of procurement committee.

vi. Satisfactory work completion report was not obtained.

Audit was of the view that incurrence of expenditure on collection, removal and disposal of silt and garbage without supporting record was irregular which indicated weak internal controls.

The matter was reported to the management from March to May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 6.2.3.26 having financial impact of Rs10.812 million. Recurrence of same irregularity is a matter of serious concern.

6.5.6 Other issues

6.5.6.1 Less realization of targeted receipts - Rs113.579 Million

Section 100 (1) of Sindh Local Government Act 2013, states that unless otherwise provided, all taxes, rates, tolls and fees levied under this act shall be collected in the prescribed manner by the persons authorized for such collection: provided that where any tax, rate, toll or fee levied by a Council is also levied by Government, such tax, rate, toll or fee shall be collected with Government tax, and the proceeds thereof be credited to the local fund of the Council.

During audit of following Local Councils of Sukkur Division, for the financial years 2020-21, 2021-22 and 2022-23, it was observed that the management did not take appropriate measures to realize revenue targets of Rs113.579 million from various heads i.e. rent of shops, water tax, nali tax, property tax, cattle pirri fees, sabzi mundi fees, pat/katchi pirri fees, parking fees, slaughtering fees, licensing fee etc. Detail is at **Annex-SUK6.**

[Rs. in Million]

Sr. No.	Name of office	AIR Para	F.Y.	Targeted Receipts	Receipts Collected	Shortfall
1	Town Committee Ranipur	7	2020-21 & 2021-22	9.300	0.999	8.301
2	Municipal Committee Mirpur Mathelo	3	2021-22	31.485	12.650	18.835
3	Town Committee Daharki	15		16.030	7.272	8.758
4	Town Committee Ubaro	3		10.900	2.989	7.911
5	Municipal Committee Kingri	7		4.000	1.325	2.675
6	Town Committee Ahmedpur	3		2.565	-	2.565
7	Town Committee Agra	3		1.235	0.180	1.055
8	Town Committee Khuhra	3		0.920	0.392	0.528
9	Sukkur Municipal Corporation	13	2022-23	100.157	46.66	53.497
10	District Council Ghotki @ Mirpur Mathelo	6		10.106	4.445	5.661
11	Municipal Committee Ghotki @ Mirpur Mathelo	6		11.209	7.879	3.330
12	Town Committee Thari Mirwah	7		0.463	0	0.463
Total				**198.370**	**84.791**	**113.579**

Audit was of the view that due to less-realization of revenue targets, the councils were deprived of legitimate revenue, which indicated poor financial controls.

The matter was reported to the management from March to December, 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for non-achievement of revenue targets.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, and 2019-20 vide para numbers 6.5.5.2, 6.5.3.1 and 6.2.3.11 having financial impact of Rs203.568 million, Rs281.860 million and Rs163.132 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.6.2 Unauthorized creation of liability - Rs261.095 Million

According to Section 105(1), Chapter-XI of Sindh Local Government Act 2013, "A Council shall not incur any debt nor borrow any money or give any guaranty without prior approval of Government" and Section 106(2) ibid, stipulates that the moneys

credited to the Local Fund shall be applied; firstly, in the payment of salaries and allowances to the employees of the Councils.

Further, Finance Department, Government of Sindh, vide letter No.FD.SO(LF-I)Misc/(171)2013 dated 13-08-2013, instructed all the Local Councils/District Councils/defunct TMAs that payment of salaries and pension may be given first priority from the OZT funds released by Finance Department.

During audit of following Local Councils of Sukkur Division, for the financial year 2021-22, it was observed that the management created liability amounting to Rs261.095 million on various head of accounts like Pay and Pension and put extra burden over council funds. Creation of liability under the heads of pay and pension showed that payment was made by giving priority to development works in violation of rule / instructions. Further, creation of liability under the head of development works showed that management also executed development works without provision of budget/OZT release as detailed below:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Description of Liability	Amount
1	Municipal Committee Rohri	10	Pay & Allowances, Pension, LPR, Financial Assistance, Gratuity & Development	259.561
2	Town Committee Therhi-II	4	Development, Work, Contingency, POL, I.T & SST	1.534
Total				**261.095**

Audit was of the view that creation of pension liability by giving priority to the payments of development works in violation of rules and creation of liability under the head of development works without provision of budget indicated weak financial management.

The matter was reported to the management from March to June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 6.5.5.3 having financial impact of Rs377.615 million. Recurrence of same irregularity is a matter of serious concern.

6.5.6.3 Irregular payment on clearance of previous liability - Rs15.069 Million

Finance Department, GoS O.M No.FD/B&E-I/51/2007 dated 02-07-2007, stipulates that liability of previous years shall not be allowed to be cleared unless concurrence is given by Finance Department (FD).

Further, as per approval of budget by Secretary Local Government Department vide Letter No.SO-I(LG)/02-48/2017 N.F dated 01-10-2021, "No liabilities of previous year will be cleared from yearly budget without approval of Local Govt. Department."

During audit of following Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs15.069 million on clearance of previous years' liability without approval of Finance Department and Local Government Department, Government of Sindh as detailed below:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	F.Y.	Period of Liability	Amount
1	Town Committee PanoAkil	11	2021-22	2018-19, 2019-20 & 2020-21	4.531
2	Town Committee Daharki	8		2020-21	2.822
3	Town Committee Kandhra	9		2020-21	1.499
4	Town Committee Saleh Pat	8		2015-16 &2020-21	1.020
5	Municipal Committee Khairpur	9	2022-23	Year 2020, December-2021 and April, May & June-22	3.209
6	District Council Khairpur	17		March & June 2022	1.988
Total					**15.069**

Audit was of the view that clearance of liability without approval of Finance Department and administrative department was irregular and indicated weak financial management.

The matter was reported to the management from March to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 6.2.3.25 having financial impact of Rs11.410 million. Recurrence of same irregularity is a matter of serious concern.

6.5.6.4 Unauthorized utilization of public funds - Rs12.942 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, stipulates that the departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury.

During audit of following Local Councils of Sukkur Division, for the financial year 2021-22, it was observed that management deducted an amount of Rs13.894 million on account of income tax and Sindh sales tax on services from the bills of contractors. However, bank balance as on 30-06-2022 was only Rs0.952 million, which showed that management rather than depositing the deducted amount of tax into public exchequer, unauthorizedly utilized an amount of Rs12.942 million. Detail is as under:

[Rs. in Million]

Sr. No.	Name of offices	AIR Para	Amount Paid	Deducted Taxes			Bank Balance as on 30-06-2022	Amount Utilized
				IT	SST	Total Taxes		
1	Town Committee, Daharki	07	43.536	4.353	4.354	8.707	0.482	8.225
2	Town Committee, Ubaro	04	25.937	2.594	2.593	5.187	0.470	4.717
Total			**69.473**	**6.947**	**6.947**	**13.894**	**0.952**	**12.942**

Audit was of the view that unauthorizedly utilization of deducted taxes rather than depositing the same into the public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management from March to June 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends that the matter may be investigated for fixing responsibility on the person(s) at fault.

6.5.6.5 Non-maintenance of property record

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 audit of following Local Councils of Sukkur Division, for the financial years 2020-21, 2021-22 and 2022-23, it was observed that office failed to maintain property record as mentioned in schedule of Sindh Local Councils (Property) Rules, 2017. 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. Detail is as under

Sr. No.	Name of office	AIR Para	F. Y
1	Town Committee Ranipur	15	2020-21 & 2021-22
2	District Council Ghotki	11	2022-23
3	Municipal Committee Ghotki	12	

Audit was of the view that management failed to comply with the prescribed rules for maintenance of property record which indicated weak internal controls. Besides, chances of encroachment could not be ruled out.

The matter was reported to the management in June 2023 and October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 20-07-2023 and 01-01-2024, followed by reminders dated 04-08-2023, 19-09-2023, 12-01-2024 and 19-01-2024.

Audit recommends maintenance of required property record at the earliest on the prescribed format.

6.5.6.6 Non-revision of rent of property at fair value

According to Rule 9(1) of Sindh Rental Premises Ordinance, 1979, states, “where the fair rent of any premises has been fixed, no further increase thereof shall be

effected unless a period of three years has elapsed from the date of such fixation or commencement of this ordinance whichever is later". Further, Rule 9(2) ibid states, "The increase is allowed @ 10% per annum on the existing rent".

During audit of following Local Councils of Sukkur Division, for the financial year 2022-23, it was observed that the management rented out different shops and properties to various tenants but did not revise rent of various tenants since many years, resulting into loss of legitimate revenue to the councils. The record of allotments was also not provided; hence the actual period of tenancy could not be ascertained. Detail is at **Annex-SUK7.**

Sr. No.	Name of office	AIR Para	No of Properties	Rent not Revised Since
1	District Council Khairpur	10	84	Since Long time
2	District Council Ghotki @ Mirpur Mathelo	8	121	2019
3	Municipal Committee Ghotki @ Mirpur Mathelo	8	490	2017

Audit was of the view that non-revision of rent of properties was a loss to the Councils which reflected poor financial management.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends revision of rent of shops and other property at fair value.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 6.5.5.6, 6.5.3.5, 6.2.3.30 and 7.2.3.57 respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.6.7 Non-maintenance of stock register - Rs78.941 Million

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 audit of following Local Councils of Sukkur Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs78.941 million on purchase fogging machines, mosquito nets, fumigation liquid, electric

material, food items, furniture, stationery items, sanitation material, pipes, tires and computers etc. but did not maintain stock registers as detailed below.

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount
1	District Council Khairpur	12	27.939
2	District Council Sukkur	9	22.096
3	Municipal Committee Khairpur	28	13.284
4	Sukkur Municipal Corporation	17	10.160
5	Municipal Committee Gambat	13	4.316
6	Municipal Committee Ghotki @ Mirpur Mathelo	9	1.146
Total			**78.941**

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 01-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that stock register may be maintained on the prescribed format, besides taking remedial measures.

6.5.6.8 Non-maintenance of POL record - Rs66.153 Million

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”.

According to Rule-159(4) of Sindh Local Council (Accounts) Rules 1983, “A council vehicles 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 audit of following Local Councils of Sukkur Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs66.153 million on POL for official vehicles and machinery but did not maintain of petrol account

register, history sheet, log book of each vehicle, tour program/diary of official vehicles. Detail is as under:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount
1	Municipal Committee Ghotki @ Mirpur Mathelo	7	26.509
2	Municipal Committee Khairpur	10	14.933
3	District Council Ghotki @ Mirpur Mathelo	7	13.197
4	District Council Khairpur	6	4.017
5	Sukkur Municipal Corporation	12	3.934
6	Town Committee Thari Mirwah	8	2.422
7	Municipal Committee Gambat	12	1.141
Total			**66.153**

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

The matter was reported to the management from October to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 01-01-2024, followed by reminders dated 12-01-2024 and 19-01-2024.

Audit recommends that responsibility may be fixed on person(s) at fault for incurring expenditure without maintenance of prescribed record.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 6.2.3.14 and 7.2.3.23 having financial impact of Rs95.124 million and Rs78.332 million respectively. Recurrence of same irregularity is a matter of serious concern.

6.5.6.9 Non-establishment of provident fund, pension fund and benevolent fund

Rule 125 (1), Chapter-XIV of SLGA 2013, states that a Council may, establish and maintain-

a) Provident fund for the benefit of its employees, who shall contribute to such fund in such manner and proportion as may be prescribed.

b) Pension fund from which pension, shall, in the prescribed manner, be paid to the employees of the Council.

c) Benevolent fund, in the prescribed manner from which any special pension or gratuity, shall, in the prescribed manner be paid to the family of employee

of the Council, who dies of disease or injury contracted or suffered by him in the discharge of his official's duties.

During audit of following Local Councils of Sukkur Division, for the financial years 2021-22 and 2022-23, it was observed that the management failed to establish provident, pension and benevolent fund for the benefits of employees of the council. Local Councils are making payments of provident fund, pension and benevolent fund for the benefits of employees of the council.

Sr. No.	NIT Name of Offices	F. Y	AIR Para
1	Municipal Committee Rohri	2021-22	3
2	Town Committee Daharki		12
3	Sukkur Municipal Corporation	2022-23	18
4	Municipal Committee Ghotki @ Mirpur Mathelo		11
5	Municipal Committee Khairpur		30
6	Municipal Committee Gambat		14
7	Town Committee Thari Mirwah		10

Audit was of the view that non-establishment of mandatory funds indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 20-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends establishment of mandatory funds as per provision of the Sindh Local Government Act, 2013.

Chapter-7

Mirpurkhas Division





Chapter-7: Local Councils, Mirpurkhas Division

7.1 Introduction

Mirpurkhas Division comprises three Districts namely Mirpurkhas, Tharparkar and Umerkot. Each District Council/Municipal Committee/Town Committee in Mirpurkhas Division is headed by Chairman/Chief Officer/Chief Municipal Officer/ Town officer who carries out operations as per Sindh Local Government Act 2013.

The functions of Local Councils are summarized below:

i. Prepare development plans for the town, including plans for land use, zoning and functions for which Municipal/Town Committees are responsible.

ii. Exercise control over land use, land subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.

iii. Enforce all municipal laws, rules and bye-laws governing Municipal/Town Committees functioning.

iv. Prepare budget, long term and annual municipal development programs in collaboration with the Union Councils.

v. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.

vi. Manage properties, assets and funds vested in the Municipal Corporation/Committees.

vii. Develop and manage schemes, including site development in collaboration with Union Administration.

viii. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.

ix. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.

x. Maintain municipal records and archives.

7.2 Comments on Budget and Accounts (Variance Analysis)

[Rs. in Million]

Sr. No.	District	Particulars	Budget	Actual	Excess (+) Savings (-)
1	**Mirpurkhas**	Establishment	3,751.170	1,427.107	-2,324.064
		Non-salary	831.256	461.840	-369.416
		Development	1,457.441	146.046	-1,311.395
		Total Expenditure	**6,039.867**	**2,034.994**	**-4,004.874**
		Receipts	**3,563.151**	**2,226.668**	**-1,336.482**
2	**Umerkot**	Establishment	3,751.170	1,427.107	-2,324.064
		Non-salary	831.256	461.840	-369.416
		Development	1,457.441	146.046	-1,311.395
		Total Expenditure	**6,039.867**	**2,034.994**	**-4,004.874**
		Receipts	**3,563.151**	**2,226.668**	**-1,336.482**
3	**Tharparkar @ Mithi**	Establishment	575.104	520.922	-54.182
		Non-salary	183.051	168.667	-14.384
		Development	417.849	54.907	-362.942
		Total Expenditure	**1,176.003**	**744.496**	**-431.508**
		Receipts	**829.713**	**965.582**	**+135.869**
Grand Total Mirpurkhas Division		**Establishment**	**5,136.728**	**2,568.803**	**-2,567.925**
		Non-salary	**1,512.829**	**952.880**	**-559.948**
		Development	**2,530.492**	**329.337**	**-2,201.154**
		Total Expenditure	**9,180.048**	**3,851.020**	**-5,329.028**
		Receipts	**5,964.068**	**4,359.335**	**-1,604.733**

The budgeted expenditure of Local Councils of Mirpurkhas Division for the financial year 2022-23 was of Rs9,180.048 million, against which the actual expenditure was Rs3,851.020 million, resulting in saving of Rs5,329.028 million. The management of Local Councils was unable to realize the receipts' targets resulting in shortfall of Rs1,604.733 million.

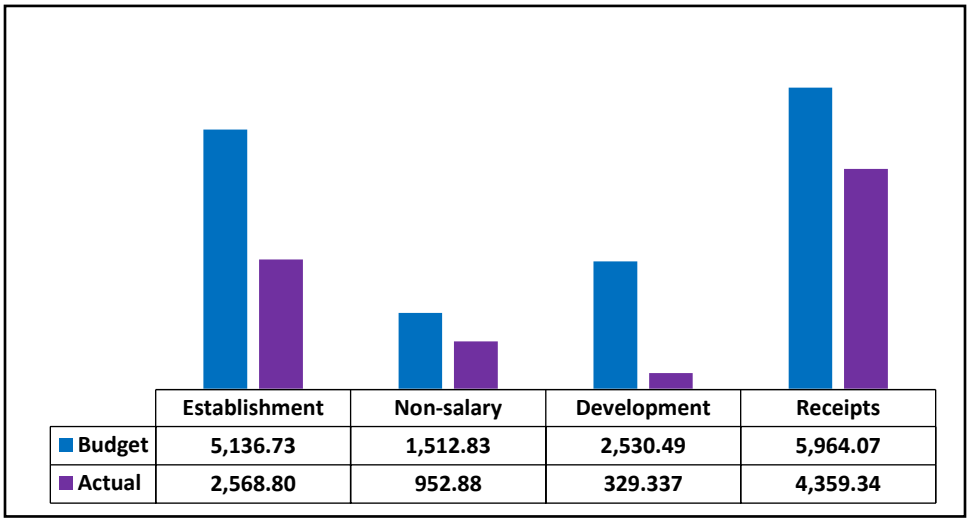


Table-: Audit Profile of Mirpurkhas Division

[Rs. in Million]

Sr.	Description	Formations		Financial Year 2022-2023	
		Planned	Audited	Expenditure audited	Revenue / Receipts audited
1.	Formations	31	23	3,851.020	4,359.335
2.	Assignment Accounts, SDAs (excluding FAP)	-	-	-	-
3.	Authorities/Autonomous Bodies under the PAO	-	-	-	-
4.	Foreign Aided Projects (FAP)	-	-	-	-

7.3 Classified Summary of Audit Observations

Audit observations amounting to Rs966.735 million were raised in this report during the current audit of Mirpurkhas Division. The amount also includes recoveries of Rs140.144 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

Table: Overview of Audit Observations:

[Rs. in Million]

Sr.	Classification	Amount
1	Non-Production of Record	-
2	HR/Employees related irregularities	1.318
3	Procurement related irregularities	202.419
4	Recoveries related irregularities	140.144
5	Value for money and service delivery	18.538
6	Other issues	604.316
Total		**966.735**

7.4 Brief Comments on the Status of Compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Sindh. Detail of paras presented in PAC meetings is reflected hereunder:

Audit Year	No. of Paras	Status of Paras discussed in PAC Meetings
2012-13	31	2 - Partial
2013-14	11	1 - Partial
2014-15	41	-Nil-
2015-16	28	-Nil-
2016-17	26	-Nil-
2017-18	29	-Nil-
2018-19	23	-Nil-
2019-20	58	-Nil-
2020-21	08	-Nil-
2021-22	08	-Nil-
2022-23	20	-Nil-

7.5 Audit Paras

7.5.1 Non-production of record

7.5.1.1 Non-production of record

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

"(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with 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 audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not produce auditable record pertaining to establishment, development, contingency, revenue, property, various registers, credentials of contractors etc., involving minimum financial impact of Rs124.198 million for audit scrutiny. Detail is at **Annex-MPK1**.

Sr. No.	Name of offices	F.Y.
1	Town Committee, Samaro, Umerkot	2021-22
2	Town Committee, Jhuddo, Mirpurkhas	
3	Town Committee, Hingorno, Mirpurkhas	
4	Town Committee, Tando Jan Muhammad, Mirpurkhas	
5	Town Committee, Nagarparkar, Tharparkar	
6	Town Committee, Chachro, Tharparkar	
7	Town Committee, Diplo, Tharparkar	
8	Municipal Committee, Mithi, Tharparkar	2022-23
9	Municipal Committee, Mirpurkhas	
10	Town Committee, Dighri, Mirpurkhas	
11	Town Committee, Jhuddo, Mirpurkhas	
12	District Council, Tharparkar	
13	Town Committee, Chelhar, Tharparkar	
14	Town Committee, Islamkot, Tharparkar	
15	Town Committee, Chachro, Tharparkar	
16	District Council, Umerkot	
17	Town Committee, Kunri, Umerkot	

Audit was of 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.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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 Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 7.5.1.1, 7.5.1.1, 7.5.1.1, 4.2.1.1, and 5.2.2.1 having financial impact of Rs212.492 million, Rs689.990 million, Rs699.771 million and Rs83.042 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.2 HR/Employees related irregularities

7.5.2.1 Unauthorized payment of cycle allowance - Rs1.318 Million

According to Rule 80 (1)(c), Chapter-VII of Sindh Local Government Act 2013, "The Mayor or Chairman, as the case may be, shall exercise supervision and control over the acts and proceedings of all servants of the Council and dispose of all questions relating to their service, pay privileges and allowances in accordance with the rules".

During audit of Municipal Committee Mirpurkhas, Mirpurkhas Division, for the financial year 2022-23, it was observed that the management incurred expenditure of Rs1.318 million on payment of cycle allowance to the employees without approval from administrative as well as Finance Department Government of Sindh. Detail is at **Annex-MPK2.**

Audit was of the view that payment of cycle allowance to the employees was unauthorized which indicated poor financial management and weak internal controls.

The matter was reported to the management during September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the

report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 15]

7.5.2.2 Irregular expenditure without approval of schedule of establishment

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. Further, Sub-section (3) of Section 123 ibid stipulates that a change in the Schedule of Establishment approved by the Government under sub-section (1) shall be made in the same manner as the Schedule of Establishment.

During audit of Town Committee Chachro, District Tharparkar, Mirpurkhas Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs25.163 million on pay and allowances of employees without approval of schedule of establishment from government and maintenance of establishment check register. Detail is as under:

[Rs in Million]

S. No.	Description	Month	Total amount of salaries
1	Payment of pay & allowances of employees	Jul-22	3.581
2		Oct-22	3.466
3		Dec-22	3.804
4		Jan-23	3.675
5		Feb-23	3.930
6		Mar-23	3.658
7		Apr-23	3.049
Total			**25.163**

Audit was of the view that incurrence of expenditure on account of pay and allowances of employees without approval of schedule of establishment from government was irregular and indicated poor financial management and weak internal controls.

The matter was reported to the management in December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 7.5.2.2 having financial impact of Rs112.159 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 6]

7.5.2.3 Irregular posting of council employee

Circular No.SLGB/SCUG/AO(Estt)Gen/2015/1570 dated 29-10-2015 issued by Local Government Department, Government of Sindh, Karachi, stipulates that no any ex-cadre officer/official may be assigned the charge of cadre posts of SCUG Service.

During audit of Town Committee Hingorno, Mirpurkhas Division, for the financial year 2021-22, it was observed that management posted Mr. Abdul Razzaq, an employee of BPS-11 to the post of Assistant Executive Engineer (BPS-17) in violation of the direction of the Local Government.

Audit was of the view that posting of council employee against SCUG post without observing codal requirements was irregular which indicated poor management and weak internal controls.

The matter was reported to the management in June 2023, but no reply was received. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 18-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends to inquire the matter for fixing responsibility on the person(s) at fault.

[AIR Para: 11]

7.5.3 Procurement related irregularities

7.5.3.1 Irregular utilization of sanitation funds through quotations Rs116.016 Million

According to Rule 11(1), Part-II of Sindh Public Procurement Rules 2010, "All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available

resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements".

Further, Rule 17(1), Part-II of Sindh Public Procurement Rules, 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs116.016 million on various sanitation works (hiring of machinery and labour for cleaning of streets, roads and drain/nallahs) through quotations by keeping each transaction below Rs300,000/- to avoid open competitive bidding. Whereas, the work of sanitation being a mandatory function of the Council was foreseen prior to commencement of financial year at the time of budget preparation/ approval as detailed below.

[Rs. in Million]

Sr. No.	Name of offices	F.Y.	AIR Para	Amount
1	Town Committee, Chachro, Tharparkar	2021-22	3	6.708
2	Town Committee, Naukot, Mirpurkhas		2	6.247
3	Town Committee, Islamkot, Tharparkar		2	4.330
4	Town Committee, Tando Jan Muhammad, Mirpurkhas		9	3.042
5	Town Committee, Nabisar, Tharparkar		1	1.800
6	Town Committee, Jhuddo, Mirpurkhas		2	0.532
7	Municipal Committee, Mirpurkhas	2022-23	4	34.771
8	Municipal Committee, Umerkot		6	27.669
9	Town Committee, Kunri, Umerkot		4	10.279
10	Town Committee, Chachro, Tharparkar		2	8.933
11	Town Committee, Chelhar, Tharparkar		3	5.873
12	Town Committee, Islamkot, Tharparkar		2	5.832
Total				**116.016**

Audit was of the view that incurrence of expenditure through quotations without obtaining competitive rates in violation of Sindh Public Procurement Rules indicated weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2021-22 vide para numbers 7.5.3.1 and 7.5.2.1 having financial impact of Rs128.929 million and Rs41.927 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.3.2 Non-transparency in spending public funds - Rs23.524 Million

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

During audit of Municipal Committee, Mirpurkhas, Mirpurkhas Division, for the financial year 2022-23, it was observed that the management obtained three quotations for various works/supplies amounting to Rs23.524 million. Detail is at **Annex-MPK3.** The following irregularities were noticed:

i. All the quotations were on the same format, bearing same phone numbers and official address of the bidders which indicated that the bidder was the same person.

ii. Specific location of works, inspection report and consumption record of procured materials were not maintained.

iii. Further, the works were split up into parts to avoid open tenders for availing competitive rates.

iv. Neither the delivery challans of articles were available nor the stock register of procured items was maintained.

v. Contractors were also not registered with FBR and SRB.

Audit was of the view that procurement of works and supplies was made through doubtful quotations which indicated poor financial management.

The matter was reported to the management during September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that the matter may be investigated for fixing responsibility on the person(s) at fault.

[AIR Para: 7]

7.5.3.3 Splitting up of expenditure to avoid open tender - Rs25.621 Million

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(1), Part-II ibid, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred expenditure of Rs25.621 million through quotations by splitting the procurements which resulted into non-achievement of competitive rates as detailed below.

[Rs. in Million]

Sr. No.	Name of offices	F.Y.	AIR Para	Amount
1	Town Committee, Jhuddo, Mirpurkhas	2021-22	5	1.765
2	Town Committee, Diplo, Tharparkar		5	1.337
3	Town Committee, Samaro, Umerkot		4	0.988
4	Municipal Committee, Mithi, Tharparkar	2022-23	3	6.768
5	Town Committee, Chelhar, Tharparkar		7	6.226
6	Town Committee, Jhuddo, Mirpurkhas		2	4.421
7	Town Committee, Dighri, Mirpurkhas		2	4.116
Total				**25.621**

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

The matter was reported to the management from March to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21 and 2019-20 vide para numbers 7.5.3.2, 7.5.2.2, 7.5.3.2 and 4.2.3.21 having financial impact of Rs7.056 million, Rs22.548 million, Rs4.479 million

and Rs55.188 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.3.4 Execution of development works through quotations instead of NIT Rs11.267 Million

According to the instructions issued by the Local Government Department, Government of Sindh vide letter No.SOI/LG/MICS/10-7/2013 dated 07-01-2014, "No development work on quotation should be carried-out. All development works be carried-out through NIT".

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs11.267 million on development works through quotations instead of open competitive bidding despite ban on execution of development works through quotations. Detail is at **Annex-MPK4.**

[Rs. in Million]

Sr. No.	Name of offices	F.Y.	AIR Para	Amount
1	Town Committee, Jhuddo, Mirpurkhas	2021-22	1	8.770
2	Town Committee, Digri, Mirpurkhas	2022-23	6	2.052
3	Town Committee, Kunri, Umerkot		9	0.445
Total				**11.267**

Audit was of the view that execution of development works through quotation in violation of government instructions was irregular which indicated weak internal controls.

The matter was reported to the management from March to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2018-19 vide para numbers 7.5.3.7 and 5.2.2.15 having financial impact of Rs1.024 million and Rs11.850 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.3.5 Irregular expenditure without inviting open tender - Rs3.358 Million

Rule 17(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two 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.

Further, Rule 17(1A) ibid, states that all procurement opportunities over two 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 audit of Town Committee Diplo, Mirpurkhas Division, for the financial year 2021-22, it was observed that the management incurred an expenditure of Rs3.358 million on hiring of labour without inviting open tenders. Detail is at **Annex-MPK5.**

Audit was of the view that hiring of labour without inviting open tender competitive rates could not be achieved which indicated poor financial management and weak internal controls.

The matter was reported to the management in March 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 18-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 4.2.3.19 having financial impact of Rs56.418 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 4]

7.5.3.6 Irregular expenditure on earth filling without estimates - Rs3.887 Million

According to Rule-109 of Sindh Local Council (Accounts) Rules 1983, stipulates that "No works shall be commenced unless administrative approval by competent authority is given and properly detailed design and estimate has been sanctioned, allotment of funds made, and order for its commencement are issued by competent authority".

Further, according to Rule 11.3.1 of Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works), "No work can be started simply

on the basis of allocation of funds for the scheme by the Government, unless detailed design and estimate have been sanctioned".

During audit of Town Committee Chachro, District Tharparkar, Mirpurkhas Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs3.887 million on earth filling works without preparation of estimates. Detail is at **Annex-MPK6.**

Audit was of the view that incurrence of expenditure on earth filling without preparation of estimates reflected poor internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 4.2.3.44 having financial impact of Rs2.103 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 8]

7.5.3.7 Non-imposition of liquidated damages - Rs18.746 Million

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".

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management awarded various works of Rs270.109 million but the contractors failed to complete the works within stipulated period. However, the liquidated damages amounting to Rs18.746 million @ 5% of contract value cost were not imposed as detailed below.

[Rs. in Million]

Sr. No.	Name of office	F.Y.	AIR Para	Amount
1	Town Committee Tando Jan Muhammad Mirpurkhas	2021-22	11	0.377
2	Town Committee, Jhuddo, Mirpurkhas	2022-23	6	6.805
3	Municipal Committee, Umerkot		8	4.975
4	Town Committee, Kunri, Umerkot		6	3.746
5	District Council, Mirpurkhas		10	1.333
6	District Council, Umerkot		9	0.785
7	Municipal Committee, Mirpurkhas		18	0.725
Total				**18.746**

Audit was of the view that due to non-imposition of liquidated damages undue favor was extended to the contractors which indicated weak financial management and internal controls.

The matter was reported to the management during May to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20 and 2018-19 vide para numbers 7.5.6.2, 4.2.3.30, and 5.2.2.16 having financial impact of Rs17.506 million, Rs15.017 million and Rs8.438 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.4 Recoveries related issues

7.5.4.1 Non-recovery of outstanding dues - Rs94.537 Million

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 audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not recover the outstanding dues amounting to Rs94.537 million on account of various heads from defaulters as detailed below.

[Rs.in Million]

Sr. No.	Name of Office	F.Y.	AIR Para	Outstanding dues
1	Town Committee, Tando Jan Muhammad, Mirpurkhas	2021-22	8	3.515
2	Town Committee, Diplo, Tharparkar		9	2.878
3	Town Committee, Islamkot, Tharparkar		6	1.777
4	Town Committee, Jhuddo, Mirpurkhas		14	1.476
5	Municipal Committee, Umerkot	2022-23	4	34.414
			12	0.370
6	Municipal Committee, Mithi, Tharparkar		1	16.610
7	District Council, Mirpurkhas		4	15.403
8	Municipal Committee, Mirpurkhas		10	9.619
			11	8.475
Total				**94.537**

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

The matter was reported to the management from March to October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 7.5.4.1, 7.5.3.1, 7.5.2.2, 4.2.3.1, and 5.2.2.2 having financial impact of Rs110.400 million, Rs39.417 million, Rs19.479 million, Rs173.521 million and Rs15.581 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.4.2 Non-deposit of taxes into public exchequer - Rs29.641 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the

Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, as per Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury".

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management deducted an amount of Rs29.641 million on account of income tax, general sales tax and Sindh sales tax on services from the bills of contractors and salaries of employees but failed to deposit the same into public exchequer. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Offices	F.Y.	AIR Para	Income Tax	General Sales Tax	Sindh Sales Tax	Total Taxes
1	Town Committee, Islamkot	2021-22	5	1.008	0.806	1.260	3.074
2	Town Committee, Diplo		8	0.652	-	1.399	2.051
3	Town Committee, Chachro		6	0.915	-	0.533	1.448
4	Town Committee, Kheme-Jo-Par		3	0.558	-	-	0.558
5	Town Committee, Hingorno		9	0.117	0.380	-	0.497
6	Town Committee, Nagarparkar		5	0.270	-	-	0.270
7	Town Committee, Nabisar		8	0.190	-	-	0.190
8	Town Committee, Naukot		10	0.055	-	0.075	0.130
9	District Council, Tharparkar	2022-23	1	3.830	-	2.818	6.648
10	Town Committee, Jhuddo		10	2.124	0.946	0.925	3.995
11	Town Committee, Digri		7	1.529	1.382	0.798	3.709
12	District Council, Umerkot		6	1.390	-	0.927	2.317
13	Town Committee, Chachro		3	1.398	-	-	1.398
			5	-	-	1.282	1.282
14	Town Committee, Islamkot		4	0.325	-	0.481	0.806
15	Municipal Committee, Mithi		4	0.738	-	-	0.738
16	Town Committee, Chelhar		4	0.530	-	-	0.530
Total				**15.629**	**3.514**	**10.498**	**29.641**

Audit was of the view that non-deposit of collected taxes into public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends depositing of the amount of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21 and 2018-19 vide para numbers 7.5.4.2, 7.5.3.3, 7.5.2.1 and 5.2.2.14 having financial impact of Rs41.286 million, Rs25.541 million, Rs23.777 million and Rs12.003 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.4.3 Non-deduction of government taxes - Rs15.966 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of the Income Tax Ordinance 2001 read with Income Tax Rules 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax @ 4.5% and 7.5% respectively".

Furthermore, according to Section 3(1) of Sales Tax Act 1990, as amended upto July 2015, "There shall be charged, levied and paid a tax known as sales tax at the rate of 17 [seventeen] per cent of the value of (a) taxable supplies made by a registered person".

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not deduct income tax, general sales tax and Sindh sales tax on services amounting to Rs15.966 million from the payments made to contractors, suppliers and employees. Detail is as under:

[Rs. in Million]

Sr.	Name of Office	F.Y.	AIR Para	IT	SST	GST	Total Taxes
1	Town Committee, Jhuddo	2021-22	15	3.630	-	-	3.630
			11	0.218	-	-	0.218
2	Town Committee, Chachro		5	0.111	0.628	-	0.739
3	Town Committee, Nagarparkar		2	-	-	0.354	0.354
4	Town Committee, Kheme-Jo-Par		1	-	-	0.338	0.338
5	Town Committee, Samaro		12	-	0.259	-	0.259
			11	0.150	-	-	0.150
6	Town Committee, Naukot		8	0.178	-	-	0.178
7	Municipal Committee, Mirpurkhas	2022-23	13	1.585	1.585	-	3.170
			20	0.096	0.234	-	0.330
8	Town Committee, Jhuddo		9	2.600	-	-	2.600
			7	0.319	-	-	0.319
9	Town Committee, Kunri		8	0.008	1.344	-	1.352
10	Municipal Committee, Umerkot		11	0.350	0.870	-	1.220

[Rs. in Million]

Sr.	Name of Office	F.Y.	AIR Para	IT	SST	GST	Total Taxes
11	Town Committee, Chelhar		2	-	-	0.814	0.814
12	Town Committee, Islamkot		3	-	-	0.191	0.191
13	District Council, Mirpurkhas		11	0.027	0.077	-	0.104
Total				**9.272**	**4.997**	**1.697**	**15.966**

Audit was of the view that non-deduction of taxes was loss to public exchequer which reflected weak financial and internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 7.5.4.3, 7.5.4.3, 4.2.3.2, and 5.2.1.1 having financial impact of Rs25.763 million, Rs17.018 million, Rs24.335 million, and Rs47.004 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.5 Value for Money and Service Delivery issues

7.5.5.1 Irregular expenditure on de-silting and disposal of garbage Rs18.538 Million

As per Schedule-II (Section 72-3) Part-II Compulsory Function of Sindh Local Government Act-2013, stipulates that a Corporation, Municipal Committee or Town Committee shall make adequate arrangements for the removal of refuse from all public streets, public latrines, urinals, drains and all buildings and lands vested in the Council concerned and for the collection and proper disposal of such refuse.

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs18.538 million on de-silting of drain/nallahs/ponds and sweeping of roads streets and cleaning open surface drains from the limits of towns as detailed below.

[Rs. in Million]

Sr. No.	Name of offices	F.Y.	AIR Para	Amount
1	Town Committee, Jhuddo, Mirpurkhas	2021-22	4	3.177
2	Town Committee, Samaro, Umerkot		2	1.273
3	Town Committee, Nabisar, Tharparkar		3	0.877
4	Town Committee, Naukot, Mirpurkhas		3	0.389
5	Town Committee, Digri, Mirpurkhas	2022-23	3	7.921
6	Town Committee, Jhuddo, Mirpurkhas		3	4.901
Total				**18.538**

Following irregularities were noticed:

i. Survey/Assessment of daily waste produced in town was not conducted before outsourcing of work.

ii. Estimation for desilting work was not prepared and measurement was also not recorded in measurement books.

iii. Dustbins or receptacles at accessible point of the public were not provided for proper accumulating refuse.

iv. Record of daily quantity lifted and disposed-off at dumping site(s) was not maintained nor supervised by sanitation inspectors/incharge.

Audit was of the view that incurrence of expenditure on collection, removal and disposal of silt and garbage without supporting record was irregular which indicated weak internal controls.

The matter was reported to the management from March to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20 and 2018-19 vide para numbers 7.5.5.1, 4.2.3.35 and 5.2.2.20 having financial impact of Rs20.085 million, Rs8.022 million and Rs2.224 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.6 Other issues

7.5.6.1 Less realization of targeted receipts - Rs170.553 Million

Section 100 (1) of Sindh Local Government Act 2013, states that unless otherwise provided, all taxes, rates, tolls and fees levied under this act shall be collected in the prescribed manner by the persons authorized for such collection: provided that where any tax, rate, toll or fee levied by a Council is also levied by Government, such tax, rate, toll or fee shall be collected with Government tax, and the proceeds thereof be credited to the local fund of the Council.

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not take appropriate measure to realize revenue targets of Rs170.553 million from various heads i.e. water supply charges, shop rent, certificate fee, parking fee, etc. Detail is as under:

[Rs.in Million]

Sr. No.	Name of offices	F.Y.	AIR Para	Targeted Receipts	Recovery Effected	Shortfall
1	Town Committee, Hingorno	2021-22	3	18.000	0.098	17.902
3	Town Committee, Diplo		7	9.136	1.464	7.672
2	Town Committee, Naukot		9	5.400	1.446	3.954
4	Town Committee, Islamkot		4	4.805	2.324	2.481
5	Town Committee, Samaro		14	2.510	0.516	1.994
6	Town Committee, Tando Jan Muhammad		10	1.470	0.353	1.117
7	Town Committee, Nabisar		7	1.005	0.682	0.323
8	Town Committee, Digri	2022-23	8	82.293	12.455	69.838
9	Municipal Committee, Mirpurkhas		6	36.597	9.775	26.822
			14	2.437	0.242	2.195
10	Town Committee, Jhuddo		11	58.780	42.534	16.246
11	Town Committee, Islamkot		5	28.775	13.536	15.239
12	Municipal Committee, Umerkot		9	26.814	22.044	4.770
Total				**278.022**	**107.469**	**170.553**

Audit was of the view that due to less-realization of revenue targets, the councils were deprived of legitimate revenue which indicated poor financial controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for non-achievement of revenue targets.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20 and 2018-19 vide para numbers 7.5.6.1, 7.5.3.2, 4.2.3.7, and 5.2.2.8 having financial impact of Rs127.617 million, Rs216.989 million, Rs135.756 million and Rs25.838 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.6.2 Non-maintenance of POL record - Rs137.635 Million

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 the Sindh Local Councils (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 audit of following Local Councils of Mirpurkhas Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs137.635 million on POL for official vehicles and machinery but did not maintain of petrol account register, history sheet, log book of each vehicle, tour program/diary of official vehicles. Detail is as under:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount
1	Municipal Committee, Mirpurkhas	3	44.754
2	Municipal Committee, Umerkot	7	18.574
3	Town Committee, Digri, Mirpurkhas	9	17.212
4	Town Committee, Kunri, Umerkot	3	15.264
5	Town Committee, Islamkot, Tharparkar	6	14.522
6	Town Committee, Jhuddo, Mirpurkhas	12	8.433
7	District Council, Umerkot	5	8.018
8	District Council, Mirpurkhas	9	4.859
9	District Council, Tharparkar	2	3.130
10	Town Committee, Chelhar, Tharparkar	5	1.704
11	Town Committee, Chachro, Tharparkar	4	1.165
Total			**137.635**

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that responsibility may be fixed on person(s) at fault for incurring expenditure without maintenance of prescribed record.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2018-19 vide para numbers 4.2.3.12 and 5.2.2.9 having financial impact of Rs102.814 million and Rs19.740 million respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.6.3 Unauthorized creation of liability - Rs128.528 Million

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

Further, Finance Department, Government of Sindh, vide letter No.FD.SO(LF-I) Misc/(171)2013 dated 13-08-2013, instructed all the Local Councils/District Councils/ defunct TMAs that payment of salaries and pension may be given first priority from the OZT funds released by Finance Department.

During audit of following Local Councils of Mirpurkhas Division, for the financial year 2022-23, it was observed that the management created liability amounting to Rs128.528 million in the head of pension and financial assistance and put extra burden over council funds. Creation of liability under the heads of pension and financial assistance showed that payments were made by giving priority to development works in violation of rules as detailed below:

[Rs in Million]

Sr. No.	Name of office	AIR Para	Description	Total amount of liability created
1	District Council, Tharparkar	5	Pension/Commutation/Leave encashment/Financial Management	10.000
			Contractor's liabilities	82.271
2	Town Committee, Kunri, Umerkot	2	pension and commutation of 30 retired employees	36.257
Total				**128.528**

Audit was of the view that creation of pension liability by giving priority to the payments of development works in violation of rules indicated weak financial management.

The matter was reported to the management during September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 4.2.3.8 having financial impact of Rs124.250 million. Recurrence of same irregularity is a matter of serious concern.

7.5.6.4 Expenditure over and above the allocated budget - Rs68.483 Million

According to Rule-75 (1) of Sindh Council (Budget) Rules, 2017, "Every Disbursing Officer shall be responsible for watching expenditure incurred against supply communicated to him. (2) No expenditure shall be incurred without necessary appropriation or in excess of the sanctioned appropriation.

During audit of following Local Councils of Mirpurkhas Division, for the financial year 2022-23, it was observed that the management incurred expenditure of Rs68.483 million on account of various heads over and above the allocated budget in violation of rules as detailed below. Further detail is at **Annex-MPK7.**

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount
1	Municipal Committee, Umerkot	2	50.808
2	District Council, Mirpurkhas	2	17.675
Total			**68.483**

Audit was of the view that incurrence of expenditure over and above the allocated budget was irregular which indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

7.5.6.5 Non-maintenance of stock registers - Rs35.147 Million

According to Rule 95 'Receipt of stores' of Sindh Local Councils (Accounts) Rules, 1983, "All materials received from the supplier, workshops, manufactures, departments of Government and any other agency, should be examined counted measured or weighted as the case may be, by the Incharge Municipal store or by the head of department, when delivery is taken and should be kept in charge of a responsible officer, who should be required to give a certificate that he actually received the materials and recorded them in the appropriate stock register".

During audit of following Local Councils of Mirpurkhas Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs35.147 million on account of procurements of electrical items, sanitation material, stationery items etc., but failed to account for into relevant stock registers. Detail is as under:

[Rs. in Million]

Sr. No.	Name of offices	AIR Para	Amount
1	Town Committee, Jhuddo, Mirpurkhas	14	9.133
2	Town Committee, Digri, Mirpurkhas	11	6.163
3	Municipal Committee, Mithi, Tharparkar	11	4.907
4	Town Committee, Chelhar, Tharparkar	10	4.714
5	Municipal Committee, Umerkot	10	4.684
6	Town Committee, Kunri, Umerkot	7	2.783
7	Town Committee, Chachro, Tharparkar	11	1.190
8	Town Committee, Islamkot, Tharparkar	8	1.126
9	District Council, Tharparkar	8	0.447
Total			**35.147**

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

The matter was reported to the management from September to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

7.5.6.6 Loss to council due to attachment of amount by FBR - Rs29.000 Million

Section (1) of Appendix 18-A of Sindh Financial Rules Volume-1, states 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 audit of Town Committee, Jhuddo, Mirpurkhas Division, for the financial year 2021-22, it was observed that the management neither filed annual tax returns nor deposited withheld income tax for the years from 2017 to 2021 despite issuance of notices by the office of Regional Tax Office Hyderabad. Resultantly, an amount of Rs29.000 million was attached by the income tax authority on 03-02-2021. Further, the reconciliation of income tax in order to ascertain the actual amount due was not carried out with the income tax authority.

Audit was of the view that the council sustained loss due to non-deposit of income tax in time into the public exchequer which indicated negligence of the management and weak internal controls.

The matter was reported to the management in April 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 18-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

[AIR Para: 10]

7.5.6.7 Non-reconciliation of receipts - Rs13.082 Million

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 audit of following Local Councils of Mirpurkhas Division, for the financial year 2022-23, it was observed that the management received an amount of Rs13.082 million on account of property tax from sub-registrar, revenue department, government of Sindh on lump sum basis but no efforts were made to obtain detail of

property and reconcile the same with actual collection transferred by revenue department as detailed below:

[Rs. in Million]

Sr. No.	Name of office	AIR Para	Amount
1	District Council, Mirpurkhas	7	10.175
2	District Council, Tharparkar	7	2.907
Total			**13.082**

Audit was of the view that management failed to reconcile the receipts of property transfer fees with the revenue department, government of Sindh, which indicated poor financial management and weak internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

7.5.6.8 Unauthorized utilization of security deposit funds - Rs10.025 Million

Para 7.12.3 (i) of Guidelines / Regulations for Procurement of Works issued by SPPRA, stipulates that security deposit be released in either of following ways, but the same shall be mentioned in the contract data /special conditions of the contract:

(a) On completion of the works; half the total amount retained is refunded to the contractor and half when the defects liability period has passed and the engineer has certified that all defects notified to the contractor before the end of this period have been attended to his satisfaction;

(b) full amount be released after completion of defect liability period.

During audit of Town Committee Diplo, Mirpurkhas Division, for the financial year 2021-22, it was observed that total payments of Rs10.517 million were made from the security deposit Account No.162-0 (4110995252) NBP Diplo Branch. However, the refund of security deposit was only Rs0.492 million. This showed that funds of Rs10.025 million of security deposit were utilized by the management unauthorizedly as detailed below:

[Rs. in Million]

Description	Amount
Brought forwarded Balance as on 01-07-2021	10.529
Total credit transactions	0
Total debit transactions	10.517
Closing balance on 30-06-2022	0.012
Refund of Call Deposit /Security Deposit as per bank statement	0.492
Other expenditure incurred out of security deposit account	**10.025**

Audit was of the view that utilization of security deposit amount for the purpose other than refund to the contractors indicated poor financial management and weak internal controls.

The matter was reported to the management in May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 18-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

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

[AIR Para: 2]

7.5.6.9 Award of works without execution of agreement - Rs8.926 Million

According to Regulation for Procurement of Works, SPPRA Notification No.Dir(A&F)/SPPRA/Bod/12-13/9316 dated 22nd March, 2013, Para-7.12.3, Contract Agreement, "The contract document confirms in writing the contract which has been agreed and formed between the procuring agency and the contractor. The authorized signatory for the procuring agency should sign all copies of the contract within 28 days of receipt of the letter of acceptance, send the 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 25 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 audit of Municipal Committee Mithi, District Tharparkar, Mirpurkhas Division, for the financial year 2022-23, it was observed that management awarded contracts of Rs8.926 million without executing contract agreements with contractors. Further, government also sustained loss of Rs0.031 million on account of stamp duty. Detail is provided at **Annex-MPK8.**

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

The matter was reported to the management during October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2019-20 vide para number 4.2.3.9 having financial impact of Rs124.025 million. Recurrence of same irregularity is a matter of serious concern.

[AIR Para: 7]

7.5.6.10 Unjustified expenditure on purchase of water - Rs2.937 Million

According to Rule-04, Part-I of 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 audit of Town Committee Jhuddo, Mirpurkhas Division, for the financial year 2022-23, it was observed that management incurred expenditure of Rs2.937 million on purchase of water, without shortage declared by concerned authority. Detail is provided at **Annex-MPK9.**

The following discrepancies were noticed:

i. Procurement of water was made without demand/request from local residents.

ii. No detail of beneficiaries was provided to audit.

iii. Procurement of water tankers was made on exorbitant rates.

iv. The approval of procurement was made by invalid procurement committee without inclusion of external member for ensuring transparency in rates.

Audit was of the view that supply of water to public without any demand, proper justification and maintenance of relevant record indicated poor management and weak internal controls.

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 29-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 4]

7.5.6.11 Non-revision of rent of shops at fair value

According to Rule 9(1) of Sindh Rental Premises Ordinance 1979, "Where the fair rent of any premises has been fixed, no further increase thereof shall be effected unless a period of three years has elapsed from the date of such fixation or commencement of this ordinance whichever is later". Further, Rule 9(2) ibid stipulates that "The increase is allowed @ 10% per annum on the existing rent".

During audit of Town Committee Digri, Mirpurkhas Division, for the financial years 2021-22 and 2022-23, it was observed that the management owned 435 number of shops at different locations of the council and allotted to various tenants but did not revise rent of various tenants since many years, resulting into loss of legitimate revenue to the councils. The record of allotments was also not provided; hence the actual period of tenancy could not be ascertained as detailed below:

Sr. No.	Name of Office	AIR Para	FY	No. of shop
1	Town Committee, Islamkot, Tharparkar	9	2021-22	59
2	Town Committee, Samaro, Umerkot	13		108
3	Town Committee Digri, Mirpurkhas	12	2022-23	268
Total				**435**

Audit was of the view that non-revision of rent of shops was a loss to the Councils which reflected poor financial management.

The matter was reported to the management from March to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends revision of rent of shops at fair value.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20 and 2018-19 vide para numbers 7.5.6.3, 7.5.3.5, 7.5.4.2, 4.2.3.38 and 5.2.2.10 respectively. Recurrence of same irregularity is a matter of serious concern.

7.5.6.12 Non-establishment of provident, pension, benevolent fund

As per Rule 125 (1), Chapter-XIV of SLGA 2013, a Council may, establish and maintain-

a. Provident fund for the benefit of its employees, who shall contribute to such fund in such manner and proportion as may be prescribed.

b. Pension fund from which pension, shall, in the prescribed manner, be paid to the employees of the Council.

c. Benevolent fund, in the prescribed manner from which any special pension or gratuity, shall, in the prescribed manner be paid to the family of employee of the Council, who dies of disease or injury contracted or suffered by him in the discharge of his official's duties.

During audit of following Local Councils of Mirpurkhas Division, for the financial years 2021-22 to 2022-23, it was observed that the management failed to establish provident, pension and benevolent fund for the benefits of employees of the council.

Sr. No.	Name of office	F.Y.	AIR Para
1	Town Committee, Tando Jan Muhammad, Mirpurkhas	2021-22	12
2	Town Committee, Hingorno		12
3	Town Committee, Digri, Mirpurkhas	2022-23	14
4	Town Committee, Jhuddo, Mirpurkhas		16
5	Town Committee, Chelhar, Tharparkar		6
6	Town Committee, Chachro, Tharparkar		13

Audit was of the view that non-establishment of mandatory funds indicated weak internal controls and financial management.

The matter was reported to the management from May to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of

the report despite issuance of letters dated 18-07-2023 and 29-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends establishment of mandatory funds as per provision of the Sindh Local Government Act, 2013.

7.5.6.13 Non-maintenance of property record

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 audit of Town Committee Kheme-Jo-Par, Mirpurkhas Division, for the financial year 2021-22, it was observed that the management failed to maintain property record as mentioned in schedule of Sindh Local Councils (Property) Rules, 2017. 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.

Audit was of the view that management failed to comply with the prescribed rules for maintenance of property record which indicated weak internal controls. Besides, chances of encroachment could not be ruled out.

The matter was reported to the management in March 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 18-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends maintenance of required property record at the earliest on the prescribed format.

[AIR Para: 07]

Chapter-8

Shaheed Benazirabad Division





Dalel Dero Fort, Shaheed Benazirabad

Chapter-8: Local Councils, Shaheed Benazirabad Division

8.1 Introduction

Shaheed Benazirabad Division consists of three Districts namely Shaheed Benazirabad, Sanghar and Naushahro Feroze. Each District Council / Municipal Committee /Town Committee in Shaheed Benazirabad Division is headed by Chairman/ Chief Officer/ Chief Municipal Officer/ Town officer who carries out operations as per Sindh Local Government Act, 2013.

The functions of Local Councils are summarized below:

i. Prepare development plans for the Town including plans for land use, zoning and functions for which Municipal Corporation/Committeesis responsible.

ii. Exercise control over land use, land subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.

iii. Enforce all municipal laws, rules and bye-laws governing Municipal Corporation/Committees functioning.

iv. Prepare budget, long term and annual municipal development programs in collaboration with the Union Councils.

v. Collect approved taxes, cess, user fees, rates, rents, tolls, charges, fines and penalties.

vi. Manage properties, assets and funds vested in the Municipal Corporation/Committees.

vii. Develop and manage schemes, including site development in collaboration with Union Administration.

viii. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.

ix. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.

x. Maintain municipal records and archives.

8.2 Comments on Budget and Accounts (Variance Analysis)

[Rs. in Million]

Sr. No.	District	Head	Budget	Actual	Excess (+) Savings (-)
1	**Nawabshah**	Establishment	1,177.125	906.723	-270.402
		Non-salary	700.394	348.725	-351.669
		Development	454.112	198.514	-255.598
		Total Expenditure	**2,331.631**	**1,453.962**	**-877.669**
		Receipts	**2,297.339**	**1,460.902**	**-836.437**
2	**Sanghar**	Establishment	1,986.137	1,553.770	-432.368
		Non-salary	796.440	612.510	-183.930
		Development	691.870	207.786	-484.084
		Total Expenditure	**3,474.447**	**2,374.065**	**-1,100.382**
		Receipts	**2,297.339**	**1,460.902**	**-836.437**
3	**Naushahro Feroze**	Establishment	1,729.533	1,100.710	-628.823
		Non-salary	584.945	276.090	-308.855
		Development	537.532	128.516	-409.016
		Total Expenditure	**2,852.010**	**1,505.316**	**-1,346.694**
		Receipts	**2,297.339**	**1,460.902**	**-836.437**
Grand Total Shaheed Benazirabad		**Establishment**	**4,892.795**	**3,561.203**	**-1,331.593**
		Non-salary	**2,081.779**	**1,237.325**	**-844.454**
		Development	**1,683.514**	**534.817**	**-1,148.697**
		Total Expenditure	**8,658.088**	**5,333.344**	**-3,324.744**
		Receipts	**6,892.017**	**4,382.705**	**-2,509.312**

The budgeted expenditure of Local Councils of Shaheed Benazirabad Division for the financial year 2022-23 was Rs8,658.088 million, against which the actual expenditure was Rs5,333.344 million, resulting in saving of Rs3,324.744 million. The management of Local Councils were unable to realize the receipts' targets resulting in shortfall of Rs2,509.312 million.

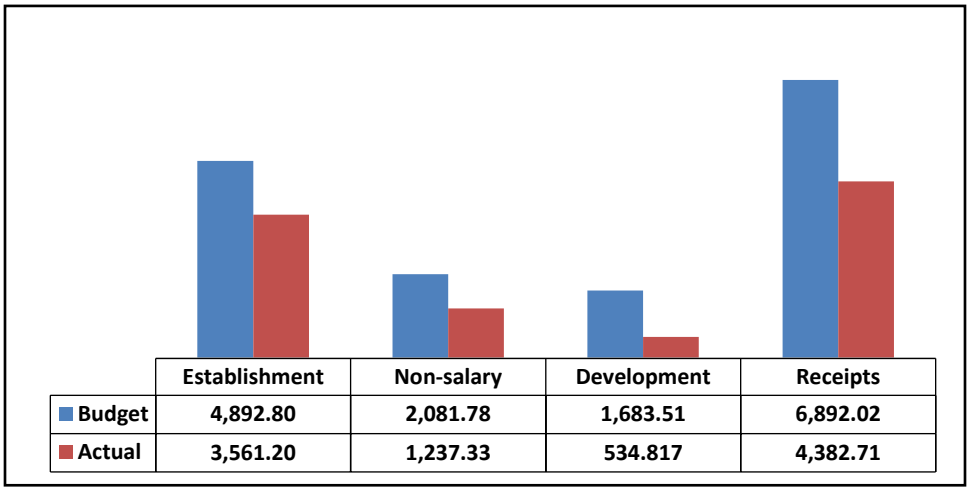


Table-: Audit Profile of Shaheed Benazirabad Division

[Rs. in Million]

Sr.	Description	Formations		Financial Year 2022-23	
		Planned	Audited	Expenditure audited	Revenue / Receipts audited
1.	Formations	40	30	5,333.344	4,382.705
2.	Assignment Accounts, SDAs (excluding FAP)	-	-	-	-
3.	Authorities/Autonomous Bodies under the PAO	-	-	-	-
4.	Foreign Aided Projects (FAP)	-	-	-	-

8.3 Classified Summary of Audit Observations

Audit observations amounting to Rs992.250 million were raised in this report during the current audit of Shaheed Benazirabad Division. The amount also includes recoveries of Rs266.971 million as pointed out by Audit. Summary of the audit observations classified by nature is as under:

Table: Overview of Audit Observations:

[Rs. in Million]

Sr.	Classification	Amount
1	Non-Production of Record	-
2	HR/Employees related irregularities	1.444
3	Procurement related irregularities	376.287
4	Recoveries related irregularities	266.971
5	Value for money and service delivery issues	25.752
6	Other issues	321.796
Total		**992.250**

8.4 Brief Comments on the Status of Compliance with PAC Directives

The audit reports pertaining to following years have been submitted to the Governor of Sindh. Detail of paras presented in PAC meetings is reflected hereunder:

Audit Year	No. of Paras	Status of Paras discussed in PAC Meetings
2012-13	20	2 – Partial
2013-14	6	1 – Partial
2014-15	25	-Nil-
2015-16	20	-Nil-
2016-17	27	-Nil-
2017-18	32	-Nil-
2018-19	27	-Nil-
2019-20	59	-Nil-
2020-21	11	-Nil-
2021-22	12	-Nil-
2022-23	30	-Nil-

8.5 Audit Paras

8.5.1 Non-production of record

8.5.1.1 Non-production of record

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

> "(2) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with 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 audit of various Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not produce auditable record pertaining to establishment, contingency, revenue, development and various registers, etc., involving minimum financial impact of Rs171.556 million for audit scrutiny. Detail is at **Annex-SBA1.**

Audit was of 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.

The matter was reported to the management from March to December 2023. The management of District Council, Shaheed Benazirabad replied that requisite record was ready and could be produced. Reply was not tenable as the record was not produced during audit, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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 Audit Years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 vide para numbers 8.5.1.1,

8.5.1.1, 8.5.1.1, 5.2.2.1, 6.2.1.1 and 6.2.1.1 having financial impact of Rs249.611 million Rs195.827 million, Rs125.275 million, Rs259.852 million, Rs7.000 million and Rs588.423 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.2 HR/Employees related irregularities

8.5.2.1 Unauthorized creation of new posts without approval of schedule of establishment

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 audit of Municipal Committee Khipro, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that the management included 17 new posts in the Schedule of Establishment without approval of the Administrative Department. Moreover, posts of Fire Officer and Computer Operator were also upgraded from BS-11 to 16 without approval. Detail is at **Annex-SBA2.**

Audit was of the view that creation of posts without approval of schedule of establishment from government was unauthorized and indicated poor financial management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

[AIR Para: 4]

8.5.2.2 Irregular out of turn/cadre promotions

As per Notification No.SOV/(LG)/9-45/2015 dated 04-02-2016 issued by Local Government Department, Government of Sindh, in compliance of Judgment of Honorable Supreme Court of Pakistan, all Deputy Commissioners/Controlling Authority

of District Councils / Municipal Committees were directed to ensure that no officer/official was working on OPS/Ex-cadre post (SCUG/Non-SCUG)/Out of Turn Promotion/Deputation and Absorption basis in any Council of the Province of Sindh. Further, it was also directed that any officer/official found working in violation of the Judgment of the Honorable Supreme Court of Pakistan should immediately be relieved.

During audit of Municipal Committee Shahdadpur, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that various employees of the council were promoted by out of turn/cadre in violation of above notification. Detail is at **Annex-SBA3.**

Audit was of the view that out of turn/cadre promotions of officers/officials were violation of the directives of the Local Government Department which indicated poor management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 3]

8.5.2.3 Irregular joining and payment of salary - Rs1.444 Million

According to Section 116 (07), Chapter-XII of the Sindh Local Government Act, 2013, "Every Member or Employee of a Council and every person, charged with the administration of the affairs of a Council, or acting on behalf of a Council shall be personally liable for the loss, waste, misapplication or unauthorized application of any moneys or property belonging to the Council which is a direct consequence of his negligence or misconduct, and the liability of such member, employee or person shall be determined by the Government in the prescribed manner".

During audit of Municipal Committee Tando Adam, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that management allowed joining to Mr. Asif Ali Khaskheli as Junior Clerk BPS-11 on 04-01-2023 and awarded him the charge of Office Superintendent without any order of the administrative department. Moreover, he was posted as Administrator of the Municipal Committee, Tando Adam by mentioning him as a Council Employee of BS-16 despite the fact that he was a Junior Clerk BPS-11. Further, the order was signed by an official on behalf of

Director-I which also seemed doubtful. The details of other payments authorized by him as administrator were not provided to audit. The official also drawn arrears of salary of Rs1.444 million w.e.f 07-08-2020 to 30-04-2023 which were irregular and recoverable from him. Detail is as under:

[Rs. in Million]

Name of Employee	Posted as	Period of Arrears	Cheque # & Date	Total Arrears of Salary	Tenure as Administrator
Mr. Asif Ali	Junior Clerk (BS-11)	07-08-20 to 30-04-23	39783010 07-06-23	1.444	14-06-23 to 19-06-23

Audit was of the view that allowing joining of official as Junior Clerk (BPS-11) without order of administrative department was irregular. Further, his posting as administrator BPS-16 through a doubtful order indicated poor management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that the matter may be investigated thoroughly for fixing responsibility on person(s) at fault.

[AIR Para: 5]

8.5.2.4 Irregular posting of staff 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 audit of Town Committee Naushahro Feroze, Shaheed Benazirabad Division, for the financial year 2021-22, it was observed that management posted various employees without sanctioned strength. Detail is as under:

Sr. No.	Branch	Sanctioned strength	Working strength	Excess
1	Water Supply Branch	7	8	1
2	Public Park	13	14	1
3	Fire Brigade	24	25	1
4	Tractor Staff	-	6	6
Total		**44**	**53**	**9**

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

The matter was reported to the management in March, 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 21-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends that the sanctioned strength should be followed within the organization.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 8.5.2.2 having financial impact of Rs 148.292 million. Recurrence of same irregularity is matter of serious concern.

[AIR Para: 14]

8.5.3 Procurement related irregularities

8.5.3.1 Splitting up of expenditure to avoid open tender - Rs103.542 Million

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(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs103.542 million through quotations by splitting the procurements which resulted into non-achievement of competitive rates as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F. Y.	Amount
1	Town Committee Jatia	3	2021-22	6.106
2	Town Committee Khadro	1		7.702

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F. Y.	Amount
3	Town Committee Jhol	1		7.962
4	Town Committee Sinjhoro	3		2.648
5	Municipal Committee Moro	2	2022-23	19.294
6	Town Committee Mehrabpur	4		17.166
7	Town Committee Sakrand	3		11.624
8	Town Committee Bhiria Road	4		11.142
9	Town Committee Bhiria City	4		4.587
10	Municipal Committee Sanghar	6		4.169
11	Municipal Committee Nawabshah	2		3.939
12	Municipal Committee Tando Adam	2		3.401
13	Municipal Committee Shahdadpur	1		2.626
14	District Council Sanghar	9		1.176
Total				**103.542**

Audit was of the view that incurrence of expenditure by splitting the procurements resulted into non-obtaining of competitive rates and violation of Sindh Public Procurement Rules which indicated weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 vide para numbers 8.5.3.2, 8.5.3.2, 8.5.3.1, 5.2.3.38, 6.2.2.12 and 6.2.3.15 having financial impact of Rs66.618 million, Rs70.237 million, Rs64.002 million, Rs24.144 million, Rs39.451 million and Rs37.438 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.3.2 Irregular utilization of sanitation funds through quotations Rs76.358 Million

According to Rule 11(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, "All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer-term rolling plan, detailing the procurement methods applicable for specific procurements".

Further, Rule 17(1), Part-II ibid, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred expenditure of Rs76.358 million on various sanitation works (removal of garbage, cleaning & sweeping streets, silt clearance, de-silting of main sewer lines, earth filling) through quotations by keeping each transaction below Rs300,000/- to avoid open competitive bidding; whereas, the work of sanitation being a mandatory function of the Council was foreseen prior to commencement of financial year at the time of budget preparation/approval. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	F. Y.	Amount
1	Town Committee Naushahro Feroze	2	2021-22	2.344
2	Town Committee Darya Khan Mari	2		7.904
3	Town Committee Kazi Ahmed	2		3.552
4	Town Committee Daulatpur	3		2.880
5	Town Committee Shahpur Jahania	3		1.547
6	Town Committee Sarhari	2		2.113
7	Town Committee Bhiria	2,3		5.224
8	Town Committee Mehrabpur	4,5		11.583
9	Town Committee Tharo Shah	2		4.909
10	District Council Naushahro Feroze	2	2022-23	12.226
11	Municipal Committee Tando Adam	3		8.698
12	Municipal Committee Sanghar	2		8.168
13	Town Committee Kandiaro	4		4.076
14	Municipal Committee Khipro	1		1.134
Total				**76.358**

Audit was of the view that incurrence of expenditure through quotations without obtaining competitive rates in violation of Sindh Public Procurement Rules indicated weak internal controls.

The matter was reported to the management from March to October 2023. The management of Town Committee, Kandiaro replied that due to shortage of staff and increasing population day by day the work of removal of garbage, desilting of drains and nallahs were being executed through quotations on necessity basis. Reply was not tenable as expenditure was incurred through quotation without open competitive bidding, whereas no reply was received from other offices. The PAO did not convene DAC

meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2021-22 vide para numbers 8.5.3.3 and 8.5.3.1 having financial impact of Rs61.807 million and Rs156.611 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.3.3 Splitting up of the works to avoid publication in print media Rs60.931 Million

According to 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(1), Part-II ibid, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of District Council Shaheed Benazirabad, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that the management awarded various works of Rs60.931 million by splitting expenditure to avoid publication of the tender in print media. Detail is at **Annex-SBA4**.

Audit was of the view that award of works by splitting procurement to avoid publication of the tender in print media resulted into non-obtaining of competitive rates and violation of Sindh Public Procurement Rules which indicated weak internal controls.

The matter was reported to the management in November 2023. The management of District Council, Shaheed Benazirabad replied that SPPRA base NIT was called without publication in print media. Moreover, payments of all works were made under the limits of two (2) million. The reply was not tenable as the works were split up to avoid publication in print media. The PAO did not convene DAC meeting till

finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

[AIR Para: 1]

8.5.3.4 Award of works without execution of contract agreement Rs37.215 Million

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 audit of Town Committee Sakrand, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that the management awarded contract of Rs37.215 million without executing contract agreements with the contractors Further, government also sustained loss of Rs 0.130 million on account of stamp duty as detailed below:

[Rs. in Million]

Description of work	Name of Contractor	Work Order # and date	Contract Amount	Loss of Stamp duty
Solid waste door to door collecting ward No. 1 to 15, maintaining integrative resources recovery enter, work of sweeping of roads, streets, cleaning of open drain, sewerage line	M/s Consol Enterprises Pvt. Ltd.	773/2022 30-9-2022	37.215	0.130

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

The matter was reported to the management in November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2017-18 vide para numbers 5.2.3.29 and 6.2.3.18 having financial impact of Rs24.013 million and Rs24.160 million respectively. Recurrence of same irregularity is matter of serious concern.

[AIR Para: 7]

8.5.3.5 Execution of development works through quotations instead of NIT Rs32.250 Million

According to the instructions issued by the Local Government Department, Government of Sindh vide letter No.SOI/LG/MICS/10-7/2013 dated 07-01-2014, "No development work on quotation should be carried-out. All development works be carried-out through NIT".

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management incurred an expenditure of Rs32.250 million on development works (improvement of infrastructure) through quotations instead quotations instead of inviting open tenders in violation of government instructions as detailed below.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F. Y.	Amount
1	Municipal Committee Khipro	2	2021-22	1.977
		2	2022-23	2.279
2	District Council Sanghar	1		13.299
3	Municipal Committee Sanghar	1		7.411
4	Municipal Committee Nawabshah	1		7.284
Total				**32.250**

Audit was of the view that execution of development works through quotation in violation of government instructions was irregular which indicated weak internal controls.

The matter was reported to the management from March to November 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22 and 2019-20 vide para numbers 8.5.3.7, 8.5.3.3 and 5.2.3.30 having financial impact of Rs8.267 million, Rs13.004 million and Rs22.131 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.3.6 Irregular award of works without publication of tender in print media Rs20.327 Million

Rule 17(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

During audit of District Council Shaheed Benazirabad, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that management awarded various works of Rs20.327 million to different contractors without publication of tender in print media. Detail is at **Annex-SBA5**.

Audit was of the view that non-publication of tender in print media resulted into non-obtaining of competitive rates in violation of rules which indicated poor financial management and weak internal controls.

The matter was reported to the management in November 2023. The management of District Council Shaheed Benazirabad agreed with the Audit contention and have replied that the Council called the SPPRA base NIT without publication in print media. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 1]

8.5.3.7 Irregular procurement without constituting procurement committee Rs18.595 Million

According to Rule 7, Part-I of Sindh Public Procurement Rules 2010, "The procuring agency shall, with approval of its Head of the Department, constitute as many procuring committees, as it deems fit, each comprising odd number of persons and headed by a gazetted officer not below the rank of BS-18, or if not available, the officer

of the highest grade, and shall ensure that at least one third of the members of a procurement committee are from the agencies or departments other than the procuring agency".

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs18.595 million, on various purchases and works without constitution of procurement committee to evaluate rates offered by bidders as detailed below.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1	Town Committee Mehrabpur	5	12.905
2	Municipal Committee Moro	3	5.690
Total			**18.595**

Audit was of the view that purchases and works were made without constituting the procurement committee which indicated weak internal controls.

The matter was reported to the management from October to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20 and 2017-18 vide para numbers 5.2.3.34 and 6.2.3.17 having financial impact of Rs9.693 million and Rs26.267 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.3.8 Irregular expenditure without inviting open tender - Rs7.006 Million

Rule 17(1), Part-II of Sindh Public Procurement Rules 2010, as amended in 2019, stipulates that procurements over three hundred thousand rupees and up to two 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.

Further, Rule 17(1A) ibid, states that all procurement opportunities over two 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 audit of Municipal Committee Tando Adam, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs7.006 million on various procurements without inviting open tenders. Detail is at **Annex-SBA6.**

Audit was of the view that due to award of work without inviting open tender competitive rates could not be achieved which indicated poor financial management and weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2019-20 vide para numbers 8.5.3.5 and 5.2.3.39 having financial impact of Rs23.875 million and Rs7.625 million respectively. Recurrence of same irregularity is matter of serious concern.

[AIR Para: 1]

8.5.3.9 Irregular award of auctions - Rs1.705 Million

Notification No.SOA/LG/4(82)/2013 dated 03-05-2016, issued by Local Government Department, Government of Sindh, stipulates that the auction committee comprising the following shall supervise the process of various auctions of Municipal Committees.

i.	Director Local Government	Chairman
ii.	Assistant Director Local Government	Member
iii.	Chief Executive of the Council concerned	Member
iv.	Taxation officer	Member/Secretary
v.	Accounts Officer	Member

During audit of Town Committee, Kazi Ahmed, Shaheed Benazirabad Division, for the financial year 221-22, it was observed that the management awarded auction of Rs1.705 million for collection rights of different fees i.e. katchi piri, Market Nagani and

advertisement fee etc., without participation of concerned external members of the committee, i.e., Director and Assistant Director, Local Government Department, in violation of above notification as detailed below:

Sr. No.	Name of Tax	Official Bid 2021-22	Members of Auction Committee evaluated bids
1	Katchi Piri Tax	1,457,000	1- Administrator
2.	Advertisement Fee	175,000	2- Town Officer
3	Market Nagani Fee	72,500	3- Accounts Officer
Total		**1,704,500**	4- Tax Superintendent

Audit was of the view that award of auctions without participation of external members of the committee was irregular which indicated weak internal controls.

The matter was reported to the management in May 2022, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 21-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks clarification in the matter.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 8.5.3.11 having financial impact of Rs1.966 million. Recurrence of same irregularity is matter of serious concern.

[AIR Para: 06]

8.5.3.10 Irregular award of auctions without execution of contract agreements

Rule 13(1), Chapter-III of Sindh Local Councils (Auctioning of Collection Rights) Rules, 2016 stipulates that as soon as the confirmation from the Council about the acceptance of bid or offer is received, the Local Council administration shall communicate the acceptance of bid or offer to the contractor immediately by a letter through special messenger at his address provided by him at the time of participation in auction and direct him to enter into written agreement and fulfill his obligations in accordance with the terms and conditions of contract.

During audit of Town Committee Shahpur Chakar, Shaheed Benazirabad Division, for the financial year 2021-22, it was observed that the management awarded contracts of fee collection rights amounting to Rs6.740 million without execution of contract agreements as detailed below:

[Amount in Rs.]

Sr. No.	Description of Auction	Amount
1.	Cattle Piri Fee	5,560,000
2.	Entrance/ Parking Fee	970,000
3.	Subzi Dalali Fee	145,000
4.	Pat Piri Tax	65,000
Total		**6,740,000**

Audit was of the view that award of fee collection rights without execution of contract agreements was irregular which indicated poor financial management.

The matter was reported to the management in April 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 21-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit seeks justification in the matter.

[AIR Para: 05]

8.5.3.11 Irregular expenditure on earth filling without estimates - Rs10.762 Million

According to Rule 109, Chapter-XIII of Sindh Local Council (Accounts) Rules 1983, "No works shall be commenced unless administrative approval by competent authority is given and properly detailed design and estimate has been sanctioned, allotment of funds made, and order for its commencement are issued by competent authority".

During audit of District Council Sanghar, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs10.762 million on earth filling works without preparation of estimates. Detail is at **Annex-SBA7**.

Audit was of the view that incurrence of expenditure on earth filling without preparation of estimates reflected poor internal controls.

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23 and 2019-20 vide para numbers 8.5.3.12 and 5.2.3.33 having financial impact of Rs1.564 million and Rs10.016 million respectively. Recurrence of same irregularity is matter of serious concern.

[AIR Para: 3]

8.5.3.12 Non-imposition of liquidated damages - Rs7.619 Million

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".

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management awarded various works amounting to Rs152.386 million but the contractors failed to complete the works within stipulated time period. However, the liquidated damages amounting to Rs7.619 million @ 5% of contract value were not imposed. Detail is at **Annex-SBA8.**

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Penalty/Liquidated damages Amount
1	Town Committee, Tharo Shah	4	2021-22	0.278
2	District Council, Naushahro Feroze	9	2022-23	7.341
Total				**7.619**

Audit was of the view that due to non-imposition of liquidated damages undue favor was extended to the contractors which indicated weak financial management and internal controls.

The matter was reported to the management in March and October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2019-20 and 2017-18 vide para numbers 8.5.5.1, 5.2.3.31 and 6.2.3.23 having financial impact of Rs3.717 million, Rs14.502 million and Rs2.340 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.4 Recoveries related issues

8.5.4.1 Non-recovery of outstanding dues - Rs197.198 Million

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 audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not recover the outstanding dues of Rs197.198 million on account of various heads i.e., rent, fee and taxes like rent of shops, water supply charges, cattle pirri fees, sabzi mandi fees, Katchi pirri fees, parking fees, Pat Piri fees, sign and hoarding board fee, slaughter house/blood fee, sun shade fee, license fee, generator fee, cattle/temporary pirri, chhapra fee, rehri/thela tax etc. from defaulters. Detail is at **Annex-SBA9**.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Outstanding dues as on 30 June 2022 and 2023
1	Town Committee Daur	10	2021-22	15.000
2	Town Committee Sinjhoro	9		2.180
3	Town Committee Sahpur Chakar	9		4.716
4	Town Committee Bhiria	9		0.291
5	Town Committee Tharo Shah	7		0.423
6	Town Committee Mehrabpur	9		0.534
7	Town Committee Darya Khan Mari	5		0.246

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Outstanding dues as on 30 June 2022 and 2023
8	Municipal Committee Nawabshah	6,7	2022-23	80.609
9	Municipal Committee Sanghar	11,12		46.959
10	Municipal Committee Shahdadpur	7,8		20.185
11	District Council Naushahro Feroze	6,8		8.055
12	Municipal Committee Moro	4,9		6.284
13	Town Committee Kandiaro	5		4.003
14	District Council Sanghar	13		3.656
15	Municipal Committee Tando Adam	10		1.631
16	District Council Shaheed Benazirabad	7		1.452
17	Town Committee Mehrapur	9		0.605
18	Town Committee Sakrand	6		0.369
Total				**197.198**

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

The matter was reported to the management from March to December 2023. The management of Town Committee Kandiaro replied that shop rent is being recovered regularly, however, para has been noted and action has been accreted. District Council Shaheed Benazirabad replied that outstanding dues will be recovered on priority basis, Replies were not tenable as recovery of outstanding dues was not made, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 vide para numbers 8.5.4.2, 8.5.4.4, 8.5.2.1, 5.2.3.1, 6.2.2.2 and 6.2.3.1 having financial impact of Rs 113.894 million, Rs18.258 million, Rs43.345 million, Rs164.835 million, Rs8.742 million and Rs60.347 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.4.2 Non-deposit of taxes into public exchequer - Rs47.918 Million

Section 160 of Income Tax Ordinance, 2001, as amended vide Finance Act 2002, stipulates that any tax that has been collected or purported shall be paid to the

Commissioner by the person making the collection or deduction within the time and in the manner as may be prescribed.

Further, as per Rule 41(a), Chapter-3 of Sindh Financial Rules Volume-1, "The departmental controlling officers should see that all sums due to Government are regularly received and checked against demands and that they are paid into the treasury".

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management deducted an amount of Rs47.918 million on account of income tax, general sales tax and Sindh sales tax on services from the bills of contractors but failed to deposit the same into public exchequer as detailed below.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F. Y.	IT	SST	GST	Total
1	Town Committee Kazi Ahmed	5	2021-22	0.374	0.212	-	0.586
2	Town Committee Daulatpur	7		0.280	0.032	-	0.312
3	Town Committee Jatia	5		0.432	-	-	0.432
4	Town Committee Sinjhoro	6		0.527	0.586	1.993	3.106
5	Town Committee Khadro	2,3		0.330	0.264	-	0.594
6	Town Committee Sahpur Chakar	3		0.381	-	-	0.381
7	Town Committee Jhol	2,3		0.362	0.289	-	0.651
8	Town Committee Sarhari	3,4		0.471	1.135	-	1.606
9	Town Committee Bhiria	1		1.995	2.534	-	4.529
10	Town Committee Tharo Shah	3		0.684	1.011	-	1.695
11	Town Committee Naushahro Feroze	4		0.456	0.326	-	0.782
12	Town Committee Darya Khan Mari	4		1.011	-	-	1.011
13	Town Committee Shahpur Jahania	7		0.372	-	-	0.372
14	Town Committee Mehrabpur	2		3.488	-	-	3.488
15		6	2022-23	3.229	4.295	-	7.524
16	Municipal Committee Khipro	6	2021-22	0.413	-	-	0.413
17		8	2022-23	0.627	0.191	0.096	0.914
18	District Council Naushahro Feroze	4	2022-23	2.533	3.109	1.901	7.543
19	Municipal Committee Moro	5		1.794	2.585	-	4.379
20	Town Committee Bhiria Road	6		1.206	1.592	-	2.798
21	Town Committee Sakrand	4		1.349	0.644	-	1.993
22	Town Committee Kandiaro	6		0.755	0.755	-	1.510
23	Town Committee Bhiria City	5		0.557	0.742	-	1.299
Total				**23.626**	**20.302**	**3.990**	**47.918**

Audit was of the view that non-deposit of collected taxes into public exchequer indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023. The management of Town Committee Kandiaro replied that tax deducted from the bills are

being paid to income tax department properly. The reply was not tenable as no documentary evidence in support of reply was provided, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends depositing of deducted taxes into public exchequer, besides fixing responsibility on the person(s) at fault.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2018-19 and 2017-18 vide para numbers 8.5.4.3, 8.5.4.2, 8.5.1.2, 6.2.2.10 and 6.2.3.4 having financial impact of Rs36.951 million, Rs33.707 million, Rs26.579 million, Rs41.341 million and Rs1.363 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.4.3 Non-deduction of government taxes - Rs14.224 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively". Moreover, Section 236 (A) ibid, rate of collection of tax shall be 10% of the gross sale price of any property or goods sold by auction.

Furthermore, according to Section 3(1) of Sales Tax Act 1990, as amended upto July 2015, "There shall be charged, levied and paid a tax known as sales tax at the rate of 17% of the value of (a) taxable supplies made by a registered person".

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not deduct/recover income tax, Sindh sales tax on services, general sales tax and advance tax of the gross amount of auctions amounting to Rs14.224 million from payments made to the contractors/suppliers/employees and as detailed below:

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F. Y.	IT	Advance Taxes	SST	GST	Total
1	Town Committee Daulatpur	6	2021-22	-	-	0.181	-	0.181
2	Town Committee Shahpur Jahania	5		-	-	0.172	-	0.172
3	Town Committee Daur	4		4.462	-	2.231	-	6.693
4	Town Committee Jatia	2		-	-	-	0.357	0.357
5	Town Committee Bhiria	4,5		0.131	-	-	0.302	0.433
6	Town Committee Naushahro Feroze	5,13		0.086	-	-	0.291	0.377
7	Municipal Committee Nawabshah	8	2022-23	-	1.907	-	-	1.907
8	District Council Sanghar	12		0.910	-	-	-	0.910
9	Municipal Committee Tando Adam	11,12		0.782	0.375	-	-	1.157
10	Town Committee Mehrabpur	8		-	-	0.549	-	0.549
11	Municipal Committee Sanghar	9		0.525	-	-	-	0.525
12	Town Committee Bhiria Road	7		-	-	-	0.493	0.493
13	Municipal Committee Khipro	6,7		0.294	-	0.176	-	0.470
Total				**7.190**	**2.282**	**3.309**	**1.443**	**14.224**

Audit was of the view that non-deduction/non-recovery of taxes was loss to the public exchequer which indicated poor financial management and weak internal controls.

The matter was reported to the management from March to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

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

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2020-21, 2019-20, 2018-19 and 2017-18 vide para numbers 8.5.4.4, 8.5.4.5, 8.5.2.2, 5.2.3.2-3-4, 6.2.2.1 and 6.2.3.3 having financial impact of Rs 17.981 million, Rs2.591 million, Rs14.043 million, Rs37.116 million, Rs13.240 million and Rs4.507 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.4.4 Less-deduction of government taxes - Rs6.999 Million

Section 8(1) of Sindh Sales Tax on Services Act 2011, stipulates that taxable services shall be charged, levied and collected for a tax, known as sales tax, on the value of a taxable service at the specified rate.

Further, as per Section 153 of Income Tax Ordinance, 2001 read with Income Tax Rules, 2002, "Payment on account of supply of goods and rendering of services are subject to deduction of income tax at source @ 4.5% and 7.5% respectively.

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that the management less deducted income tax and Sindh sales tax on services amounting to Rs6.999 million from payments made to the contractors as detailed below.

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	IT	SST	Total tax Amount
1	Town Committee Mehrabpur	7	1.120	1.363	2.483
2	Town Committee Sakrand	5	-	1.677	1.677
3	Municipal Committee Moro	6	0.429	0.514	0.943
4	District Council Naushahro Feroze	5	-	0.824	0.824
5	Town Committee Bhiria City	6	0.189	0.247	0.436
6	Municipal Committee Shahdadpur	5	0.429	-	0.429
7	Town Committee Kandiaro	7	-	0.207	0.207
Total			**2.167**	**4.832**	**6.999**

Audit was of the view that less-deduction of taxes was loss to the public exchequer which indicated poor financial management and weak internal controls.

The matter was reported to the management from October to December 2023. The management of Town Committee Kandiaro replied that compliance has been noted and report will be placed before the next audit, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

8.5.4.5 Non-deposit of NADRA certificate fee - Rs0.632 Million

According to Section 116 (07), Chapter-XII of the Sindh Local Government Act, 2013, "Every Member or Employee of a Council and every person, charged with the

administration of the affairs of a Council, or acting on behalf of a Council shall be personally liable for the loss, waste, misapplication or unauthorized application of any moneys or property belonging to the Council which is a direct consequence of his negligence or misconduct, and the liability of such member, employee or person shall be determined by the Government in the prescribed manner".

During audit of Municipal Committee Tando Adam, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that management posted Mr. Nisar Ahmed Khoso, Junior Clerk (Surplus Pool) as incharge NADRA Certificate Branch on 30-06-2021. During his tenure he did not deposit revenue collected on account of fees of birth, no marriage, death and residential certificates etc. in the relevant account for which an explanation was also issued to him on 04-10-2022 but the management relieved him to his parent council i.e. UC, Faqir Sher Muhammad Dero, District Sanghar without recovery of un-deposited amount. Thus, council sustained loss of collected revenue of Rs0.632 million.

Audit was of the view that non-deposit of revenue was loss to council which indicated poor financial management weak internal controls.

The matter was reported to the management in October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends recovery of un-deposited amount of certificates fees, besides investigating the matter for fixing the responsibility.

[AIR Para: 7]

8.5.5 Value for Money and Service Delivery issues

8.5.5.1 Irregular expenditure on de-silting and disposal of garbage Rs25.752 Million

As per Schedule-II (Section 72-3) Part-II Compulsory Function of Sindh Local Government Act-2013, stipulates that a Corporation, Municipal Committee or Town Committee shall make adequate arrangements for the removal of refuse from all public streets, public latrines, urinals, drains and all buildings and lands vested in the Council concerned and for the collection and proper disposal of such refuse.

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that the management incurred an expenditure of Rs25.752 million through quotations on de-silting, clearance of drain and nallahs, lifting of garbage and removal of debris etc. from limits of towns and districts. Detail is as follow.

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1	Municipal Committee Tando Adam	4	7.615
2	District Council Sanghar	4	6.939
3	Municipal Committee Sanghar	3	6.810
4	Municipal Committee Shahdadpur	2	3.447
5	Municipal Committee Khipro	3	0.941
Total			**25.752**

Following irregularities were also noticed:

i. Outsourced of garbage lifting were outsourced instead of utilization of own staff, vehicles and machinery.

ii. Estimation for de-silting works was not prepared and measurement was also not recorded in the measurement books.

iii. Rates were not evaluated by procurement committee.

vi. Record of daily quantity of garbage lifted and disposed-off at dumping site(s) was not maintained to ensure check and balance before making payment to the contractors.

iv. Supervision of works by sanitation incharge and certificate for satisfactory completion of work was not recorded.

Audit was of the view that incurrence of expenditure on collection, removal and disposal of silt and garbage without maintaining supporting record was irregular which indicated weak internal controls.

The matter was reported to the management in September and October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

8.5.6 Other issues

8.5.6.1 Non-revision of rent of property at fair value

According to Rule 9(1) of Sindh Rental Premises Ordinance 1979, "where the fair rent of any premises has been fixed, no further increase thereof shall be effected unless a period of three years has elapsed from the date of such fixation or commencement of this ordinance whichever is later". Further, Rule 9(2) ibid stipulates that "The increase is allowed @ 10% per annum on the existing rent".

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management rented out shops and other property on different locations but did not revise rent of various tenants since many years, resulting into loss of legitimate revenue to the councils. The record of allotments was also not provided; hence the actual period of tenancy could not be ascertained.

Sr. No.	Name of Entity	AIR Para	F. Y.	Non-revision of rent since	Number of property
1	Town Committee Sinjhoro	11	2021-22	-	58
2	Town Committee Darya Khan Mari	8			37
3	Town Committee Khadro	7		2016	32
4	Town Committee Jhol	7			-
5	Municipal Committee Nawabshah	5	2022-23	2017	1,128
6	District Council Shaheed Benazirabad	6			317
7	Municipal Committee Shahdadpur	6			260
8	Municipal Committee Moro	10		-	363
9	District Council Sanghar	14			238
10	District Council Naushahro Feroze	10			124

Audit was of the view that non-revision of rent of properties was a loss to the Councils which reflected poor financial management.

The matter was reported to the management from March to November 2023. The management of District Council Shaheed Benazirabad replied that the council has enhanced monthly rent of shops and flats at rate of 10% regularly after every three years under Rule-9 of Sindh Rental Premises Ordinance 1979. The reply was not tenable as no documentary evidence in support of reply was provided and rent @ 10% per annum was not increased, whereas no reply was received from other offices. The PAO did not

convene DAC meeting till finalization of the report despite issuance of letter dated 21-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends revision of rent of properties at fair value.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2020-21, 2019-20, 2018-19 and 2017-18 vide para numbers 8.5.5.6, 8.5.5.2, 5.2.3.24, 6.2.2.8 and 6.2.3.25 respectively. Recurrence of same irregularity is matter of serious concern.

8.5.6.2 Unauthorized creation of liability - Rs158.949 Million

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

Further, Finance Department, Government of Sindh, vide letter No. FD.SO(LF-I)Misc/(171)2013 dated 13-08-2013, instructed all the Local Councils/District Councils/defunct TMAs that payment of salaries and pension may be given first priority from the OZT funds released by Finance Department.

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management created liability amounting to Rs158.949 million on various head of accounts like Pay and Pension and put extra burden over council funds. Creation of liability under the heads of pay and pension showed that payment was made by giving priority to development works in violation of rule / instructions. Moreover, expenditure of development and non-development was also incurred without availability of funds. The detail is as follow:

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Description of Record	Amount
1	Town Committee Mehrabpur	7	2021-22	i. Gratuity/Encashment ii. Salary remaining	3.165 44.208
2	Town Committee Darya Khan Mari	8		i. Pension (i.e. Gratuity / Financial Assistance)	2.186
3	Town Committee Bhiria City	8	2022-23	i. Salary allowances ii. Pension pays iii. Gratuity/commutation pay	57.087
4	Town Committee	8		i. Salary & Pension	25.572

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Description of Record	Amount
	Kandiaro			ii. Gratuity/Commutation/Restoration	9.620
5	Town Committee Bhiria Road	9		i. Salary allowances ii. Pension pays iii. Gratuity/commutation pay	12.407
6	Town Committee Sakrand	9		i. Development works ii. Non-development contractors' payments	4.704
Total					**158.949**

Audit was of the view that creation of liability in violation of rules indicated weak financial management.

The matter was reported to the management from March and December 2023. The management of Town Committee Kandiaro agreed with audit contention and replied that liability has been created due to shortage of funds, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2020-21, 2019-20 and 2017-18 vide para numbers 8.5.5.3, 8.5.4.1, 5.2.3.22 and 6.2.3.14 having financial impact of Rs115.754 million, Rs11.914 million, Rs39.461 million and Rs54.563 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.6.3 Non-maintenance of POL record - Rs105.014 Million

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, Rule 159(4) of the 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. All council vehicles shall be garaged in the office premises or at any other place

determined by the Mayor or Chairman after office hours failing which the driver of the vehicle concerned shall be held responsible."

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs105.014 million on POL for official vehicles and machinery but did not maintain of petrol account register, history sheet, log book of each vehicle, tour program/diary of official vehicles. Detail is as follows:

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1	Municipal Committee Tando Adam	13	26.796
2	Municipal Committee Nawabshah	9	22.562
3	District Council Sanghar	6-7	20.869
4	Town Committee Mehrabpur	11	7.744
5	Municipal Committee Sanghar	5	7.673
6	Town Committee Kandiaro	9	4.979
7	Municipal Committee Shahdadpur	10	4.973
8	Town Committee Sakrand	10	4.068
9	Municipal Committee Khipro	9	3.809
10	Town Committee Bhiria Road	10	1.541
Total			**105.014**

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

The matter was reported to the management from September to December 2023. The management of Town Committee Kandiaro replied that log books were maintained properly. The reply was not tenable as the management failed to provide documentary evidence in support of reply, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit recommends that responsibility may be fixed on person(s) at fault for incurring expenditure without maintenance of prescribed record.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2019-20, 2018-19 and 2017-18 vide para numbers 5.2.3.14, 6.2.2.13 and 6.2.3.14 having financial impact of Rs117.758 million, Rs29.600 million and Rs80.194 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.6.4 Non-maintenance of stock registers - Rs38.917 Million

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 audit of following Local Councils of Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that management incurred an expenditure of Rs38.917 million on the purchase of fiber dustbins, sanitation material, electric material, petrol engine, fumigation machines, mono block motor, CC TV camera, laptop, laser printer, office stationery, air conditioners, fridge, dispenser, UPS, battery, furniture and miscellaneous items etc. but did not maintain stock registers. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	Amount
1	Municipal Committee Nawabshah	11	11.860
2	District Council Naushahro Feroze	12	10.163
3	Municipal Committee Shahdadpur	12	7.495
4	Municipal Committee Sanghar	7	3.144
5	District Council Shaheed Benazirabad	8	3.014
6	District Council Sanghar	10	1.641
7	Municipal Committee Khipro	10	1.600
Total			**38.917**

Audit was of the view that non-maintenance of stock register indicated weak internal controls, besides misuse of funds and procured items could not be ruled out.

The matter was reported to the management from September to November 2023. The management of District Council, Shaheed Benazirabad replied that the stock register was being maintained. The reply was not tenable as the management failed to provide relevant documentary evidence in support of reply, whereas no reply was received from other offices. The PAO did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

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

8.5.6.5 Less realization of targeted receipts - Rs14.905 Million

Section 100 (1) of Sindh Local Government Act 2013, states that unless otherwise provided, all taxes, rates, tolls and fees levied under this act shall be collected in the prescribed manner by the persons authorized for such collection: provided that where any tax, rate, toll or fee levied by a Council is also levied by Government, such tax, rate, toll or fee shall be collected with Government tax, and the proceeds thereof be credited to the local fund of the Council.

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management did not take appropriate measures to realize revenue targets of Rs14.905 million from various heads. Detail is as under:

[Rs. in Million]

Sr. No.	Name of Council	AIR Para	F.Y.	Description/ Receipts Head of Account	Targeted Receipts	Recovery Effected	Shortfall
1	Town Committee Kazi Ahmed	4	2021-22	Road cutting fee, encroachment fee, surface material, drainage rate, fees of markets, receipt on a/c of sale of refuse, other license fees, etc	6.553	3.963	2.590
2	Town Committee Daulatpur	5		Tax on water, nali, advertisement, vehicle, and others, surface material, license fee for animals/vehicles/ others, road cutting, gara, tender etc	0.687	0.135	0.552
3	Town Committee Shahpur Jahania	6		Cattle pound fee, Road cutting fee, surface material, nali fee, tax on animal, other license fees, etc	2.060	0.092	1.968
4	Town Committee TC Sinjhoro	5		Water rates/new connections, gutter tax, pat piri tax, parking fee, advertisement fee, road cutting fee, subzi mandi fee etc	5.470	3.736	1.734
5	Town Committee Khadro	5		Water supply tax, drainage tax, subzi mandi fee, pat piri tax etc	1.821	0.896	0.925
6	Town Committee Sahpur Chakar	7		Water supply tax, certificate fee, license fee etc	0.307	0.124	0.183
7	Town Committee Jhol	5		Water charges, nali tax, subzi mandi fee, cattle piri tax, certificate fee etc	2.381	0.957	1.424
8	District Council	8	2022-23	Parking fee, tax on BTS	3.900	0.00	3.900

[Rs. in Million]

Sr. No.	Name of Council	AIR Para	F.Y.	Description/ Receipts Head of Account	Targeted Receipts	Recovery Effected	Shortfall
	Naushahro Feroze			towers, tax on hording/ advertisement, cattle piri/ animal tax and cattle ponds etc.			
9	Municipal Committee Shahdadpur	9		Zoological parks and canteen fees, ladies and children park fees, permanent pirri tax, mutton, beef and fish market fee/tax etc	2.140	0.784	1.356
10	Municipal Committee Moro	9		Vegetable market, kachi/paki piri, parking fee, slaughter fee, bus stand fee and nali tax etc.	1.476	1.203	0.273
Total					**26.795**	**11.890**	**14.905**

Audit was of the view that due to less-realization of revenue targets; the councils were deprived of legitimate revenue which indicated poor financial controls.

The matter was reported to the management from March to October 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends fixing responsibility on the person(s) at fault for non-achievement of revenue targets.

Note: The issue was reported earlier also in the Audit Reports for Audit Years 2022-23, 2021-22, 2019-20, 2018-19 and 2017-18 vide para numbers 8.5.5.2, 8.5.4.1, 5.2.3.27, 6.2.2.5 and 6.2.3.2 having financial impact of Rs232.606 million, Rs240.370 million, Rs26.685 million, Rs105.674 million and Rs55.810 million respectively. Recurrence of same irregularity is matter of serious concern.

8.5.6.6 Loss due to award of auction of Cattle Pirri at lower rate - Rs4.011 Million

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

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 audit of Municipal Committee Sanghar, Shaheed Benazirabad Division, for the financial year 2022-23, it was observed that management sustained loss of Rs4.011 million due to award of auction of Cattle Pirri at lower price of Rs5.400 million instead of awarding the same to a near value of reserved price, i.e., Rs9.467 million, as detailed below:

[Rs. in Million]

Description of auction	Bid amount (2019-20)	Bid amount (2020-21)	Bid amount (2021-22)	Avg. Of Last 3 Years	Bid price 2022-23	variation
Cattle Pirri	7.400	13.500	7.500	9.467	5.456	4.011

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

The matter was reported to the management in September 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 28-12-2023, followed by reminders dated 09-01-2024 and 19-01-2024.

Audit seeks justification in the matter.

[AIR Para: 10]

8.5.6.7 Non-maintenance of property record

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 audit of following Local Councils of Shaheed Benazirabad Division, for the financial year 2021-22, it was observed that office failed to maintain property record as mentioned in schedule of Sindh Local Councils (Property) Rules, 2017. 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 Entity	AIR Para
1	Town Committee Daur	7
2	Town Committee Khadro	9
3	Town Committee Jhol	9
4	Town Committee Sarhari	10

Audit was of the view that management failed to comply with the prescribed rules for maintenance of property record which indicated weak internal controls. Besides, chances of encroachment could not be ruled out.

The matter was reported to the management from April to May 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 21-07-2023, followed by reminders dated 04-08-2023 and 19-09-2023.

Audit recommends maintenance of required property record at the earliest on the prescribed format.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 8.5.5.8. Recurrence of same irregularity is matter of serious concern.

8.5.6.8 Non-establishment of provident fund, pension fund and benevolent fund

Rule 125 (1), Chapter-XIV of SLGA 2013, states that a Council may, establish and maintain-

a) Provident fund for the benefit of its employees, who shall contribute to such fund in such manner and proportion as may be prescribed.

b) Pension fund from which pension, shall, in the prescribed manner, be paid to the employees of the Council.

c) Benevolent fund, in the prescribed manner from which any special pension or gratuity, shall, in the prescribed manner be paid to the family of employee of the Council, who dies of disease or injury contracted or suffered by him in the discharge of his official's duties.

During audit of following Local Councils of Shaheed Benazirabad Division, for the financial years 2021-22 and 2022-23, it was observed that the management failed to establish provident, pension and benevolent fund for the benefits of employees of the council. Local Councils are making payments of provident fund, pension and benevolent fund from the OZT share received from Government of Sindh.

Sr. No.	Name of Office	AIR Para	F.Y.
1	Town Committee Khadro	8	2021-22
2	Town Committee Shahpur Chakar	10	
3	Town Committee Jhol	8	
4	Town Committee Bhiria City	2	2022-23
5	Town Committee Sakrand	2	
6	Town Committee Bhiria Road	2	
7	Town Committee Mehrabpur	2	

Audit was of the view that non-establishment of mandatory funds indicated weak internal controls and financial management.

The matter was reported to the management from April to December 2023, but no reply was received. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letters dated 21-07-2023 and 28-12-2023, followed by reminders dated 04-08-2023, 19-09-2023, 09-01-2024 and 19-01-2024.

Audit recommends establishment of mandatory funds as per provision of the SLG Act, 2013.

Note: The issue was reported earlier also in the Audit Report for Audit Year 2022-23 vide para number 8.5.2.4. Recurrence of same irregularity is matter of serious concern.

Thematic Audit

Chapter-9: Thematic Audit

Thematic Audit Report on "Role of KW&SB in providing sewerage services in South and Malir Districts of Karachi"

9.1 Introduction

Karachi Water Management Board (KWMB) was created in 1981. It was responsible for distribution and retailing of treated water. However, the responsibility for maintenance of sewerage remained with the Karachi Metropolitan Corporation. Appreciating the need for creation of a unified institution to handle water supply as well as sewerage services, the Government enacted Sindh Local Government (Amendment) Ordinance, 1983, leading to creation of the Karachi Water & Sewerage Board within KMC.

Karachi Water & Sewerage Board was separated from KMC in 1996, through Karachi Water & Sewerage Board Act, 1996. Under this Act, the legal frame-work, functions, delegation of powers as well as financial guidelines are provided. Some major functions of the Karachi Water & Sewerage Board are as follows:

i. Sanction in the manner and on payment of fees as may be prescribed by regulations (a) water connection (b) water supply to tankers (c) sewerage connection.

ii. Levy, collect or recover rates, charges of fees for water supply and sewerage service, including arrears thereof.

iii. Undertake construction improvement, maintenance and operation of.

   a) Water works including wells and recharge facilities for collecting, purifying, pumping, storing and distributing water to all types of consumers.

   b) Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste.

iv. Produce and supply potable water.

v. Place, maintain aqueducts, conduits, sewers etc.

The office of Managing Director, Karachi Water & Sewerage Board consists of five departments, i.e., Planning, Technical Services, Finance, Revenue Resources Generation and Human Resource Development & Administration headed by Deputy Managing Directors. There are Executive Engineers at each divisional level with the

supervision of Superintending Engineer at each district under the control of Chief Engineer(s) of Water, Sewerage and Equipment & Machinery.

Sewerage System of KW&SB:

As per Japan International Cooperation Agency (JICA), final report on "Data collection survey on water supply and sewerage sector of Pakistan" issued in December 2021, more than six million people of Karachi have no access to public sewerage service. Sewerage network coverage is estimated at 60 percent and faces complex challenges of inadequate sewer trunk mains, malfunctioning pumping facilities, and insufficient wastewater treatment capacity. The amount of raw sewage discharged into the sea each day is 475 MGD. The sewerage network of the city has had very little maintenance since 1960 and the three existing wastewater treatment plants are dysfunctional. Additionally, separation of municipal wastewater from industrial effluent is not a common practice. Two of the biggest industrial estates in Pakistan, both located in Karachi, have no effluent treatment plants, and the waste containing hazardous materials, heavy metals, and oil are discharged directly into the rivers and the already polluted harbor.

Karachi, being the largest city in Pakistan and one of the most populous cities in the world, faces significant challenges in managing its sewerage system. Karachi's sewerage system consists of a network of underground pipes that collect wastewater from residential, commercial, and industrial areas. Karachi has three Sewerage Treatment Plants (STP-I Site, STP-II Mehmoodabad and STP-III Mauripur) to treat sewage and reduce the environmental impact of untreated wastewater discharge which are dysfunctional. Due to the city's topography and varying elevations, pumping stations are essential to lift sewage to higher levels for gravity flow. The detail of KW&SB's sewerage system is as follows:

Sewage Treatment Plants	3 Nos
Major Sewage Pumping Station	6 Nos
Sewage Lift Pumping Station	32 Nos
Sewer Cleaning Machines Suction Machines/Jetting Machines	23 Nos
Total Length of Sewers	5,670 KMs
Number of Manholes	250,000 Nos

(Source: KWSB website)

9.2 Background

A paradigm shift from traditional transactional reporting to a broader framework of issue-based thematic audit has been exercised from Audit Year 2021-22 by the Department of Auditor-General of Pakistan. The Thematic Audit Reports shall highlight

and discuss issues across the sector or entity and also address specific activity, program and project etc. relating to the Sustainable Development Goals (SDGs). These Thematic Audit Reports shall benefit the stakeholders in understanding issues in a more systematic manner and if timely addressed, shall lead to improving service delivery, financial management and better governance.

Keeping in view the above factors, the theme of "Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi" was selected.

Nine offices of KW&SB responsible for providing sewerage services in two districts of Karachi were identified and selected in the Annual Audit Plan 2023-24.

9.3 Establishing the Audit Theme

9.3.1 Reasons for selection

Importance of sewerage services have been embedded within the Sustainable Development Goals. The target 6.3 of SDG-6 emphasizes to improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally by 2030. Achieving these targets would save the people who die from diseases directly attributable to unsafe water and inadequate sanitation.

9.3.2 Objectives

The main objectives as per TORs were:

i. to scrutinize the regulatory framework, policies related to the disposal of sewage
ii. to check sewerage related policies of KW&SB with relevance to SDG/Target
iii. to check any variance in planning and its execution related to sewerage schemes
iv. to review existing mechanism for disposal of domestic and industrial sewage
v. to check the expenditure incurred on sewerage treatment plants and lines
vi. to review steps taken to rehabilitate non-functional Sewerage Treatment Plants

vii. to check efficacy of operation and maintenance of sewerage disposal system in the city

9.3.3 Scope of Thematic Audit

SDG target 6.3 was the basis of selection of this thematic audit. In this regard following nine formations in districts of Malir and South under KW&SB were selected for conducting the subject audit during Audit year 2023-24:

Sr. No.	Name of formation	Sr. No.	Name of formation
i.	Chief Engineer (Sewerage)	ii.	Executive Engineer (Sewerage), Bin Qasim Town
iii.	Executive Engineer (Sewerage), Malir Town	iv.	Executive Engineer (Sewerage), Scheme 33
v.	Executive Engineer (Sewerage), Saddar Town	vi.	Executive Engineer (Sewerage), Lyari Town
vii.	Executive Engineer (Sewerage), Jamshed Town	viii.	Executive Engineer, Sewerage Pumping Division-I
ix.	Executive Engineer, Sewerage Pumping Division-II		

9.4 Legal framework governing the theme

Legal framework governing the theme includes:

i. Karachi Water & Sewerage Board Act, 1996
ii. Karachi Water & Sewerage Board Amendment Act, 2015
iii. Karachi Water & Sewerage Board Special Operating Procedures, 2016
iv. Sindh Local Government Act, 2013
v. The Sindh Financial Rules Vol. I & II revised edition 2004

9.5 Stakeholders

i. Karachi Water & Sewerage Board
ii. Local Government
iii. Government of Sindh
iv. General Public

9.6 Role of important organizations

i. Chief Engineer (Sewerage), KW&SB

Chief Engineer (Sewerage) is an administrative head of Sewerage Services and responsible to monitor all Executive Engineers involved in performing functions in respect of disposal of sewage in the Karachi Division.

ii. Executive Engineers (Sewerage), Malir Town, Bin Qasim Town, Scheme 33, Saddar Town, Lyari Town and Jamshed Town

Executive Engineers (Sewerage), Malir Town, Bin Qasim Town, Scheme 33, Saddar Town, Lyari Town and Jamshed Town are responsible to perform functions of the Board in respect of disposal of sewage in the areas under their jurisdiction, which include:

a) Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste.

b) Regulate, control or inspect sewer and service lines including internal fittings.

c) Place, maintain sewers etc.

iii. Executive Engineers, Sewerage Pumping Division-I & II, KW&SB

Sewerage Pumping Division-I & II are responsible for disposal of sewerage through pumping from old city areas and Clifton. Sewerage Pumping Divisions (SPDs) are responsible for collecting and transporting wastewater from residential, commercial and industrial areas. They manage the network of sewer pipes and pumping stations that form the wastewater collection system.

9.7 Financial Resources of Organization

Total budget allocation and actual expenditure for the financial year 2022-23 was as follow:

Table-1: [Rs. in Million]

Sr. No.	Name of Office	Budget Allocation	Expenditure	Excess (+) Savings (-)
1	Chief Engineer (Sewerage), KW&SB	Administrative office without any budget allocation.		
2	XEN (Sewerage), Bin Qasim Town, KW&SB	73.866	65.334	-8.533-
3	XEN (Sewerage), Malir Town, KW&SB	146.345	151.971	+5.626
4	XEN (Sewerage), Scheme 33, KW&SB	232.751	183.989	- 48.762
5	XEN (Sewerage), Saddar Town, KW&SB	184.077	157.605	- 26.472
6	XEN (Sewerage), Lyari Town, KW&SB	145.047	104.206	- 40.841
7	XEN (Sewerage), Jamshed Town, KW&SB	179.930	133.004	- 46.927
8	XEN, Sewerage Pumping Division-I, KW&SB	236.155	132.926	- 103.230
9	XEN, Sewerage Pumping Division-II, KW&SB	294.440	183.055	- 111.385
Total		**1,492.611**	**1,112.09**	**-380.523**

9.8 Field Audit Activity

A. Methodology

The Thematic Audit was initiated after the meetings with the management of selected formations of KW&SB which were responsible for providing sewerage services in District Malir and South, Karachi. Besides, questionnaire was also prepared by the audit team to be filled by the management of these formations to gain qualitative and quantitative insights. Audit team also visited the field locations.

B. Audit Analysis

i. Review of internal controls

Internal control system in the offices selected for thematic audit was governed by Karachi Water & Sewerage Board Act 1996, Karachi Water & Sewerage Board Amendment Act 2015, Karachi Water & Sewerage Board Special Operating Procedures 2016 and Sindh Local Government Act 2013 etc.

During thematic audit, the review of record of the formations as well as previous audit reports revealed various weaknesses in the internal controls which have been incorporated in the section of significant audit observations. The management of KW&SB failed to:

a) Operationalize existing treatments plants.

b) Install sewage treatment plants at all pumping divisions.

c) Implement regulatory framework policies related to the disposal of sewage.

d) Formulate any action plans to achieve SDG targets relating to sanitation and could not propose and execute any sewerage related scheme with reference to SDG-6 in Annual Development Plan.

e) Plan to cater to the needs of increasing population to provide sewerage services to the residents.

f) Remove encroachments from sewerage system including nallahs, lines and land.

g) Complete S-III project despite substantial investment.

h) Provide adequate sewerage services in Karachi, especially in South and Malir Districts.

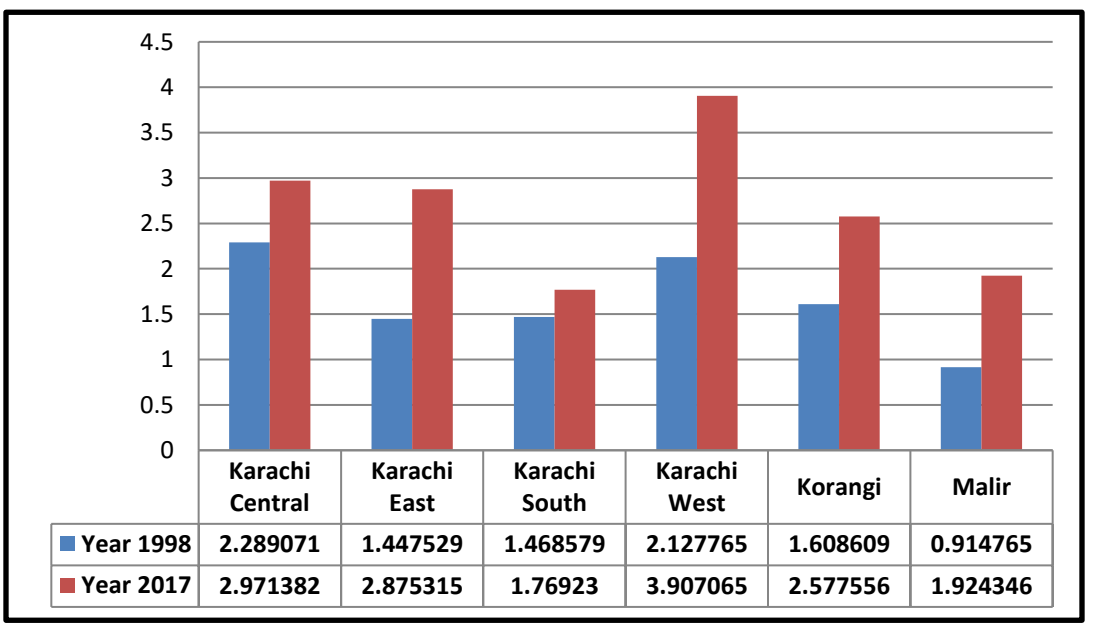
ii. Critical Review

Following is the status of increase of population in different districts of Karachi compared with sewage generated over the time:

Table-2:

Sr. No.	Name of District	Population Census 01-03-1998	Population Census 15-03-2017	Increase in population
1	Karachi Central	2,289,071	2,971,382	30%
2	Karachi East	1,447,529	2,875,315	99%
3	Karachi South	1,468,579	1,769,230	**20%**
4	Karachi West	2,127,765	3,907,065	84%
5	Korangi	1,608,609	2,577,556	60%
6	Malir	914,765	1,924,346	**110%**
Total		**9,856,318**	**16,024,894**	**63%**

Source: https://www.pbs.gov.pk/census-2017-district-wise/results/092

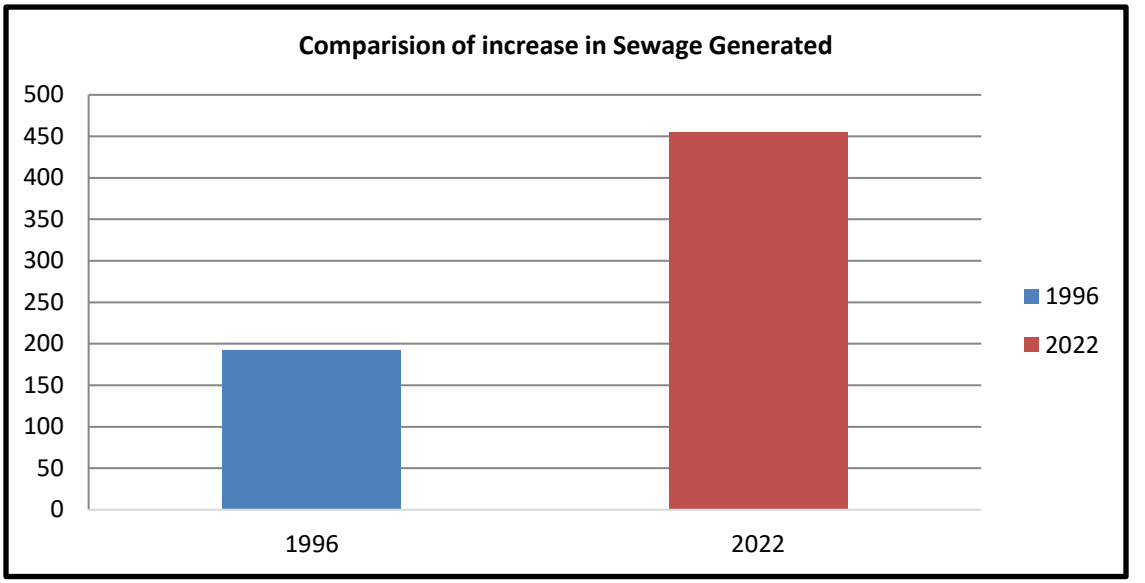


Comparison of Increase of Population (In millions)

Table-3:

Year	1996	2022	Increase	% of increase
Total Water Supply	274 MGD	650 MGD	376 MGD	137%
Sewage generated in City	192 MGD	455 MGD	263 MGD	

Source: Brief on Water Supply provided by Chief Engineer (Bulk Water Supply)



Above information shows that there was 63% increase in population from 1998 to 2017. However, increase in sewage generated was 137% in Karachi division as same is dependent on supply of water. Absence of plan and study for sewerage services to cater the needs of growing population was a significant oversight by Karachi Water and Sewerage Board (KW&SB). Effective urban planning and infrastructure development is essential to accommodate the increasing sanitation requirements. Neglecting this aspect can lead to a range of problems relating to environmental pollution and public health issues. Addressing these issues should be a priority for KW&SB to ensure the well-being of residents and the sustainable development of the city.

The Karachi Water and Sewerage Board (KW&SB) failed to remove encroachments from its sewerage system, including nallahs (drains) and sewerage lines at Madras Chowk, Pioneer Fountain, White Houses @ Scheme 33, Sherpao Colony, District Malir, Clifton Pumping Station, District South. Encroachments above the sewerage system obstruct the flow of wastewater causing drainage problems. Encroachments also disrupt proper functioning of the system, leading to issues such as water pollution and the spread of waterborne diseases. No serious efforts were made by KW&SB for removing the encroachments.



Nursery established at main sewerage nullah of Scheme 33 at Madras Chowk, District Malir

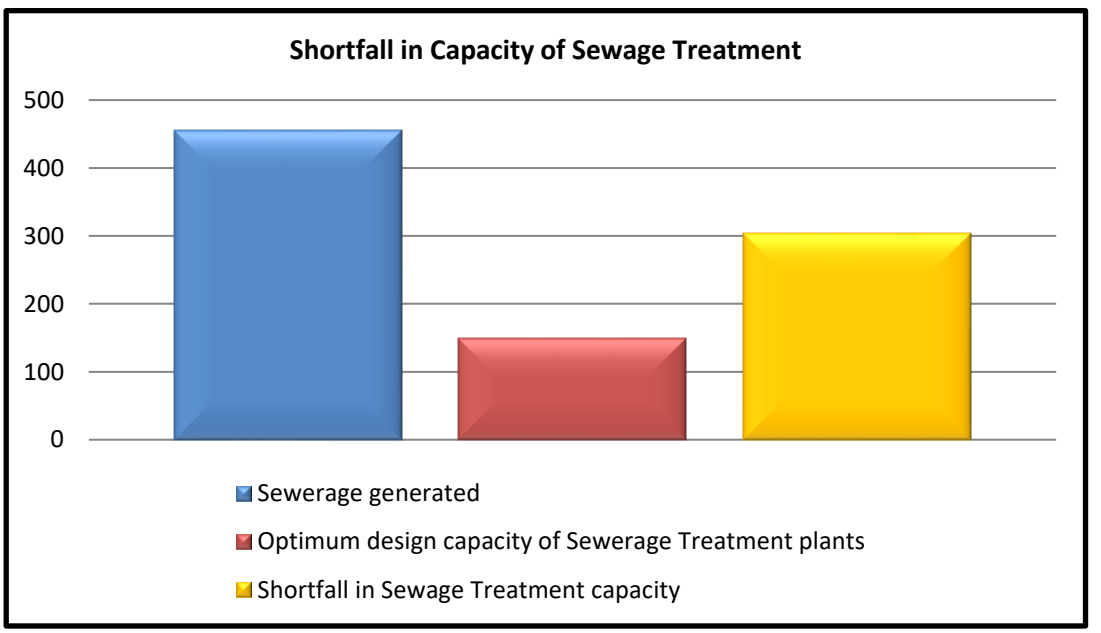


Nullah encroached in front of White House Scheme 33, District Malir

The Karachi Water & Sewerage Board (KW&SB) could not operationalize available three sewage treatment plants. Proper functioning of sewage treatment plants is essential for treating wastewater before it is released back into the environment. When these plants are not operational, disposal of untreated sewage contaminate water bodies, leading to pollution and potential health hazards to the residents. It is crucial for KW&SB to ensure the operationalization of sewage treatment plants. The detail of sewage generated and treated is as follows:

Sewage generated in City (70% of Water Supplied)	455 MGD
Optimum design capacity of Sewage Treatment plants (All 03 Located in District South)	150 MGD
Shortfall in Sewage Treatment capacity	305 MGD
Untreated Sewage due to dysfunctional treatment plants	455 MGD

Source: KWSB website



Sewage generated during 2022-23 in the city was 455 MGD (70% of water supplies). However, the quantity of sewage water could be much higher than this because there are other sources of water including boring and wells in the city. For the treatment of sewerage water only three sewage treatment plants are installed with total maximum capacity of 150 MGD and these treatment plants are also not functional since last many years. Hence, generated sewage is being released into the sea without any treatment.

KW&SB should prioritize the installation of sewage treatment plants at sewage pumping divisions to ensure proper wastewater treatment. Installing sewage treatment plants is essential for safeguarding environment. Failing to do so can lead to pollution and waterborne diseases.

The Karachi Water and Sewerage Board (KW&SB) was lacking policies related to the disposal of sewage. Developing and implementing clear and effective policies for disposal of sewage is crucial for efficient management of sewage and environmental protection. To address this issue, the KW&SB should prioritize the development of well-designed sewage disposal policies for sustainable and safe disposal of sewage.

The Karachi Water and Sewerage Board (KW&SB) failed to frame action plans to achieve sanitation related Sustainable Development Goal (SDG) targets which indicates that there was a significant gap in aligning efforts with the established sustainable goals. It is essential for KW&SB to actively work toward achieving these goals to create a better and more sustainable future.

Disposing of sewage water directly into the sea without any treatment is a problematic practice with serious implications on environment and aquatic life. Untreated sewage contains various harmful chemicals and pathogens that can harm marine life and ecosystems and degrade water quality. This practice is not in line with modern wastewater management standards and environmental protection regulations. It is essential for KW&SB to comply with environmental regulations by implementing proper sewage treatment and disposal methods.



Disposing of sewage water directly into the sea at Ibrahim Hyderi, District Malir

Non-completion of S-III project, despite a substantial investment, is a significant concern. Large-scale projects like the S-III are essential for addressing the city's sewage management needs. Failing to complete such project can have several negative consequences. It is imperative for KW&SB to take proactive measures to resolve the issues hindering the completion of the project. Completing the S-III project efficiently and effectively is crucial for addressing sewage management.

The failure of Karachi Water and Sewerage Board (KW&SB) to propose or execute any sewerage-related schemes or projects with reference to Sustainable Development Goal-6 in the Annual Development Programs (ADP) is a significant shortcoming. It is important for KW&SB to align their development programs with the SDGs to promote sustainable and responsible practices. Aligning development programs with SDG-6 can lead to improved sanitation and sewage services for the residents of Karachi.

C. Significant Audit Observations

9.8.1 Non-functioning of available sewage treatment plants

Section 3(viii)(b) of Chapter-V of the Karachi Water & Sewerage Board Act, 1996 stipulates that the Board shall undertake construction improvement, maintenance and operation of Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste.

Moreover, Para 5 (xi) of National Sanitation Policy, 2006 states that the disposal of untreated industrial effluents and municipal sewage into natural water bodies will not be permitted.

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was observed that all three sewage treatment plants STP-I (Site), STP-II, (Mehmoodabad) and STP-III (Mauripur) were non-functional and approximately 455 MGD untreated sewage and industrial waste was being released into the sea, which is threatening the marine life and creating disturbance in ecosystem.

Audit was of the view that non-functioning of treatment plants since long showed poor management and lethargic attitude which resulted into negative impacts on ecosystem and marine life.

Audit recommends that the management should take necessary steps for making the treatment plants functional on priority basis.

9.8.2 Non-installation of the sewerage treatment plants at Sewerage Pumping Divisions

Section 3(viii)(b) of Chapter-V of the Karachi Water & Sewerage Board Act, 1996 stipulates that the Board shall undertake construction improvement, maintenance and operation of Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste.

Moreover, Para 5 (xi) of National Sanitation Policy, 2006 states that the disposal of untreated industrial effluents and municipal sewage into natural water bodies will not be permitted.

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was observed that the Sewerage Pumping Division-I & II were working without any sewage treatment plant and were directly disposing untreated sewage and industrial waste into the sea.

Audit was of the view that non-installation of treatment plants at sewerage pumping divisions showed lethargic attitude of management towards solving the disposal of untreated sewage water into the sea causing environmental pollution.

Audit recommends that the management should take necessary steps for installation of treatment plants at all sewerage pumping divisions without any further delay.

9.8.3 Non-Implementation of Regulatory Policies related to the disposal of sewage

Section 3(X) of Chapter-V of the Karachi Water & Sewerage Board Act, 1996 stipulates that Board shall regulate, control or inspect water connection, sewer lines and service lines including internal fittings.

Further, National Sanitation Policy of Pakistan provides a broad framework and policy guidelines to the Federal Government, Provincial Governments, Federally Administrated Territories and the Local Governments, to enhance and support sanitation coverage in the country through formulation of their sanitation strategies, plans and

programs at all respective levels for improving the quality of life of the people of Pakistan and the physical environment necessary for healthy life.

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was observed that neither any regulatory policies related to the disposal of sewage were implemented in KW&SB nor communicated to respective XENs who were responsible for carrying out functions of disposal of sewage. All XENs were working on adhocism on different lines as per their knowledge and experience without any uniform direction and policies as per national laws, policies and framework of sanitation.

Audit was of the view that non-implementation of regulatory policies related to the disposal of sewage indicated poor management and weak internal controls.

Audit recommends that regulatory framework and policies related to the disposal of sewage may be implemented in letter and spirit.

9.8.4 Non-formulation of action plans to achieve sanitation related SDG Target

The Sustainable Development Goals are a universal call to action to end poverty, protect the planet and improve the lives and prospects of everyone, everywhere. The 17 Goals were adopted by all UN Member States in 2015, as part of the 2030 Agenda for Sustainable Development which set out a 15-year plan to achieve the Goals.

Moreover, SDG target 6.3 stipulates to improve water quality by reducing pollution, eliminating dumping and minimizing release of hazardous chemicals and materials, halving the proportion of untreated wastewater and substantially increasing recycling and safe reuse globally by 2030.

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was observed that the management failed to formulate any action plans to achieve sanitation related SDG targets despite lapse of eight years of the issuance of SDG targets by UN in 2015.

Audit was of the view that non-formulation of action plans to achieve sanitation related SDG targets showed lack of interest towards the assigned duty which might result into non-achievement of SDG targets set by UN for its member countries.

Audit recommends that sewerage related action plans be devised on priority basis to achieve SDG targets for improving quality of life of people.

9.8.5 Lack of planning and study to address the sewerage needs

Status of increase of population in different districts of Karachi is as follows:

Sr. No.	Name of District	Population Census 01-03-1998	Population Census 15-03-2017	Increase in population
1	Karachi Central	2,289,071	2,971,382	30%
2	Karachi East	1,447,529	2,875,315	99%
3	Karachi South	1,468,579	1,769,230	20%
4	Karachi West	2,127,765	3,907,065	84%
5	Korangi	1,608,609	2,577,556	60%
6	Malir	914,765	1,924,346	110%
Total		**9,856,318**	**16,024,894**	**63%**
Sewage generated in City		**192 MGD**	**455 MGD**	**137%**

Source: https://www.pbs.gov.pk/census-2017-district-wise/results/092

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was observed that there was significant increase in population but there was neither any study carried nor any planning made in KW&SB to cater to the needs of growing population to provide sewerage services to the inhabitants of Karachi.

Audit was of the view that absence of any study and planning may increase sewerage issues with passage of time which indicated poor management and lethargic attitude towards providing sewerage services.

Audit recommends that study may be carried out and development projects should be proposed accordingly to meet the requirements of growing population.

9.8.6 Non-inclusion of Sewerage related projects in ADP Schemes

According to list of ADP schemes of Local Government Department, funds amounting to Rs677.277 million, Rs374.413 million and Rs2,175.561 million for the years 2020-21, 2021-22 and 2022-23 respectively were specifically allocated for the projects of KW&SB with reference to SDG-6.

Further, Section 3(viii)(b) of Chapter-V of the Karachi Water & Sewerage Board Act, 1996 stipulates that the Board shall undertake construction improvement, maintenance and operation of Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste.

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was revealed from the

list of ADP schemes of last three years that not a single sewerage related project pertaining to SDG-6 was proposed and included in ADP schemes for improvement of sewerage infrastructure. However, KW&SB allocated funds only for water related projects of SDG-6, which showed that sanitation related projects to meet SDG targets were completely ignored.

Audit was of the view that non-inclusion of sewerage related projects in ADP showed poor management and non-seriousness towards the assigned targets.

Audit recommends that sewerage related projects should be included in the Annual Development Program and executed on priority basis for improvement of sanitation services.

9.8.7 Non-removal of encroachment from sewerage system

According to Section 145, Chapter-XVI of Sindh Local Government Act, 2013, "Encroachments shall be dealt with in accordance with the provisions of the laws relating to removal of encroachments".

Further, according to Section-14-A (1)(c) of Karachi Water & Sewerage Board (amendment) Act, 2015, if any person who encroaches upon the land of the Board shall be punished with imprisonment of either description for a term which may extend to ten years and with fine which may extend to rupees one million or with both.

i. The offences committed under sub-section (1) shall be cognizable.
ii. The offences punishable under sub-section (1) shall be tried by the Sessions Court.

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was observed during field visits that sewerage system including lines, nallahs and lands were encroached by private parties and land grabbers as per following details;

a) Nallah in front of White House, Sector 24-A, Scheme 33 and Pioneer Fountain, Scheme 33, District Malir were fully encroached and residents constructed walls, lawns and parking on them.

b) Nursery was established over main sewerage line of Scheme 33 at Madras Chowk, District Malir.

c) Houses were constructed on Channel and land of Clifton Pumping Station, District South by encroachers.

d) Houses on nallah at Sherpao Colony, District Malir were also seen constructed.



(Encroachment on main Nallah at Pioneer Fountain, Scheme-33, District Malir)

The management neither removed the encroachment from the sewerage system including lines, nallahs and land nor provided details of any efforts made by them with respect to removal of encroachment.

Audit was of the view that non-removal of encroachments indicated poor management as no serious efforts were made to get the encroached area vacated.

Audit recommends removal of encroachments from sewerage system including lines, nallahs and lands, besides fixing responsibility on the person(s) at fault for inaction against encroachers.

9.8.8 Non-completion of S-III project despite substantial investment and lapse of considerable time

Section 3(viii)(b) of Chapter-V of the Karachi Water & Sewerage Board Act, 1996 stipulates that the Board shall undertake construction improvement, maintenance and operation of Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste.

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was observed that PC-I

of the Project S-III was approved by ECNEC at a cost of Rs7,982.00 million on September 19, 2007 to cater the sewerage needs of population of Karachi. Revised PC-I for Lyari & Malir River Basins was approved by ECNEC on 07-02-2018 with stipulated completion period of 36 months but the project is still incomplete.

Audit was of the view that non-completion of S-III project showed poor management on the part of KW&SB.

Audit recommends that S-III project should be completed at the earliest.

9.8.9 Non-Provision of adequate sewerage services in Karachi

Section 3(viii)(b) of Chapter-V of the Karachi Water & Sewerage Board Act, 1996 stipulates that the Board shall undertake construction improvement, maintenance and operation of Sewerage works for collecting, pumping, treating and disposing of sewerage and industrial waste.

During thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2022-23, it was observed that KW&SB failed to provide adequate sewerage services in Karachi. During field visit of Lyari, Saddar, Kharadar, Malir, and Scheme 33, it was observed that due to non-provision of adequate sewerage services, sewage water was over flowing from gutters and stuck on the roads and streets, which was not only affecting public health but also damaging the infrastructure of the area including roads.



(Sewerage situation at Lyari, District South)



(Sewerage situation at Scheme 33 near Family Park Metrovill, District Malir)

Audit was of the view that non-provision of adequate sewerage services showed poor management.

Audit recommends that the management should take necessary steps to provide better sewerage services to the inhabitants of South and Malir districts and residents of Karachi.

9.8.10 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 thematic audit on Role of KW&SB in providing Sewerage Services in South and Malir Districts of Karachi for the audit year 2023-24, the management did not produce following record for thematic audit.

i. Filled Questionnaire with relevant supporting documents in respect of Thematic Audit
ii. Details of sewerage schemes planned and executed during last three years in South &Malir Districts
iii. Details and flowchart of existing mechanism for disposal of domestic and industrial sewage especially in South & Malir Districts
iv. Details of expenditure incurred on sewage treatment plants/lines during last three years
v. Details of actions taken to rehabilitate non-functional Sewage Treatment Plants

Audit was of view that non-production of record was a serious lapse on the part of the management which caused hindrance in performance of the functions of audit.

Audit recommends fixing responsibility on the person(s) at fault for non-provision of record to audit.

9.9 Departmental Response

The matter was reported to the management of KW&SB through Observation Memos during audit but no reply was received from any office. The PAO also did not convene DAC meeting till finalization of the report despite issuance of letter dated 15-12-2023, followed by reminders dated 01-01-2024 and 11-01-2024.

9.10 Recommendations

i. The non-operational sewage and treatment plants should be made operational on priority. KW&SB should invest in the development of sewage treatment facilities to treat wastewater before discharging it into the sea.

ii. KW&SB should frame and implement sewerage disposal policies in line with SDG targets to ensure the proper management of wastewater, better sewerage services, increasing access to sanitation, contributing to overall environmental sustainability.

iii. KW&SB should conduct demographic studies and assessment of the sewage-related needs to understand population growth trends and identify the areas where sewerage related projects aligned with SDG-6 are required.

iv. The efforts should be made for removal of encroachments from sewerage system.

v. KW&SB should ensure completion of S-III project on priority basis.

vi. KW&SB should take necessary steps to provide better and effective sewerage services especially in Districts of South and Malir for the well-being and improving quality of life of the residents.

9.11 Conclusion

There is no proper sewerage system in Karachi especially in District Malir and South. KW&SB has failed to develop adequate infrastructure pertaining to sewerage services in Karachi. The issue of sewerage is getting worse due to rapid population growth. To align with SDG, the KW&SB has neither framed any policy relating to sewerage nor has undertaken / executed any scheme to cater to the needs of sanitation and sewerage. There is practice of disposing of untreated sewage directly into the sea which is contaminating sea water. This practice poses significant risk to the environment as well as the marine ecosystem. KW&SB needs to adhere strictly to the regulations and devise best practices to ensure that treated sewage is disposed of into the sea to prevent the risks associated with untreated sewage discharge. It is essential for KW&SB to plan properly, align the objectives of sewerage schemes with sustainable development goals and allocate adequate resources for proper sewage treatment to protect the environment in order to promote sustainable development.

9.12 References:

- www.kwsb.gos.pk
- Brief on Water Supply provided by Chief Engineer (Bulk Water Supply).
- https://www.pbs.gov.pk/census-2017-district-wise/results/092
- Japan International Cooperation Agency (JICA) Final Report On “Data Collection Survey On Water Supply And Sewerage Sector of Pakistan” issued In December 2021 (Data collection survey on water supply and sewerage sector of Pakistan : final report. - (jica.go.jp)
- Sustainable Development Goals Report 2022 issued by United Nations (— SDG Indicators (un.org).

Impact Audit

Chapter-10: Impact Audit

Impact Audit Report on "Impact of Door-to-Door Garbage Collection by Sindh Solid Waste Management Board on the Citizens of Korangi and Central Districts of Karachi"

10.1 Introduction

In 2000, Karachi Metropolitan Corporation (KMC) was abolished and six District Municipal Corporations (DMCs) were merged in newly established City District Government Karachi. The City District Government Karachi was divided into 18 Towns and 178 union councils. In 2011, Sindh Government again restored Karachi Metropolitan Corporation (KMC) and six Districts as Municipal Corporations. Newly created district Keamari has also been given status of 7th District Municipal Corporation in October 2020.

Karachi is one of the largest and most populated metropolitan cities in the world. In 2015, the built-up area of Karachi was about 379.09 square kilometers. Because of improper solid waste management by Karachi Metropolitan Corporation (KMC) and District Municipal Corporations (DMCs), Karachi became infamous as the dirtiest city in Pakistan. In order to resolve the issue of garbage collection Sindh Solid Waste Management Board (SSWMB) was established through Sindh Solid Waste Management Board Act, 2014.

10.1.1 Background

Impact Audits have been started from the Audit Year 2023-24, by the Department of Auditor-General of Pakistan which aim at determining the impact of initiatives or programs with special focus on determining the outcome results attributable to an initiative, new program or recent change to an existing program by separating other contributing factors or variables. The Impact Audit Reports shall benefit the stakeholders in understanding the net results of the programs and initiatives in a more systematic manner and if timely addressed, shall lead to improving service delivery, financial management and better governance.

Over the years, efficient and sustainable management of solid waste is getting more attention at national and local levels. Sindh Solid Waste Management Board (SSWMB) collects and disposes of solid waste in Karachi and other districts of Sindh province. The initiative of door-to-door garbage collection by Sindh Solid Waste Management Board in District Korangi and District Central was executed in January and February, 2022 respectively. Keeping in view the public importance of the issue, the

Impact Audit on "Impact of Door-to-Door Garbage Collection by Sindh Solid Waste Management Board on the Citizens of Korangi and Central Districts of Karachi" was identified in the Annual Audit Plan 2023-24.

10.1.2 Role of the Program

The objectives of establishment of the Sindh Solid Waste Management Board (SSWMB) included effective delivery of sanitation services and provision of pollution free environment. Another salient feature of the Board was to develop and implement an integrated solid waste management system with integrated approach for the sustainable management of solid waste covering all sources and aspects such as collection, transfer, treatment and disposal.

10.2 Overview:

a) Reasons behind establishment of Sindh Solid Waste Management Board

The shopkeepers of commercial areas and visitors of shopping malls and residents usually throw garbage at the corner of each street and in front of shops. According to survey conducted by of SSWMB in 2021 the estimated waste generated in Karachi city was between 12,000 to 15,000 tons/day. Out of which, the quantity of waste being generated by District Korangi and District Central was 1,575 and 1920 tons per day respectively. Zone wise detail of waste generation in both the Districts was as under:

Garbage Generation for the Year 2020-21 (District Korangi)							
Area	**Korangi Zone**	**Landhi Zone**	**Model Colony Zone**	**Shah Faisal Zone**	**Total Garbage Generation Tons per day**	**Total Garbage Generation Tons per year**	**Area wise%**
Urban Residential	412	213	148	172	945	344,925	60
Commercial	69	35	25	29	158	57,670	10
Bulk Waste (Industrial)	206	106	74	86	472	172,280	30
Total Waste	**687**	**354**	**247**	**287**	**1,575**	**574,875**	**100**

Waste Generation for the Year - 2020-21 (District Central)							
Area	**Liaqatabad Zone**	**North Nazimabad Zone**	**Gulberg Zone**	**New Karachi Zone**	**Total Garbage Generation Tons per day**	**Total Garbage Generation Tons per year**	**Area wise%**
Urban	406	320	224	394	1,344	490,560	70

Waste Generation for the Year - 2020-21 (District Central)							
Area	**Liaqatabad Zone**	**North Nazimabad Zone**	**Gulberg Zone**	**New Karachi Zone**	**Total Garbage Generation Tons per day**	**Total Garbage Generation Tons per year**	**Area wise%**
Residential							
Commercial	87	69	48	84	288	105,120	15
Bulk Waste (Industrial)	87	69	48	84	288	105,120	15
Total Waste	**580**	**458**	**320**	**562**	**1,920**	**700,800**	**100**

For resolving above issue, the Sindh Solid Waste Management Board (SSWMB) was established through Sindh Solid Waste Management Board Act, 2014 (now revised as SSWMB Act, 2021) for collection and disposal of all solid waste, effective delivery of sanitation services and provision of pollution free environment in the Province of Sindh. The Board needed to develop and implement an integrated solid waste management system with the strategic approach for sustainable management of solid wastes, covering all sources and aspects such as generation, collection, segregation, transfer, sorting, treatment, recovery, trading and disposal of waste, in an integrated manner.

b) Objectives

The main objectives of the program planned for impact audit were:

i. To check whether the initiative of door-to-door garbage collection provided convenient and systematic waste disposal system to the citizens.

ii. To assess the level of performance achieved after the initiative vis a vis the situation prevailing prior to the intervention.

iii. To check whether the management is collecting garbage effectively as per objectives of the initiative.

iv. To check that the initiative resulted in reduction of illegal dumping of waste.

10.3 Scope & Methodology:

a. Scope

The scope of the Impact audit was restricted to District Korangi and District Central of Karachi Division. However, Municipal Corporation Sukkur was also chosen as control group for data analysis.

b. Methodology

The Impact Audit was initiated by the meetings with the management of Sindh Solid Waste Management Board responsible for providing the service of door-to-door garbage collection in District Korangi and District Central. Post-group comparison (Control and Treatment groups) and Before-and-After design methods were applied for ascertaining the impact of initiative.

Due to non-availability of garbage generation data for the year 2022-23, the data of Survey reports conducted by the SSWMB for the DMC Korangi/Central and MC Sukkur for the year 2020-21 was utilized for the financial year 2022-23 after adding 15% keeping in view the growth of cities.

In addition, following methodology was also applied:

- Questionnaire was prepared by the audit team to be filled by the management and the residents of District Korangi and District Central for qualitative and quantitative insights.
- The financial statements and other relevant record of Sindh Solid waste Management Board and District Municipal Corporations, DMC Korangi, Central and Sukkur was reviewed.
- Conducting field visits of various sites for solid waste activities under jurisdiction of District Korangi and District Central to ascertain the performance of SSWMB regarding solid waste collection and dumping.

10.4 Audit Findings

10.4.1 Door-to-door garbage collection

As per Clause 4.2(a) of Request for Proposal (RFP) of bidding document for the establishment of primary and secondary solid waste collection system in District Korangi and District Central, "wherein waste collecting vehicles with one or two waste collecting workers move around the residential blocks on a specified time each day and sounds horn or ring bell and wait at intermediate locations for residents to bring waste in polythene bags to the collection vehicles or where the workers with the collecting vehicles collect garbage in a basket at the door step of the residents and throw the same in the collecting vehicles, which is then disposed of to nearest dustbin site."

During impact audit of Sindh Solid Waste Management Board, it was observed from the survey conducted by SSWMB in 2021, that the estimated waste generated in Karachi city was between 12,000 to 15,000 tons per day. Out of which, the quantity of waste generated by Districts Korangi and District Central was 1,575 and 1,920 tons per day respectively. The initiative of door-to-door garbage collection by Sindh Solid Waste Management Board in District Korangi and District Central was executed in January and February, 2022 and the contracts were awarded to M/s Gansu Construction Investment Heavy Industry Technology Co. Ltd and M/s Gansu Biguiyan Environment Technology Pakistan (Pvt) Ltd with sanctioned cost of Rs20,914.376 and Rs24,077.532 million respectively for a period of nine years.

Detail of total waste generated and collected by SSWMB through the contractor in District Korangi and District Central during the year 2022-23 is as under:

[Amount in Rs.]

Office	Year	Waste Generated (tons)		Waste Collected (tons)		% of waste Collected	Total Expenditure Per Year
		Per Day	Per Year	Per Day	Per Year		
Korangi	2022-23	1,811	661,015*	1,791	653,715	99	2,694,009,505
Central		2,208	805,920*	1,591	580,715	72	2,530,734,588

**The figure after adding 15% in the survey figures of garbage collection during 2020-21*

Critical Analysis:

The record revealed that management of SSWMB was able to collect and lift 99% and 72% of garbage generated from the limits of District Korangi and District Central respectively. However, SSWMB is collecting garbage only from various specified points of the respective districts but the actual objective of SSWMB regarding door-to-door garbage collection from citizens' homes has not yet been started despite incurrence of huge expenditure.

Audit was of the view that actual objective of the Sindh Solid Waste Management Board regarding door-to-door garbage collection has not been achieved which indicated poor management and weak internal controls.

Audit recommends that the management should take practical steps for initiating the door-to-door garbage collection from citizens' homes on priority basis.

10.4.2 Garbage collection by Sindh Solid Waste Management Board

During impact audit of Sindh Solid Waste Management Board, the conditions before and after the initiative were as follows:

i) Conditions before the initiative

Before establishment of SSWMB, the Shopkeepers of commercial areas, visitors of shopping malls and residents used to throw garbage at the corner of each street and in front of shops. Main Roads and lanes were cleaned manually using brooms and brushes Mechanical sweeping was not done except for some special occasion. Every year on the eve of Eid-ul-Azha offal, bone, skin parts and intestinal organs of the animals were thrown at the door step, road side, open ground, collection points and Katchra Kundis. Further, District Municipal Corporations (DMCs) were facing following problems in collection and lifting of garbage:

- Poor attendance of sanitary workers/officials
- Ineffective monitoring & reporting system
- Shortage of funds for providing proper number of dustbins, containers and POL
- Defective, inappropriate and old garbage vehicles
- Political and labour union intervention
- Encroachment in commercial areas
- Improper garbage transfer station facility and lack of scientific approach for integrated solid waste management

ii) Conditions After the initiative

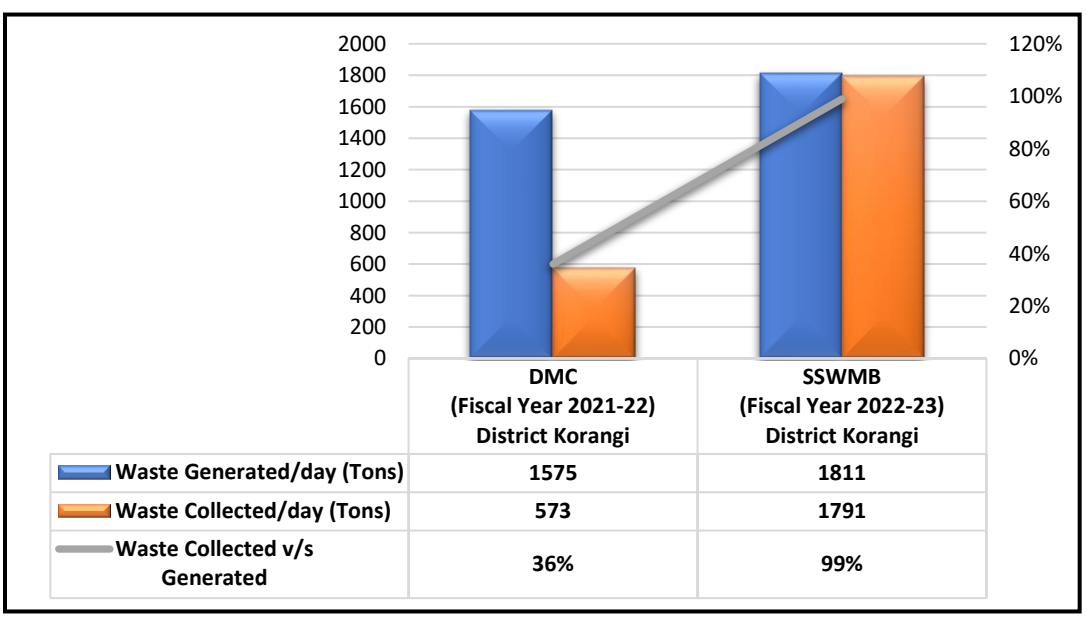
After the intervention of Sindh Solid Waste Management Board, the solid waste activities are being performed by the contractor who collects garbage and solid waste on daily basis through their 3,200 trained and professional labor in the limits of District Korangi and District Central. Lifting and transportation of solid waste from community dustbins sites and collection points nearby designated Garbage Transfer Station (GTS) has been enforced. The management has deployed most efficient and cost-effective machinery (2,500 numbers) in different selected areas. Command & Control System for monitoring, tracking and operation has been established. Android based attendance system with face recognition and location, vehicle tracking system and bin management system (GPS Based) has been introduced. Offal and other residual animal waste are being collected through machinery and is being disposed of timely in the pits already excavated

at designated places where the buried offal may not create any hazard to the surroundings. The management has arranged 6,800 dust bins of different sizes which have been kept in various limits of District Korangi and District Central for collection and lifting of the waste.

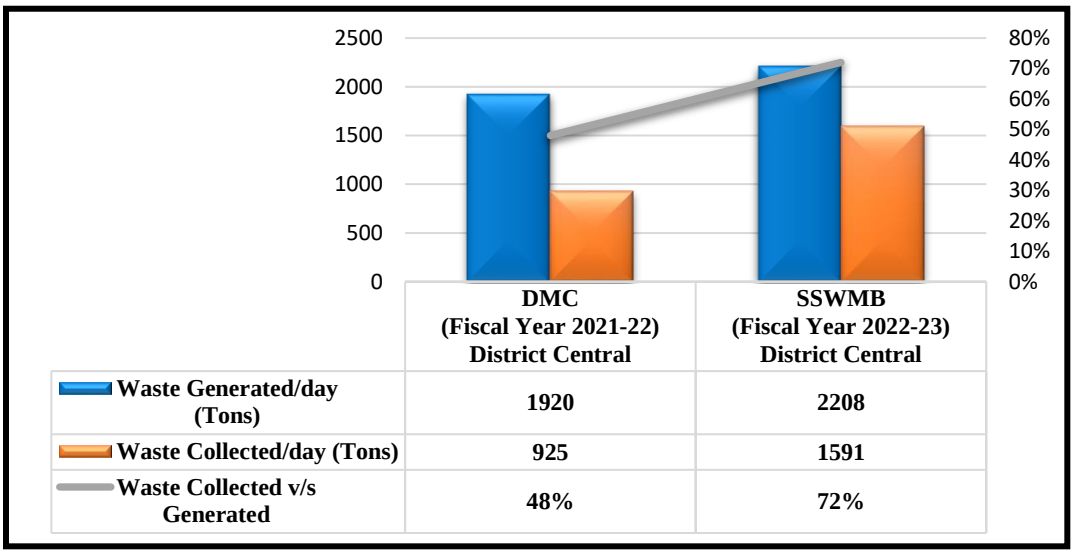
Critical Analysis:

According to survey reports of SSWMB, the status of garbage generation and garbage collection by DMCs (Chosen as Control Group) before and after establishment of SSWMB is as under;

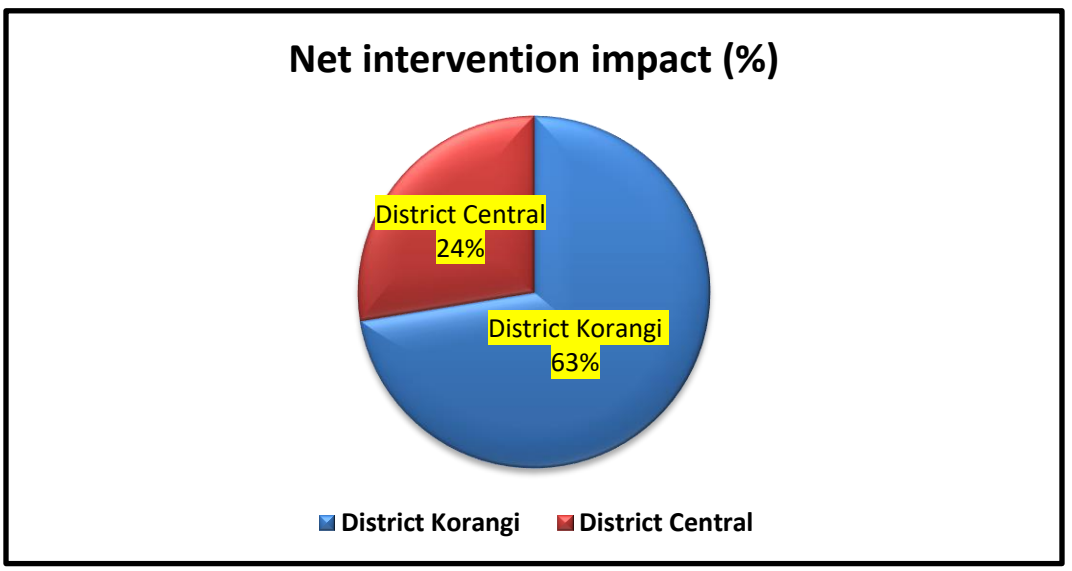
Description	DMCs (Fiscal Year 2021-22) Control Group		SSWMB (Fiscal Year 2022-23) Treatment Group	
	District Korangi	District Central	District Korangi	District Central
Waste Generated per day (tons)	1,575	1,920	1,811	2,208
Waste Collected per day(tons)	573	925	1,791	1,591
Percentage of Waste Collected against Generated	36%	48%	99%	72%
Net intervention impact	-	-	63%	24%



Audit observed that there was a positive impact of local government's intervention for garbage collection executed through SSWMB which is evident from the above table and the charts given on next page:



	DMC (Fiscal Year 2021-22) District Central	SSWMB (Fiscal Year 2022-23) District Central
Waste Generated/day (Tons)	1920	2208
Waste Collected/day (Tons)	925	1591
Waste Collected v/s Generated	48%	72%



The ratio of garbage collection versus garbage generation in District Korangi and District Central by SSWMB was 99% and 72% respectively, whereas the ratio of garbage collection versus garbage generation in District Korangi and District Central by DMCs was 36% and 48% respectively. By deducting the percentage of garbage collection V/S garbage generation of DMCs in District Korangi and District Central from the percentage of garbage collection V/S garbage generation of SSWMB in respective districts, the net impact of the government intervention stood 24% in District Central and 63% in District Korangi

10.4.3 Cost Analysis

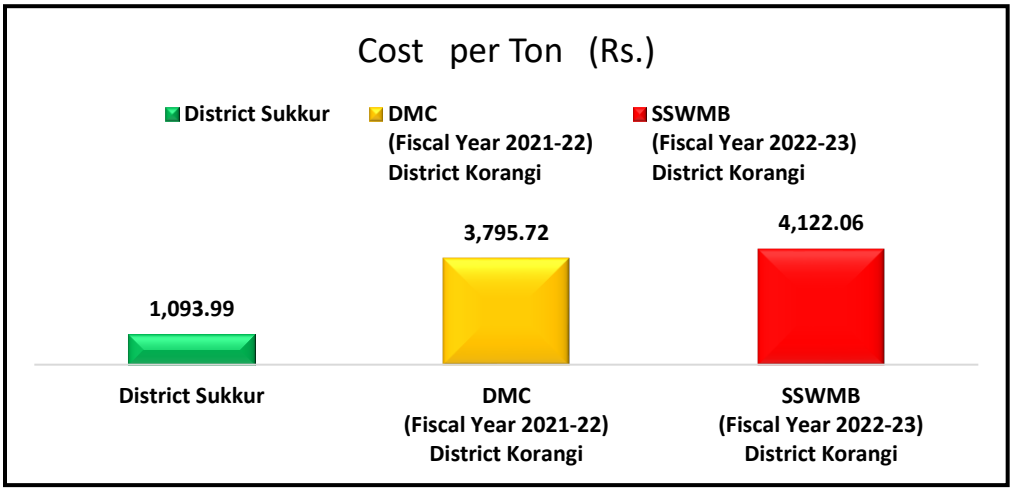
During impact audit of Sindh Solid Waste Management Board, on the basis of data provided by the management of SSWMB, audit carried cost analysis of expenditure incurred on garbage collection before and after the initiative. Audit observed that performance of SSWMB in terms of ratio of garbage collection versus garbage generation in District Korangi and District Central was 99% and 72% respectively which was much better than the performance of DMCs before establishment of SSWMB in District Korangi, District Central and District Sukkur, where, ratio of garbage collection V/S garbage generation was 36%, 48% and 46% respectively. Detail is as below:

Description	DMCs (Fiscal Year 2021-22) Control Group			SSWMB (Fiscal Year 2022-23) Treatment Group	
	District Korangi	District Central	District Sukkur	District Korangi	District Central
Waste Generated per year (tons)	574,875	700,800	146,365	661,015	805,920
Waste Collected per year(tons)	209,003	337,543	66,795	653,559	580,830
Percentage of Waste Collected v/s Generated	36%	48%	46%	99%	72%
Impact of Intervention In percentage	-	-	-	63%	24%
** Total Expenditure per Year (Rs.)	793,317,438	265,414,651	73,073,108	2,694,009,505	2,530,734,588
Cost per Ton (Rs.)	3,795.72	786.31	1,093.99	4,122.06	4,357.10
Cost increase with respect to DMC in%	-	-	-	9%	454%
Cost increase with respect to DMC Sukkur in %	-	-	-	277%	298%

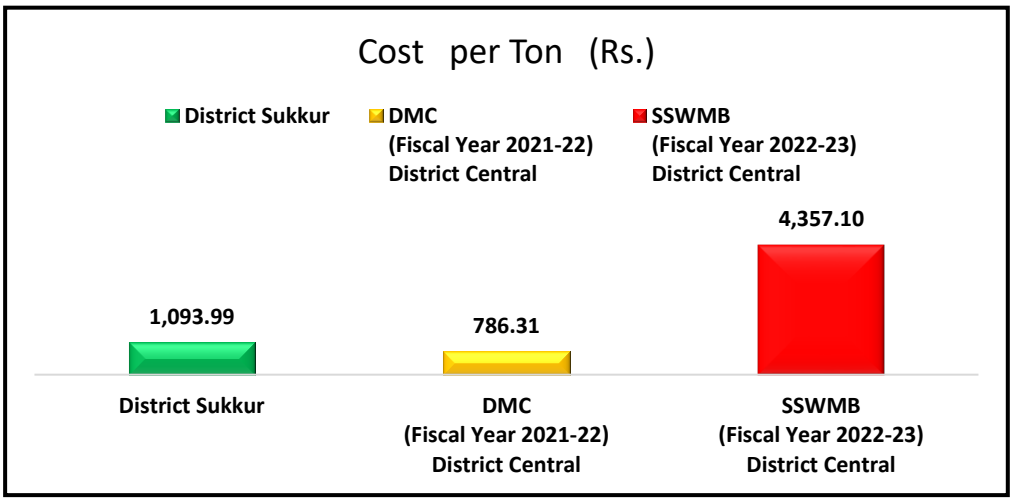
** Annual Accounts of MC Sukkur and information received from SSWMB

However, per ton cost of garbage collection incurred by SSWMB in District Korangi and District Central was Rs 4,122 and Rs 4,357, which was 9% and 454 %

higher than the per ton cost incurred by the respective DMCs. Further, the comparison of per ton cost of garbage collection by SSWMB with DMC Sukkur showed that per ton cost incurred by SSWMB in District Korangi and District Central, was on higher side with increase of 277% and 298% respectively. The cost analysis has also been depicted in the following charts:



Per ton cost comparison of SSWMB in District Korangi with DMC



Per ton cost comparison of SSWMB in District Central with DMC

The management is required to address the matter of per ton cost on garbage collection which was disproportionately on higher side in comparison to District Municipal Corporations.

10.4.4 Non-removal of unauthorized waste dumping points

According to sub-clause 2.7.1 of the Operation & Maintenance Agreement, regarding work plan for services of integrated municipal solid waste (MSW) signed between Contractor and SSWMB for District Korangi and District Central, the contractor will remove all un-authorized dumping points from the area.

During impact audit of Sindh Solid Waste Management Board, it was observed that management failed to remove un-authorized waste dumping points as per agreement (**Annex-IA**). Non-removing of un-authorized dumping points was polluting the environment. Further, hazardous materials could contaminate soil and water, leading to spread of diseases and health risk to both humans and animals.

Audit was of the view that non-removing of illegal dumping points by the management of SSWMB through their contractors despite incurrence of huge expenditure showed non-seriousness towards achieving the devised plans.

Audit recommends removing the un-authorized waste dumping points on priority basis besides taking remedial measures.

10.5 Conclusion

There was positive impact of government's intervention of garbage collection executed through Sindh Solid Waste Management Board (SSWMB) which has been able to collect and lift 99% and 72% of garbage generated from the limits of District Korangi and District Central respectively, whereas net impact of Local Government's initiative was 63% and 24% in the respective districts. However, SSWMB was collecting garbage only from the various specified points of the respective districts but the actual objective of SSWMB regarding door-to-door garbage collection from citizens' homes has not yet been started despite incurrence of huge expenditure and lapse of considerable time since its launching. Further, the management is required to address the matter of per ton cost on garbage collection which was disproportionately on higher side in comparison to District Municipal Corporations.

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Annex-1: Memorandum for Departmental Accounts Committee (MfDAC)

Summary of MfDAC Paras

Sr. No.	Name	No. of Paras
1.	Local Government & Housing Town Planning Department	02
2.	KMC and KW&SB	01
3.	Hyderabad Division	01
4.	Larkana Division	03
5.	Sukkur Division	02
6.	Mirpurkhas Division	04
7.	Shaheed Benazirabad Division	03
	Total	**16**

Local Government & Housing Town Planning Department

[Rs. in Million]

Sr. No.	Description	AIR Para	F. Y	Amount
1.	**Non-adjustment of advances - Rs1.712 Million**			
i.	Sindh Building Control Authority, Karachi	17	2022-23	1.712
2.	**Illegal Retention of Government Vehicle**			
I	Regional Director, Local Government, Karachi Division	1	2021-22	-

KMC and KW&SB

[Rs. in Million]

Sr. No.	Description	AIR Para	F. Y	Amount
1.	**Savings not surrendered - Rs69.966 Million**			
i.	MS Spencer Eye Hospital	9	2021-22	26.335
ii.	MS Sobhraj Maternity Hospital	11	2021-22	27.851
iii.	Chief Engineer (E&M) Water	5	2021-22	15.780

Hyderabad Division

[Rs. in Million]

Sr. No.	Description	AIR Para	F. Y	Amount
1.	**Sanction of cement rates over and above the approved rate Rs0.247 Million**			
i.	District Council Badin	4	2022-23	0.247

Larkana Division

[Rs. in Million]

Sr. No.	Description	AIR Para	F. Y	Amount
1.	**Unauthorized hiring of legal advisor - Rs0.160 Million**			
i	Municipal Committee Kandhkot	4	2021-22	0.160
2.	**Procurement without constituting purchase committee - 0.190 Million**			
i.	District Council Shikarpur	5	2021-22	0.190
3.	**Loss due to payment of penalty for late deposit of income tax Rs0.270 Million**			
i.	Town Committee, Qubo Saeed Khan	3	2021-22	0.270

Sukkur Division

[Rs. in Million]

Sr. No.	Description	AIR Para	F. Y	Amount
1.	**Irregular expenditure without approval of budget**			
i	Town Committee Ranipur	6	2021-22	183.844
ii.	Municipal Committee Kingri	6	2021-22	136.223
iii.	Town Committee Therhi-II	6	2021-22	12.740
2.	**Non-maintenance of contractor ledger/register**			
i.	District Council Khairpur	11	2022-23	2.421

Mirpurkhas Division

[Rs. in Million]

Sr. No.	Description	AIR Para	F. Y	Amount
1.	**Unauthorized hiring of legal advisors - Rs0.540 Million**			
i.	Town Committee, Chachro	14	2022-23	0.540
2.	**Less-recovery of stamp duty - Rs0.204 Million**			
i.	Town Committee Jhuddo	13	2021-22	0.204
3.	**Irregular payment on clearance of previous liability - Rs12.768 Million**			
i.	District Council Mirpurkhas	6	2022-23	12.768
4.	**Unauthorized consumption of POL beyond entitlement - Rs0.173 Million**			
i.	Town Committee, Chachro	7	2021-22	0.173

Shaheed Benazirabad Division

[Rs. in Million]

Sr. No.	Description	AIR Para	F. Y	Amount
1.	**Unauthorized hiring of legal advisors - Rs0.480 Million**			
i.	Town Committee Naushahro Feroze	10	2021-22	0.480
2.	**Non-deposit of recovery of Katcha Piri - Rs0.218 Million**			
i.	Town Committee Tharo Shah	6	2021-22	0.218
3.	**Irregular payment on clearance of previous liability - Rs1.424 Million**			
i.	Town Committee Bhiria	8	2021-22	1.057
ii.	Town Committee Naushahro Feroze	11	2021-22	0.367

Local Government & Housing Town Planning Department

Annex-LGD1[Para: 1.5.1.1]: Non-production of Record

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y.	Particulars	Amount
1	Additional Director, Local Government Badin	08	2016-22	i. Annual Accounts for the FY 2016 to 22 ii. Establishment record iii. certificate for defalcation & losses iv. Vouchers of non-salary expenditure	0.743
2	Regional Director, Local Government Shaheed Benazirabad	01	2021-22	Complete non-production of record	-
3	Regional Director, Local Government Sukkur	1	2021-22	i. Establishment record ii. List of official vehicles iii. TA/DA register iv. Complete record/details of complains against all local councils of Sukkur division received and actions taken thereof v. Complete record/details of inquires conducted/special audit/inspections of all local councils of Sukkur Division conducted vi. Minutes of meetings (if any) chaired by Directorate on accounts of matters of all local councils of Sukkur Division	-
4		4		Supporting Vouchers of contingency expenditure	0.272
5	Regional Director, Local Government Larkana	01		i. Establishment record ii. Dead Stock Register iii. Minutes of meetings (if any) chaired by Directorate on accounts of matters of all local councils of Larkana division iv. Complete record/details of inquires conducted/special audit/inspections of all local councils of Sukkur Division conducted v. Complete record/details of inquires conducted/special audit/inspections of all local councils of Larkana division conducted	-

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y.	Particulars	Amount
6	Secretary, Local Government Housing & Town Planning Department	01	2022-23	Record of expenditure incurred under Head of account A13602-Highways	132.039
7	Senior Director, Sindh Master Plan Authority	01	2022-23	i. Record handed over to Karachi Development Authority (KDA) pertaining to Department of Planning and Urban Design (DP&UD) department transferred to Karachi Development Authority. ii. Layout Plans/Drawings/Site Plans/ Maps of all areas pertaining to Sindh Master Plan Authority jurisdiction	-
8	Director General, Sindh Building Control Authority	01	2022-23	i. List of approval and issuance of NOCs for sale and advertisement of plots/banglows on encroached land ii. Detail of cancellation of NOCs being in violation of SBCA rules and terms and conditions of NOC iii. Record regarding inquiries at court, NAB and FIA iv. Record of recruitment and promotions v. List of the construction plans which were to be completed in 2022-2023 vi. Report of defalcation and losses of assets etc.	-
9		23	2022-23	Advances (House Purchase Advance, Marriage Advance, Motorcycle Advance) to departmental officers and officials but details of adjustment against recoveries were not maintained	13.917
10	Sindh Local Government Board, Karachi	14	2022-23	i. Budget Book 2022-23 ii. Annual statement of accounts iii. Service books/personal files of SCUG employees Transfer & posting of council employees iv. Posting orders of administrators v. Pension cases with financial impact vi. Inquiries and court cases etc.	-
11	Project Director, Local Government Projects Karachi	14	2022-23	Award of works to the contractors without credentials	878.678
				Total	**1,025.649**

Annex-LGD2[Para: 1.5.2.6]: Irregular award of promotions to employees

a) Annexure

[Rs. in Million]

Sr. No.	Name of Employees	Remarks	Amount
1	Mr. Iqbal Qasim Junejo	• Appointed in BS-11 on 17-01-2013 • Made VR with NAB being T.O (Finance) TMA Sujawal, Shah Bundar • Promoted as A. Accounts Officer (BPS-16) on 02-02-23	1.434
2	Mr. Rehmatullah Memon	• Appointed as Sub-Engineer (BPS-11) on 24-08-1995 • Promoted as A. Executive Engineer (BS-17) on 24-08-2009 • Executive Engineer (BS-18) on 23-12-2011 • Made VR with NAB being Ex-Executive Engineer, DMC Malir • Promoted to Superintending Engineer (BS-19)	7.575
3	Mr. Aurangzaib Magsi	• Appointed as Town Officer (BS-17) on 05-08-2013 • Made VR with NAB being Ex-T.O, TMA Sujawal • Promoted as Chief Officer (BS-18) on 10-06-21	1.609
4	Mr. Ghulam Mustafa Memon	• Appointed as Accountant (BPS-11) on 21-08-1989 • Promoted to A. Accounts Officer (BS-16) on 19-04-2004 • Made VR with NAB being EX, TMO TMA Talhar • Promoted to Accounts Officer (BS-17) 12-18-20	0.732
5	Mr. Ahsan Ali Siyal	• Appointed as Accountant (BPS-11) on 20-08-2010 • Petitioner Ahsan Ali Siyal is granted post arrest bail subject to furnishing of solvent surety in the sum of Rs 500,000/- PR Bond. The petitioner shall also deposit entire amount of his liability in the case being Rs. 31,002,624/- before his actual release on bail. The petitioner also surrenders his passport with Additional Registrar of this Court [Civil Petition No. 1148-K of 2018] • Promoted as Assistant Accounts Officer (BPS-16) on 02-02-23	31.003

Note: *Above list is illustrative not exhaustive*

b) Annexure

[Rs. in Million]

Sr. No.	Name of Employees	Remarks	Amount
01	Mr. Zahoor Ahmed Shahani	• Appointed as Accountant (BS-11) in 2012 • Upgraded to Accountant (BS-16) • Made VR with NAB being T.O (Finance) in TMA Sehwan	10.225

[Rs. in Million]

Sr. No.	Name of Employees	Remarks	Amount
02	Mr. Idress Memon	• Made VR with NAB being T.O (I&S) TMA Sehwan	1.496
03	Mr. Asghar Bhand	• Made VR with NAB being TMO, TMA Sehwan (Council Employees BS-17)	17.186
04	Mr. Muhammad Mehboob	• Made VR with NAB being Administrator TMA Sehwan	2.262
05	Mr. Ihsan Ali Jamali	• Made VR with NAB being Administrator TMA Sehwan	3.792
06	Mr. Muneer Hussain Mangi	• Made VR with NAB being Ex-T.O, TMA Sujawal, Mirpur Sakro,	4.334
07	Mr. Jahangir Agha	• Made VR with NAB being T.O (Finance) TMA Sujawal	2.583
08	Mr. Muhammad Ali Shah	• Made VR with NAB being T.O (Finance) TMA Sujawal	2.034
09	Mr. Muhammad Asif Rahim Shah	• Made VR with NAB being T.O, TMA Sujawal	2.583
10	Mr. M. Wasif Malik	• Made VR with NAB being Administrator TMA Mirpur Sakro	0.984
		• Made VR with NAB being T.O, TMA Sujawal	1.567
11	Mr. Muneer Ahmed Khuwaja	• Made VR with NAB being T.O, TMA Mirpur Sakro	1.328
		• Made VR with NAB being T.O, TMA Talhar	0.626
12	Mr. Mukhtiar Ahmed Bhurt	• Made VR with NAB being T.O, TMA Talhar	0.712
13	Mr. Shakeel Ahmed Memon	• Made VR with NAB being T.O (I&S) TMA Talhar	0.803
14	Mr. Muhammad Aslam Korejo	• Made VR with NAB being T.O (I&S) TMA Talhar	0.783
15	Mr. Manzoor Hussain Abbasi	• Made VR with NAB being EX, TMO TMA Mirpur Sakro	2.760
16	Mr. Liaquat Ali Khuwaja	• Appointed as Accountant (BPS-11) on 02-10-1993 • Promoted as A. Accounts Officer (BPS-16) on 14-09-2010 • Made VR with NAB being Accounts Officer in TMA Talhar	1.643
17	Mr. Ilahi Bux	• Made VR with NAB being TMO TMA Mirpur Sakro	1.618

Note: *Service Books & Personal Files of above employees not provided for scrutiny*

Annex-LGD3[Para: 1.5.2.7]: Irregular promotion of employee without fulfilment of prescribed criteria

1. Secretary Local Government Board AIR Para no. 05 Detail of promotion of officers without prescribed length of service										
Sr. No.	Full Name of the Employees	Date of Birth	Date of Appointment	Qualification on Initial Appointment	Initial Appointment with Scale	Promotions				Remarks
						1st in BS-18	Date of 1st	2nd in BS-19	Date of 2nd	
1	Mr. Waheedullah Nepar	5-4-1968	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	Pay Fixed in BPS-19
2	Mr. Suhail Ahmed Memon	5-9-1969	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
3	Mr. Khalid Mehmood	4-5-1972	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
4	Mr. Iqbal Ahmed Mallah	5-9-1972	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	Pay Fixed in BPS-19
5	Syed Asif Ali Shah	5-9-1972	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	28-05-20	SE	22-04-22	Pay Fixed in BPS-19
6	Mr. Saeed Hussain Dasti	12-12-72	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
7	Mr. Wahid Bux	5-3-1972	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	--
8	Mr. Allah Wadhayo Rajpar	2-5-1973	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
9	Mr. Muhammad Saeed Kanasro	14-06-73	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
10	Mr. Waqar Rawal Pahore	2-12-73	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
11	Mr. Muhammad Hassan	1-3-1974	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
12	Mr. Majid Ali Khokhar	23-12-74	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
13	Mr. Rafique Ahmed Shaikh	18-03-75	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	28-05-20	SE	22-04-22	File N.P

1. Secretary Local Government Board AIR Para no. 05 Detail of promotion of officers without prescribed length of service										
Sr. No.	**Full Name of the Employees**	**Date of Birth**	**Date of Appointment**	**Qualification on Initial Appointment**	**Initial Appointment with Scale**	**Promotions**				**Remarks**
						1st in BS-18	**Date of 1st**	**2nd in BS-19**	**Date of 2nd**	
14	Pir Shoukat Ali Shah	6-4-1975	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
15	Syed Shehzad Ali Shah	1-10-1977	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	Pay Fixed in BPS-19
16	Mr. Mehfooz Ahmed	24-01-78	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
17	Mr. Agha Fahad	19-11-78	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
18	Mr. Khalid Saeed Panhwar	21-02-80	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	Pay Fixed in BPS-19
19	Mr. Zulfiqar Ali Abro	3-3-1980	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	Pay Fixed in BPS-19
20	Mr. Zulfiqar Ali Jatoi	5-3-1980	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
21	Mr. Abdul Ghani Shaikh	27-03-82	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
22	Mr. Sohail Ahmed Mallah	28-03-82	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	File N.P
23	Mr. Zulfiqar Ali Mandro	26-12-82	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	-
24	Mr. Azhar Hussain Shah	8-5-1989	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	1-2-2019	SE	22-04-22	Pay Fixed in BPS-19
25	Mr. Pawan Kumar	17-01-90	5-8-2013	B.E (Civil)	AEE (BS-17)	EE	12-2-2019	SE	22-04-22	Pay Fixed in BPS-19

01. Secretary Local Government Board, AIR Para no. 06			
Detail of promotions of without mandatory trainings			
Sr. No.	**Promoted to**	**Number of Employees**	**Notification # & Date**
1	BPS-18 to BPS-19	21	SLGB/SCUG/AO(ADMN)/GEN/2022/387 dated 15-02-2022
2		02	SOIII(SGA&CD)13-100/2016 dated 15-02-2022
Total		**23**	

02. Secretary Local Government Board, AIR Para no. 07			
Detail of promotions without verification of degrees			
Sr. No.	**Promotion**	**Promoted vide Notification # & Date**	**Number of Employees**
2	BS-14 to BS-16	SLGB/SCUG/AO(ACCOUNTS)/GEN/2021/950 dated 03-11-2021	53
3	BS-16 to BS-17	SLGB/SCUG/AO(ACCOUNTS/(GEN)/2021/475 Dated 26-07-2021	49
4	BS-17 to BS-18	SLGB/SCUG/AO/Accounts/(GEN)/2021/1097 dated 06-12-2021	06
		Total	**108**

Note**:** *above list is only illustrative not exhausted.*

03. Secretary Local Government Board, AIR Para no. 08								
Detail of promotions of without minimum qualifications								
Sr. No.	**Seniority List #**	**Full Name of the Employees**	**Date of Appointment**	**Qualification**	**Initial Appointment as**	**Upgraded Post on 20-02-20**	**1st Promotion**	**Date of Promotion (1st)**
1	3	Mr. Muhammad	14-12-80	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
2	42	Mr. PirHizbullah	17-02-88	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
3	61	Mr. Naseerudin Jamali	10-03.88	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
4	289	Mr. Irfan Ali	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
5	386	Mr. Abid Ali	14-10-10	Matriculation	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22

03. Secretary Local Government Board, AIR Para no. 08								
Detail of promotions of without minimum qualifications								
Sr. No.	**Seniority List #**	**Full Name of the Employees**	**Date of Appointment**	**Qualification**	**Initial Appointment as**	**Upgraded Post on 20-02-20**	**1st Promotion**	**Date of Promotion (1st)**
6	472	Mr. Akhtar Ali	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
7	473	Mr. Ghullam Mustafa	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
8	509	Mr. Jawaid Hussain	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
9	594	Mr. Ghulam Murtiza	14-10-10	Matriculation	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
10	620	Mr. Sardar Ali	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
11	637	Mr. Riaz Hussain	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
12	665	Mr. Muhammad Moosa	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
13	752	Mr. Arif Ali	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
14	765	Mr. Sher Ali	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22
15	782	Mr. Azeemullah	14-10-10	Intermediate	UC Secretary (BS-07)	BS-11	Junior Town Officer (BS-14)	31-01-22

Annex-LGD4[Para: 1.5.2.8]: Irregular posting of council employees

Sr. No.	Name of Employee	Designation with BPS	Parent Council	Transferred from	Transferred to	Designation
1	Mr. Saeed Akhtar Mahar	Council Employee (BS-18)	-	Awaiting Posting	District Council TMK	Chief Officer
2	Mr. Arbab Muhammad Bachal	Council Employee (BS-16)	-	Awaiting Posting	Town Committee Diplo	Acting Town Officer
3	Mr. Asif Ali Jagirani	Council Employee (BS-16)	-	Awaiting Posting	Town Committee Khanpur	Acting Town Officer
4	Mr. Nasir Jamali	Council Employee (BS-17)	-	Awaiting Posting	DMC Malir Karachi	Acting Director (Education)
5	Mr. Adnan s/o Lal Bux	Council Employee (BS-17)	-	Dir (Land) TMC Jinnah	UCs District East	Transition Officer
6	Mr. Mazhar Mallah	Council Employee (BS-16)	-	A.O(Admn) SLGB	UCs District South	Transition Officer
7	Mr. Muhammad Nawaz Golo	Council Employee (BS-17)	-	Awaiting Posting	UCs District Keamari	Transition Officer
8	Mr. Imtiaz Ali	Council Employee (BS-16)	-	Taxation Officer (HMC) Hyd	Defunct UCs of Latifabad	Transition Officer
9	Mr. Raja Khan Bozdar	Council Employee (BS-17)	-	DMC East Karachi	UCs of Hyd Rural	Transition Officer
10	Mr. Imran Ali	Council Employee (BS-17)	-	O.S, M.C KN Shah	Defunct UCs District Sujawal	Transition Officer
11	Mr. Nasrullah Sarki	Council Employee (BS-18)	-	Local Govt. Department	DMC Malir Karachi	Director Taxes
12	Mr. Muhammad Faraz	Council Employee (BS-17)	-	Awaiting Posting	DMC Malir Karachi	Payroll/ I.T Incharge
13	Mr. Haji Khan Rind	Council Employee	-	Awaiting Posting	Town Committee Raju Khanani	Administrator
14	Mr. Shujaat Hussain	Council Employee (BS-16)	-	Awaiting Posting	DMC Korangi Karachi	Payroll/I.T Incharge
15	Mr. Mushtaque	Council Employee	-	DMC (West) Karachi	TMC Mominabad	Director (Education)

Sr. No.	Name of Employee	Designation with BPS	Parent Council	Transferred from	Transferred to	Designation
	Ahmed Soomro	(BS-17)			Karachi	
16	Mr. Abdul Ghafoor	Council Employee (BS-17)	-	District Council Karachi	TMC Ibrahim Hyderi	Director Taxes
17	Mr. Ayaz Ali	Council Employee (BS-17)	-	TMC Chanessar	TMC Jinnah	Director (HRM)
18	Mr. Javed Ahmed Arbani	Council Employee (BS-17)	-	M.C Ratodero	TMC Hussainabad Hyd	Director (Land)
19	Mr. Ghulam Hussain Kapri	Council Employee (BS-17)	T.C Kuneri	KMC Karachi	TMC Hussainabad Hyd	Director (Taxes)
20	Mr. Niaz Hussain Babar	Council Employee (BS-17)	-	DMC Malir Karachi (Defunct)	TMC Hussainabad Hyd	Director (HRM)
21	Mr. Anil Kumar	Council Employee (BS-17)	-	T.C Tando Bago	TMC Qasimabad Hyd	Director (Land)
22	Miss Shabana Riffat	Council Employee (BS-17)	-	DMC Central Karachi (Defunct)	TMC Laiquatabad, Karachi	Director (Advertisement)
23	Miss Shamona Sadaf	Council Employee (BS-18)	DMC Central Karachi	Awaiting Posting	TMC North Nazimabad, Karachi	Director (Advertisement)
24	Mr. Hussain Bux Dharejo	Council Employee (BS-17)	-	Awaiting Posting	HMC Hyderabad	Deputy Director (Cattle Colony) HMC Hyd
25	Mr. Inam Ali Kalwar	Council Employee (BS-17)	-	DMC Korangi Karachi	TMC Shah Faisal, Karachi	Director (Advertisement)
26	Mr. Nadeem Iqbal Mirani	Council Employee (BS-18)	-	DMC (Keamari) Karachi	TMC Mian Sarfraz Hyd	Director (Advertisement)
27	Mr. Zulfiqar Ali Shar	Council Employee (BS-17)	-	T.C Jam Sahib	TMC Moriro Mirbahar, Karachi	(Director (Taxes)
28	Mr. Zulfiqar Ali Qazi	Council Employee (BS-17)	-	DMC (Korangi) Karachi	TMC Shah Faisal, Karachi	Director (Parks)
29	Mr. Ghulam Mujtaba	Council Employee (BS-16)	-	T.C Mehrabpur	TMC Mian Sarfraz Hyd	A. Dir (Taxation)
30	Mir Manzoor	Council	-	Awaiting	TMC Mian	Director

Sr. No.	Name of Employee	Designation with BPS	Parent Council	Transferred from	Transferred to	Designation
	Talpur	Employee (BS-18)		Posting	SarfrazHyd	(Estate) HMC Hyd
31	Mr. Lutuf Lai Burior	Council Employee (BS-16)	-	DMC Malir Karachi (Defunct)	TMC Mian Sarfraz Hyd	Inspector
32	Mr. Samiullah	Council Employee (BS-17)	-	DMC West Karachi (Defunct)	TMC Orangi Town Karachi	Director (Vigilance)
33	Mr. Waseem Raja	Council Employee (BS-18)	-	Awaiting Posting	TMC Jinnah Karachi	Director (Advertisement)
34	Mr. Agha Nadeem Ahmed	Council Employee (BS-17)	-	DMC Malir Karachi (Defunct)	TMC Safoora Karachi	Director (Land)
35	Mr. Imran Ali	Council Employee (BS-17)	-	DMC East Karachi (Defunct)	TMC Safoora Karachi	Director (Taxes)
36	Mr. Sadda Hussain Khokhar	Council Employee (BS-17)	-	DMC East Karachi (Defunct)	TMC Sohrab Goth Karachi	Director (Taxes)
37	Syed Zain Ali Shah	Council Employee (BS-17)	-	TMC Safoora Karachi	TMC Mominabad Karachi	Director (Sanitation)
38	Mr. Naveed Ahmed	Council Employee (BS-17)	-	Awaiting Posting	TMC Landhi Karachi	Director (Advertisement)
39	Mr. Muhammad Owais	Council Employee (BS-16)	-	TMC Gadap Karachi	TMC Mominabad Karachi	D. Director (HRM) TMC Mominabad Karachi
40	Mr. Muhammad Ali Lashari	Council Employee	-	TMC Baldia Karachi	TMC Sohrab Goth Karachi	A. Director (Anti-encroachment)
41	Mr. Muhammad Essa Rajar	Council Employee (BS-17)	-	Awaiting Posting	TMC Sachal Sarmast Hyd	Director (Anti-encroachment)
42	Mr. Majid Raza	Council Employee (BS-18)	-	TMC New Karachi	-	Director (Vigilance)
43	Mr. Draban Ali Abro	Council Employee (BS-17)	-	T.C Behram	TMC Mominabad Karachi	Director (Taxes)
44	Syed Shahid Hussain Shah	Council Employee (BS-17)	-	T.C Baberloi	TMC Saddar Karachi	Director (Land)

Sr. No.	Name of Employee	Designation with BPS	Parent Council	Transferred from	Transferred to	Designation
45	Mr. Aftab Ahmed Shaikh	Council Employee (BS-17)	-	DMC Central Karachi	TMC New Karachi	Director (Parks)
46	Mr. Iftikhar Ahmed	Council Employee (BS-18)	-	DMC East Karachi	TMC Jinnah Karachi	Director (Charge Parking)
47	Syed Murtiza Ali Shah	Council Employee (BS-16)	-	CODC Karachi	TMC Ibrahim Hyderi Karachi	Director (Purchase)
48	Mr. Hidayatullah Shaikh	Council Employee (BS-17)	-	TMC Ibrahim Hyderi Karachi	TMC Gadap Karachi	Director (Advertisement)
49	Mr. Aswad	Council Employee (BS-16)	-	CODC Karachi	TMC Shah Faisal, Karachi	Acting Director (Taxes)
50	Mr. Abdul Ahad Shaikh	Council Employee (BS-17)	-	TMC Ibrahim Hyderi Karachi	TMC Ibrahim Hyderi Karachi	Director (Taxes)
51	Mr. Fida Hussain Shaikh	Council Employee (BS-17)	-	TMC Ibrahim Hyderi Karachi	TMC Ibrahim Hyderi Karachi	Director (Information)

Note: *above list is only illustrative not exhausted.*

Annex-LGD5[Para: 1.5.3.2]: Unjustified payment of works in US dollar instead of Pak Rupees

[Amount in Rs.]

Sr. No.	Name of work	District	Name of contractor	Work order No & Date	Payment made during FY-2022-23
1	Primary & secondary collection, manual sweeping, mechanical sweeping and mechanical washing	South	M/s Changyi Kangjie Sanitation Engineering Company (Pvt) Ltd	SSWMB/ED(Ops-I)NIT-12/LoA/188/2016-17 Dt. 28.02.2017	2,052,706,086
2		East		SSWMB/ED(Ops-I)/NIT-15/LoA/273/2016-17 Dt. 24.03.2017	2,437,785,565
3		Malir	M/s Hangzhou Jinjinag Sanitation Engineering Company (Pvt) Limited	SSWMB/ED(Ops-I)NIT-4.2/LoA/998/2017 Dt. 11.10.2017	2,069,101,934
4		West		SSWMB/ED(Ops-I)/NIT-4.1/LoA/997/2017 Dt. 11.10.2017	1,744,638,429
5		Kemari		SSWMB/ED(Ops-I)/NIT-4.1/LoA/998/2017 Dt. 11.10.2017	1,448,768,019
Total					**9,753,000,033**

Annex-LGD6[Para: 1.5.3.3]: Execution of schemes without obtaining approval from competent forum

[Rs. in Million]

1. Project Director, Local Government Project, Hyderabad, AIR Para no. 02						
Sr. No.	**Name of Scheme**	**ADP No.**	**WO No. Date**	**Approved by**	**Competent Forum**	**Sanctioned Amount**
1	Construction of Bridge and Re-Designing of Fly Over (Hyderabad-Mirpurkhas Road)	2562	XEN/TC/LGP/GOS/G-55/ 720/2023 date 09/06/2023	PDWP 02-05-2023	ECNEC after Clearance from CDWP	1,994.714
2	Const. of dual carriage way Ring Road (Auto Bhan) from Hero Chowk to Hala Naka via Ghanghra Mori i/c drain Nala's Distt. Hyd	2561	XEN/TC/LGP/GOS/G-55/ 720/2023 date 09/06/2023	PDWP 30-01-2023		2,298.693
					Total	**4,293.407**

[Rs. in Million]

Project Director, Local Government Project, Karachi, AIR Para no. 01		
Sr. No.	**Description of Works**	**PC-I Cost**
1	Rehabilitation / Improvement of Road Sewerage Line and Water System and PS-106, District East Karachi. (ADP-1768)	206.184
2	Rehabilitation and Construction of Rafiqui Shaheed Road and Kala pul road from Shahrah-e-Faisal to Main Korangi Road. (ADP-2474)	208.473
3	Rehabilitation & Widening of Road from Razakabad to Sheedi Goth Power House. (ADP-2475)	209.335
4	Rehabilitation / Re-Construction of Connecting and Surrounding roads of Lyari Expressway (ADP-2478)	219.502
5	Re-construction of Syed Raees Ahmad Jafri Road from Peoples Chowrangi upto Rashid Minhas Road. (ADP-2484)	416.738
	Total	**1,260.232**

Annex-LGD7 [Para: 1.5.3.4]: Award of works without execution of contract agreements

[Rs. in Million]

Sr. No.	ADP No.	Name of Scheme	Name of contractor	WO No. & Date	Contract Amount	Stamp Duty @ 0.35 paisa
1	2561	Construction of Dual Carriage Way Ring Road (Auto Bhan) from, Hero Chowk to Hala Naka via Ghanghra Mori, i/c drain Nala's District Hyderabad (Revised on 29.05.23)	M/S Niaz Muhammad Khan & Bros.	XEN/TC/LGP/GOS/G-55/462/2023 date 29/05/2023	2,298.693	8.045
2	2562	Construction of Bridge and Re-Designing of Fly Over (Hyderabad-Mirpurkhas Road)	M/S J. N. & Co. and M/S H.C.S	XEN/TC/LGP/GOS/G-55/ 720/2023 date 09/06/2023	1,893.425	6.627
3	2563	Widening / reconditioning of Asphalt Concrete Road from Khyber Tando Adam Road @ point Odero Lal village to Nasarpur road via Odero Lal Station mile & Moosa Khatiyan mile 0/0-14/0 District Matiari & Hyderabad	M/S J. N. & Co.	XEN/TC/LGP/GOS/G-55/463/2023 date 29/05/2023	753.225	2.636
				Total	**4,945.343**	**17.308**

Annex-LGD8 [Para: 1.5.3.5]: Execution of scheme without PC-I and PC-II

[Rs. in Million]

Sr. No.	Description of Works	NIT #	Tender Amount
1	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-I Model Colony to tower)	482 15-08-22	117.801
2	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-II North Karachi to Indus Hospital)		118.084
3	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-III Nagan Chowrangi to Singer Chowrangi)		117.647
4	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-IV) Phase-I (North Karachi to Dock Yard)		212.171
5	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-IV) Phase-II (North Karachi to Dock Yard)		218.96
6	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-V) Surjani Town to Masroor)		98.129
7	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-VI) Gulshan-e-Bihar Orangi to Singer Chowrangi)		196.336
8	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-VII) Phase-I (Mosimiyat to Baldiya Town		195.298
9	Rehabilitation of Roads on the Routes of Peoples Bus Service (Route-VII) Phase-II (Mosimiyat to Baldiya Town		175.751
		Total	**1,450.177**

Annex-LGD9 [Para: 1.5.3.6]: Technical sanction beyond delegated financial powers

[R. in Million]

Sr. No.	Name of Scheme	Location of Scheme/ District	ADP No.	Date of Approval	Sanctioned Estimate Amount
1	Reconditions / Improvement of Different Villages Various Roads Taluka Digri and Taluka Jhudo	Mirpurkhas	2336	02.05.2023	169.839
2	Construction of Various Roads of Taluka Diplo mile 8/0 (12.87 Kms)	Tharparkar	2359		199.890
3	Construction of Various Roads of Taluka Kaloi mile 8/0 (12.87 Kms)		2360		199.960
4	Construction of road from Dhangham to Behanggm via paro dedh vero mile 0/0 - 4/6 (7.64 Kms)		2361		134.967
5	Construction of Road from Bhojro to Village Dhori via Salani, 0/0-5/4 (8.85 Kilometes)		2366		167.610
6	Construction of Road from Bhonio at mile 67/1 to keetar, via keetari mile 0/0-4/4 (7.22 Kms)		2367		138.122
7	Construction of Road from Kheme-jo-Par Kalario Road to Village Eatkan Heyatani mile 0/0-3/7 (6.23 Kms)		2368		124.990
				Total	**1,135.378**

Annex-LGD10 [Para: 1.5.3.9]: Irregular award of work without technical sanction

[Rupees in Million]

Sr. No.	Name of Scheme	Name of Firm	NIT No. Date	WO No. Date	Estimated Amount
1	Improvement / reconditioning of road and laying of paver block in village Sangi, Taluka Pano Aqil Distt. Sukkur Mile 0/0-0/3 (I/C Drain & Paver Block)	M/S AKS & Builders	93 13-03-2023	380 18-05-2023	30.000
2	Const. of road Mitho Chahar and reconditioning of road GBS Bhelar to Sadhuja and paver CC drain of various village UC Bulla Taluka Pano Aqil Distt. Sukkur	M/S Arslan Subhan & Brothers Pvt Ltd	101 16-03-2023	371 18-05-2023	40.000
3	Winding / improvement and construction of road Arore Masjid to Dodanko via Pir Koko Road, paver block in village Gul Hassan Gabol and other villages Distt. Sukkur	M/S Fida Hussain & Brothers Const. Co.	93 13-03-2023	379 18-05-2023	40.000
4	Winding / improvement and construction of road Arore Masjid to Dodanko via Pir Koko Road, paver block in village Gul Hassan Gabol and other villages Distt. Sukkur	M/S AKS & Builders	101 16-03-2023	376 18-05-2023	40.000
5	Improvement / reconditioning of road and laying of paver block in village Sangi, Taluka Pano Aqil Distt. Sukkur Mile 0/3-0/6 (I/C Drain & Paver Block)	M/S Hamad Global Enterprises	101 16-03-2023	372 18-05-2023	30.000
6	Improvement / reconditioning of road/streets in UC Ghumra Tamachani Bagerji and Nafeerabad Distt. Sukkur (paver block & drains at UC Bagerji & UC Ghumra)	M/S Bashir Ahmed Mahar	101 16-03-2023	376 18-05-2023	30.000
				Total	**210.000**

Annex-LGD11 [Para: 1.5.3.10]: Irregular payments to the contractor

[Amount in Rs.]

Sr. No.	Description	W. Order No & Date	Cheque No.& Date	Bill Amount
1	Demolition of Plot No. 1165, Katchi Abadi, Gulshan Town, Karachi	No. SBCA/DD/Gulshan Town/ 2022/514 dated: 03-09-2020	68337867/ 12/09/2022	2,465,000
2	Demolition of Plot No. R-24, LY-19, Dist. South, Karachi	No. SBCA/DD/District South/2021/413 dated: 08-09-2021		3,200,000
3	Demolition on Plot No. 1163(119), Ly-01, Khadda market, Lyari Karachi	No. SBCA/DD/Lyari/2020/537 dated: 04/11/2020		2,900,000
4	Demolition of Plot No. 1166, Street-14, Allama Iqbal Colony, Lyari Town, Karachi	No. SBCA/DD/Lyari/2020/233 dated: 26-06-2020		3,500,000
5	Demolition on Plot No. 836, Zia Colony Gulshan Karachi	No. SBCA/DD/Gulshan/2020/240 dated 18-08-20	68337981/ 11/10/2022	4,800,000
6	Demolition on Plot 144 Lyari 18 Lee Market Lyari, Karachi	No. SBCA/DD (Lyari Town)/2020/142 dated 19-03-20		3,800,000
7	Demolition on Plot No. R-600, Sec-15-A/3, Buffer zone North Karachi	No. SBCA/DD/North Nazimabad/2020/455 dated 28-09-20	68337982/ 11/10/2022	4,250,000
8	Demolition on Plot No. 891 Sector-05 Liaquatabad Town, Karachi	No.S BCA/DD/Liaquatabad Town/2020/650 dated 08-07-20		3,600,000
9	Demolition of Plot No. 2/39, Block-I-A, Nazimabad, No. 02, Karachi	No. SBCA/DD/(District Central)/2022/776 dated: 19-07-2022	68337870/ 12/09/2022	3,390,650
10	Demolition of Plot No. 2/5-D, Block-2, Liaquatabad No. 02, Karachi	No. SBCA/DD/District Central/2022/775 dated: 19-07-2022		2,665,300
Total				**34,570,950**

Annex-LGD12 [Para: 1.5.3.12]: Non-imposition of liquidated damages

[Rs. In Million]

Sr. No.	Name of Scheme	ADP No.	Actual date of Start	Stipulated dated of completion	Estimated Amount	LD 5%	Current Status (Remarks)
1	Construction of C.C Paver, Drain Various Wards of Town Committee Bagrani & C.C Paver and Drain Bedil Bakas Tunnel to via Bedil Bakas Dargah to Beri Chowk M.C Rohri District Sukkur.	2042	18.02.2021	11.02.2022	91.227	4.561	Work in progress
2	Construction of Compound Wall Around Graveyard Village Rajab Dayo, Graveyard M.C Rohri, Bakaar Graveyard, Khai Dargha Hyder Ali Shah, Fazalabab Graveyard, Massan Road Graveyard, Makhdoom Family Graveyard, Kot Mir Yaqoob Ali Shah Graveyard, Near Railway Station Graveyard, Kot Jan Ali Shah Graveyard, Gul Shah Graveyard, Memon Muhallah Graveyard, Kachi Abadi Graveyard, Sakhi Deen Panah Graveyard Taluka Rohri (U/R)	2795	18.02.2021	11.02.2023	61.000	3.050	Work in progress
				Total	**152.227**	**7.611**	

Annex-LGD13 [Para: 1.5.3.13]: Non-observance of terms and conditions of contract agreements

S. No.	District	Specification of dustbins required	Required	Specification of dustbins supplies	Supplied	Difference/short supply
1	South	**Metal container of bin cubage**				
		(i) 6.6 cubic meter	20	10.5 cubic meter	136	44
		(ii) 10 cubic meter	40			
		(iii) 12-cubic meter	40			
		(iv) 16-cubic meter	80			
		Total	**180**		**136**	**44**
2	East	**Metal container of bin cubage**				
		(i) 6.6 cubic meter	20	10.5 cubic meter	35	105
		(ii) 10 cubic meter	30			
		(iii) 12-cubic meter	30			
		(iv) 16-cubic meter	60			
		Total	**140**		35	105
		Sub-total	**320**		**171**	**149**

District	Bid Requirements			Actual Supplied by Contractor			Difference B/w Bid requirement & Actual Supplies	
	Specification	Nos.	M^3	Specification	Nos.	M^3	Nos.	M^3
SOUTH	Plastic Liter bin 0.24 to 0.3 Cubic Meter	3500	945	Plastic dustbin 0.24 M^3	10,000	2,400	10,945	1455
	METAL BUCKET OF BIN CUBAGE							
	0.8 to 1.4 Cubic Meter	1000	1100	0.66 Cubic Meter	3,193	2,107.38	693	-3542.62
	1.4 to 2 Cubic Meter	500	850					
	3.4 to 4 Cubic Meter	1000	3700					
	Sub-Total	2500	5650					
	METAL CONTAINER OF BIN CUBAGE							
	6.6 Cubic Meter	20	132	10.5 Cubic Meter	136	1,428	-44	-864
	10 Cubic Meter	40	400					
	12 Cubic Meter	40	480					
	16 Cubic Meter	80	1280					
	Sub Total	180	2292					
	TOTAL	**6180**	**8887**	**--**	**13,329**	**5,935.38**	**7,149**	**-2951.62**
EAST	Plastic Liter bin 0.24 to 0.3 Cubic Meter	2500	675	Plastic Dustbin 0.24 M^3	9,000	2,160	6,500	1,485

District	Bid Requirements			Actual Supplied by Contractor			Difference B/w Bid requirement & Actual Supplies	
	Specification	**Nos.**	**M^3**	**Specification**	**Nos.**	**M^3**	**Nos.**	**M^3**
	METAL BUCKET OF BIN CUBAGE							
	0.8 to 1.4 Cubic Meter	500	550	0.66 Cubic Meter	2,400	1,584	900	-1666
	1.4 to 2 Cubic Meter	500	850					
	3.4 to 4 M Cubic Meter	500	1850					
	Sub-Total	1500	3250					
	METAL CONTAINER OF BIN CUBAGE							
	6.6 Cubic Meter	20	132	10.5 Meter Cube	35	367.5	-105	-1,384.5
	10 Cubic Meter	30	300					
	12 Cubic Meter	30	360					
	16 Cubic Meter	60	960					
	Sub Total	140	1752					
	Total	**4140**	**5677**	**--**	**11,435**	**41,11.5**	**7,295**	**-1,565.5**

Annex-LGD14 [Para: 1.5.4.3]: Non-deduction of government taxes

[Amount in Rs.]

1-Managing Director, Sindh Solid Waste Management Board, AIR Para no. 13					
S. No.	**Description**	**Paid to**	**Cheque No**	**Date**	**Gross amount of bill**
1	Rent for office building at 3rd Floor, DMC South building near Aram Bagh Police Station, Karachi	DMC South	38853209	03.04.2023	5,400,000
2			37424194	19.09.2023	5,400,000
3			35640961	14.04.2022	5,100,000
4			34370241	18.11.2021	5,100,000
				Total	**21,000,000**
				Income tax due	**4,905,000**
				`Sales tax on services due	**2,730,000**
				Total taxes due	**7,635,000**

[Rs. in Million]

2-Project Director, Local Government Project, Karachi, AIR Para no. 11							
Name of Contractors	**Work Order # & Date**	**Running Bill**	**Cheque # & Date**	**Gross Payment**	**Income Tax (Deducted)**	**Income Tax Due**	**Income Tax Difference**
Consultancy Services for the Project "Repair of various Roads along Peoples Bus Service Routes"							
M/S NES PAK (Pvt.) Ltd	105 08-12-22	1st (Advance Payment)	52092819 04-01-23	2.855	0.285	0.761	0.476
		1st Months	52092819 04-01-23	6.663			
		2nd Month					
		3rd Month	52092866 01-06-23	4.465	0.134	0.357	0.223
			Total	**13.983**	**0.419**	**1.118**	**0.699**

[Amount in Rs.]

3-Director General, Sindh Building Control Authority, AIR Para no. 15					
Sr. No.	**Description**	**Name of Contractor**	**Cheq. No.& Date**	**Amount**	**SST not deducted**
1	Demolition Payment	M/S ANI Expert Dangerous Building & Demolition Contractor	68337867/ 12/09/2022	12,065,000	603,250
2	Demolition Payment		68337870/ 12/09/2022	6,055,950	302,798
3	Demolition on Plot No. 836, Zia Colony & 144 Lyari		68337981/ 11/10/2022	16,450,000	822,500
4	Demolition on Plot No. R-600, Buffer zone & 891 Liaquatabad		68337982/ 11/10/2022		
			Total	**34,570,950**	**1,728,548**

Annex-LGD15 [Para: 1.5.4.4]: Non-recovery of shrinkage charges

[Amount in Rs.]

Sr. No.	Name of work	Name of contractor	RA Bill No.	Items	Quantity	Rate	Amount paid	Shrinkage charges @ 5% not deducted
1	Improvement/ Construction of road from water supply post office road to Abu Shaikha (Allah Dino Soomro) i/c link road from Badin Seerani Road Ghulam Rasool Lutter Construction 6 Kms and Improvement 7.6 Kms	Anas Enterprise	5Th RA	Earthwork for road embankment by bulldozer, ploughing mixing clode, breaking, dressing, compacting the same so as to achieve 95%-100% density as per modified AASHO specification lead up to 100 ft lift up to 5.0 in all type of soil except soil	822,606	6,190.17	5,092,071	254,604
2	Construction of road at Taluka Matli and Talhar (i) Pir Wah Bridge to village Chhutto Khaskheli via Dani Bux Khaskheli Road…	Shaan Ent.	1st RA		1,162,417	2,476.07	2,878,226	143,911
3	Construction of road from Khadan Seerani road to connect Khadan Behdmi road to Ismail Bhatti i/c Gain Khchlo	Niaz M. Contractor			11,641,581	1,800.00	20,954,846	1,047,742

[Amount in Rs.]

Sr. No.	Name of work	Name of contractor	RA Bill No.	Items	Quantity	Rate	Amount paid	Shrinkage charges @ 5% not deducted
4	Construction of road from Umerkot Chachro rad at mile 42/0 to village Sajan Jo Par via village Ladhakar Saranghiyar to Herar Chandio	Paras & Co.			401,280	5,500.00	2,207,040	110,352
5	Construction of road from Jogy vero to Kankayo mile 0/0-3/6=6.033 Kms	Saleem & Co			727,320	8,550.00	6,218,586	310,929
						Total	**37,350,769**	**1,867,538**
						Rupees in million	**37.351**	**1.868**

Annex-LGD16 [Para: 1.5.4.5]: Non-recovery of stamp duty

[Amount in Rs.]

Sr. No.	Head of Account	Name of contractor	WO No. Date	Contract Amount	Stamp Duty @ 0.35 paisa per hundred rupees
1	Const of CC Block for various streets of Taluka Qasimabad & Taluka Rural Hyderabad	M/S Memon Builders	87 08/03/2023	135,851,542	475,480
2	Improvement / Const. of road from Badin Seerani Road to connect Patan Parhyar road via Haji Parhyar construction 3.40Kms & improvement 9.0Kms (Improvement portion 3.44Kms	M/S Askari Enterprises	206 28/02/2022	63,331,390	221,660
3	Const of road from Irfan Shaikh to Qasim Keran & laying of paver in various villages of UC Nindapur UC Sanghi Taluka Pano Aqil	M/S Ali Builders	280 09/05/2023	148,367,179	519,285
4	Providing laying & jointing paver block roads of UC No. 4, 5, 6 & 8 of Mirpurkhas length 6.12 kms	M/S Anas Enterprises	207 28/02/2022	45,782,005	160,237
			Total	**393,332,116**	**1,376,662**
			Rupees in million	**393.332**	**1.377**

Annex-LGD17 [Para: 1.5.4.6]: Non-recovery of Outer Development Charges of layout plan

[Amount in Rs.]

Sr. No.	Challan No. & date	Approval Letter No. & Date	Scheme/Plot Description	Name/Title of Owner	Amount of ODC Fee Due	Amount of ODC Fee Deposited (1st Instalments)	ODC fee Recoverable (3 Instalments)
1	8183/ 15-8-22	3478/ 16-8-22	Approval of Layout plan of Survey No. 99 Admeasuring 03-33 Acres Situated at Deh Sharabi Tappo Lanhi Taluka Ibrahim Hyderi, District Malir	Asif Ahmed and Owais Ansar	4,332,044	1,083,011	3,249,033
2	8182/ 15-8-22	3479/ 16-8-22	Approval of Layout Plan in respect of Survey No. 98, 98/1 & survey No. 99 admeasuring 05-06 Acers situated at Deh Sharabi Tappo Landhi Taluka Ibrahim Hyderi, District Malir, Karachi	1. Muhammad Wazir 2. Asif Ahmed & Owais Ansar	5,832,688	1,458,172 1	4,374,516
Total							**7,623,549**

Annex-LGD18 [Para: 1.5.5.1]: Unauthorized operation of bank accounts with private banks

Sr. No.	Name of Offices	Title of Account	Name of Bank	Bank Account No
1	Director General Sindh Building Control Authority Karachi	SBCA Expenditures	Allied Bank Ltd.	0010013918260060
2		E-Payment Scrutiny Fee	Allied Bank Ltd.	0010013918260161
3		SBCA Fee (Manual)	Allied Bank Ltd.	0010013918260184
4		SBCA Investments	Allied Bank Ltd.	0010013918260126
5		E-Payment Additional Floor Charges	Allied Bank Ltd.	0010013918260178
6		E-Scrutiny Fee/2 (Additional Floor Charges)	Allied Bank Ltd.	0010013918260155
7		SBCA Employees Pension Commutation	Habib Bank Ltd.	0014-01289384-03
8		SBCA Employees Provident Fund	Habib Bank Ltd.	0014-01289465-03
9		SBCA Security Deposit	Habib Bank Ltd.	0014-79000-44001
10	Regional Director (SBCA) Hyderabad	C.P Fund	Allied Bank Ltd. Civic Centre Tahndi Sarak Hyd	10000983931540
11		-		10000983930648
12	Regional Director (SBCA) Shaheed Benazirabad	Receipt &Expenditure	Allied Bank Ltd.	0010000983931448
13		Collection and Account	Allied Bank Ltd.	0010048840510059
14	Regional Director (SBCA) Mirpurkhas	-	Allied Bank Ltd. M.A Jinnah Road MPK	10008852360077
15	Regional Director (SBCA) Sukkur	-	Allied Bank Ltd. M.B.Q Park Sukkur	10026841400018
16	Regional Director (SBCA) Larkana	-	Allied Bank Ltd. Bunder Road Larkana	0010026841400099

Annex-LGD19 [Para: 1.5.6.12]: No mechanisam to check completion and occupancy process of the projects

Sr. No.	Name of Project	Address	Name of Builder	Date of NOC	No/Date of Approved Building Plan	Remarks
1	Chapal Court yard	Plot No. G, Sector No. 29, Scheme-33, Karachi	-	No.SBCA/DD/SCH-36/G.T-I/2016/7127 /677/518 dated 20-07-18	No.SBCA/DD/SCH-33/G.T-I/ 2018/153 dated 07-03-18	G+(Shops + Parking) + First Floor (Recreation + Flats) 2nd to 5th Floor (Residential Flats)
2	Hooria Residency	Plot No. 07, Block-V-D, Nazimabad, Karachi	-	-	No.SBCA/DD/N.N.T /Prop/2017/108/2019/ 197 dated 26-06-19	Basement-2 (Parking + ARS) + Basement-1 (Parking) + Ground Floor (Show Rooms) + First Floor (Recreation + Flats) 2nd to 10th Upper Floors top of the Floor Solar Panel only
3	"Zulekha Terrace"	=	M/S H.J Builders	=	No.SBCA/DD(D&C-III)/1051/2018/02 Dated. 01-01-19	-
4	-	Plot S.No. 193 (Part Area) Near Dahar WAh Road Deh, Tapo & Taluka Deharki Dist. Ghotki	Mr. Papoo Mal	=	=	(Ground + 04 Floors, Commercial) Sukkur
5	-	Plot C.S No. 1631/2 Ward-B, Miani Road Sukkur	Mr. Muhammad Ameen & 02 Others	=	=	(Basement+ Ground + 05 Floors, Commercial) Sukkur
6	-	Plot C.S No. 895 Ward-B, March bazar Road Sukkur	Mr. Parwaiz Ahmed Alias Muhammad Sharif	=	=	(Basement+ Ground + 05 Floors, Commercial) Sukkur
7	Magnaum Medilink	Plot No. A/15, Block-D, Unit No.		=	=	(Basement+ Ground +

Sr. No.	Name of Project	Address	Name of Builder	Date of NOC	No/Date of Approved Building Plan	Remarks
	& Apartments ,	06, Latifabad, Hyderabad				04 Floors)
8	Chapal Court Yard Phase-II	Plot No. G, Sector No. 29, Scheme-33, Karachi.		=	20-07-18	=
9	Magneum Trade Centre	Plot No. 21, Block-2, Unit No.08, Taluka Latifabad, District Hyderabad		=	07-05-18	=
10	Canal View Residency	Plot No. RCC-02, situated at Gulshan-e-Rehmat Housing Scheme, Deh Ghanghra, Ward-G, Taluka City, District Hyderabad.		=	05-11-18	=

Annex-LGD20 [Para: 1.5.6.16]: Approval of layout plan without obtaining NOCs from utility agencies

01. Sindh Master Plan Authority, Hyderabad, AIR Para no. 15		
Sr. No.	**Description**	**Approval No. & Date**
01	Approval of proposed Layout Plan of ASAD SHAH HOUSING SCHEME, over survey Nos. 139 to 142 and 740 admeasuring area 9 Acers and 18 Gunta situated at deh Nasrullah, Tapo dodai, taluka and district Larkana	207/ 14-6-23
02	Approval of proposed Layout Plan of "AL-HARAM TOWN HOUSING SCHEME", over survey Nos. 218,221 and 222 admeasuring area 6 Acers situated at deh Kerandhi Tapo taluka and district Badin	147/ 274-23

02. Sindh Building Control Authority, Karachi, AIR Para no. 09							
Sr. No.	**Name of Office**	**Plot & Address**	**Owner Name**	**Plot Area (sq. yds.)/ Covered Area (sq. feet)**	**Category No. of Floors**	**Approval Date**	**Status**
1	Regional Director Shaheed Benazirabad	Plot # 09 & 10 Deh Jakhro Situated at Oranzaib Town H/S Phase-VI Chak No: 41 Head Jamrao road Workshop stop, Taluka & District Sanghar.	Mr. Deeno Mal	80.0/1440	Commercial Ground + 1	14-06-23	Completion Building Plan
2		Ward No. 03, situated at City Naushahro Feroz, Taluka & District Naushahro Feroz.	Mst. Nosheen	111.1	Residential Ground + 2	20-09-22	Proposed Building Plan
3		Jaryan No. 4824, Deh Moro, Ward-1, Taluka Moro, District Naushahro Feroz.	Mr. Abdul Hameed	166.6/ 2700	Residential Ground + 2	10-11-22	Completion Building Plan
4		R.S No.279, Deh Moro, situated at Ward-03,	Mr. Shahid Hussain	266.6	Commercial	15-12-22	Proposed Building Plan

02. Sindh Building Control Authority, Karachi, AIR Para no. 09							
Sr. No.	**Name of Office**	**Plot & Address**	**Owner Name**	**Plot Area (sq. yds.)/ Covered Area (sq. feet)**	**Category No. of Floors**	**Approval Date**	**Status**
		national Highway Moro, Taluka Moro, District Naushahro Feroz.					
5	Regional Director Sukkur	Plot C.S No.585, Ward-D, situated at Shikarpur Road Gharibabad Sukkur	Mr. Irfan Khan Sherwani	55.2	Commercial Basement + Ground + 4	27-03-23	Proposed Building Plan
6		Plot C.S No.356/A, Ward-D, situated at Mohallah Ghota Market Station Road Ghotki	Mr. Saddar Hussain	216.66/ 3680	Residential Ground + 2	31-03-23	Existing Completion Building Plan
7		Plot No. A-22 Tax: No. E-2200/A, situated at Khairpur Defense City Housing Scheme Phase-IV, Khairpur	Mr. Muhammad Irfanullah	250/ 3016	Residential Ground + 1	18-05-23	Existing Completion Building Plan
8		Plot No. 115, Block-B, situated at Friends Cooperative Housing Society Ltd. Airport Road Sukkur	Mr. Muhammad Munaf	300/ 1752	Residential Ground + 2	14-06-23	Existing Completion Building Plan
9	Regional Director Hyderabad	C.S No. 818/2, Ward-A Situated at Memon Muhallah Taluka City Dist. Hyderabad	Mr. Faisal Raja	122.1	Commercial	08-10-22	Proposed Building Plan
10		Plot No. 24-A1, situated at Kohsar Housing Scheme-V, Taluka Latifabad, District Hyderabad	Syed Muhammad Noman	625.55	Commercial Ground + 4	10-11-22	Proposed Building Plan
11		Plot No. 313, Type-B, Sadiq Levina Housing Scheme Sector-V, Deh Mirzapur, Taluka Qasimabad, District Hyderabad	Mr. Saifullah Shaikh	400	Residential Ground + 2	20-01-23	Proposed Building Plan

02. Sindh Building Control Authority, Karachi, AIR Para no. 09							
Sr. No.	**Name of Office**	**Plot & Address**	**Owner Name**	**Plot Area (sq. yds.)/ Covered Area (sq. feet)**	**Category No. of Floors**	**Approval Date**	**Status**
12		Plot No. 01, Block-C, Situated at Unit No. 10, Taluka Latifabad, District Hyderabad.	Syed Irshad Ali	111.11	Residential Ground + 2	15-01-23	Proposed Building Plan
13	Regional Director Mirpurkhas	Plot No. 25, Western Side, situated at Mir Nagar, Deh-109, Taluka Hussain Bux Mari, District Mirpurkhas	Mr. Muhammad Ibrahim	194.66	Commercial Ground + 1	12-02-23	Proposed Building Plan
14		Plot No. 11-B situated at Karim Town Phase-I, Deh-Khuth, Taluka & District Mirpurkhas	Mr. Madan Lal Bhuptani	150	Residential Ground + 2	08-07-22	Completion
15		Plot No. CS-1063/2, situated at Ward-B, NAI Para Taluka & District Mirpurkhas	Mr. Muhammad Naeem	100.2	Residential Ground + 2	13-12-22	Proposed Building Plan
16		Plot No CS-891 situated at Ward-A Khad Plot Taluka & District Mirpurkhas	Mr. Mir Murtaza	52.5	Residential Ground + 1	01-02-23	Proposed Building Plan

Annex-LGD21 [Para: 1.5.6.17]: Issuance of No Objection Certificates without observing codal requirements

01. Sindh Master Plan Authority, Hyderabad, AIR Para-16			
S. No.	**Approval No. & Date**	**Description**	**Remarks**
01	304/ 23-11-22	Approval of Proposed Layout Plan of "Atta-e- Mustafa housing development housing scheme over R.S. Nos 334, 240, 216, 245, 215, 381, 393, 244, 335, 235/7 admeasuring area 26 Acers, situated at deh Palhano, Taluka Bhiria, District Naushahro Feroze	Issued No objection Certificate (NOC) for approval of Layout Plan (LoP) against the cases directly submitted to office by concerned owner/ applicant without submitting the same through using proper channel i.e. the office of Sindh Board of Revenue/ concerned Deputy Commissioner.
02	57/ 14-2-23	Approval of proposed Layout Plan of Buraaq Town Housing Scheme over survey Nos 258 to 266 , 273, 274, 290 to 296/1,2,3 and 990, admeasuring area, 59 Acers 09 Gunta, situated at deh moando dero, taluka Rohri, District Sukkur	

02. Sindh Master Plan Authority, Hyderabad, AIR Para-17			
Sr. No	**Approval No. & Date**	**Scheme/Plot Description**	**Remarks/detail of codal formalities**
1	197/ 27-9-22	Approval of proposed Layout Plan of Bahrain Diamond Town Housing Scheme over survey Nos 301/3,4,303 and 304/1,2 admeasuring area, 8 Acers, situated at deh 108 taluka Hussain bux mari, district Mirpur Khas **Owner(s):** Muhammad Rafique s/o Muhammad Sidique Arain	(i) Office issued letter for verification of ownership documents to concerned authority/ concerned Revenue office/Mukhtiarkar/DC), but NOC issued without verification of concerned authority. (ii) As per NOC condition no 9, 16 & 17 owner did not execute the agreement with concerned UC, verify the ownership documents from concerned office and obtain NOC form concerned TC/MC. (iii) Demarcation plan not submitted by sponsor/owner as per NOC condition no 12. (iv) NOC/Development permit was issued for 3 years instead of 2 years, NOC condition No. 1 (v) Proposed LoP for major sub-division submitted not include physical survey through a town planner, of the site showing the boundary lines of such site, official survey numbers, and existing structures, water courses, wooded areas, streets, roads and a topographical survey, with contours at intervals as deemed necessary by the Director Town Planning Sindh.

02. Sindh Master Plan Authority, Hyderabad, AIR Para-17			
Sr. No	**Approval No. & Date**	**Scheme/Plot Description**	**Remarks/detail of codal formalities**
			(vi) Public notice were published in classified advertisement instead of display advertisement and without comprehensive site plan showing exact location and surroundings of land/plot. (vii) Public notice was not published in leading newspapers. (viii) Developer/Sponsor not having valid developer license. (ix) Affidavit/Undertaking not signed by owner
2	207/ 14-6-23	Approval of proposed Layout Plan of ASAD SHAH HOUSING SCHEME, over survey Nos. 139 to 142 and 740 admeasuring area 9 Acers and 18 Gunta situated at deh Nasrullah, Tapo dodai, taluka and district Larkana **Owner(s):** Asad Ali shah & Syed Armaghan Ali Shah	(i) Less recovery of NOC fee as per Rule 3-3.11.1, Schedule 5A. (ii) Office issued letter for verification of ownership documents to concerned authority (concerned Revenue. (iii) Office/Mukhtiarkar/DC), but NOC issued without verification of concerned authority. (iv) As per NOC condition no 9, 16 & 17 owner did not execute the agreement with concerned UC, verify the ownership documents from concerned office and obtain NOC form concerned TC/MC. (v) Demarcation plan not submitted by sponsor/owner as per NOC condition no 12. (vi) NOC/Development permit was issued for 3 years instead of 2 years. (vii) Standard criteria of land allocation was not observed. (viii) Proposed LoP for major sub-division submitted not include physical survey through a town planner, of the site showing the boundary lines of such site, official survey numbers, and existing structures, water courses, wooded areas, streets, roads and a topographical survey, with contours at intervals as deemed necessary by the Director Town Planning Sindh. (ix) Public notice were published in classified advertisement instead of display advertisement and without comprehensive site plan showing exact location and surroundings of land/plot. (x) Public notice was not published in leading newspapers. (xi) Affidavit/Undertaking not signed by owner (xii) LoP was prepared by Architect instead of Town Planner
3	147/ 27-4-23	Approval of proposed Layout Plan of "AL-HARAM TOWN HOUSING SCHEME", over survey Nos. 218,221	(i) Office issued letter for verification of ownership documents to concerned authority(concerned Revenue office/Mukhtiarkar/DC), but NOC issued without verification of concerned authority. (ii) As per NOC condition no 9, 16 & 17 owner did not execute the agreement with concerned UC, verify the ownership documents from concerned office

02. Sindh Master Plan Authority, Hyderabad, AIR Para-17			
Sr. No	**Approval No. & Date**	**Scheme/Plot Description**	**Remarks/detail of codal formalities**
		and 222 admeasuring area 6 Acers situated at deh Kerandhi Tapo taluka and district Badin **Owner(s):** Rafiq Ahmed, A. Majeed & M. Abdul Qadir	and obtain NOC form concerned TC/MC. (iii) Demarcation plan not submitted by sponsor/owner as per NOC condition no 12. (iv) NOC/Development permit was issued for 3 years instead of 2 years, NOC condition No.1. (v) Standard criteria of land allocation was not observed. (vi) Proposed LoP for major sub-division submitted not include physical survey through a town planner, of the site showing the boundary lines of such site, official survey numbers, and existing structures, water courses, wooded areas, streets, roads and a topographical survey, with contours at intervals as deemed necessary by the Director Town Planning Sindh. (vii) Public notice were published in classified advertisement instead of display advertisement and without comprehensive site plan showing exact location and surroundings of land/plot. (viii) Public notice was not published in leading newspapers. (ix) Developer/Sponsor not having valid developer license. (x) Affidavit/Undertaking not signed by owner. (xi) CNIC copy of owner not attached.

03. Sindh Master Plan Authority, Karachi, AIR Para-21			
S. No	**Approval Letter No. & Date**	**Scheme/Plot Description**	**Remarks**
1	29/ 16-1-23	Conversion of land use from Agricultural to Commercial over Survey No 351 (ALLAH DINO COMMERICAL CENTER) over survey No. 351 admeasuring area 8.56 Gunta as 9331 Sq Feet/ 1036.77 Sq Yds situated at deh and tappo Dilchand, Taluka moro, district Naushahro Feroze **Owner(s):** G. Muhammad Chand, Bashir Ahmed, Fozia & others	Public notice was not published in newspapers
2	243/ 2-11-22	Approval of proposed Layout Plan of INDUS VISTA HOUSING SCHEME, over survey Nos. 1069 to 1076, 978 and 979 admeasuring area 15 Acers and 4 Gunta situated at deh old Sukkur, taluka new Sukkur, District Sukkur **Owner(s):** M/s Rao & Rana Builder and Developer (Mr. Rao Muhammad Shakir	Public notice was published in only one newspaper i.e. Sindh Express (Sindhi language) instead of three leading newspapers
3	202/ 15-8-22	Approval of proposed Layout Plan of "FAZAL SON'S CITY HOUSING SCHEME", over survey Nos. 12/1, 12/1-A, 15/1, 15/2, 15/2A, 16/2 to 16/4, 16/7, 16/8 admeasuring area 14 and 11 gunta situated at deh 325, tapo Jhilori, taluka Samaro district Umerkot **Owner:** G. Muhammad s/o Fazal Kareem arain	Public notice was published in two newspapers Nawai waqt and Sindh Express (Urdu & Sindhi language). instead of three leading newspapers

04. Sindh Building Control Authority, Karachi, AIR Para-02				
Sr. No.	**Name of Project**	**Address of the Project**	**Issuance of NOCs**	**Missing Documents**
A- Conditional NOCs for sale of public projects				
1	Sky Garden	Plot No. 108, Cf-1-5 Old Clifton Karachi	22-08-22	a) Verification of Title Documents with Status of Land Use b) Valid Builder License c) Valid ABAD Membership d) NTN Certificate e) Agreements With Architect f) Structure Engineer g) NOC From Water Board, SSGC, etc.
2	Clifton Sky	Plot No. 11/4, Block 02, Scheme No. 05, Clifton, District South, Karachi	04-08-22	a) NOC For Height Clearance b) Civil Aviation NOC site report from concerned Town c) NTN Certificate d) NOC from Water Board, SSGC, etc.

04. Sindh Building Control Authority, Karachi, AIR Para-02				
Sr. No.	**Name of Project**	**Address of the Project**	**Issuance of NOCs**	**Missing Documents**
3	Sea Front	Plot No. Fl-11, Block-01, KDA Scheme 05, Clifton Karachi	29-08-22	a) NOC for height clearance b) NOC from Civil Aviation c) Site report from concerned Town d) NTN Certificate e) NOC from Water Board, SSGC, etc. f) NOC from SEPA g) Contract Agreement
4	M & H One	Plot No. Sb-01, Scheme-36, Gulistane-Jauhar, District East, Karachi	14-09-22	a) NOC for height clearance b) NOC from Water Board, SSGC, etc. c) Valid Builder License d) Details of Contractor Agreement between owner and builder
5	Otel Residency	Plot Survey No. 115, Deh Drigh Road, Talka Shah Faisal, District Korangi, Karachi	21-09-22	a) No Height Clearance Certificate b) Valid Builder License
6	Shadab Heaven	Plot No: 551-C, Block -2, (C-Market), Pechs, Karachi	06-10-22	a) NOC for Height Clearance Certificate b) No Security Deposit or ABAD Guarantee c) NOC from Water Board, SSGC, etc.
7	Emerald Park View	Plot No: Fl-01, Block-14, Gulshan E Iqbal, Scheme 24, Karachi	06-07-22	a) NOC For Height Clearance Certificate b) NOC From SEPA
8	Maripur Industrial Park	Plot 64, K-28, Phase - 1, Trans Lyari, Hawksby Road , Keamari , Karachi	23-09-22	a) No Security Deposit in favour of SBCA b) Valid Developer License c) No Valid ABAD Membership d) NOC from Water Board, SSGC, etc.
9	Karam Villas & Residency	Survey Nos. 58, 59, 60, 511 512, 513, 514, 515 And Out Of Survey Nos. 508 & 510, Deh Joriji, Bin Qasim Town, District Malir, Karach	30-03-23	a) NOC from Water Board, SSGC, etc. b) Valid Builder License

B- Conditional construction permits/NOCs from Town Planning Section			
Sr. No.	**Address of the Project**	**Date of NOCs**	**Missing Documents**
1	Plot no: 01, 20 Acres 20 Ghuntas out of 04 Acres, Deh Songal, Tappo Gujro, sector 8-B, scheme 33, Karachi	02-08-22	a) Valid builder Licence b) SITE Engineer registered in PEC c) NOC for Height clearance d) Environment NOC e) SITE Report/clearance from concerned town
2	Plot No: Sb-01, Block –K, Scheme -2, North Nazimabad, Karachi	31-10-2022	a) Verification of title documents and status of land b) NOC for height clearance c) Valid builder Licence, d) Valid ABAD Membership e) NTN certificate
C- Conditional NOCs by Structure Section			
1	Plot no. SB-07, sector 01, Karachi		a) License of structure engineer b) License of proof engineer
2	Plot no. B-09, 2 B-10, Block A, SMCHS		
3	PLOT NO. 237, Jamshed Quarters, Karachi		
4	PLOT NO. 01, Block A, SMCHS, Karachi		
5	Plot No. Sb-07, Sector -01 Survey No. 289,290,291,293, 322, To 330, 474 And 475, Deh Malh, Gadap Town, Karachi		

Annex-LGD22 [Para: 1.5.6.18]: Non-observance of prescribed criteria for housing schemes

Sr. No.	Housing schemes details	Criteria for NOC	NOC issued on the percentage	Variation %
01	Approval of proposed Lay out Plan of "ALLAH DINO HOUSING SCHEME" over survey No. 351 admeasuring area 1-9.4 Acers situated at deh and tappo Dilchand, Taluka Moro, district Naushahro Feroze. Approved vide No. 171/26-5-23	i. Residential 55% ii. Commercial 5% iii. Amenities 15% iv. Roads/Streets 25%	Residential 62.71% Amenities 7.16%	7.71% Residential above criteria 7.84% Amenities less than criteria
02	Approval of proposed Layout Plan of KHAIRPUR TOWNSHIP HOUSING SCHEME PHASE-II (A & B), over survey Nos. 45, 46,48,69,70-75,568,574,575,585 and 586 admeasuring area 23 Acers and 25 Gunta situated at deh Luqman, taluka and district Khairpur. Approved vide No. 270/8-11-22	i. Residential 55% ii. Commercial 5% iii. Amenities 15% iv. Roads/Streets 25%	Residential 61.45% Amenities 4.57%	6.45% Residential above criteria 10.47% Amenities less than criteria
03	Approval of proposed Layout Plan of "FAZAL SON'S CITY HOUSING SCHEME", over survey Nos. 12/1, 12/1-A, 15/1, 15/2, 15/2A, 16/2 to 16/4, 16/7, 16/8 admeasuring area 14 and 11 gunta situated at deh 325, tapo Jhilori, taluka Samaro district Umerkot. Approved vide No. 202/15-8-22	i. Residential 55% ii. Commercial 5% iii. Amenities 15% iv. Roads/Streets 25%	Residential 63% Amenities 5%	8% Residential above criteria Amenities: 10.% less area

Annex-LGD23 [Para: 1.5.6.19]: Approval of proposed building plan without verification of title of land

S. No	Name of Office	Address	Name of Owner/ Project	Category	Status	Area of Plot (Sq. Yds)
1	Regional Director Mirpurkhas	Plot No. 06, Type-A, situated at Scheme No-III, Satellite Town, Taluka Mirpurkhas	Mr. Muhammad Saleem S/o Abdul Karim	Commercial	Proposed Building Plan	133.33
2		Plot No. C.S -1440/69 situated at Ward-A Kareemabad Housing Scheme Mirpurkhas Taluka & District Mirpurkhas	Mst. Tasneem Perveen W/o Muhammad Younis	Residential	Completion	120
3		Plot No. C.S -1440/153 situated at Ward-A Kareemabad Housing Scheme Mirpurkhas Taluka & District Mirpurkhas	Mr. Ravi Kumar S/o Ashok Mumar			120
4		Plot CS-No. 170 situated at Ward-A Dholanabad Taluka & District Mirpurkhas	Mr. Noor Muhammad S/o Muhammad Ibrahim		Proposed Building Plan	87
5	Regional Director Hyderabad	C.S No. 818/2, Ward-A Situated at Memon Muhallah Taluka City Dist. Hyderabad	Mr. Faisal Raja S/o Bashir Ahmed Naz	Commercial		122.1
6		Plot No. 24-A1, situated at Kohsar Housing Scheme-V, Taluka Latifabad, District Hyderabad	Syed Muhammad Noman S/o Syed Imaduddin			625.55
7		Plot No. 313, Type-B, Sadiq Levina Housing Scheme Sector-V, Deh Mirzapur, Taluka Qasimabad, District Hyderabad	Mr. Saifullah Shaikh S/o Muhammad Murad Shaikh	Residential		400
8		Plot No. 01, Block-C, Situated at Unit No. 10, Taluka Latifabad, District Hyderabad.	Syed Irshad Ali S/o Syed Akber Ali			111.11

Annex-LGD24 [Para: 1.5.6.20]: Conversion of residential / agriculture lands into commercial land despite ban

01. Sindh Master Plan Authority, Hyderabad AIR Para no. 22	
Sr. No.	**Particulars**
01	Conversion of Residential Plot No. 25, Western Side, situated at Mir Nagar, Deh-109, Taluka Hussain Bux Mari, District Mirpurkhas into Commercial plot by Sindh Master Plan Authority Hyderabad vide 248 dated: 02-11-22.
02	Conversion of Residential Plot No. 88, situated at Mir Nagar, Deh-109, Taluka Hussain Bux Mari, District Mirpurkhas into Commercial by Town Planning Department, Sindh Master Plan Authority Hyderabad vide 83 dated: 18-05-21.

02. Sindh Building Control Authority, Karachi AIR Para no. 08						
Plot. no. & Address	**Owner Name**	**Plot Area sq. yds.**	**Covered Area sq. feet**	**No. Of Floors**	**Category**	**Approval Date**
Plot # R.Sr. No. 429, situated at Deh & Tapo Koor Hassan, Taluka Naushahro Feroz, District Naushahro Feroz	Mr. Jaleel Ahmed	1270.51	13148.00	Ground Floor + 1	Commercial	15-07-2023

03. Sindh Building Control Authority, Karachi AIR Para no. 11	
Sr. No.	**Particulars**
01	Approval for conversion of agricultural land to commercial land and approved layout plan for commercial center over survey no 351 admeasuring 1-27 Acre with name "Conversion of land use from agricultural to commercial "ALLAH DINO COMMERCIAL CENTER" admeasuring 8.56 gunta/9331 Sqf situated at deh and tappo Dilchand, taluka Moro, district Naushahro Feroze vide No. DPT/N.F-41/29 dated 16-1-23 by converting agricultural land into commercial land without obtaining NOC from concerned Deputy Commissioner and other utility departments with further following irregularities: i) Two applications were submitted to by the owner one without signature and other with signature. ii) Application was submitted to the Director, Town Planning Sindh, Hyderabad instead of submitting the same to the concerned Deputy Commissioner. iii) The owner did not submit the application for conversion of land use. iv) NOC for layout plan of "ALLAH DINO HOUSING SCHEME" was issued on same survey No. 351 vide approval No. DTP/NF/41/171 dated 26-5-23 admeasuring 1-9.4 Acre v) The ownership documents were not got verified form concerned deputy commissioner. vi) Layout plan was not signed by Town planner. vii) Plots were divided in 12 feet width instead of 20 feet minimum width. viii) No undertaking of owner was available in file.

KMC & KW&SB

Annex-KHI1 [Para: 2.5.1.1]: Non-Production of Record

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
1	Medical Superintendent, Gizri Maternity Hospital	1	2021-22	i. Printed Stationery, ii. Un-printed Stationery, iii. Office & Misc Expenditure, iv. Misc. & Store Items, v. Petrol Diesel & Oil, vi. Surgical Items vii. Disposable Articles, Medicines, viii. Washing of Linen	0.766
2	Director, City Warden	1	2021-22	i. Establishment side record of (Service Books & Personal Files, promotions, payrolls, appointments, Detailment / Adhoc / Contract / Daily Wages employee's details, Cadre Change Etc.) ii. List of Wardens and their respective postings, iii. Sanctioned Working Strength 2021-22, iv. Record of disciplinary action, v. enquiry under process, vi. court case against any officer & staff, vii. Complete detail of liabilities projected in Budget Book 2021-22, viii. Non-Salary(Contingencies), Repair & Maintenance, Capital Expenditure record) ix. List of vehicles, allotment and their quota, i. Bills and Vouchers of Repair of vehicle, ii. Bills and payments vouchers of POL purchased, iii. Stock Register(s) alongwith indent issued, iv. Delivery of articles and acknowledgement receipts v. Report of frauds, misappropriation of funds/ Report of defalcation & losses of assets etc. during F.Y. 2021-22	693.926

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
3	Karachi Medical & Dental College	1	2021-22	i. Replies of previous audit and proceeding, ii. Complains & inquires initiated and proceeding, iii. Agreements of POL, Security, Canteen and Janitorial NIT/ codal formalities, iv. Deducted and deposit income tax and reconciliation with authorities, Deducted and deposit sales tax and reconciliation with authorities, v. Repair & maintenance of vehicles, Biometric attendance record	-
		10		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	95.492
4	Chief Engineer (E&M) Water	1	2021-22	i. Expenditure without supporting vouchers (POL for machinery, ii. Procurement of Alum, Chlorine, Sulphuric Acid, iii. Developing works under E&M Sew. Wing)	328.241
5	Chief Engineer (E&M) Sewerage	4	2021-22	Expenditure without supporting vouchers (Developing works under E&M Sew. Wing)	11.953
6	Resident Engineer (P&F) Pipri	1	2021-22	Bidders credentials (documentary evidence of past experience, turnover for last three years, undertaking for no litigation against contractor, affidavit for not blacklisted along with registration with FBR, SRB and PEC)	6.171
7	Resident Engineer NEK (P&F) K-II	5	2021-22	Bidders credentials (documentary evidence to ascertain profile of the contractor i.e. past experience, turnover for last three years, undertaking for no litigation against contractor, affidavit for not blacklisted along with registration with FBR/SRB and PEC for works upto 4 million)	6.065
8	Executive Engineer, Purification Plant Division	6	2021-22	Bidders credentials (documentary evidence to ascertain profile of the contractor i.e. past experience, turnover for last three years, undertaking for no litigation against contractor affidavit for not blacklisted along with registration with FBR/SRB & PEC for works upto 4 million)	3.579
9	Executive Engineer, Water North Nazimabad	2	2021-22	Bidders credentials (documentary evidence of contractor's eligibility criteria who was evaluated as eligible for participation in bidding process including certificates showing mandatory registration with tax authorities i.e NTN, GST, PEC Registration certificate, required relevant experience and turnover of last three years)	-
10	Executive Engineer,	5	2021-22	Bidders credentials (documentary evidence of past experience, turnover for last three years, undertaking for no litigation against contractor, affidavit	-

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
	Sewerage North Nazimabad			for not blacklisted along with registration with FBR, SRB and PEC)	
11	Executive Engineer, Water Malir Town	1	2021-22	i. Personal files of all officers and services books in case of non-gazzeted staff, ii. Record/details of expenditure incurred on leave encashment, iii. Progress report, Measurement books related to expenditure incurred on account of execution of works during CFY-2021-22, iv. Budget Control Register/Appropriation Register, v. Log books of vehicles and Petrol account register, vi. Record/details regarding promotions, vii. Record/details regarding disciplinary cases, viii. Register of liabilities, ix. Report of defalcation and losses, x. List of un-serviceable stock, xi. Record/detail regarding pension cases finalized/pending, xii. Incumbency report, xiii. List of official vehicles and details of expenditure incurred on POL, xiv. History sheet of machinery and equipment, xv. Record of bid security/performance security obtained from bidders, xvi. Record of payment of liabilities cleared/pending along with register of liabilities	-
		5	2021-22	Bidders credentials (documents required to be submitted with the Tender Forms which actually were not available on record of the Works)	27.676
12	Executive Engineer Sewerage Malir Town	1	2021-22	i. Personal files of all officers and services books in case of non-gazzeted staff, ii. Progress report, iii. Budget Control Register/Appropriation Register, iv. Log books of vehicles and Petrol account register, v. Record regarding promotions, vi. Record regarding disciplinary cases, vii. Register of liabilities, viii. Report of defalcation and losses, ix. List of un-serviceable stock, x. Record regarding pension cases finalized/pending,	-

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
				xi. Incumbency report, xii. Record of bid security/performance security obtained from bidders, xiii. Record of payment of liabilities cleared/pending alongwith register of liabilities, xiv. List of official vehicles and details of expenditure incurred on POL, History sheet of machinery and equipment	
		7	2021-22	i. Bidders credentials (Documents required to be submitted with the Tender Forms which actually were not available on record of the Works i.e, Address and necessary documents of contractor/firm, Documentary proof of date of constitution of the company, Written request of firm for issuance of bidding documents to firm, Registration certificate of PEC, ii. Attested copy of National Tax Registration, iii. Registration with Sindh Revenue Board, iv. Documentary proof of executing same nature of works(s) alongwith completion reports and certificates, v. Details of plant, machinery and other equipment owned by the Co., vi. Bank Statement showing financial capability of firm, vii. Affidavit that the company has no dispute with any party)	45.534
13	Executive Engineer Water Bin Qasim Town	1	2021-22	i. Prequalification of contractors, ii. Contactors ledger, iii. Detail of payment against every cheque pertain to FY 2021-22 booked amount Rs. 7,0269,177 in budget book, iv. NTN of contractors, v. Detail of Call Deposit refund, vi. Detail of Security Deposit refund, vii. Re-appropriation and revised heads, justification and reasons, viii. Road cutting permission from concerned authorities, ix. Development files amounting Rs 7.393 million	-
14	Executive Engineer Sewerage Bin Qasim Town	1	2021-22	i. Prequalification of contractors, ii. Contactors ledger, iii. Detail of payment against every cheque pertain to FY 2021-22 booked amount Rs 1000.012 million in budget book, iv. NTN of contractors,	-

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
				v. Detail of Call Deposit refund, vi. Detail of Security Deposit refund, vii. Re-appropriation and revised heads, justification and reasons, viii. Road cutting permission from concerned authorities, ix. Files of procurement, received material invoice, issuing of stock of manhole covers Rs 2.198 million	
15	Executive Director, KIHD	1	2022-23	i. Employee related record ii. Record of investment made in HBL Rs 0.249 million iii. Record of donations made in HBL of Rs 4.823 million iv. POL related record	5.072
16	Senior Director, Estate	2		Supporting vouchers of expenditure on various heads	2.0115
17	Director, Katchi Abadies	1		i. Record related to mortgages ii. record of court cases, katchi abadis & bank statement	-
18	Director, Store & Procurement	1		Employee related record i.e personnel files, service books of the employees & reconciled expenditure statement	-
19	Senior Director, Recreation Culture and Sports	5		Supporting vouchers of expenditure on various heads	3.500
20	Senior Director, MUCT	6		i. Employee related record ii. List of defaulters of Rs 55,941.994 million iii. Detail of arrears iv. Detail of new areas added in tax slabs	-
		5		Supporting vouchers of expenditure on various heads	3.500
21	Director, Media Management	1		i. .Record of publicity of KMC activities, ii. KMC Functions and record of activities of ceremonies i/c social & cultural programs, iii. Record of purchase of video & digital camera, Record of Misc Exp.	6.785
22	Senior Director, E&IP	1		i. Employee related record i.e new appointments, sanctioned & working strength, pensioners' details, detail of contract employees, employee related record, pays lips, Government houses alloted to employees. ii. .Detail of income tax deducted & paid from salaries iii. Detail of all investments, receipts, licensing, non-government philanthropic / Institutional financial aid Detail of Regular Budget	-

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
				Allocation & Revised Budget Allocation & additional grants.	
		5		Supporting vouchers of expenditure on various heads	0.374
22	P.D Orangi Township	1		i. Personal files & Service books approved sanctioned working strength, record of official accommodation to staff ii. Reconciled expenditure iii. Seniority lists of all cadres iv. Record of transfer of ownership, record of NOCs, record of lease cases pending & disposed off v. Record of auctions in F.Y 2022-23, record of land occupied by land grabbers, record of court cases, cash book, bank statement & deadstock register	-
24	Senior Director, Medical & Health Services	1		i. Comprehensive detail along with copies of payment vouchers of non Salary Rs 2.232 million ii. Detail of liabilities Rs 188.000 million iii. Detail of property, detail of house allotments iv. Detail of taxes deducted & deposited detail of bank accounts & statements thereof v. Detail of transfer posting on deputations.	-
25	Incharge, Hydrant Services & Tanker Cell	1		Personal files & service books of officers/staff	-
26	DMD Finance	1		i. Copy of agreement with PSO for fleet card ii. Employee relates record i.e., record related to new appointments, promotions & upgradation, iii. Bank accounts along with statements iv. Head wise expenditure of KW&SB v. Payment vouchers of K-electric bills vi. Minutes of board meetings vii. Contingency and repair/maintenance record of Director (I.T) Rs 2.803 million & Rs 1.711 million & Payment vouchers of medical liabilities Rs 72.045 million	76.579
27	PD, S-III	3		Supporting vouchers of expenditure on various heads	11.060
28	DMD HRD&A	1		Details of vehicles purchased during the execution of all development projects of KW&SB & current status thereof	-

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
29	Director Medical Services	5		Supporting vouchers of expenditure on various heads	78.643
30	R.E Dhabeji Pumping Division	1		Personal files & service books of officers/staff	-
31	XEN Sewerage Bin Qasim Town	1		Contractor files & relevant record in respect of M&R expenditure incurred Rs 27.785 million	27.785
32	XEN Sewerage Malir	1		Contractor files & relevant record in respect of M&R expenditure incurred Rs 48.529 million	48.529
33	Executive Engineer Water Liaqatabad	1		i. Complete detail of works executed during FY 2022-23 ii. Reconciled expenditure statement with Finance Department KW&SB iii. Contractors' files alongwith their profiles, Measurement Books, Work registers and Progress report iv. Service books & personal files of officers & staff, Detail of employees posted on detailment/deputation v. POL account register along with logbooks, history sheet & POL vouchers vi. Cash book	-
34	XEN, K.D Civil-II	1		Bidders credentials for development and repair works	4.816
35	XEN, Hub Trunk Main	1			5.241
36	XEN, Sewerage Bin Qasim Town	9			4.746
37	XEN, Water Keamari Town	2			20.400
38	XEN Sewerage Keamari Town	1			28.282
39	R.E Gharo (P&F) Division	1			12.771
40	XEN, Water Shah Faisal Town	1			6.616
41	XEN Sewerage Shah Faisal Town	1			5.346

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
42	XEN Sewerage Malir	12			7.959
43	XEN Dumlotee Division	1			8.733
44	R.E NEK (P&F) K -II	1			17.714
45	XEN Hub Division Civil	1			24.733
46	XEN E&M Keamari Town	2			2.992
47	XEN Water Korangi Town	5			0
48	XEN Sewerage Korangi Town	5			0
49	XEN Purification Plant	4			0
Total					**1,633.591**

Annex-KHI2 [Para: 2.5.2.1]: Irregular payment of leave encashment

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Amount
1	Chief Engineer (E&M) Sewerage	1	2021-22	0.415
2	Chief Engineer (E&M) Water	3		1.833
3	Resident Engineer (P&F) Pipri	4		1.862
4	Resident Engineer Hub Filter Plant	5		3.078
5	Resident Engineer NEK (P&F) K-II	3		3.662
6	Resident Engineer N.E.K (P&F) Old	2		2.243
7	Executive Engineer, Purification Plant Division	3		7.327
8	Executive Engineer, Water North Nazimabad	3		6.252
9	Executive Engineer, Sewerage North Nazimabad	4		6.75
10	Executive Engineer Sewerage Malir Town	15		4.929
11	Executive Engineer Water Bin Qasim Town	5		2.105
12	Executive Engineer Sewerage Bin Qasim Town	5		2.427
13	DMD RRG	8	2022-23	9.175
14	DMD Finance	5		10.502
15	Executive Engineer Sewerage Lyari Town	3		5.271
16	Executive Engineer Sewerage Saddar Town	1		4.769
17	Executive Engineer Sewerage Scheme – 33	1		3.357
18	Executive Engineer SPD-I	1		8.544
19	Executive Engineer SPD-II	1		7.124
20	Executive Engineer K.D Civil-II	3		2.807
21	Executive Engineer Hub Trunk Main	3		3.66
22	Executive Engineer Sewerage Jamshed Town	1		6.029
23	Executive Engineer Water Gulshan e Iqbal Town	7		8.53
24	Executive Engineer Water Saddar Town	4		7.57
25	Executive Engineer City Trunk Main (CTM)	5		2.923
26	M.D KW&SB	1		1.469
27	XEN, Sewer Cleaning Equipment & Services Division	3		5.913
28	Executive Engineer Federal Trunk Main (FTM)	7		3.287
29	RE Hub Pumping (Old & New)	5		3.742
30	DMD HRD&A	13		2.718
31	R.E Dhabeji Pumping Division	10		0.925
32	Executive Engineer Sewerage Bin Qasim Town	5		1.123
33	R.E Pipri (P&F) Division	7		8.181
34	Executive Engineer KD Civil-I	3		6.773
35	Executive Engineer Water Keamari Town	6		4.383
36	Executive Engineer Sewerage Keamari Town	6		4.383
37	R.E Gharo (P&F) Division	4		2.974
38	Executive Engineer Water Shah Faisal Town	3		4.15
39	Executive Engineer Sewerage Shah Faisal Town	3		3.832
40	Executive Engineer Sewerage Malir	7		5.311
41	Executive Engineer Dumlotee Division	3		5.457
42	Executive Engineer Canal Maintenance Division	6		2.617
43	Executive Engineer Water Liaquatabad Town	10		7.451

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Amount
44	R.E NEK (P&F) K –II	4	2022-23	2.369
45	Executive Engineer Hub Division Civil	3		3.56
46	Executive Engineer E&M Keamari Town	3		2.819
47	Executive Engineer Water Korangi Town	4		4.605
48	Executive Engineer Sewerage Korangi Town	4		7.244
49	Executive Engineer Purification Plant	3		8.839
Total				**227.269**

Annex-KHI3 [Para: 2.5.2.2]: Non-posting of officers and staff

1. M.S Spencer Eye Hospital, AIR Para No. 10, F.Y 2021-22

Sr. No.	Name of Post	BPS	Sanctioned	Working	Vacant
1	Dy: Medical Superintendent	18	1	0	1
2	Associate Ophthalmic Surgeon	18	5	0	5
3	Senior Anesthetist	18	2	0	2
4	Director Optometry	18	1	0	1
5	Senior Orthoptist	17	1	0	1
6	RMO (SCUG)	17	4	0	4
7	Surgical Medical Officer	17	1	0	1
8	Medical Officer (SCUG)	17	7	5	2
9	Medical Officer (KMC)	17	7	5	2
10	Senior Registrar	17	2	0	2
11	Nursing Superintendent	17	1	0	1
12	Pharmacist	17	2	1	1
13	Optometrist	16	1	0	1
14	Nursing Sister	17	15	1	14
15	Staff Nurse	16	25	20	5
16	Theatre Technician	9	4	2	2
17	Ophthalmic Aid	8	16	14	2
Total			**95**	**48**	**47**

2. M.S Sobhraj Maternity Hospital, AIR Para No. 12, F.Y 2021-22

Sr. No.	Name of Post	BPS	Sanctioned	Working	Vacant
1	Associate Consultant Child (SCUG)	18	1	0	1
2	Associate Consultant Physician	18	1	0	1
3	Consultant Pathologist	18	1	0	1
4	Consultant Radiology	18	1	0	1
5	Consultant Ultrasound	18	1	0	1
6	Associate Surgeon (SCUG)	18	1	0	1
7	Senior Anesthetist (SCUG)	18	3	0	3
8	Senior Anesthetist (KMC)	18	1	0	1
9	Senior Registrar	17	3	0	3
10	RMO (SCUG)	17	7	6	1
11	RMO (KMC)	17	12	9	3
12	Medical Officer (SCUG)	17	5	2	3
13	Nursing Superintendent	17	2	0	2
14	Pharmacist	17	1	0	1
15	Nursing Instructor	17	1	0	1
16	Nursing Sister	16	10	2	8
17	Medical Technologist	16	1	0	1
18	Staff Nurse	14	20	12	8

Sr. No.	Name of Post	BPS	Sanctioned	Working	Vacant
19	Laboratory Technician	12 _16	3	2	1
20	Accountant (SCUG)	11	1	0	1
21	LHV	8_16	5	0	5
22	Mid Wife	7_10	7	2	5
23	Mid Wife	6	16	0	16
24	Electrician	6	2	0	2
25	Driver	5	10	4	6
26	Generator Operator	4	3	2	1
27	Junior Electrician	4	1	0	1
28	Dark Room Attendant	3	1	0	1
29	Senior Attendant	2_6	17	12	5
30	Lift Operator	2	3	1	2
31	Sanitary Worker	1	35	17	18
32	Worker	1	20	13	7
33	Attendant-III	2_6	11	7	4
34	Ayah	1_5	37	6	31
35	Chowkidar	1	12	8	4
Total			**256**	**105**	**151**

Annex-KHI4 [Para: 2.5.2.5]: Irregular payment of house rent allowance

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
1	Karachi Medical & Dental College	19	2021-22	Irregular payment of house rent with official accommodation	9.059
2	Chief Engineer (E&M) Water	6			0.194
3	Resident Engineer (P&F) Pipri	5			1.554
4	Resident Engineer Hub Filter Plant	7			0.680
5	Resident Engineer NEK (P&F) K-II	4			0.800
6	Resident Engineer N.E.K (P&F) Old	4			0.513
7	Executive Engineer, Purification Plant Division	5			0.898
8	Executive Engineer, Water North Nazimabad	5			0.305
9	Executive Engineer, Sewerage North Nazimabad	1			0.050
10	Executive Engineer, Water Malir Town	7			0.303
11	DMD RRG	2	2022-23		0.339
12	Executive Engineer Sewerage Saddar Town	3			0.218
13	Executive Engineer SPD-I	2			0.807
14	Executive Engineer SPD-II	2			0.619
15	Executive Engineer K.D Civil-II	4			0.396
16	Executive Engineer Hub Trunk Main	4			0.490
17	Executive Engineer Sewerage Jamshed Town	2			0.235
18	Executive Engineer Water Saddar Town	3			0.601
19	XEN, Sewer Cleaning Equipment & Services	4			0.653
20	Executive Engineer Federal Trunk Main (FTM)	4			0.198
21	RE Hub Pumping (Old & New)	6			0.622
22	R.E Dhabeji Pumping Division	4			2.441
23	Executive Engineer Sewerage Bin Qasim Town	6			0.238
24	Executive Engineer Water Lyari Town	6			0.167
25	R.E Pipri (P&F) Division	5			1.932
26	Executive Engineer KD Civil-I	4			0.551
27	Executive Engineer Water Keamari Town	8			0.048
28	Executive Engineer Sewerage Keamari Town	8			0.048
29	R.E Gharo (P&F) Division	7			0.767
30	Executive Engineer Water Shah Faisal Town	4			0.166
31	Executive Engineer Sewerage Shah Faisal Town	4			0.072
32	Executive Engineer Sewerage Malir	8			0.094
33	Executive Engineer Dumlotee Division	4			0.721

[Rs. in Million]

Sr. No.	Name of entity	AIR Para	F. Y	Para Detail	Amount
34	Executive Engineer Water Liaquatabad Town	8		Irregular payment of house rent with official accommodation allowance	0.202
35	Executive Engineer Sewerage Liaquatabad Town	7	2022-23		0.129
36	R.E NEK (P&F) K –II	5			0.849
37	Executive Engineer Hub Division Civil	4			0.293
38	Executive Engineer E&M Keamari Town	6			1.385
39	Executive Engineer Sewerage Landhi Town	6			0.023
40	R.E Dhabeji Pumping Division	2		Payment of HRA @ 45% instead of 30%	1.506
41	Executive Engineer Canal Maintenance Division	1			0.619
Total					**31.785**

Annex-KHI5 [Para: 2.5.3.1]: Irregular award of works beyond delegated powers

1.DMD RRG, KW&SB, F.Y 2022-23, AIR Para-15

[Rs. in Million]

Sr. No.	Name of work	Contractor	Work order No. & Date	Amount
1	Running and maintenance of software & supply of pre-printed stationery and printing of bills (Bulk & Retail Consumers) KW&SB for the year 2022-23 & 2023-24	M/s Usman Brother	KW&SB/Dir-Billing/RRG/L/2022/598/L Dated 30-09-2022	188.005
2	Collection, Automation, Processing & Reconciliation of KW&SB Bills	M/s National Institutional Facilitation Technologies	KW&SB/Dir-Billing/RRG/L/2022/610/L Dated 19-10-2022	40.089
Total				**228.094**

2.P.D R.O Plants, KW&SB, F.Y 2022-23, AIR Para-10

[Amount in Rs.]

Sr. No.	Description	Contractor	Work Order No. & Date	Amount of Work awarded
1	Operation & maintenance / Improvement of 1 MGD RO Plants of Zone 'A' and raw water Pumping Station in Lyari Town Zone-A	M/s G.M Entp.	2020/09 dt. 24-12-20	201,610,000
2	Operation & maintenance / Improvement of 1 MGD RO Plants of Zone 'B' and raw water Pumping Station in Lyari Town Zone-B	M/s Watsun Engg.	2020/10 dt. 24-12-20	272,675,000
3	Operation & maintenance / Improvement of 1 MGD and 0.5 MGD RO Plants of Zone 'C' and Raw Water Pumping Station in Keamari Town Zone-C	M/s Iqbal Shaikh & Co.	2020/11 dt. 24-12-20	256,903,000
4	Operation & maintenance / Improvement of 0.5 MGD RO Plants of Zone 'D' in Keamari Town Zone-D	M/s Sahara Tamirat	2020/12 dt. 24-12-20	187,675,000
Total				918,863,000

3. Executive Engineer Hub Trunk Main, KW&SB, F.Y 2022-23, AIR Para-08

[Rs. in Million]

Sr. No.	Description	Contractor	Work Order No. & Date	Amount of Work
1	Emergent repair of 24" dia M.S Orangi main by replacing 15 RFT Pipe of 24" dia M.S at Ghaziabad main Ijtema Gah road and repair of 48" and 33" dia PRCC, HTM Division.	M/s Anila Enterprises	Provisional work order: EE/HTM/DIV/ACCTT/KW&SB/2022/01 Dated: 14-12-2022 Final work order No. 47 Dated: 21-02-2023	3,123,413
2	Providing/Replacing Gear Box of 60" dia M.S Main Near Qasba More as named wali Valve, repairing 66" dia PRCC near Crush Plant, HTM Division.		Provisional work order: EE/HTM/DIV/ACCTT/KW&SB/2022/05 Dated: 29-11-2022 Final work order No. 46 Dated: 21.02.2023	2,652,580
Total				**5,775,993**

Annex-KHI6 [Para: 2.5.3.11]: Non-obtaining of performance security

1.P.D R.O Plants, KW&SB, F.Y 2022-23, AIR Para-01

[Amount in Rs.]

Sr. No.	Description	Contractor	Work Order No. & Date	Amount of Work awarded	Bank guarantee @ 5% obtained	Bank guarantee expired but not revalidated	Stipulated Date completion
1	Operation & maintenance / Improvement of 1 MGD RO Plants of Zone 'A' and raw water Pumping Station in Lyari Town Zone-A	M/s G.M Entp.	2020/09 dt. 24-12-20	201,610,000	10,080,500	23-11-21	23-12-23
2	Operation & maintenance / Improvement of 1 MGD RO Plants of Zone 'B' and raw water Pumping Station in Lyari Town Zone-B	M/s Watsun Engg.	2020/10 dt. 24-12-20	272,675,000	13,633,750	20-12-22	23-12-23
3	Operation & maintenance / Improvement of 1 MGD and 0.5 MGD RO Plants of Zone 'C' and Raw Water Pumping Station in Keamari Town Zone-C	M/s Iqbal Shaikh & Co.	2020/11 dt. 24-12-20	256,903,000	12,845,150	23-06-21	23-12-23
4	Operation & maintenance / Improvement of 0.5 MGD RO Plants of Zone 'D' in Keamari Town Zone-D	M/s Sahara Tamirat	2020/12 dt. 24-12-20	187,675,000	9,383,750	19-05-22	23-12-23
Total				**918,863,000**	**45,943,150**		

2. Project Director, S-III, KW&SB, F.Y 2022-23, AIR Para-11

[Amount in Rs.]

Sr. No.	Description	Name of contractor	Cheque No & Date	Gross Amount of bill	Performance security to be obtained @ 10%
1.	Construction of new RCC conduit and other allied works along Liyari River from Teen Hati Bridge to Garden	M/s Sardar M. Ashraf D.Baloch	356888 Dt: 12/06/2023	19,318,172	1,931,817
2.	TP-I upgradation and expansion of sewerage treatment plant Haroonabad SITE (TP-I)	M/s Pak Oasis Industries (Pvt)	356882 Dt: 02/06/2023	55,145,047	5,514,505
3.	Laying of new RCC pipe sewer and other allied works along Lyari river from Saba Cinema to Surjani	M/s Haji Syed Ameer& Brothers	3568874 Dt: 11/05/2023	23,890,937	2,389,094
4.	Construction of new RCC conduit, interceptors and other allied works along Lyari river metrovill to baba cinema (LS-02)		356871 Dt: 11/05/2023	117,979,322	11,797,932
5.	Construction of new RCC conduit and other allied works along Lyari river from Yaseenabad to Teen Hatti Bridge (LS-04)	M/s Sardar M. Ashraf D.Baloch	356868 Dt: 28/04/2023	24,937,464	2,493,746
6.	Construction of new RCC conduit, interceptors and other allied works along Lyari river from garden to Maripur road	M/s Indusmens Corporation	356862 Dt: 20/04/2023	15,174,341	1,517,434
7.	Construction of new RCC conduit, interceptors and other allied works along Lyari river from Gulshan-e-Yaseenabad to Metrovill	M/s Haji Syed Ameer& Brothers	356854 Dt: 11/04/2023	11,521,383	1,152,138
8.	Construction of new RCC conduit, interceptors and other allied works along Lyari river fromMaripur STP-0III	M/s Indusmens Corporation	356841 Dt: 20/02/2023	10,538,039	1,053,804
9.	TP-III upgradtion and expansion of sewerage treatment plant Maripur site (TP-II)	M/s Pak Oasis Industries (Pvt)	356832 Dt: 10/01/2023	29,142,031	2,914,203
Total				**307,646,736**	**30,764,673**

Annex-KHI7 [Para: 2.5.4.1]: Non-deduction of government taxes

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F. Y	IT	Advance Tax on auction	SST	GST	Total Tax not deducted
1	Senior Director, Human Resource Management	2	2021-22	1.001	-	0	0	1.001
2	Director, City Warden	5		0	-	0	0.121	0.121
3	Executive Engineer, Purification Plant Division	8		0	-	1.044	0	1.044
4	Executive Engineer, Water Malir Town	4		0	-	3.896	0	3.896
5	Executive Engineer, Sewerage Malir Town	6		0	-	6.231	0	6.231
6	Executive Director, KIHD	10	2022-23	-	-	-	0.086	0.086
7	D.G, Parks & Horticulture	10		-	-	9.282	-	9.282
8	Director Charged Parking	7		-	-	0.722	-	0.722
9	Director, Safari Park	1		-	-	-	0.179	0.179
10	Director, Land Management	1		-	1.47	-	-	1.47
11	Director Zoo	8		-	1.916	-	-	1.916
12	MS Abbasi Shaheed Hospital	2		-	-	-	1.445	1.445
13	Executive Engineer Sewerage Lyari Town	1		-	-	0.474	-	0.474
14	Project Director, S-III	2		7.149	-	-	-	7.149
15	Executive Engineer Water Jamshed Town	2		-	-	1.09	-	1.09
16	Executive Engineer Sewerage Gulshan e Iqbal Town	2		-	-	1.013	-	1.013
17	Executive Engineer Sewerage Jamshed Town	7		-	-	0.536	-	0.536
18	Executive Engineer Water Gulshan e Iqbal Town	2		-	-	0.592	-	0.592
19	ADP Schemes	6		-	-	-	0.659	0.659
20	Executive Engineer City Trunk Main (CTM)	3		-	-	0.684	-	0.684
21	DMD HRD&A	2		-	-	1.506	-	1.506

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F. Y	IT	Advance Tax on auction	SST	GST	Total Tax not deducted
22	Executive Engineer Sewerage Bin Qasim Town	2		-	-	1.409	-	1.409
23	Executive Engineer Water Lyari Town	2		-	-	0.981	-	0.981
24	Executive Engineer Gharo Division Civil	1		-	-	1.357	-	1.357
25	Executive Engineer Water Keamari Town	7		-	-	1.595	-	1.595
26	Executive Engineer Sewerage Keamari Town	7		-	-	3.331	-	3.331
27	Executive Engineer Sewerage Malir	3		-	-	2.884	-	2.884
28	Executive Engineer Water Liaquatabad Town	5		-	-	0.35	-	0.35
29	Executive Engineer Sewerage Liaquatabad Town	1		-	-	2.369	0.322	2.691
30	Executive Engineer E&M Keamari Town	7		-	-	0.15	-	0.15
31	Executive Engineer Water Korangi Town	1		-	-	0.453	-	0.453
32	Executive Engineer Sewerage Korangi Town	1		-	-	0.711	-	0.711
33	Executive Engineer Purification Plant	1		-	-	0.604	-	0.604
Total				**8.15**	**3.386**	**43.264**	**2.812**	**57.612**

Annex-KHI8 [Para: 2.5.4.3]: Non-deposit of taxes into public exchequer

[Rs. in Million]

Sr. No	Name of Office	AIR Para	F. Y.	IT	SST	Amount of non-deposited taxes
1	Senior Director, HR Management	1	2021-22	0.445	0	0.445
2	Director, Solid Waste Management	1		-	5.507	5.507
3		5		4.236	0	4.236
4	Director, City Warden	4		0.107	0	0.107
5		6		0	0.192	0.192
6	Karachi Medical & Dental College	2		13.843	0	13.843
7		3		0.350	0	0.350
8		4		0	0.467	0.467
9	Resident Engineer NEK (P&F) K-II	2		0.721	0	0.721
10	Resident Engineer N.E.K (P&F) Old	1		0.342	0	0.342
11	Resident Engineer (P&F) Pipri	3		0.571	0	0.571
12	Resident Engineer Hub Filter Plant	3		1.700	0	1.700
13	XEN, Purification Plant Division	2		1.329	0	1.329
14	XEN, Water Malir Town	6		2.249	0	2.249
15	XEN Sewerage Malir Town	8		3.595	0	3.595
16	XEN Water Bin Qasim Town	4		5.270	3.514	8.784
17	XEN Sewerage Bin Qasim Town	4		5.280	3.520	8.800
18	D.G, Parks & Horticulture	7	2022-23	12.995	-	12.995
19	Director Charged Parking	1, 4		0.981	0.101	1.082
20	D.G, Technical Services	2		5.070	-	5.070
21	Director, Safari Park	2		0.237	-	0.237
22	Director, Zoo	6,7		1.703	0.346	2.049
23	Senior Director, Municipal Services	4		10.301	-	10.301
24	DMD RRG	11		4.907	3.230	8.137
25	DMD Finance	4		0.276	0.051	0.327
26	P.D R.O Plants	4		130.804	58.279	189.083
27	XEN Sewerage Lyari Town	2		0.697	-	0.697
28	XEN Sewerage Saddar Town	2		1.074	-	1.074
29	Project Director, S-III	4		27.743	-	27.743
30	XEN Sewerage Scheme - 33	2		4.675	-	4.675
31	XEN SPD-I	5		0.418	-	0.418
32	XEN SPD-II	5		1.247	-	1.247
33	XEN Water Jamshed Town	1		1.640	-	1.640
34	XEN Sewerage Gulshan e Iqbal Town	1		1.520	-	1.520
35	XEN K.D Civil-II	2		0.632	-	0.632
36	XEN Hub Trunk Main	2		1.360	-	1.360
37	XEN Sewerage Jamshed Town	6		2.882	-	2.882
38	XEN Water Gulshan e Iqbal Town	1		0.937	-	0.937
39	ADP Schemes	1,8,19, 20		33.935	7.649	41.584

[Rs. in Million]

Sr. No	Name of Office	AIR Para	F. Y.	IT	SST	Amount of non-deposited taxes
40	XEN Water Saddar Town	2		1.627	-	1.627
41	XEN City Trunk Main (CTM)	2		1.026	-	1.026
42	XEN Sewer Cleaning Equipment & Services Division	2		0.303	-	0.303
43	XEN Federal Trunk Main (FTM)	3		0.813	-	0.813
44	RE Hub Pumping (Old & New)	2		2.303	-	2.303
45	Director Medical Services	2		20.566	-	20.566
46	R.E Dhabeji Pumping Division	6		6.835	-	6.835
47	XEN Sewerage Bin Qasim Town	3		2.263	-	2.263
48	XEN Water Lyari Town	3		1.472	-	1.472
49	R.E Pipri (P&F) Division	1		1.503	-	1.503
50	XEN KD Civil-I	2	2022-23	1.827	-	1.827
51	XEN Gharo Division Civil	2		4.062	-	4.062
52	XEN Water Shah Faisal Town	2		0.580	-	0.580
53	XEN Sewerage Shah Faisal Town	2		1.375	-	1.375
54	XEN Sewerage Malir	4		4.341	-	4.341
55	XEN Dumlotee Division	2		1.159	-	1.159
56	XEN Canal Maintenance Division	3		0.570	-	0.570
57	XEN Water Liaquatabad Town	3		0.525	-	0.525
58	XEN Sewerage Liaquatabad Town	3		3.641	-	3.641
59	XEN Hub Division Civil	2		3.176	-	3.176
60	XEN Sewerage Landhi Town	2		2.879	-	2.879
61	XEN Water Korangi Town	2		0.680	-	0.680
62	XEN Sewerage Korangi Town	2		1.066	-	1.066
63	XEN Purification Plant	2		0.907	-	0.907
Total				**351.571**	**82.856**	**434.427**

Annex-KHI9 [Para: 2.5.5.1]: Unauthorized operations of bank accounts with private banks

S. No	Name of entity	AIR Para	F. Y	Para Detail
1	Director Land Management	6	2022-23	HBL accoun No. 0015 00260790 03
2	DMD RRG	12		ABL account No 490075

3.DMD Finance, KW&SB, F.Y 2022-23, AIR Para-10

Sr. No.	Name Of Bank	Title of Accounts.	Account No.	Remarks
Collection Accounts				
01	Habib Bank Ltd, Sindh Sectt: Branch.	Current Receipt.	09160025009101	
02		Consumers Security Depost.	09160025010301	
03		Share Cost Account.	09160025005901	Non operative
04		KW&SB Water Connection Charges A/c.	09167900887103	
05	Summit Bank, G. Iqbal Br.	Collection Account	1-2-49-20620-714-104892	
06		Meter Consumer Cell.	1-2-49-20620-714-104921	
07		KW&SB Hydrant Payment Account.	1-2-49-20620-714-124819	
09	United Bank Ltd., Shaheed-E-Millat Road Br.	Water & Sew. Charges Collection A/c.	0149-003-0003-8	
10	Allied Bank Ltd. M.A.H. Society Br	Collection Account.	001 000 1461 4900 23	
11	MCB Bank Ltd, I.I. Chundrigar Road Br	Collection Account.	0001-07-01-0000039	
12	Askari Bank Ltd., Regal Chowk Br.	KW&SB Collection Account.	480 11 650 11 40	
13	Bank Alfalah Ltd., I.I. Chundrigar Road		100 36 55 209	
14	Bank Al-Habib Ltd. , Gulshan-E-Iqbal.		100 400 810 555 41-01-6	
15	N.I.B. Bank Ltd. Bahadurabad.		0080-367 12 83	Non operative
16	KASB Bank Ltd., G. Iqbal Br.		0014-128147-121	
17	Silk Bank Ltd., Tariq Road Br.		0000-0020 0591 -9579	
18	Allied Bank Ltd. (Saima Trade Br.)	Collection Account.	01 000 1236 47 0017	Non operative

Sr. No.	Name Of Bank	Title of Accounts.	Account No.	Remarks
19	Allied Bank Ltd. (Civic Centre Br.)	Collection of Commercialization Chgs. Of KWSB.	001 000 146 149 00 52	
20		Water & Sew. Connection Charges.	001 000 146 149 00 75	
21		Bulk Water Connection charges & Others..	001 000 149 149 00 81	
22	Telenor Bank Microfinance (Defense Br.)	KW&SB Collection Account.	110-9999 000 34-001	Non operative
23	First Women Bank, Aisah Manzil Br.		0011-0048-2456-0001	
24	Habib Bank Ltd., Safora Goth Br.	Collection Account.	0879-79 00 29 42-03	
26	JS Bank, North Nazimabad Br.		950 9000 0010 56 153	
Details Of Disbursal / Payments Bank Accounts.				
01	Habib Bank Ltd., Sindh Sectt: Branch.	Contractor Payment.	09160025001601	
02		KESC Payment.	09160025002401	
03		Disbursal Account.	09160025003201	
04		Group Insurance.	09160025004001	
05		Employees Pension.	09160025006701	
06		Leave Encashment.	09160025007501	
07		Un-paid salary.	09160025008301	
08		Contractors Security Deposit.	09160025011101	

Annex-KHI10 [Para: 2.5.6.2]: Non-functioning of nursing school hospital equipments

1.M.S Spencer Eye Hospital, KMC, F.Y 2021-22, AIR Para-4

Sr. No.	Name of Item	Quantity	Condition	Period	Place of Availability
1	Wheel Chairs	4	Not working	Since 5 Years	MS Room
2	Phaco Machine	1	Out of Order		Major OT Room
3	Micro Scope	1			
4	Anesthesia Machine	1			
5	Oximeter	1			
6	Drainage	1			
7	Pulse Meter	1			
8	BP Operatus	1			
9	Stethoscope	1			
10	Stat Fax (3300)	1	Non Functional		Laboratory Room-23
11	Abacus Plus	1			
12	Photo Colorimeter	1			
13	Centrifuge Machine	1			
14	Slit Lamp	2	Non Functional		Room- 6 & 7
15	Tono Meter (Con Contact)	1			RO Room No. 6
16	Electronic Torch	1			
17	Welchayn Diagnostic Set Well Mounted	1			
18	Lenso Meter	1	Non Functional		RO Room No. 3
19	Ophthalmic Scope	1			
20	Ophthalmic Scope (NITZ)	1			
21	Cambridge Bio Red Digital Lab	1			
22	Slit Lamp	2			
23	Ultra Scale Imaging System	1			
24	Indirect	1	Non Functional		General Ward
25	Tono Meter	1			
26	Service Vehicle Eye Camp BUS	1	Off-Road		GS-8670
27	Service Vehicle for Local Eye Camp	1	Off-Road		GL-5501
28	Service Vehicle for Shifting of goods	-	Off-Road		GL-5502
29	Ambulance	-	Off-Road		EX-2949

2.M.S Sobhraj Maternity Hospital, KMC, F.Y 2021-22, AIR Para-2

Sr. No	Name of Item	Quantity	Non-Functional since
1	X-Ray Machine	1	Last 6 years
2	CTG Machine	1	03.04.2023
3	Diathermy Machine	1	01.04.2019
4	Pulse Oximeter	2	26.04.2020
5	Ventilator	1	11.12.2022
6	Monitor Patients Portable	03	10.03.2023
7	Photo Therapy Unit	01	22.10.2022

3.M.S Sarfaraz Rafiqui Shaheed Hospital, KMC, F.Y 2021-22, AIR Para-3

Sr. No	Name of Item	Quantity	Period of Non-Functional
1	X-Ray Machine	1	More than 3 years
2	ECG Machine	1	More than 5 Years
3	OT	1	More than 1. 5 Year
4	Lift	1	More than 10 Years
5	Power Generator	1	More than 5 Years

4.E.D KIHD, KMC, F.Y 2022-23, AIR Para-06

Sr. No.	Name of Equipments	Quantity	Working	Non-working
1.	Patient Monitor	68	58	10
2.	ECG Machine	12	10	02
3.	Defibrillator	18	16	02
4.	Gamma Camera	02	01	01
5.	Anesthesia Machine	03	02	01

5.M.S Abbasi Shaheed Hospital, KMC, F.Y 2022-23, AIR Para-12

Sr. No.	Detail Of Machinery/ Equipment	Model #	Quantity In Stock	Functional	Non-Functional
1	Ventilators	Pronus/Sechrist/Philips/ Galileo	19	14	5
3	X rays/ Portable X ray	Perlove/ staphnix/ Listem	10	6	4
6	Anesthesia machines	SP21006/ Astra	11	5	6
7	Diathermy Machines	Techno/ bovie	11	8	3
8	Multi Para Monitors	DS7100	4	2	2
9	Suction Machines	YUWELL/ EUROVAC	11	7	4
11	O.T Lights	Chromophare	8	6	2
12	O.T Tables	Sturdy1010-5	9	8	1
13	Auto claves	China	3	1	2
14	Incubators	Ningbo/ Bistos	15	14	1
16	C Arms	Toshiba/ Listum	3	0	3
17	Ortho scopes	-	2	1	1
18	Microscopes(ENT)	-	2	0	2
19	CR systems(Rental)	Agfa	3	1	2
20	Ultrasound Machines	Toshiba/ Esote/ medison/ Philips	7	3	4
21	Elastography	Aixplorer	1	0	1
22	C.T Scan	Toshiba	1	0	1
23	MRI	Philips	1	0	1
24	Fluoroscopy	Stepnix	1	0	1
Total			122	76	46

6.M.S Abbasi Shaheed Hospital, KMC, F.Y 2022-23, AIR Para-13

S.No.	Detail of non-functioning unit
1.	School of Nursing non-functionl after 2018

7.M.S Landhi Medical Complex, KMC, F.Y 2022-23, AIR Para-03

S.No.	Name of equipment	Non-functioning date
1	X-Ray	05-10-2019
2	Laboratory	20-03-2020

Annex-KHI11 [Para: 2.5.7.12]: Non-revision of fine rates/fees and rent of property

Sr. No	Name of entity	AIR Para	F.Y	Description
1	Senior Director, Estate	6	2022-23	Rent of shops & shopping centers since 2017

2. Senior Director Enforcement / Anti Encroachment, KMC, F.Y 2022-23, AIR Para-3

A. Fine rates on the confiscated articles and cattle (Since 1999)

Head of receipt account	Fine Rates in Rs.
Confiscated Articles	
1. Chair (Wooden)	100/-
2. Chair (Steel)	100/-
3. Table Steel / Wooden	150/-
4. Thella	300/-
5. Sugar Can machine	3,000/-
6. Juice machine	500/-
7. Hand Carts / Donkey carts	500/-
8. Takhat	200/-
9. Ladder	200/-
10. Cabin/ Container	500/-
11. Dages	500/-
12. Iron (One bundle)	300/-
13. Cupboard / Wardrobe	500/-
14. Fridge/ Deep Freezer	2,000/-
15. Bye-Cycle	500/-
16. Motor Cycle	2,000/-
17. Other articles	25 % of the cost
Confiscated Cattle	
1. Cow/ Buffalo	1,000/-
2. Calf	1,000/-
3. Goats	600/-
4. Small goats	600/-

B. Monthly generator fee for utilizing KMC land (Since 2000)

Head of receipt account	Monthly Fee
1. District South	15,000/-
2. District East	10,000/-
3. District Central	7,500/-
4. District West	5,000/-

4.Senior Director, E&IP, KMC, F.Y 2022-23, AIR Para-7

Sr. No.	Name of entity	AIR Para	F.Y	Description
1	Senior Director, E&IP	7	2022-23	revision of rent of bachat bazar since 2015

Local Councils, Karachi Division

Annex-KYC1 [Para: 3.5.1.1]: Non-production of record

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
1	DMC Malir,	1	2022-23	i. Record of expenditure and revenue of May & June 2023 along with vouchers ii. Personal files/ service books of officers/ officials iii. Property Register iv. Copies of Bank Statement v. Record of purchase of Fogging Machines of Rs 20.000 million vi. Pay Slips and Pay Roll vii. Record of auctions viii. Record of re-appropriation of funds during the financial year 2022-23 ix. Budget Allocation of Salary, Non-Salary and Development for the financial year 2022-23 x. Incumbency	20.000
2	DMC West Karachi	1	2022-23	i Personal files of Officers & Service books of Staff ii Record of Transfer Postings iii Record of Adhoc & Contingent paid employees iv Record of Leave encashment & Provident Funds payments v Record of Supplementary pay bills vi Tendering process, Contractors case files & measurement books of development works	-
3	District Council Karachi	1	2022-23	i Record of Bidders Eligibility for tender works Rs 63.201 million ii Bank Statement (all accounts) iii Record of Government Properties iv Record of machinery & equipment v Tender/Works Register vi Record of Development Record Parks	63.201
4	DMC Korangi Karachi	1	2022-23	i Record of Approved copy of Budget Estimates, Revised Budget Estimates, Budget Appropriation & Re-appropriation letters, for the Financial Year(s) up-to 2022-23 and Budget Control Register ii Record of Approved Schedule of establishment (sanctioned and working strength) iii Record of Personal files of all Officers and service books of non-gazzeted staff iv Record of muster roll, attendance registers, bio-matric attendance	42.908

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				v Record/Details regarding Development works and Progress Report (On-going and New NIT) vi Record of expenditure – Rs 42.908 million against grant received from Government of Sindh vii Record/Details of Official Vehicles, Officers/Official to whom allotted official Vehicles along with allotment letters, Off Road Vehicles, POL quota of Officers/Officials (if any) viii Record pertaining to Taxation Department ix Complete record/details of all auctions held and award of contract rights x Record/Details of arrears/outstanding recoveries xi Record/Details regarding Special Fund of Emergency Cleaning of Nallah xii Record/Details regarding Special Fund Click Project xiii Record/Details regarding Devolved Fund xiv Record of Education Department (Deputy Director Education Shah Faisal Town and Landhi Town) DMC Dispensaries and Sanitation. xv Record/details of cases under litigation with courts, NAB, FIA and other investigation agencies, xvi Record/Details regarding Pension payments, Pensioners verification record, Cases Finalized, Pending and in Process. xvii Record/details of all appointments, regularization of contractual staff, xviii Record/details regarding promotion cases alongwith Seniority list of all cadres xix Record of working/justification regarding annual targets and subsequent outcomes of targets, xx Detail of encroachments within DMC jurisdiction and action taken against encroachment of footpath, DMC property and amount of penalty recovered from it. xxi Report defalcation, losses, misappropriation, embezzlement and Incumbency Report	
		18	2022-23	i P/L CC Paver block in Khan Goth UC-36 K-Zone ii P/L CC Paver block Chakro Goth UC-36 Korangi Zone DMC iii Providing & Laying Pavor Flooring at Surrounding of Jatoi Muhallah UC-35 Korangi Zone	8.412

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				iv P/Laying Paver at street No. 1,2 & 3 Plot No. 101 to 109 Sector 33-C, UC-31 Korangi Zone v Providing Laying CC Paver block at Sector 50-D, street 1 & 2, Korangi Zone vi P/Laying Paver Flooring at main street of Gulshan-e-Sikander UC-36, Korangi Zone	
5	DMC Central Karachi	1		i Detail of record Malaria and Fumigation Campaign ii Record of Survey reports on Local Taxes & Trade License iii Record of Recruitment and Promotion Cases Services Books/ Seniority List iv Procurement Plan v Detail of Charge Parking of approved sides and detail rates vi Detail of Bachat Bazaar rates and recovery vii Detail of Road (Service and main) in the limit of DMC Central viii Record of List of Parks, Play Ground, Development and Revenue details ix Bank Statements x Record of deducted income tax from Salaries	-
6	DMC Keamari Karachi	1	2022-23	i Record of Personal files of Officers & Service books of Staff ii Record of record of Transfer Postings iii Record of salary bills of employees iv Record of tendering process, Contractor case files & measurement books of development works v Record of Income from own sources and other revenue vi Record of Budget Book, Cash Book reconciled with Bank Statements	-
		4	2022-23	i Providing And Laying Sewerage Line 12 " Rcc Pipe Drain at Qaim Khani Colony In Uc - 36 Dmc (Keamari) Baldia Zone ii Providing And Laying Sewerage Line 12 " Rcc Pipe Drain At Shahi Muhallah In Uc - 36 Dmc (Keamari) Baldia Zone iii Providing And Laying Sewerage Line 12 " Rcc Pipe Drain At Muslim Muhallah In Uc - 36 Dmc (Keamari) Baldia Zone iv Providing And Laying Sewerage Line 12 " Rcc Pipe Drain At Bilal	105.559

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				Masjid Qaim Khani In Uc - 36 Dmc (Keamari) Baldia Zone v Providing And Laying Sewerage Line 12 " Rcc Pipe Drain At Haq Baho Chowk Block " C " In Uc - 36 Dmc (Keamari) Baldia Zone vi Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Different UC's in DMC (Keamari)Baldia Zone . vii Providing and Laying Sewerage Line 12 " & 15 " RCC Pipe Drain at Hazara Chowk The Better Life School Nawab Colony Bhagwan Goth in UC - 36 & 37 in DMC(Keamari) Baldia Zone . viii Hiring of Machinery / Excavator and Dumper including Hiring of Private Labour's at Khyber Chowk Pullia ,Eid Gha Pullia , Nawab Colony ,Jhulay Lal Petrol Pump Hydari Imam Bargah Pullia , 19 - D Ground Pullia , in UC - 36 , 37 & 33 DMC(Keamari) Baldia Zone . ix Hiring of Machinery / Excavator and Dumper including Hiring of Private Labour's at Sector 12 Pullia ,Saadullah Goth Pullia , Qazi Hospital Nallah Sajjan Goth Pullia , Zamzam Pullia , PTC Nallh in UC - 31 , 33 , 36 &37DMC (Keamari) Baldia Zone . x Hiring of Machinery / Excavator and Dumper including Hiring of Private Labour's at Eidhi Center Nadra Officer Pullia , Niazi Muhallah Kemal Pur Pullia , Hub River Road Nallahin UC - 34 , 35 , 32 DMC (Keamari) Baldia Zone . xi Providing and Fixing Paving Block at Jama Madina Masjid in UC – 32DMC (Keamari) Baldia Zone . xii Providing / Fixing Manhole Covers and Ring Slabs for Sabil - e – Hussain Hydri Imam Bargah , Panjatan Imam Bargah , Sajjan Imam Bargah and Hussaini Imam Bargah at Sector 12& 14 in UC - 33 , 36 & 37 DMC(Keamari) Baldia Zone . xiii Hiring of Machinery of Saadullah Goth , Dawood Goth , Sajjan Goth Sector 12 Culvert Hydri Imam Bargah Pullia ,	

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				Abdullah Coach Pullia , Nawab Colony Pullia , Nawab Colony Pullia , Edi Gah Pullia in UC36 & 37 DMC (Keamari) Baldia Zone . xiv Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Shani Ground Block E Ittehad Town in UC36 DMC (Keamari) Baldia Zone xv Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Jam Makhi Masjid Block D in UC – 36DMC (Keamari) Baldia Zone xvi Providing and Laying Sewerage Line 12 " RCC Pipe Drain at New X 10 Bus Stop Block C Ittehad Town in UC - 36 DMC (Keamari) Baldia Zone xvii Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Jhangvi Chowk New Allah Dad Colony Block-B in UC - 36 DMC (Keamari) Baldia Zone xviii Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Umar Farooq Colony Sector 19 - A Block Ein UC - 36 DMC (Keamari) Baldia Zone xix Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Near Jama Attari Masjid Sector 17 - B in UC - 36 DMC (Keamari) Baldia Zone xx Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Farooq-- Azam Masjid Sector 17 - A in UC36 DMC (Keamari) Baldia Zone xxi Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Sector 14 - A Ward No - 04 in UC - 36 DMC (Keamari) Baldia Zone xxii Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Jama Hadi Alam Masjid Sector 14 - A in UC - 36 DMC (Keamari) Baldia Zone xxiii Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Shanti Nagar Block E Ittehad Town in UC36 DMC (Keamari) Baldia Zone xxiv Providing and Laying Aggregate Base Course in UC - 33 , 36 & 37	

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				DMC (Keamari) Baldia Zone xxv Providing and Laying Aggregate Base Course in UC - 31 , 32 & 34 DMC (Keamari) Baldia Zone xxvi Hiring of machinery Excavator Tractor Blade , Labour and also providing / Fixing Ring Slab &Manhole Cover UC - 33 , 34 , 36 & 37DMC (Keamari) Baldia Zone . xxvii Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Different Imam Bargah in DMC(Keamari) Baldia Zone xxviii Providing and Laying 18 " dia Pipe at Taj ali Noor Park in UC - 33 DMC(Keamari) Baldia Zone . xxix Providing and Laying 18 " dia Pipe from Crescent School to Gulshan – e Ghazi Road in UC - 33 DMC(Keamari) Baldia Zone . xxx C.C Flooring from Qabail Eid Gah to House No. 4 / D in UC - 33 DMC(Keamari) Baldia Zone . xxxi Providing and Laying 12 " Dia Pipe at Attari Chowk Power House & Sector 8 / C in UC - 32 & 33 DMC(Keamari) Baldia Zone xxxii Providing and Laying 12 " Dia Pip at Sindhi Muhallah Eid Gah Sector 4/1& 8/8 in UC - 33 & 37 DMC(Keamari) Baldia Zone xxxiii Desilting of Sewerage Line at Sector 4 / B , 8 / D , 4/9 , 4 / H & 4/1 in UC - 33 & 37 DMC (Keamari) Baldia Zone xxxiv Providing & Fixing Ring Slabs &Main - hole Covers in UC - 33 & 37DMC (Keamari) Baldia Zone . xxxv Hiring of Machinery and Cleaning of Nallah (Afghan Labour) in UC - 31 ,33,36 , & 37 DMC (Keamari) Baldia Zone . xxxvi Renovation of Masjid of Baldia Zone Office , DMC (Keamari) , Baldia Zone . xxxvii Construction of Our Head Tank at Ladies Walking Track Park Near Jungle Shah Mazar , Rangers Head Quarter UC - 10 in Keamari Zone DMC (Keamari) . xxxviii Providing / Laying RCC Topping and Apply	

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				Bitumen Top of Roof & other works in Building of Baldia Zone Office . xxxix Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Toheed Masjid Shama Ground Block A & Cin UC - 36 DMC (Keamari) Baldia Zone xl Providing and Laying Sewerage Line 12 " RCC Pipe Drain at Jamia Ayesha Siddique Masjid Block A in UC - 36 DMC (Keamari) Baldia Zone xli Providing / Fixing Manhole Covers and Ring Slabs in Different UC's DMC (Keamari) Baldia Zone. xlii Hiring of skilled labour and excavator / dumper and cleaning of sewerage line through winching in ward no . Iii in uc - 04 mariro mirbahar zone dmc (Keamari) xliii Cleaning of nallah through afghani labour and cleaning of sewerage line through winching inward no . Iv in uc - 04 mariro mirbahar zone dmc(Keamari) xliv Hiring of skilled labour and excavator / dumper and cleaning of sewerage line through winching in ward no . Ii in uc - 04 mariro mirbahar zone dmc(Keamari) xlv Hiring of skilled labour and excavator / dumper and cleaning of sewerage line through winching in ward no . I in uc - 04 mariro mirbahar zone dmc(Keamari) xlvi Cleaning of sewerage line by winching machine i / c manhole cover and ring slabs at different union council of site zone, dmc (Keamari) xlvii Providing / laying aggregate base course and patch work at various places of site zone dmc(Keamari) xlviii Providing / fixing of 100 - w led streetlights at shar shah , labour square and gulbai site zone dmc (Keamari) Karachi xlix Providing / fixing of 100 - w led streetlights at pak colony , old golimar and jahanabad site zone dmc (Keamari)Karachi l Providing / fixing of 100 - w led street lights at lalbakher , moach goth and musharaf colony Keamari Zone dmc (Keamari) Karachi	

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				li Providing / fixing of 100 - w led street lights at sikanderabad , sultanabad and bhutta village Keamari Zone dmc (Keamari) Karachi lii Providing / fixing of 100 - w led street lights at muhammad khan colony and town baldia zone dmc (Keamari) Karachi liii Providing / fixing of 100 - w led street lights at nawab colony and kaim khani colony baldia zone dmc (Keamari) Karachi liv Repair / maintenance of street lights uc – 01 to uc - 04 site zone dmc (Keamari)	
7	DMC, East Karachi	2	2022-23	i P/F of street lights and various electrical accessories at main road, linked road and various parks & playground in UC-12 form UC-18 to UC-24 Gulshan-e-Iqbal ii P/f street lights and various Accessories uc 25 to uc-31 Gulshan Zone DMC East iii P/F Street lights and various accessories various parks play ground uc 01 to uc 08 jamshed zone dmc east iv mp of Roads form rabbani masjid to faizan-e-Madina old sabzimandi UC 20 Al Hilal Society to aj tyre shop uc 18 Gulshan Zone DMC East v Providing & Fixing of Street Lights with necessary Electrical Accessories at different places in the area of Ward No. 01 & 02 in UC-13 in Jamshed Zone DMC East vi . Providing & Fixing of Street Lights with necessary Electrical Accessories at different places in the area of Ward No. 03 & 04 in UC-13 in Jamshed Zone DMC East. vii Providing & Fixing of Street Lights with necessary Electrical Accessories at different places in the area of Ward No. 01 & 02 in UC-16 in Jamshed Zone DMC East. viii Providing & Fixing of Street Lights with necessary Electrical Accessories at various areas of Ward No. 01 & 02 in UC-25 in Gulshan-e-Iqbal Zone DMC East. ix Providing & Fixing of Street Lights with necessary Electrical Accessories at various areas of Ward No. 03 & 04 in UC-25 in Gulshan-e-Iqbal Zone DMC East. x mp and Motorable of Road Through Aggregate Base Course Surrounding Fizan e Madina Old	23.949

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				Sabzi Mand UC -20 Gulshan Zone DMC East xi ro Fixing Poles Lights and Other accessories in Various area of Niazi Goth and surrounding Shrouding areas in UC 30 Gulshan Zone DMC East xii –Pro Fixing Poles Lights and Other Elec Accesor in Various area of Niazi Goth and surrounding areas in UC 30 Gulshan Zone DMC East	
8	DMC, South Karachi	3		**A- Engineering - M&E** i Improvement/Development/Maintenance of Street Light System at Clifton Block-04 (Ward-1&2) area & internal Streets of Saddar Zone DMC South ii Improvement/Development/Maintenance of Street Light System at M.R.Kyani Road of Saddar Zone DMC South iii Improvement/ Maintenance of Street Light System at Bath island area & internal Streets of Saddar Zone DMC South iv Repair/Maintenance of Street Light System at U.C-07 area & internal Streets of Lyari Zone DMC South v Improvement/ Maintenance of Street Light System at Kumharwara area & internal Streets of Lyari Zone DMC South vi Improvement/Development/Maintenance of Street Light System at Clifton Block-04 (Ward-1&2) area & internal Streets of Saddar Zone DMC South vii Improvement/ Maintenance of Street Light System at Shara-e-Liaqat & internal Streets of Saddar Zone DMC (S viii Improvement/ Maintenance of Street Light System at Bath island area & internal Streets of Saddar Zone DMC South ix Repair/Maintenance of Street Light System at U.C-06 area & internal Streets of Lyari Zone DMC South x Improvement/ Maintenance of Street Light System at Madina Masjid Road & internal Streets of Lyari Zone DMC South	45.483

[Rs.in Million]

Sr. No.	Name of office	AIR Para	F. Y.	Description of Record	Amount
				B-Engineering – Parks i Replacement of Astro tuff at Foot Ball Club and Maintenance of works of Park adjacent to Ezzat Khan School, Lyari Zone ii Improvement of Tree Plantation at Urban Forest including belts at in front of Clifton Medical Centre, Block-01 Clifton, DMC (South) iii Providing and Fixing of Alphabetical Monument in Saddar Zone, DMC (South) iv Repair/Maintenance and Beautification works of Kabootar Round about, Saddar Zone, DMC (South) v Repair/Maintenance of Round about adjacent to Khizra Masjid, Saddar, Saddar Zone, DMC (South) vi Repair/Maintenance of Arts Council Fountain Saddar Zone, DMC (South) **C-Engineering - B&R** i Repair Maintenance of road at Service Road of Khayaban-e-Iqbal in front of Total Pump Clifton, UC-30, Saddar Division DMC South ii Repair Maintenance of road Trenches / Patches at Abdullah Haroon Road Dr. Zia-Uddin Ahmed Road, Club Road, Civil Lines, Saddar Division DMC South iii Repair Maintenance of road Trenches / Patches in front of IG House, Feroz Nana Road GOR Bath Island, Saddar Division DMC South iv Improvement / Development of road in front of Elegance Services Guest House Clifton Block-7 Saddar Division DMC South v Improvement by C.C Paving Block at internal street of Bawa Pat UC-16, Saddar Division DMC South vi Improvement of Footpath at surrounding area of Aram Bagh Park, UC-26, Saddar Division DMC South vii Repair Maintenance of Trenches by Paving Block Flooring around Taboot Lane, Imam Bargah, Kharadar, Saddar Division DMC South	

Annex-KYC2 [Para: 3.5.3.1]: Execution of works without PC-I

DMC Central, F.Y 2022-23, AIR Para-02

[Amount in Rs.]

Sr. No.	Description of Work	Name of Contractor	Estimated
1	Improvement / Repair of Damage Parapet Walls on S.W. Drain in The Area of Liaquatabad Zone, DMC (Central).	M/S. S.M Associates Co.	8,316,425
2	Improvement / Repair of Damage Parapet Walls on S.W. Drain in The Area of Nazimabad Zone, DMC (Central).	M/S. M. H. Khan & Brothers	8,321,280
3	Improvement / Repair of Damage Parapet Walls On S.W. Drain In The Area Of North Nazimabad Zone, DMC (C).	M/S. Tahir Khan Baar & Enterprises.	8,245,163
4	Improvement / Repair Of Damage Parapet Walls On S.W. Drain In The Area Of New Karachi Zone, DMC (Central).	M/S. A. K. Khan & Brothers.	8,319,135
5	Improvement / Repair Of Damage Parapet Walls On S.W .Drain In The Area Of Gulberg Zone, DMC (Central).	M/S. A. H. B, Construction Co.	8,322,062
6	Providing Fixing Chili Milli Lights at Link Road & Main Road Jurisdiction DMC (Central)	M/S. A. K. Contractor	2,000,000
7	Providing Fixing Led 50/Watt Lights & 250/Watt Chock Rod Igniter At New Karachi Zone & North Nazimabad Zone, DMC (Central)	M/S. Arain Construction	2,000,000
8	Providing Fixing Led 50/Watt Lights & 250/Watt Chock Rod Igniter At Gulberg Zone & Liaquatabad Zone, Dmc (C)	M/S. A. K. Contractor	2,000,000
9	Providing Fixing Led 50/Watt Lights & 250/Watt Chock Rod Igniter At New Karachi Zone & North Nazimabad Zone, DMC (Central)	M/S. H.S. Quality Constt: Co.	2,000,000
10	Providing Fixing Of Led Street Lights 200/Watt At Main Road North Nazimabad Zone, DMC (C)	M/S. A. K. Contractor	2,000,000
11	Providing Fixing Of Led Street Lights 200/Watt From J.O Clinic To 9000 Road At 2300 Road, New Karachi Zone, DMC (C)		2,000,000
12	Providing Fixing Of Led Street Lights 200/Watt At Main Road Liaquatabad Zone, DMC (Central)	M/S. Shahnoor Enterprises.	2,000,000
13	Providing Fixing Of Led Street Lights 200/Watt At Main Road Gulberg Zone, DMC (Central)	M/S. H.S. Quality Constt: Co.	2,000,000
14	Providing Fixing Electric Accessories At New Karachi Zone & North Nazimabad Zone, DMC (Central)	M/S. Arain Construction	2,000,000

[Amount in Rs.]

Sr. No.	Description of Work	Name of Contractor	Estimated
15	Providing Fixing Electric Accessories At Gulberg & Liaquatabad Zone, DMC (C)	M/S. Al-Ghazi E/Constt: Co.	2,000,000
16	Providing Fixing Electric Accessories At New Karachi Zone & North Nazimabad Zone, DMC (Central)	M/S. A. K. Contractor	2,000,000
17	Lighting Arrangement At Hockey Stadium Sector: 11-A, North Karachi, New Karachi Zone, DMC (C).		2,000,000
18	Improvement / Repair Of Roads Patch Work In Block No: 08 & 09, F. B. Area, Gulberg Zone, DMC (Central).	M/S. Glamour Construction	1,999,426
19	Repair / Maintenance Of Road House No: F-81 To F-87, Al-Madina Masjid, Block-B, U.C. No: 21, North Nazimabad Zone, DMC (C)	M/S. Shahbaz Enterprises	1,996,834
20	Repair / Maintenance Of Road House No: G-27 To F-57, Block-B, U.C. No: 21, North Nazimabad Zone, DMC (Central)…		1,998,209
21	Improvement / Repair Of Roads Along Imam Bargahs Sajjadia, U.C. No: 21, North Nazimabad Zone, DMC (Central)	M/S. Adnan Enterprises	1,999,479
22	Improvement / Repair of Roads Along Imam Bargahs In The Area Of North Nazimabad Zone, DMC (Central).	M/S. Arain Construction	1,999,479
23	Improvement / Repair Of Roads Along Imam Bargahs In The Area Of New Karachi Zone, DMC (Central)	M/S. Shahbaz Enterprises	1,999,841
24	Improvement / Repair Of Roads Along Imam Bargahs In The Area Of North Karachi Zone, DMC (Central)	M/S. Al- Sattar Builders	1,999,765
25	Improvement / Repair Of Roads Along Imam Bargahs In The Area Of Liaquatabad Zone, DMC (Central)	M/S. S. K. Rehmani	1,999,479
26	Improvement / Repair Of Roads Along Imam Bargahs In The Area Of Nazimabad DMC (Central)	M/S. B.S.K. Constt: Co.	1,999,479
27	Improvement / Repair Of Roads Along Imam Bargahs In F.B. Area, DMC (C)	M/S. Azhar Zubair Enterprises	1,999,479
28	Improvement / Repair Of Roads Along Imam Bargahs In The Area Of Gulberg Zone, DMC (Central)	M/S. Al-Imran Engineering Servic Es	1,999,479
29	Repair / Maintenance Of Road House No: B-146 To B-154, Block-I, U.C .No:17, North Nazimabad Zone, DMC (Central)	M/S. Azhar Zubair Enterprises	1,995,300
30	Repair / Maintenance Of Road Hyderi Super Market To Begun House School, Block-B, North	M/S. Crystal Construction	1,996,675

[Amount in Rs.]

Sr. No.	Description of Work	Name of Contractor	Estimated
	Nazimabad Zone, DMC (C).		
31	Repair / Maintenance Of Road House No: R-471, Sector: 15-A/5, Buffer Zone, North Nazimabad Zone, DMC (C)	M/S.Latif Taamirat	1,995,988
32	Lighting / Arrangement At Bilal Cricket Ground Sector: 11-C/2, New Karachi Zone, DMC (C).	M/S. A. K. Contractor	1,701,760
33	Rehabilitation/Improvement Of Link Roads In The Area Of Liaquatabad Zone, DMC -Central.	M/S. Z.A.K. Associates.	16,700,715
34	Rehabilitation/Improvement Of Link Roads In The Area Of Nazimabad Zone, DMC -Central.	M/S. A.H.B. Construction Co.	16,645,423
35	Rehabilitation/Improvement Of Link Roads In The Area Of North Nazimabad Zone, DMC -C.	M/S. Tahir Khan & Brothers.	16,603,913
36	Rehabilitation/Improvement Of Link Roads In The Area Of New Karachi Zone, DMC -Central.	M/S. HQM Govt. Contractor.	16,700,715
37	Rehabilitation/Improvement Of Link Roads In The Area Of Gulberg Zone, DMC -Central.	M/S. Glamour Construction Co.	16,660,797
38	Cleaning Of S.W. Drain And Fixing Of Pre-Cast Slab At 2200 Road From U.P More To Mohammad Shah Grave Yard North Karachi, New Karachi Zone, DMC (C)	M/S. Habiba & Hasan Enterprises	1,458,401
39	Providing / Fixing Street Light At Various U.C's. 26,27,28,29, 30, 31, 32, 33, 34, Gulberg Zone, DMC (Central)	M/S. Al-Ghazi E/Constt: Co.	1,000,000
40	Providing / Fixing Street Lights At Various U.C's. 01 & 02, New Karachi Zone, Dmc (Central)		1,000,000
41	Providing / Fixing Street Lights At Various U.C's. 03 & 04, New Karachi Zone, DMC (Central)		1,000,000
42	Providing Fixing Of Led Street Lights 200/Watt Other Link Road Gulberg Zone, Dmc (Central)	M/S. A. K. Contractor	1,000,000
43	Providing Fixing Of Led Street Lights 200/Watt Other Link Road New Karachi Zone, DMC (Central)	M/S. H.S. Quality Constt: Co.	1,000,000
44	Providing Fixing Of Led Street Lights 200/Watt Other Link Road North Nazimabad Zone, DMC (Central)	M/S. A. K. Contractor	1,000,000
45	Providing Fixing Of Led Street Lights 200/Watt Other Link Road Nazimabad Zone, DMC (Central)	M/S. Golden Raise Builders	1,000,000

[Amount in Rs.]

Sr. No.	Description of Work	Name of Contractor	Estimated
46	Providing Fixing Of Led Street Lights 200/Watt Other Link Road Liaquatabad Zone, DMC (Central).		1,000,000
47	Providing / Fixing Led Street Light Model St 200, 200/Watt, For Internal & Main Roads Of New Karachi Zone, DMC (C)	M/S. Golden Rise & Builders	995,860
48	Providing / Fixing Led Street Light Model St 200, 200/Watt, For Internal & Main Roads Of North Nazimabad Zone, DMC (Central).	M/S. A. K. Contractor	995,860
49	Providing / Fixing Led Street Light Model St 200, 200/Watt, For Internal & Main Roads Of Nazimabad Zone, DMC (C).	M/S.Al-Maqbool Asso:	995,860
50	Providing / Fixing Led Street Light Model St 200, 200/Watt, For Internal & Main Roads Of Gulberg Zone, DMC (C).	M/S.A. K. Contractor	995,860
51	Providing / Fixing Led Street Light Model St 200, 200/Watt, For Internal & Main Roads Of Liaquatabad Zone, DMC (C).	M/S.Al-Maqbool Asso:	995,860
Total			**192,954,001**

Annex-KYC3 [Para: 3.5.3.7]: Irregular utilization of sanitation funds through quotations

[Amount in Rs.]

S #	Particulars	Name of Contractor	Amount
1	Hiring of labor for cleaning and desilting of sewerage lines	M/s. Hassan & Sons	297,000
2		M/s. 4 Way Enterprises	298,200
3			48,000
4			57,600
5		M/s. Bismillah Enterprises	298,800
6			298,800
7			298,800
8			298,800
9			298,800
10	Cleaning & desilting of nalla	M/s. A.S Enterprises	297,000
11	Hiring of labor for manual cleaning of mochi para	M/s. Bismillah Enterprises	296,000
12	Hiring of labor for cleaning and desilting of sewerage lines	M/s. Bilal Enterprises M/s. Imran E/P	295,200
13			297,000
14			295,400
15			296,940
16			298,080
17			277,200
18			53,550
19			56,700
20	Hiring of labor for cleaning and desilting of sewerage lines		56,700
21			63,000
22			53,550
23			63,000
24			63,000
25			56,700
26			61,600
27			60,500
28			296,700
29			296,707
30			297,000
31			298,200
32			298,200
33	Desilting & cleaning of sewerage lines		200,000
34	Hiring of labor for cleaning and desilting	M/s. Hassan & Sons	295,200
35			294,000
36		M/s. Bismillah Enterprises	296,000
37			296,700
38		M/s. Bilal Enterprises	295,400
39			295,200
40	Cleaning and desilting of Nalla	M/s. Imran E/P	298,880
41			295,943
Total			**9,190,050**

Annex-KYC4 [Para: 3.5.3.10]: Non-mentioning of specific locations of the works in NIT

[Amount in Rs.]

DMC West, F.Y 2022-23, AIR Para-6			
Sr. No	**Particulars**	**Name of Contractor**	**Amount in rupees**
1	Cleaning of choking points in different areas of DMC (West)	M.R. A Enterprises	1,960,580
2	Hiring of machinery & labour for cleaning of drains at various places of DMC West	M/S R A Construction	1,865,806
3	Providing, Fixing & lighting arrangements in different areas of DMC (West)	M/S Royal Enterprises	1,998,990
4	Rehabilitation of Sewerage System, RCC Pipe, Desilting of Nalah in UC-38 DMC (West)	M/S Shafi Muhammad	1,923,088
5	Improvement of RCC Pipe, Wincing & Cleaning Of Nalah & Ward # 39 & Other areas of UC# 26, DMC (West)	M/S Allah Dino Burdi, Government Contractor	1,813,311
6	Lifting Of Debris Private Machinery	Haider & Company	1,993,350
Total			**11,555,125**

[Rs. in Million]

DMC Keamari, F.Y 2022-23, AIR Para-7				
Sr. No.	**SPPRA Tender ID No.**	**NIT No. and Date**	**Name of work**	**Estimated Cost**
1	T01906-22-0002	No. XEN/B&R/SITE ZONE //DMC/Keamari/ 302/2023 Dated 09.02.23	Cleaning of Sewerage line by winching machines I/C manhole cover and ring slabs at different union council of Baldia Zone, DMC (Keamari)	1.624
2		No. XEN/B&R/SITE ZONE //DMC/Keamari/ 302/2023 Dated 09.02.23	Cleaning of Sewerage line by winching machines I/C manhole cover and ring slabs at different union council of Keamari Zone, DMC (Keamari)	1.619
3		No. XEN/B&R/SITE ZONE //DMC/Keamari/ 302/2023 Dated 09.02.23	Cleaning of Sewerage line by winching machines I/C manhole cover and ring slabs at different union council of Site Zone, DMC (Keamari)	1.344
4		No. XEN/B&R/SITE ZONE //DMC/Keamari/ 302/2023 Dated 09.02.23	Providing / Laying aggregate base course and patch work at various places of Baldia Zone, DMC (Keamari)	1.633
5		No. XEN/B&R/SITE ZONE //DMC/Keamari/ 302/2023 Dated 09.02.23	Providing / Laying aggregate base course and patch work at various places of Site Zone, DMC (Keamari)	1.662
Total				**7.882**

Annex-KYC5 [Para: 3.5.3.11]: Execution of schemes without approval of competent forum

[Amount in Rs.]

1. DMC Keamari, F.Y 2022-23, AIR Para-2				
S#	**Name of Work**	**Name of Contractor**	**Contract Amount**	**Total Value of identical Schemes for approval of relevant competent forum**
1	Improvement of CC Drain Mubarak Masjid UC-46 DMC K	Dawood Engineering & Co.	2,438,358	2,438,358
2	Cons of CC Floor UC 44 Bhutta		2,328,202	2,328,202
3	PL sewerage line UC 44	Habib Gul & Brothers	1,526,518	6,437,377
4	PL sewerage line UC 44 Bhutta		1,614,358	
5	PL Sewerage pipe UC 44 Bhutta		1,639,204	
6	P/L sewerage line Keamari		1,657,297	
7	Rehib of CC Drain Nallah Keamari	Habib Gul & Brothers	3,552,097	3,552,097
8	PL aggregate base UC 41 KZ	S&S Construction Company	1,360,689	2,746,142
9			1,385,453	
10	Cleaning sewerage line winching UC 43,44	S&S Construction Company	1,583,316	6,247,974
11			1,570,507	
12			1,515,312	
13			1,578,839	
14	PL Paver block UC 43,44,45 Keamari	Bilal Khan Associate	1,484,517	9,085,558
15			1,616,082	
16			1,573,771	
17			1,423,662	
18			1,417,156	
19			1,570,370	
20	PL paver block UC 43	N. D. Construction	1,506,876	19,920,671
21			1,575,596	
22			1,569,230	
23			1,569,200	
24			1,586,878	
25		S. Craft Construction	1,560,900	
26			1,422,541	
27			1,500,524	
28			1,557,348	
29			1,559,606	
30		Sustainable solar Energy solution	1,574,997	
31			1,468,025	

[Amount in Rs.]

1. DMC Keamari, F.Y 2022-23, AIR Para-2				
S#	**Name of Work**	**Name of Contractor**	**Contract Amount**	**Total Value of identical Schemes for approval of relevant competent forum**
32			1,468,950	
33	P/L Sewerage pipe line 12 UC 3 Lal Bakhar	Nazeer Ahmed Baloch & Sons	1,656,492	3,312,736
34			1,656,244	
35	Road carpeting UC 42 Macher Colony	Muslim Mandal Enterprises	1,524,324	3,050,729
36			1,526,405	
37	PL Paver block UC 44 Keamari	M. Jamal & Brothers	1,518,432	3,048,904
38			1,530,472	
39	PL sewerage block UC 44	U.A. Enterprises	1,614,157	4,739,285
40			1,569,964	
41			1,555,164	
42	PF paver block UC 44 KZ	Tariq Traders	1,423,466	2,846,595
43	PF paving block UC 44 KZ		1,423,129	
44	Imp CC Floor UC 43	Hunar Mand & Brothers	1,602,476	3,217,078
45			1,614,602	
46	PF LED light 50 Watt UC 46	Tahir Khan Babar & Ent	1,648,175	3,296,350
47			1,648,175	
48	Cleaning sewerage line by winching UC 42	Muhammad Noman Qureshi Govt. Contractor	1,494,447	3,010,313
49			1,515,866	
50	PL sewerage Pipe UC 42	Viewy & Co	1,534,371	3,042,123
51			1,507,752	
52	Cleaning Nallah UC 42	Habibullah & Brothers	2,999,496	8,863,910
53			5,864,414	
54	P/L Sewerage pipeline 12 Dia U2 KZ	Muhammed Rahim Govt. Cont	1,433,152	7,603,741
55			1,597,876	
56			1,583,509	
57			1,583,216	
58	PF RCC ring slab manhole cover U2 KZ		1,405,988	
59	PF paver block UC 45 KZ	Shaikh Abdul Qayoom Govt Cont	1,553,832	7,780,675
60			1,538,274	
61		Din Muhammed Govt. Cont	1,567,807	
62			1,538,486	
63			1,582,276	
64	PL paver block K	A.M.B Builders	1,551,977	5,783,700
65			1,298,645	
66			1,638,120	
67			1,294,958	

[Amount in Rs.]

1. DMC Keamari, F.Y 2022-23, AIR Para-2				
S#	**Name of Work**	**Name of Contractor**	**Contract Amount**	**Total Value of identical Schemes for approval of relevant competent forum**
68	PF paver block in K	Khan Babar & Brothers	1,524,735	3,061,790
69	PF paver block in K	Khan Babar & Brothers	1,537,055	
70	PL Paver block UC 46	Muhammad Afzal & Brothers	1,529,757	10,554,766
71	PL Paver block UC 44	S. Zaman & Brothers	1,529,520	
72	PL Paver block UC 44		1,557,083	
73	PL Paver block UC 44		1,548,801	
74	PL Paver block UC 44		1,552,851	
75	PL Paver block UC 43		1,301,782	
76	PL Paver block UC 44		1,534,972	
77	Patch / Road carpeting UC 3 K	Creative Enterprises	1,506,991	4,671,831
78			1,638,120	
79			1,526,720	
80	RM 12 RCC Pipe Drain UC 36	Nazeer Ahmed Baloch & Sons	1,666,210	9,806,429
81	RM 12 RCC Pipe Drain UC 37		1,664,184	
82	RM 12 RCC Pipe Drain UC 36		1,665,347	
83	RM 12 RCC Pipe Drain UC 35		1,661,341	
84	RM 12 RCC Pipe Drain UC 32		1,536,286	
85	RM 12 RCC Pipe Drain UC 37		1,613,061	
86	PF paving block UC 36	Barang Const Co	1,430,114	2,864,137
87			1,434,023	
88	PF sewerage line 18 RCC pipe drain UC 36 BZ	Pervaiz Ahmed & Co	1,595,716	3,190,140
89			1,594,424	
90	RM 2 thick CC floor UC 29 BZ	Star Construction Co	1,555,525	3,112,503
91			1,556,978	
92	PL Sewerage line 12" UC 36 BZ	Junaid Ent	1,662,222	8,348,430
93			1,671,048	
94			1,673,223	
95			1,671,044	
96			1,670,893	
97	Imp Const CC street Noor Clinic UC 8 SZ	S. Craft Construction	1,616,398	3,285,447
98			1,669,049	

[Amount in Rs.]

1. DMC Keamari, F.Y 2022-23, AIR Para-2				
S#	**Name of Work**	**Name of Contractor**	**Contract Amount**	**Total Value of identical Schemes for approval of relevant competent forum**
99	PF paver block UC 6	Sohail Ent	1,658,606	3,274,799
100			1,616,193	
101	PF Paver block UC 4 SITE	A.M & Co	1,587,925	3,193,317
102			1,605,392	
103	Sewerage line SITE	Khan Babar & Brothers	1,666,821	3,339,318
104			1,672,497	
			Total	**171,055,425**

Annex-KYC6 [Para: 3.5.5.2]: Non-functioning of dispensaries

Sr. No.	Dispensary	UC's	Division
1	Nazer Mohd Salah Mohd Goth	UC-14-Saleh Mohd Goth	Bin Qasim
2	Khuda Buksh	UC-15-Wali Mohammad Goth	
3	Darya Khan__	UC-17-GHAHGAR	
4	Ibrahim Johkio Disp		
5	Dodo Salar Disp		
6	Rice Gowdan Pipri	OC-19-Rice godown Pipri	
7	Lashari Goth	UC-25-Razzakabad	
8	Ibrahim Hydri Katchi Para Disp	UC-27- Hyder Shah	
9	Haji Panjayo	UC-29-Ali Akber Shah	
10	Rehri Miyani	UC-31 Rehri	
11	Lath Basti__	UC-32-Juma Himayati	
12	Ali Bikak	UC-01-Moedan	Gadap
13	Haji Imam Bux Goth		
14	Haji Noor Mohd		
15	Mehan Bikak		
16	Abullah Kandro		
17	Gadap	UC-02-Gadap	
18	Umer Jamote	UC-04 Chohar	
19	Bun Murad	Uc-05-Allah Pai	
20	Murad Goth		
21	Haji Abul Karim Gabol Disp	UC-07- Konkar	
22	Konkar1		
23	Konkar 2		
24	Hashim Jokhio Disp	UC-08-Kharkharo	
25	Deh Allah Bano	UC-33-Gabopat Kemari District	
26	Gond Pass		
27	Mouladad Goth		
28	Deh Moachko	UC-34 Moach Keamr District	
29	Lal Bakhar (Abdul Rehman Goth)	UC-35 Lal Buhkhar Keamari District	
30	Ramzan Brohi	UC-36 Mai Garrhi	

Detail of employees posted in non-functioning dispensaries

Sr. No.	Name	Designation	BS	Union Council	Place Of Posting
1	Minhan	MCD	3	UC-01 - Moedan	Mehan Bikak
2	Soomar	Chowkidar	2		Ali Bikak
3	Rasool Bukhsh	Naib Qasid	1		
4	Muhammad Hussain		1		Haji Imam Bux Goth
5	Ghulam Hussain	Chowkidar	1		
6	Manthar	Naib Qasid	1		Haji Noor Mohd
7	Badar-Ud-Din	MCD	4	UC-04-Chohar UC-	Umer Jamote

Sr. No.	Name	Designation	BS	Union Council	Place Of Posting
8	Muhammad Ali	Dhowkidar	1	04-Chohar	
9	Abdul Qayyuom Gabool	MCD	3	UC-07- Konkar	Haji Abul Karim Gabo Disp
10	Muhammad Younus	Chowkidar	1		
11	Abdul Hafeez	Naib Qasid	1		Konkar1
12	Jameel Ahmed	Chowkidar	1		
13	Mushtaq Ahmed Memon	MCD	3	UC-08- Kharkharo	Hashim Johkio Disp
14	Muhammad Basheer	Naib Qasid	1		
15	Muhammad Azam	Dispenser	14	UC-15-Wali Mohammad Goth	Khuda Buksh
16	Azeem	Naib Qasid	1	UC-17- GHAHGHAR	Ibrahim Johkio Disp
17	Gul Sher		1		Darya Khan
18	Mluhammad Anwar	Chowkidar	1		Dodo Salar Disp
19	Rasheed		2	UC-19-Rice godown Pipri	Rice Godown Piori
20	Adul Ghafar Qadri	Naib Qasid	1	UC-26-lbrahim Hyderi	Ibrahim Hydri Katchi Para Disp
21	Muhammad Zafar	Chowkidar	1		
22	Abdul Hameed	Driver	4	UC-33-(01 West)-Gabopat	Deh Allah Banno
23	Nawaz Ali	Naib Qasid	1		
24	Ghulam Nabi	Chowkidar	1		Mouladad Goth Lathi

Annex-KYC7 [Para: 3.5.6.1]: Less realization of targeted receipts

[Amount in Rs.]

DMC East, F.Y 2022-23, AIR Para-11				
Sr. No.	**Head of account**	**Budgeted Target**	**Actual Receipts**	**Shortfall**
1	Property tax	700,000,000	497,929,026	202,070,974
2	Transfer fee against immovable property	550,000,000	284,295,000	265,705,000
3	Local tax against services generator	40,000,000	4,660,000	35,340,000
4	Income from trade license	60,000,000	23,143,500	36,856,500
5	Income from Building material	20,000,000	4,040,000	15,960,000
6	Income from night Hoteling	10,000,000	-	10,000,000
7	Advertisement (Hoarding, shop boards, sun shade, bridge)	120,000,000	114,021,610	5,978,390
8	Income from Parks, nursery & license fee	2,000,000	420,000	1,580,000
9	Income from other sources	20,000,000	7,869,728	12,130,272
10	Charged parking	12,000,000	556,850	11,443,150
11	Road cutting	200,000,000	171,926,809	28,073,191
12	PTCL/KE/SSGC land utilization charges	10,000,000	-	10,000,000
Total		**1,744,000,000**	**1,108,862,523**	**635,137,477**

[Amount in Rs.]

DMC Malir, F.Y 2022-23, AIR Para-9				
S #	**Head of account**	**Budget Estimate**	**Collected**	**Shortfall**
1	Cattle Piri's	120,000,000	40,542,725	79,457,275
2	Trade License	10,000,000	5,924,800	4,075,200
3	1% Immoveable Property	20,000,000	6,129,698	13,870,302
Total		**150,000,000**	**52,597,223**	**97,402,777**

[Amount in Rs.]

DMC Central, F.Y 2022-23, AIR Para-14					
Sr. No.	**Head**	**Nature of Collection**	**Targeted Receipts During 2022-23**	**Collected Receipts during 2022-23**	**Shortfall**
1	RB-1	Income from Transfer of Immovable Property	300,000,000	250,374,665	49,625,335
2	RB-2	Income from Municipal Service	600,000,000	8,403,107	591,596,893
3	RB-3	Shop Board, Sun Shad, Bill Board, Hording Board, Other	100,000,000	45,273,272	54,726,728
4	RB-4	Income from Trade Lances	100,000,000	19,489,340	80,510,660
5	RB-5	Income from Building Martial	30,000,000	14,329,216	15,670,784
6	RB-10	Income of Generator for Land Utilization	5,000,000	4,677,000	323,000

[Amount in Rs.]

DMC Central, F.Y 2022-23, AIR Para-14					
Sr. No.	**Head**	**Nature of Collection**	**Targeted Receipts During 2022-23**	**Collected Receipts during 2022-23**	**Shortfall**
7	RB-14	Income from Charged Parking	35,000,000	28,480	34,971,520
8	RD-2	Income from Parks / Play Ground	22,500,000	663,000	21,837,000
9	RD-3	Income from Nursery, Health Club, Marriage Hall, Comminute Centre and Gymnasium	10,000,000	2,354,945	7,645,055
10	RD-10	Income from Sport & Culture	35,000,000	7,173,000	27,827,000
11	RI-1	Road Cutting	200,000,000	161,607,627	38,392,373
12	RF-5	Miscellaneous Income	86,050,000	5,631,931	80,418,069
13	R-H-1	Income from OPD Medical	1,000,000	721,045	278,955
Total			**1,524,550,000**	**520,726,628**	**1,003,823,372**

[Amount in Rs.]

DMC West, F.Y 2022-23, AIR Para-4				
S No	**Particulars**	**Budget Allocation during 2022-23**	**Actual Realization**	**Shortfall**
1	Road Cutting Charges	40,000,000	10,671,161	29,328,839
2	Rent of Shops	3,500,000	1,794,068	1,705,932
3	Income from Banners	930,000	-	930,000
Total		**44,430,000**	**12,465,229**	**31,964,771**

Annex-KYC8 [Para: 3.5.6.4]: Irregular payment on clearance of previous liability

[Rs. in Million]

DMC West, F.Y 2022-23, AIR Para-8			
Sr. No.	**Description**	**Year of Liability**	**Amount**
01	Previous Liability	2021-22	104.741
		Total	**104.741**

[Amount in Rs.]

DMC Keamari, F.Y 2022-23, AIR Para-18				
Sr. No.	**Description**	**Contractor / Supplier**	**Date of start / completion**	**Bill Amount**
1	Repair & replacement of damaged sewerage line in Ward-1,2,3&4 in UC-44 Bhutta village Keamari	M/s S. Craft Construction	20.08.20 16.09.20	4,482,033
2	Repair & replacement of damaged Sewerage line in Ward-IV, UC-05 SITE Zone	M/s Crystal Paramount	02.11.21 30.11.21	1,832,054
			Total	**6,314,087**

Annex-KYC9 [Para: 3.5.6.9]: Non-recording the particulars of payment in cheque register

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
1	03.10.22 / 37317072	M/S Habib gul and brothers	400,000
2	03.10.22 / 37317073	M/S Kamran Builder	400,000
3	03.10.22 / 37317074	M/S Nazeer Ahmed Baloch	1,000,000
4	03.10.22 / 37317075	M/S Habib gul and brothers	1,000,000
5	03.10.22 / 37317076	M/S Al Irfan Builders	1,000,000
6	03.10.22 / 37317079	M/S Al Muslim sons	1,000,000
7	03.10.22 / 37317080	M/S United Electric store	1,000,000
8	03.10.22 / 37317081	M/S Al Muslim sons	400,000
9	03.10.22 / 37317082	M/S Al Muslim sons	400,000
10	03.10.22 / 37674336	Mrs Farzana Ahmed	100,000
11	03.10.22 / 37674337	Mrs Gulshan Bano	50,000
12	03.10.22 / 37674338	Mr abbas amanat	50,000
13	03.10.22 / 37674339	Mr naveed ul Haq Hirani	27,500
14	03.10.22 / 37674340	M/S M.idrees	100,000
15	03.10.22 / 37674341	M.Ali. Mouhtashim	15,000
16	03.10.22 / 37674342	Nasir Musih	50,000
17	03.10.22 / 37674419	M/S Al Syed const	500,000
18	03.10.22 / 37674422	M/S adnan and brothers	500,000
19	03.10.22 / 37674423	M/S shangrilla const	500,000
20	03.10.22 / 37674424	M/S hasham and co	500,000
21	03.10.22 / 37674427	M/S N.B Construction	200,000
22	03.10.22 / 37674428	M/S Irshad Hussain	200,000
23	03.10.22 / 37674429	M/S N-icon Ent:	8,000
24	03.10.22 / 37674430	M/S Hingora Construction and Developers	158,421
25	03.10.22 / 37674431	M/S Gul m.khan and brothers	500,000
26	03.10.22 / 37674432	M/S al raheem Ent	700,000
27	07.10.22 / 36434705	M/S ND Construction	500,000
28	07.10.22 / 36434706	M/S U.A ent:	500,000
29	07.10.22 / 36434707	M/S bashir ent:	500,000
30	11.10.22 / 36434715	Mr Naveed shah	100,000
31	11.10.22 / 37804116	M/S R.A Construction	1,557,916
32	11.10.22 / 37804117	M/S Abdul rauf Ent:	1,558,378
33	11.10.22 / 37804118	M/S R.A Construction	250,000
34	11.10.22 / 37804119	M/S Abdul rauf Ent:	250,000
35	11.10.22 / 37804121	M/S Shah Jee	1,000,000
36	11.10.22 / 37804122	M/S Shah Jee	1,000,000
37	11.10.22 / 37804123	M/S Shah Jee	500,000
38	11.10.22 / 37804124	M/S Shah Jee	375,000
39	11.10.22 / 37804125	M/S Tariq Jamal and Co	400,000
40	11.10.22 / 37804126	M/S Tariq Jamal and Co	60,000
41	11.10.22 / 37804129	M/S Al umar const	1,000,000
42	13.10.22 / 37804130	M/S Al umar const	1,000,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
43	13.10.22 / 37804131	M/S Star gold const	1,000,000
44	13.10.22 / 37804132	M/S Star gold const	1,000,000
45	13.10.22 / 37804133	M/S Star gold const	1,000,000
46	13.10.22 / 37804134	M/S toufiq abro	73,962
47	13.10.22 / 37804135	M/S Agha const	500,000
48	17.10.22 / 37804141	M/S saud ur rehman	20,000
49	17.10.22 / 37804142	M/S saud ur rehman	20,000
50	17.10.22 / 37804146	M/S Faizan Akhtar	20,000
51	24.10.22 / 37804157	M/S habib gul and brothers	1,000,000
52	24.10.22 / 37804158	M/S sheikh Muhammad	20,000
53	24.10.22 / 37804163	Mr zafar bukhari	247,600
54	24.10.22 / 37804164	M/S S.O Associate	64,081
55	24.10.22 / 37804165	M/S S.M builder	401,000
56	24.10.22 / 37804167	M/S faizan ent:	254,000
57	24.10.22 / 37804170	M/S Dawood Khan and bro	500,000
58	24.10.22 / 36634759	M/S A.K ent:	1,200,000
59	28.11.22 / 38160633	M/S Navaish enterprises	200,000
60	02.12.22 / 38339019	M/S Creative enterprises	423,704
61	05.12.22 / 38339025	M/S Banglani Ent: Govt. Cont.	1,572,119
62	05.12.22 / 38339026	M/S Banglani Ent: Govt. Cont.	1,607,182
63	05.12.22 / 38339027	M/S Banglani Ent: Govt. Cont.	1,576,091
64	05.12.22 / 38339028	M/S Banglani Ent: Govt. Cont.	1,662,078
65	06.12.22 / 38339036	M/S Awad ent:	775,000
66	06.12.22 / 38339037	M/S Ammar Ent:	825,000
67	06.12.22 / 38339038	M/S Naveed Ent:	875,000
68	06.12.22 / 38339039	M/S Awad ent:	800,000
69	06.12.22 / 38339040	M/S Super Ent:	750,000
70	06.12.22 / 38339041	M/S Star Gold Ent:	850,000
71	06.12.22 / 38339042	M/S Super Ent:	750,000
72	06.12.22 / 38339043	M/S Zargham Ent	725,000
73	06.12.22 / 38339044	M/S Awad ent:	820,000
74	06.12.22 / 38339045	M/S Ammar Ent:	740,000
75	06.12.22 / 38339046	M/S Naveed Ent:	690,000
76	06.12.22 / 38339047	M/S Zargham Ent	860,000
77	06.12.22 / 38339048	M/S Star Gold Ent:	855,000
78	06.12.22 / 38339049	M/S Ammar Ent:	735,000
79	06.12.22 / 38339050	M/S Super Ent:	725,000
80	06.12.22 / 38339051	M/S Naveed Ent:	780,000
81	06.12.22 / 38339052	M/S Super Ent:	845,000
82	06.12.22 / 38339053	M/S Awad ent:	860,000
83	06.12.22 / 38339054	M/S Star Gold Ent:	880,000
84	06.12.22 / 38339055	M/S Naveed Ent:	700,000
85	06.12.22 / 38339056	M/S Awad ent:	725,000
86	06.12.22 / 38339057	M/S Star Gold Ent:	680,000
87	06.12.22 / 38339058	M/S Naveed Ent:	790,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
88	06.12.22 / 38339059	M/S Super Ent:	865,000
89	06.12.22 / 38339060	M/S Star Gold Ent:	600,000
90	06.12.22 / 38339061	M/S Super Ent:	650,000
91	07.12.22 / 38339076	M/S Kamran Builders	239,469
92	07.12.22 / 38339077	M/S M. Shahnawaz Ent:	100,000
93	07.12.22 / 38339082	M/S Irfan King Const	1,000,000
94	07.12.22 / 38339084	M/S J.P Builders	100,000
95	07.12.22 / 38339085	M/S Mohammad Rahim govt Contractor	100,000
96	08.12.22 / 38376396	M/S Star Gold ent:	700,000
97	08.12.22 / 38376397	M/S S. Zaman and Brothers	700,000
98	08.12.22 / 38376398	M/S S. Zaman and Brothers	800,000
99	08.12.22 / 38376399	M/S Star Gold ent:	735,000
100	08.12.22 / 38376400	M/S Super Ent:	725,000
101	08.12.22 / 38376401	M/S Ammar Ent:	745,000
102	08.12.22 / 38376402	M/S Naveed Ent:	750,000
103	08.12.22 / 38376403	M/S Zargham Ent	775,000
104	08.12.22 / 38376404	M/S Super Ent:	800,000
105	08.12.22 / 38376405	M/S Star Gold ent:	825,000
106	08.12.22 / 38376406	M/S Naveed Ent:	850,000
107	08.12.22 / 38376407	M/S Zargham Ent	830,000
108	08.12.22 / 38376408	M/S Ammar Ent:	815,000
109	08.12.22 / 38376409	M/S Star Gold ent:	690,000
110	08.12.22 / 38376410	M/S Super Ent:	710,000
111	08.12.22 / 38376411	M/S Ammar Ent:	760,000
112	08.12.22 / 38376412	M/S Naveed Ent:	795,000
113	08.12.22 / 38376413	M/S Zargham Ent	770,000
114	08.12.22 / 38376414	M/S Naveed Ent:	670,000
115	08.12.22 / 38376415	M/S Star Gold ent:	670,000
116	08.12.22 / 38376416	M/S Super Ent:	600,000
117	09.12.22 / 38376457	M/S Super Ent:	825,000
118	09.12.22 / 38376458	M/S Ammar Ent:	835,000
119	09.12.22 / 38376460	M/S Ammar Ent:	775,000
120	09.12.22 / 38376462	M/S Super Ent:	830,000
121	09.12.22 / 38376464	M/S Ammar Ent:	850,000
122	09.12.22 / 38376465	M/S Super Ent:	875,000
123	09.12.22 / 38376466	M/S Super Ent:	845,000
124	09.12.22 / 38376467	M/S Ammar Ent:	645,000
125	09.12.22 / 38376469	M/S Ammar Ent:	615,000
126	14.12.22 / 38376470	M/s Jatoi and Co	793,000
127	14.12.22 / 38376471	M/s Jatoi and Co	100,874
128	14.12.22 / 38376473	M/S AJ Saif Ent:	500,000
129	14.12.22 / 38376474	M/S Jan Ent:	500,000
130	14.12.22 / 38376475	M/S Bilal Khan Associates	500,000
131	14.12.22 / 38376476	M/S Al-Irfan Builder	500,000
132	14.12.22 / 38376479	M/S Naveed Ent:	850,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
133	14.12.22 / 38376480	M/S Super Ent:	725,000
134	14.12.22 / 38376484	M/S mohiuddin Ent:	850,000
135	14.12.22 / 38376482	M/S Naveed Ent:	745,000
136	14.12.22 / 38376483	M/S Star Gold ent:	735,000
137	14.12.22 / 38376484	M/S mohiuddin Ent:	875,000
138	14.12.22 / 38376485	M/S Al Asim Ass	925,000
139	15.12.22 / 38479486	M/S Naveed Ent:	775,000
140	15.12.22 / 38479487	M/S Super Ent:	795,000
141	15.12.22 / 38479488	M/S Al Asim Ass	912,000
142	15.12.22 / 38479489	M/S Naveed Ent:	830,000
143	15.12.22 / 38479490	M/S Star Gold ent:	825,000
144	15.12.22 / 38479491	M/S Super Ent:	800,000
145	15.12.22 / 38479492	M/S Naveed Ent:	760,000
146	15.12.22 / 38479493	M/S mohiuddin Ent:	925,000
147	15.12.22 / 38479494	M/S Al Asim Ass	936,000
148	15.12.22 / 38479495	M/S Naveed Ent:	770,000
149	15.12.22 / 38479496	M/S Super Ent:	710,000
150	15.12.22 / 38479497	M/S mohiuddin Ent:	815,000
151	15.12.22 / 38479498	M/S Al Asim Ass	835,000
152	15.12.22 / 38479499	M/S Naveed Ent:	750,000
153	15.12.22 / 38479500	M/S Dawood Khan and Brothers	500,000
154	15.12.22 / 38479501	M/S Azeem ent: (Q)	507,338
155	15.12.22 / 38479502	M/S Tahir ent: (Q)	507,338
156	19.12.22 / 38479505	M/S Star Gold ent:	860,000
157	19.12.22 / 38479506	M/S Super Ent:	875,000
158	19.12.22 / 38479507	M/S mohiuddin Ent:	870,000
159	19.12.22 / 38479508	M/S Al Asim Ass	865,000
160	19.12.22 / 38479509	M/S Naveed Ent:	878,000
161	19.12.22 / 38479510	M/S Super Ent:	722,000
162	19.12.22 / 38479511	M/S mohiuddin Ent:	745,000
163	19.12.22 / 38479512	M/S Al Asim Ass	725,000
164	19.12.22 / 38479513	M/S Naveed Ent:	775,000
165	19.12.22 / 38479514	M/S Star Gold ent:	815,000
166	19.12.22 / 38479515	M/S Super Ent:	754,000
167	19.12.22 / 38479516	M/S mohiuddin Ent:	746,000
168	19.12.22 / 38479517	M/S Al Asim Ass	810,000
169	19.12.22 / 38479518	M/S Naveed Ent:	885,000
170	19.12.22 / 38479519	M/S Super Ent:	734,000
171	19.12.22 / 38479520	M/S mohiuddin Ent:	685,000
172	19.12.22 / 38479521	M/S Al Asim Ass	670,000
173	19.12.22 / 38479522	M/S Star Gold ent:	600,000
174	20.12.22 / 38479527	M/S Hussain Brother and co	255,200
175	20.12.22 / 38479528	M/S Al Muslim sons and Const	1,000,000
176	20.12.22 / 38479529	M/S Al Irfan Builder	1,000,000
177	20.12.22 / 38479530	M/S Naveed Ent:	657,325

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
178	20.12.22 / 38479531	M/S Diamond Enterprises	500,000
179	20.12.22 / 38479532	M/S Diamond Enterprises	600,000
180	20.12.22 / 38479533	M/S United electric Store and services	500,000
181	20.12.22 / 38479534	M/S United electric Store and services	500,000
182	21.12.22 / 38479536	M/S Baig M.Ent:	700,000
183	21.12.22 / 38479537	M/S Baig M.Ent:	800,000
184	21.12.22 / 38479538	M/S ND Const	500,000
185	21.12.22 / 38479539	M/S U.A Ent:	500,000
186	21.12.22 / 38479540	M/S S.M.E Ent:	800,000
187	21.12.22 / 38479541	M/S Abdul Rauf Ent:	213,520
188	21.12.22 / 38479543	M/S Tariq and Jamal Company	1,000,000
189	21.12.22 / 38479544	M/S M. Jamal and brothers	1,000,000
190	22.12.22 / 38479545	M/S Agha Const	717,500
191	22.12.22 / 38479553	M/S Sultan Construction Company	200,000
192	22.12.22 / 38479554	M/S S Zaman and Brothers (site)	600,000
193	22.12.22 / 38479556	M/S Pervaiz Khan and Brothers	300,000
194	23.12.22 / 38479561	M/S Haziq Ent:	500,000
195	29.12.22 / 38479567	M/S Mustafa Ent Company	100,000
196	29.12.22 / 38479568	M/S Zia and sons Ent:	100,000
197	29.12.22 / 38479569	M/S Jatoi and Co	532,000
198	29.12.22 / 38479570	M/S A.M.B Builders	500,000
199	30.12.22 / 38479571	M/S basheer Ent:	519,228
200	30.12.22 / 38479572	M/S basheer Ent:	519,763
201	30.12.22 / 38479574	M/S Haseeb ur Rehman and Co	500,000
202	30.12.22 / 38479576	M/S Diamond Enterprises	500,000
203	30.12.22 / 38479577	M/S Diamond Enterprises	500,000
204	02.01.23 / 38479578	M/S Muslim Mandal Ent:	232,244
205	02.01.23 / 38479579	M/S Muslim Mandal Ent:	231,660
206	02.01.23 / 38479580	M/S Faizan Ent:	570,105
207	09.01.23 / 38602283	M/S Nasarullah Jan Mandokhel Govt	500,000
208	09.01.23 / 38602284	M/S Nasarullah Jan Mandokhel Govt	500,000
209	10.01.23 / 38602285	M/S S.craft Construction	500,000
210	10.01.23 / 38602286	M/S Al irfan Builders	500,000
211	10.01.23 / 38602287	M/S S.craft Construction	500,000
212	10.01.23 / 38602288	M/S Al irfan Builders	500,000
213	10.01.23 / 38602301	M/S Naveed Ent:	227,650
214	10.01.23 / 38602302	M/S Naveed Ent:	231,575
215	11.01.23 / 38602310	M/S S Zaman and Brothers (site)	500,000
216	11.01.23 / 38602311	M/S Jatoi and Co	210,956
217	14.01.23 / 38602336	M/S Jannat Ent:	270,000
218	14.01.23 / 38602337	M/S Jannat Ent:	395,175
219	18.01.23 / 38803599	M/S haidri Ent:	100,000
220	18.01.23 / 38803601	M/S bilal Khan associates	500,000
221	19.01.23 / 38803603	M/S M.noman Qureshi govt contracter	500,000
222	20.01.23 / 38803629	M/S Sultan Construction company	600,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
223	20.01.23 / 38803630	M/S Sultan Construction company	600,467
224	31.01.23 / 38232730	M/S genuine	300,000
225	01.02.23 / 38232732	M/S Habib Gul and Brothers	300,000
226	01.02.23 / 38803662	Dr Saad Hassan Pasha	700,000
227	01.02.23 / 38803663	Dr Saad Hassan Pasha	669,320
228	01.02.23 / 38803665	M/S Habib Gul and Brothers	500,000
229	02.02.23 / 38803674	M/S Amanullah and Burhanullah	200,000
230	03.02.23 / 38803690	M/S AMB builders GM	500,000
231	03.02.23 / 38803691	M/S AMB builders GM	500,000
232	08.02.23 / 38232741	M/S New Majeed Associates	400,000
233	10.02.23 / 39017126	M/S Shah and Brothers	500,000
234	10.02.23 / 39017128	M/S Bilal Khan Associates	500,000
235	10.02.23 / 39017129	M/S Bilal Khan Associates	500,000
236	17.02.23 / 38232751	M/S tahir Ent:	100,000
237	24.02.23 / 39017144	M/S Bashir Ent (haji)	500,000
238	24.02.23 / 39017145	M/S Bashir Ent (haji)	500,000
239	24.02.23 / 39017146	M/S Bilal Khan Associates	500,000
240	24.02.23 / 39017147	M/S Bilal Khan Associates	500,000
241	24.02.23 / 39017148	M/S Bilal Khan Associates	500,000
242	03.03.23 / 39017175	M/S Friends ent:	500,000
243	03.03.23 / 39017176	M/S AKM ent:	500,000
244	03.03.23 / 39242319	M/S Malik zahir Khan	450,000
245	06.03.23 / 39242329	M/S abdul rauf enterprises	450,000
246	06.03.23 / 39242330	M/S zia and sons ent:	450,000
247	06.03.23 / 39242331	M/S Shaikh abdul qayoom Govt contr	450,000
248	06.03.23 / 39242332	M/S S and s Construction comp:	450,000
249	06.03.23 / 39242333	M/S Nazeer Ahmed baloch and son s	450,000
250	06.03.23 / 39242334	M/S al maqbool associates	450,000
251	06.03.23 / 39242335	M/S AJ saif Ent:	450,000
252	06.03.23 / 39242336	M/S Jan enterprises	450,000
253	06.03.23 / 39242338	M/S waheed ans sons	450,000
254	06.03.23 / 39242339	M/S Al Muslim Sons and Construction	450,000
255	06.03.23 / 39242340	M/S S.O.H Const	450,000
256	07.03.23 / 39242346	M/S Hunarmand and Brothers	200,000
257	07.03.23 / 39242347	M/S Niaz M.Construction company	100,000
258	07.03.23 / 39242348	M/S Muslim Mandal Ent:	300,000
259	07.03.23 / 39242349	M/S dawood khan and brothers	300,000
260	07.03.23 / 39242350	M/S N.D Construction	600,000
261	07.03.23 / 39242351	M/S N.D Construction	400,000
262	07.03.23 / 39242352	M/S U.A ent:	700,000
263	07.03.23 / 39242353	M/S U.A ent:	300,000
264	07.03.23 / 39242354	M/S Tahir Ent:	500,000
265	07.03.23 / 39242355	M/S Mustafa ent Company	200,000
266	07.03.23 / 39242356	M/S M.Hanif Mandokhel const	100,000
267	07.03.23 / 39242357	M/S Kamran Builders	200,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
268	07.03.23 / 39242359	M/S M.Jamal and Brothers	350,000
269	07.03.23 / 39242360	M/S A.K Ent:	300,000
270	07.03.23 / 39242361	M/S amanullah and Burhanullah ent:	150,000
271	07.03.23 / 39242362	M/S Gohar ent:	100,000
272	07.03.23 / 39242364	M/S Hussain Brothers and co	250,000
273	07.03.23 / 39242365	M/S Tariq and jamal Company	500,000
274	07.03.23 / 39242368	M/S Ghulam mohiuudin shaikh govt contr	308,806
275	07.03.23 / 39242369	M/S Hussain Brothers and co	500,000
276	07.03.23 / 39242372	M/S Nasraullah Jan Mandokhel Govt Contr	200,000
277	07.03.23 / 39242374	M/S Nasraullah Jan Mandokhel Govt Contr	200,000
278	07.03.23 / 39242375	M/S Nasraullah Jan Mandokhel Govt Contr	272,874
279	09.03.23 / 39242379	M/S Hingora Construction and Developer	500,000
280	09.03.23 / 39242380	M/S Haseeb ur rehman and Co	500,000
281	13.03.23 / 39242387	M/S Xposure adv and Mark Put ltd	90,113
282	13.03.23 / 39242388	M/S Dawood khan and brothers	500,000
283	16.03.23 / 39242399	M/S AMB Builders	500,000
284	16.03.23 / 38232782	M/S New Majeed Associates	200,000
285	16.03.23 / 38232783	M/S New Majeed Associates	200,000
286	16.03.23 / 38232784	M/S New Majeed Associates	200,000
287	17.03.23 / 38713316	M/S M.Adnan and Brothers	200,000
288	17.03.23 / 38713317	M/S habib Gul and Brothers	200,000
289	17.03.23 / 38713318	M/S habib Gul and Brothers	300,000
290	17.03.23 / 38713319	M/S habib Gul and Brothers	200,000
291	17.03.23 / 38713320	M/S Star Gold Ent:	500,000
292	17.03.23 / 38713321	M/S Star Gold Ent:	500,000
293	17.03.23 / 38713322	M/S Naseerudin and Brothers	200,000
294	17.03.23 / 38713323	M/S Habibullah and Brothers	100,000
295	17.03.23 / 38713324	M/S Gohar ent:	50,000
296	17.03.23 / 38713325	M/S Sun builder	200,000
297	20.03.23 / 38713327-38713332	M/S S.M Builder	1,547,363
298	22.03.23 / 38713357	M/S J khan Const	100,000
299	27.03.23 / 38232798-38232800	M/S Shah and Brothers	100,000
300	30.03.23 / 38713363	M/S bashir Ent	500,000
301	30.03.23 / 38713366	M/S Shah Ent	500,000
302	30.03.23 / 38713367	M/S Shaikh abdul qayoom Govt contr	60,377
303	30.03.23 / 38713368	M/S Naseerudin and Brothers	500,000
304	30.03.23 / 38713369	M/S H.arsalan and Brothers	450,000
305	30.03.23 / 38713379	M/S Gomal ent and Developers	310,388
306	30.03.23 / 38713380	M/S Gomal ent and Developers	500,000
307	30.03.23 / 38713381	M/S Gomal ent and Developers	100,000
308	30.03.23 / 38713382	M/S M shoib usman ent: (yaseen)	100,000
309	30.03.23 / 38713387	M/S Friends ent:	100,000
310	30.03.23 / 38713388	M/S AKM ent:	150,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
311	30.03.23 / 38713402	M/S Diamond Ent:	500,000
312	05.04.23 / 38713405	M/S S.Craft Construction	500,000
313	05.04.23 / 38713406	M/S S.Craft Construction	850,000
314	05.04.23 / 38479386	M/S S.Craft Construction	300,000
315	05.04.23 / 38479387	M/S S.Craft Construction	300,000
316	05.04.23 / 38479388	M/S Tariq and jamal Company	400,000
317	05.04.23 / 38479389	M/S Tariq and jamal Company	394,162
318	05.04.23 / 38479390	M/S Tariq and jamal Company	200,000
319	05.04.23 / 38479391	M/S M Jamal and Brothers	200,000
320	05.04.23 / 38479392	M/S M Jamal and Brothers	200,000
321	05.04.23 / 38479393	M/S M Jamal and Brothers	250,000
322	05.04.23 / 38479394	M/S Raz Muhammad and sons	200,000
323	05.04.23 / 38479396	M/S ND Construction	200,000
324	05.04.23 / 38479397	M/S ND Construction	100,000
325	05.04.23 / 38479398	M/S U.A ent:	500,000
326	05.04.23 / 38479399	M/S U.A ent:	500,000
327	05.04.23 / 38479400	M/S S.zaman and brothers	500,000
328	05.04.23 / 38479401	M/S S.zaman and brothers	500,000
329	05.04.23 / 38479402	M/S Mir Ali Khail Construction	619,446
330	05.04.23 / 38479403	M/S Mir Ali Khail Construction	500,000
331	05.04.23 / 38479404	M/S Xerox technical services	500,000
332	05.04.23 / 38479405	M/S Xerox technical services	500,000
333	05.04.23 / 38479406	M/S Xerox technical services	300,000
334	11.04.23 / 38479409	M/S Al umar Construction	300,000
335	11.04.23 / 38479410	M/S super ent:	400,000
336	11.04.23 / 38479411	M/S super ent:	1,000,000
337	14.04.23 / 38479421	M/S ghulam mohiuudin shaikh govt contr	1,000,000
338	14.04.23 / 38479423	M/S ghulam mohiuudin shaikh govt contr	500,000
339	14.04.23 / 38479426	Mst Rehana Parveen	300,000
340	14.04.23 / 38479427	Mst rashida parveen	300,000
341	14.04.23 / 38479428	Mst Shama Parveen	100,000
342	14.04.23 / 38479432	Mr Abdul Karim H/o	100,000
343	14.04.23 / 38479441	M/S azan Construction com:	100,000
344	14.04.23 / 38479443	Mr waseem ahmed	100,000
345	14.04.23 / 38479444	M/S Danish ent:	500,000
346	14.04.23 / 38479445	M/S tahir Ent:	100,000
347	14.04.23 / 38479446	M/S Irfan King Construction	500,000
348	14.04.23 / 38479448	M/S M.N builder	226,511
349	14.04.23 / 38479449	M/S Al Hamra trading	275,000
350	14.04.23 / 38479450	M/S AMB Builders	500,000
351	14.04.23 / 38479451	M/S Naseerudin and Brothers	300,000
352	14.04.23 / 38479453	Mst shahida aprveen	200,000
353	14.04.23 / 38479454	M/S amanullah and Burhanullah ent:	200,000
354	14.04.23 / 38479455	M/S nazeer Ahmed baloch and sons	57,227
355	14.04.23 / 38479456	M/S nazeer Ahmed baloch and sons	516,392

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
356	14.04.23 / 39124968	M/S ghulam mohiuudin shaikh govt contr	500,000
357	19.04.23 / 39124976	M/S M.Rahim Govt Contr	500,000
358	19.04.23 / 39124977	M/S new Majeed Associates	400,000
359	20.04.23 / 38479459	M/S Baig M. ent:	200,000
360	02.05.23 / 39124989	M/S Qasim and sons Govt contr	333,502
361	02.05.23 / 39124991	M/S Qasim and sons Govt contr	200,000
362	02.05.23 / 39124992	M/S Qasim and sons Govt contr	500,000
363	02.05.23 / 39124993	M/S Qasim and sons Govt contr	600,000
364	02.05.23 / 39124994	M/S Qasim and sons Govt contr	400,000
365	02.05.23 / 39124995	M/S Qasim and sons Govt contr	500,000
366	02.05.23 / 39124996	M/S Qaiser Khan and Brothers	500,000
367	02.05.23 / 39124997	M/S Qaiser Khan and Brothers	621,681
368	02.05.23 / 39124998	M/S Qaiser Khan and Brothers	500,000
369	02.05.23 / 39124999	M/S Qaiser Khan and Brothers	500,000
370	02.05.23 / 39125000	M/S Qaiser Khan and Brothers	600,000
371	02.05.23 / 39125001	M/S Qaiser Khan and Brothers	400,000
372	02.05.23 / 39125002	M/S Qaiser Khan and Brothers	400,000
373	02.05.23 / 38479460	M/S Tariq Traders	418,172
374	02.05.23 / 38479461	M/S Tariq Traders	500,000
375	02.05.23 / 38479462	M/S Azeem ent:	200,000
376	02.05.23 / 38479463	M/S Azeem ent:	200,000
377	02.05.23 / 38479464	M/S Irfan King Construction	200,000
378	05.05.23 / 38479469	M/S Malik Zahir Khan	200,000
379	05.05.23 / 38479470	M/S Malik Zahir Khan	200,000
380	05.05.23 / 38479471	M/S Malik Zahir Khan	200,000
381	05.05.23 / 38479472	M/S Malik Zahir Khan	200,000
382	05.05.23 / 38479473	M/S Malik Zahir Khan	200,000
383	05.05.23 / 38479474	M/S Al-Muslim sons and Const	200,000
384	05.05.23 / 38479475	M/S Al-Muslim sons and Const	200,000
385	05.05.23 / 38479476	M/S Al-Muslim sons and Const	200,000
386	05.05.23 / 38479477	M/S Al-Muslim sons and Const	200,000
387	05.05.23 / 38479478	M/S Al-Muslim sons and Const	200,000
388	08.05.23 / 38479479	M/S Al-Muslim sons and Const	200,000
389	08.05.23 / 38479481	Mst fasiha Bano	200,000
390	08.05.23 / 38479482	Mst Rashida parveen	671,119
391	08.05.23 / 38479484	M/S R.Z and sons	100,000
392	08.05.23 / 38479485	M/S Akta Ent:	100,000
393	08.05.23 / 39125013	M/S S.Zaman and Brothers	119,920
394	08.05.23 / 39125014	M/S S.Zaman and Brothers	151,105
395	08.05.23 / 39125015	M/S S.Zaman and Brothers	500,000
396	08.05.23 / 39125016	M/S S.Zaman and Brothers	500,000
397	08.05.23 / 39125017	M/S Creative ent:	500,000
398	10.05.23 / 39946192	M/S R.N Const	500,000
399	10.05.23 / 39946193	M/S R.N Const	369,436
400	10.05.23 / 39946199	Mr Lal Muhammad	200,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
401	10.05.23 / 39125036	M/S Al-Muslim Sons and Const	227,941
402	10.05.23 / 39125037	M/S Al-Muslim Sons and Const	50,535
403	15.05.23 / 39946209	M/S bashir Enterprises	100,000
404	15.05.23 / 39946210	M/S Epsilon Ent:	100,000
405	15.05.23 / 39946222	M/S Syed fayyaz hussain shah	470,000
406	15.05.23 / 39946225	M/S U.A Ent:	200,000
407	15.05.23 39946226	M/S U.A Ent:	100,000
408	15.05.23 / 9946227	M/S N.D Construction	350,000
409	15.05.23 / 39946228	M/S N.D Construction	350,000
410	15.05.23 / 39946229	M/S Gohar ent:	350,000
411	15.05.23 / 39946230	M/S Gohar ent:	350,000
412	15.05.23 / 39946231	M/S Hamza Z.H Ent:	100,000
413	15.05.23 / 39946232	M/S Geniune ent:	100,000
414	15.05.23 / 39946233	M/S M.Hanif Mandokhail Constr Fir	100,000
415	15.05.23 / 39946234	M/S Abdul Rauf ent	100,000
416	15.05.23/ 39946235	M/S Abdul Rauf ent	100,000
417	15.05.23 / 39946236	M/S Zia and sons ent:	350,000
418	15.05.23 / 39946237	M/S Muslim Mandal ent:	350,000
419	15.05.23 / 39946238	M/S Tariq Traders	100,000
420	15.05.23 / 39946239	M/S M.Jamal and Brothers	100,000
421	15.05.23 / 39946240	M/S M.Jamal and Brothers	350,000
422	15.05.23 / 39946241	M/S Tariq and Jamal Company	350,000
423	15.05.23 / 39946242	M/S Habib Gul and Brothers	350,000
424	15.05.23 / 39946243	M/S Habib Gul and Brothers	100,000
425	15.05.23 / 39946244	M/S Kamran Builders	350,000
426	15.05.23 / 39946245	M/S Dawood Eng and Co	350,000
427	15.05.23 / 39946246	M/S haidri Ent:	100,000
428	15.05.23 / 39946247	M/S ZAK Ent:	100,000
429	15.05.23 / 39946248	M/S S.S and Co	100,000
430	15.05.23 / 39946249	M/S Hussain Brothers and Co	100,000
431	15.05.23 / 39946250	M/S Faizan Ent:	100,000
432	15.05.23 / 39946251	M/S Barang Construction and Co	100,000
433	15.05.23 / 39946252	M/S Barang Construction and Co	100,000
434	15.05.23 / 39946253	M/S Al Rehman one Construction and Co	350,000
435	15.05.23 / 39946254	M/S Naseerudin and brother mirza	350,000
436	15.05.23 / 39946255	M/S Shahab and Naveed company	100,000
437	15.05.23 / 39946256	M/S Abdul Wajid and Brothers	100,000
438	15.05.23 / 39946257	M/S Jannat Ent	100,000
439	15.05.23 / 39946259	M/S M shoaib Usman Ent:	150,000
440	15.05.23 / 39946260	M/S Bilal Khan associates	100,000
441	15.05.23 / 39946261	M/S Bilal Khan associates	120,000
442	15.05.23 / 39946262	M/S AK Enterprises	350,000
443	15.05.23/ 39946263	M/S AK Enterprises	350,000
444	15.05.23 / 39946264	M/S Salman and Co	250,000
445	15.05.23 / 39946265	M/S Zebi Construction	250,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
446	15.05.23 / 39946266	M/S Abdul Wajid and Brothers	100,000
447	15.05.23 / 39946267	M/S Naseerudin and brother mirza	100,000
448	18.05.23 / 39946268	M/S Z and Z Eng pvt limited	100,000
449	18.05.23 / 39946269	M/S Z and Z Eng pvt limited	100,000
450	18.05.23 / 39946270	M/S Mustafa Ent Company	500,000
451	22.05.23 / 39946273	M/S T.K enterprises	500,000
452	22.05.23 / 39946274	M/S S.M Builder	200,000
453	23.05.23 / 39946283	M/S Faheem kHan ent:	100,000
454	23.05.23 / 39946285	M/S Basit khan and Brothers	200,000
455	23.05.23 / 39946287	M/S M.Adnan and Brothers	150,000
456	23.05.23 / 40065831	M/S al rahim Sons and engineering Services	150,000
457	23.05.23 / 40065832	M/S al rahim Sons and engineering Services	150,000
458	24.05.23 / 39946288	M/S al Hamza Trading and Co	1,504,228
459	24.05.23 / 39946289	M/S hunarmand and Brothers	1,501,812
460	25.05.23 / 40065833	M/S Jatoi and Co	200,000
461	25.05.23 / 40065834	M/S Jatoi and Co	150,000
462	25.05.23 / 40065835	M/S Jatoi and Co	200,000
463	30.05.23 / 39675516	M/S N.B Construction	200,000
464	30.05.23 / 39675518	M/S 7Gold Star and Co	200,000
465	30.05.23 / 39675521	M/S Hussain Brothers and Co	382,811
466	30.05.23 / 39675522	M/S Hussain Brothers and Co	500,000
467	30.05.23 / 39675523	M/S bashir Enterprises	500,000
468	30.05.23 / 39675524	M/S Tariq Traders	527,372
469	30.05.23 / 39675525	M/S Tariq Traders	235,541
470	30.05.23 / 39675526	M/S Bilal Khan associates	500,000
471	30.05.23 / 39675527	M/S Bilal Khan associates	350,000
472	30.05.23 / 39675528	M/S Bilal Khan associates	200,000
473	30.05.23 / 39675534	M/S Tariq and Jamal Company	200,000
474	30.05.23 / 39675535	M/S Tariq and Jamal Company	200,000
475	30.05.23 / 39675537	M/S American book center	200,000
476	30.05.23 / 39675538	M/S hunarmand and brothers	200,000
477	30.05.23 / 39675539	M/S hunarmand and brothers	755,054
478	30.05.23 / 39675540	M/S syed rahim shah and brother	300,000
479	16.06.23 / 39946325	M/S zem tech services	250,000
480	16.06.23 / 39946326	M/S zem tech services	200,000
481	16.06.23 / 39675582	M/S azeem ent:	150,000
482	16.06.23 / 39675583	M/S ND Construction	1,500,000
483	16.06.23 / 39675584	M/S ND Construction	500,000
484	16.06.23 / 39675585	M/S S.S and Co	700,000
485	16.06.23 / 39675586	M/S S.S and Co	500,000
486	16.06.23 / 39675589	M/S ND Construction	700,000
487	16.06.23 / 39675590	M/S S.S and Co	500,000
488	22.06.23 / 40182312	M/S Al Rahim and Sons Engg Services	100,000

[Amount in Rs.]

Sr. No.	Date & Cheque No.	Name of Contractor	Amount
489	22.06.23 / 40182314	M/S Sultan Construction Company	100,000
490	22.06.23 / 40182315	M/S Sultan Construction Company	250,000
491	22.06.23 / 40182316	M/S Sultan Construction Company	795,000
492	22.06.23 / 40182317	M/S Ali and sons Enterprises	780,000
493	22.06.23 / 40182318	M/S Ali and sons Enterprises	950,000
494	22.06.23 / 40182319	M/S Ali and sons Enterprises	865,000
495	23.06.23 / 40182191	M/S naveed Ent:	830,000
496	23.06.23 / 40182192	M/S naveed Ent:	815,000
497	23.06.23 / 40182193	M/S baig M ent	180,000
498	23.06.23 / 40182194	M/S Hunarmand and brothers	250,000
499	26.06.23 / 40182264	M/S Shaikh Abdul qayoom Govt Contractor	500,000
500	26.06.23 / 40182265	M/S Shaikh Abdul qayoom Govt Contractor	100,000
501	26.06.23 / 40182328	M/S Baig M Ent:	250,000
502	26.06.23 / 40182329	M/S Baig M Ent:	250,000
503	26.06.23 / 40182330	M/S Baig M Ent:	250,000
504	26.06.23 / 40182332	M/S Baig M Ent:	250,000
505	26.06.23 / 40182355	M/S ali and Sons Ent:	250,000
506	26.06.23 / 40182356	M/S ali and Sons Ent:	250,000
507	26.06.23 / 40182357	M/S GR Ent:	700,000
508	26.06.23 / 40182358	M/S naveed Ent:	900,000
509	26.06.23 / 40182361	M/S Waqar Ent:	600,000
Total			239,894,627

Local Councils, Hyderabad Division

Annex-HYD1 [Para: 4.5.1.1]: Non-production of record

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
1	Town Committee Tando Ghulam Hyder	15	2021-22	i Budget Book and head-wise income & expenditure Statement. ii Incumbency Report. iii Approved Schedule of Establishment, Sanctioned and Working Strength. iv Establishment record i.e. Service Books & Personal Files, Promotions, Transfer & Posting of employees and other councils/ committees employees posted in this council. v Record of ccontract /daily wages staff and complaints/ ligation matters. vi Detail/Record of Liabilities. vii Progress Reports of Development Works. viii Payment Vouchers related to Salary for the month of July, Aug 2021 and Jan 2022 to June 2022. ix Payment vouchers of contingency & development for the month of July, Aug 2021 and Jan 2022 to June 2022. x Detail/Record of recoveries during the year/period. xi Demand & collection registers, Cash Book, Budget Control Register, Establishment Check Register and Report of defalcation & losses.	-
		10		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.418

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
2	Town Committee Tando Bago	13		i Budget Book and head-wise income & expenditure Statement. ii Approved Schedule of Establishment, Sanctioned and Working Strength. iii Establishment record i.e. Service Books & Personal Files, Promotions, Transfer & Posting of employees and other councils/ committees employees posted in this council. Ccontract /daily wages staff and complaints/ ligation matters. iv Detail/Record of Liabilities. v Progress Reports of Development Works. vi Payment Vouchers related to Salary for the month of July to December 2021 and February to June 2022. vii Payment Vouchers related to Contingency for the month of July to October and December 2021, January to March, May and June 2022. viii Detail/Record of recoveries during the year/period. ix Demand & collection registers, Cash Book, Budget Control Register, Establishment Check Register and Report of defalcation & losses.	-
		5		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	1.082
3	Town Committee Chuhar Jamali	7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family	2.576

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				pension	
		1		Service Books & Personal Files of employees.	-
4	Town Committee Mirpur Sakro	1			-
		7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	6.148
5	Town Committee Ghora Bari	1		i Service books & Personal Files of employees and Incumbency Report. ii Property Register, Establishment Control Register and Counter folios of Cheques.	-
		7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	1.375
6	Town Committee Mirpur Bathoro	1		Service Books & Personal Files of employees.	-
		7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	8.292
7	Town Committee Piyaro Lund	1		Service Books & Personal Files of employees, Incumbency Report and Counter folios of Cheques.	-
		9		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.371
8	Town Committee Chamber	1		i Service Books & Personal Files of employees and Incumbency Report. ii Detail of vehicles & machinery and Counter folios of Cheques. iii Payment vouchers complete for the month of April, May & June 2022. iv Head wise Income &	-

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				Expenditure Statement.	
		8		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	4.832
9	Town Committee Nassarpur	1		i Service Books & Personal Files of employees and Incumbency Report. ii Detail/Record of vehicles & machinery. iii Detail of own source income, demand & collection register and approved Budget Book.	-
10	Municipal Committee Mehar	1		i Complete record from 01-07-21 to 22-12-21. ii Establishment record i.e. Service Books & Personal Files, New Appointment, Promotions, Transfer & Posting of employees and other councils/ committees employees posted in this council and absconder. iii Record of Ccontract /daily wages staff and complaints/ ligation matters. iv Detail/Record of Liabilities.	-
		6		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	8.049
11	Town Committee Shaheed Fazil Rahu	1		Service Books & Personal Files of employees.	-
		7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	9.375
		10		Property record	-
12	Town Committee Kario Ghanwar	1		Service Books & Personal Files of employees.	-
		7		Mandatory certificates for payment of pension i.e. life certificates and	1.489

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				no-marriage/re-marriage certificates in case of family pension	
		10		Property record	-
13	Town Committee Tharirri Muhabbat	1		i Service Books & Personal Files of employees, new appointments and promotions of employees and complaints/ Ligation matters. ii Bank Statements, Budget Control Register and Head-wise Income & Expenditure Statement. iii Payment vouchers of salary and contingency vouchers except reported vouchers.	-
		6		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.751
		4		Non-production of registration certificate of one contractor in FBR and SRB.	0.941
14	Town Committee Phulji Station	1		i. Service Books & Personal Files of employees, new appointment, and complaints/ Ligation matters. ii. Bank Statements, Budget Control Register and Head wise Income & Expenditure Statement. iii. Payment vouchers of salary and contingency vouchers except reported vouchers.	-
		7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.983
		4		Non-production of registration certificate of four contractors in FBR and SRB.	4.032
15	Town Committee Tando Ghulam Ali	1		Contract Ledger, Call Deposit and Refund Register, Budget Control Register and Appropriation & Re-	-

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				appropriation.	
		10		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	10.405
		15		Property record	-
16	Town Committee Talhar	1		Complete non-production of record	-
17	Municipal Committee Khairpur Nathan Shah	1			-
18	Town Committee Radhan	1			-
19	Town Committee Bulri Shah Karim	1			-
20	Town Committee, Gharo	2		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	11.197
21	Municipal Committee, Johi	5	2021-22		9.144
22	Town Committee, Makkli	3			7.613
23	Municipal Committee, Matli	11			4.877
24	Town Committee, Khoski	10			1.185
25	Town Committee, Kadhan	7	2020-22		1.967
26	Municipal Committee Tando Allahyar	11	2022-23	Property record i.e. Register of immovable property, encroachments, occupants of land or buildings etc.)	-
27	District Council Tando Muhammad Khan	1		i Establishment record i.e. Service Books & Personal Files of employees. ii List of vehicles alongwith allotment iii Bank Statements of official accounts. iv Record of grants. v Property record i.e. Register of immovable	-

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				property,encroachments, occupants of land or buildings etc.)	
28	District Council Tando Allahyar	1		Establishment record i.e. Service Books & Personal Files of employees.	-
29	Municipal Committee Hala	1		i Establishment record i.e. Service Books & Personal Files, Promotions with seniority lists of employees. ii Establishment Control Register iii Detailed record of shops & property alongwith allottees. iv Detail of shops & property alongwith allot tees v Statements of Pension & Provident Fund accounts.	-
30	District Council Matiari	4		Award of 49 works without obtaining credential of contractors i.e. Past experience, Turnover for last three years, undertaking for no litigation and affidavit for not blacklisted, registration with FBR & SRB	28.763
31	Town Committee Bhit Shah	1		i Establishment record i.e. Service Books & Personal Files, Promotions with seniority lists of employees. ii Establishment Control Register. iii Detail of bifurcation with MC Hala along with all relevant record. iv Statements of Pension & Provident Fund accounts. v Detailed record of shops & property alongwith allottees. vi Record of liabilities.	-
32	Town Committee Matiari	1		i Establishment record i.e. Schedule of Establishment, Service Books & Personal Files, and Promotions with seniority lists, Upgradations of employees. ii Detail of Non-SCUG posted alongwith record.	-

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				iii Establishment Control Register. iv Demand & Collection Register with recoveries. v Record of liabilities.	
33	Town Committee Thana Bula Khan	1		i Establishment record i.e. Service Books & Personal Files of employees.	-
34	Municipal Committee Badin	13		i. Establishment record i.e. sanctioned & working strength cadre wise, service books and personal files and promotions of employees. ii. Payment vouchers of salary and non-salary for the month of November and December 2022.	27.212
35	District Council Jamshoro	2		Award of 04 works without obtaining credential of contractors i.e. registration Swith indh Revenue Board (SRB), Federal Revenue Board (FBR) and Pakistan Engineering Council (PEC)	17.370
36	Town Committee Jamshoro	1		Establishment record i.e. Service Books & Personal Files of employees.	-
37	District Council Dadu	13		Property record i.e. Register of immovable property, encroachments, occupants of land or buildings etc.)	-
38	Town Committee Chuhar Jamali	1		i. Establishment record i.e. sanctioned & working strength cadre wise, new appointments, service books and personal files and promotions of employees. ii. Detailed record of employees availing official accommodations. iii. Detail of NITs for the period under audit with progress reports. iv. Detail of Bank Accounts with Bank Statements.	-
39	Town Committee Bhan Saeedabad	1		Establishment record i.e. Service Books & Personal Files of	-

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				employees.	
40	Municipal Committee Dadu	10		Property record i.e. Register of immovable property, encroachments, occupants of land or buildings etc.)	-
		11		Award of 32 works without obtaining credential of contractors i.e. registration with Sindh Revenue Board (SRB) and Federal Revenue Board (FBR)	8.397
41	Town Committee Tadno Ghulam Hyder	1		i. Establishment record i.e. sanctioned & working strength cadre wise, service books and personal files and promotions and transfer & posting of other councils employees. ii. Detail of Budget & Expenditure head-wise iii. Complete Payment Vouchers related to Salary and Pensions and Own Source recoveries. iv. Detail of NITs for the period under audit with progress reports. v. Record of liabilities. vi. Detailed record of enquires. vii. Register i.e. Cheque Register, Establishment Check register and Certificate for Defalcation &: Loses viii. Cash Book with Bank Statement of official banks accounts	-
42	District Council Thatta	1		i. Establishment record i.e. new appointments, service books and personal files and promotions of employees. ii. Progress reports of development works with complete record of CC Work at village Notiar and Usman Shaikh @ UC Doomani.	-
43	Municipal Committee Sehwan	1		i. Establishment record i.e. sanctioned & working strength cadre wise, service books and personal files of	-

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				employees. ii. Complete record of NIT No.MCS/340 dated 06-07-22 and NIT No.MCS/305 dated 10-05-22, MCS/248 Dated 25-03-2022. iii. Detail of Grants with record. iv. Auction files for Lease out collection rights. v. Detail of incumbents. vi. Property record i.e. Register of immovable property, tenancy agreements. vii. Detailed with record of vehicles viii. Stock Register	
		5		Record mof payment made vide Cheque # 34573771 and 34573775 dated 15-12-22 from Bank Account # 0001094078831002	16.276
44	Municipal Committee Tando Jam	1		i. Establishment record i.e. transfer posting, appointments and service books and personal files and employees availing official accommodation. ii. Detail of development works with record. iii. Detail of liabilities with record. iv. Detail of Grants with record. v. Auction files for Lease out collection rights. vi. Cash Book	-
45	District Council Sujawal	1		i. Establishment record i.e. transfer posting, appointments and service books and personal files of employees. ii. Budget Book, Bank Statements with Annual statements of accounts. iii. Detail of Incuments. iv. Detail record of development works with physical and financial progress report of each work v. Payment vouchers of	86.945

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Description of Record	Amount
				Contingency & Development vi. Detailed record of Grant in aid for emergency work during rain emergency Rs. 20 Million vii. Detail of vehicle with allotment orders viii. Register i.e. Cash Book, Cheque Register, Tender Register	
		13		Property record i.e. Register of immovable property, encroachments, occupants of land or buildings etc.)	-
Total					**282.065**

Annex-HYD2 [Para: 4.5.2.1]: Illegal authorization of expenditure after retirement

[Amount in Rs.]

Sr. No.	Description of Expenditure	Name of Payee	Vr. # / Cheque #	Date of Payment	Amount
Detail of bills authorized by Mr. Khair Muhammad, the Ex-secretary as administrator after his retirement					
1	Salary for the m/o Feb. 2022	Manager SBL Thatta	159 / 35210544	04-03-22	1,829,361
2		Manager NBP Makli	160 / 35210545	04-03-22	2,761,231
3	Pension to retired employees for the m/o Feb. 2022	Manager SBL Thatta	161 / 35210546	04-03-22	232,731
4		Manager NBP Makli	162 / 35210547	04-03-22	413,662
5	Life Insurance	Manager State Life Insurance Co.	35210548	04-03-22	12,206
6	Withholding IT Tax (Deducted from salary)	Inland Revenue Office Thatta	35210549	04-03-22	5,553
7	Salary w.e.f. 08/11/2021 to 31/12/2021	G Akbar Jalbani	163 / 35210550	04-03-22	25,000
8	Purchase of POL w.e.f. 16/01/2022 to 31/01/2022	Makhdoom Hashim Filling Station	164 / 35210551	04-03-22	290,321
9	Purchase of POL w.e.f. 01/02/2022 to 15/02/2022		165 / 35210552	04-03-22	297,420
10	Hiring of tractor trolley for sanitation	Al-Sadat Enterprises	166 / 35210553	04-03-22	296,400
11	Sanitation Services through contractor, hiring of sweepers for removal of waste, sweeping & cleaning of drains	M/S Sanaullah	167 / 35210554	04-03-22	297,501
12	Purchase of stationery		168 / 35210555	04-03-22	66,092
13	Purchase of NADRA papers	NADRA CRMS	169 / 35210556	04-03-22	13,645
14	Purchase of meat (queema) for dog killing stray	Umar Gandra	170 / 35210557	04-03-22	12,600
15	Purchase of Newspapers	Muhammad Sohail Memon	171 35210558	04-03-22	4,500
16	Purchase of stationery	Ali Akbar Dars	172 / 35210559	04-03-22	19,150
17	Repair of water supply lines of office TC Makli	Al-Sadat Enterprises	173 / 35210560	04-03-22	45,947
18	Refund of SD/CD	Raza Muhammad Kaskheli	174 / 35210561	04-03-22	24,388

[Amount in Rs.]

Sr. No.	Description of Expenditure	Name of Payee	Vr. # / Cheque #	Date of Payment	Amount
19	Salary for the m/o Mar. 2022	Manager SBL Thatta	175 / 35210562	01-04-22	1,827,118
20	Salary for the m/o Mar. 2022	Manager NBP Makli	176 / 35210563	01-04-22	2,728,662
21	Pension to retired employees for the m/o Mar. 2022	Manager NBP Makli	177 / 35210564	01-04-22	413,662
22	Pension to retired employees for the m/o Mar. 2022	Manager SBL Thatta	178 / 35210565	01-04-22	232,731
23	Life Insurance	Manager State Life Insurance Co.	35210566	01-04-22	12,206
24	Withholding IT Tax (Deducted from salary)	Inland Revenue Office Thatta	35210567	01-04-22	5,553
25	Salary PP	G Akbar Jalbani	179 / 35210568	01-04-22	25,000
26	Purchase of POL w.e.f. 16/02/2022 to 28/02/2022	Makhdoom Hashim Filling Station	180 / 35210569	01-04-22	299,112
27	Purchase of POL w.e.f. 01/03/2022 to 15/03/2022	Makhdoom Hashim Filling Station	181 / 35210570	01-04-22	416,384
28	Hiring of tractor trolley for sanitation	Sheeraz Builders	182 / 35210571	01-04-22	296,400
29	Sanitation Services through contractor, hiring of sweepers for removal of waste, sweeping & cleaning of drains	M/S Sanaullah	183 / 35210572	01-04-22	297,501
30	Hiring of Suzuki for fumigation spray	M/S Sanaullah	184 / 35210573	01-04-22	45,500
31	Pena-flax and flags for Kashmir Day	Khalil ul Rehman Khatri	185 / 35210574	01-04-22	12,415
32	Hiring of tractor trolley for sanitation	Sheeraz Builders	186 / 35210575	01-04-22	166,650
33	Purchase of NADRA papers	NADRA CRMS	187 / 35210576	01-04-22	16,950
34	Purchase of Newspapers	Muhammad Sohail Memon	188 / 35210577	01-04-22	4,860
35	Purchase of stationery	Ali Akbar Dars	189 / 35210578	01-04-22	24,220
36	Purchase of meat (queema) for dog killing stray	Umar Gandra	190 / 35210579	01-04-22	14,350
37	Purchase of stationery	M/S Sanaullah	191 / 35210580	01-04-22	29,825
38	Printing Charges of office record	Thatta Printers	192 / 35210581	01-04-22	32,470

[Amount in Rs.]

Sr. No.	Description of Expenditure	Name of Payee	Vr. # / Cheque #	Date of Payment	Amount
39	Telephone Charges	PTCL	193 / 35210582	01-04-22	5,000
40	Purchase of POL w.e.f. 16/03/2022 to 31/03/2022	Makhdoom Hashim Filling Station	194 / 35210583	21-04-22	335,165
41	Purchase of POL w.e.f. 01/04/2022 to 15/04/2022		195 / 35210584	21-04-22	314,173
42	Sanitation Services through contractor, hiring of sweepers for removal of waste, sweeping & cleaning of drains	Sheeraz Builders	196 / 35210585	21-04-22	297,501
43	Hiring of tractor trolley for sanitation	M/S Sanaullah	197 / 35210586	21-04-22	273,600
44	Hiring of Suzuki for fumigation spray	Sheeraz Builders	198 / 35210587	21-04-22	21,774
45	Repair of water bowzer	M/S Sanaullah	199 / 35210588	21-04-22	24,190
46	Purchase of stationery	Ali Akbar Dars	200 / 35210589	21-04-22	22,145
47	Purchase of articles for water bowzer	M/S Sanaullah	201 / 35210590	21-04-22	7,853
48	Purchase of meat (queema) for dog killing stray	Ali Muhammad Gandro	202 / 35210591	21-04-22	9,800
49	Salary for the m/o April 2022	Manager SBL Thatta	203 / 35210592	21-04-22	1,934,641
50	Salary for the m/o April 2022	Manager NBP Makli	204 / 35210593	21-04-22	2,783,581
51	Pension to retired employees for the m/o April 2022	Manager SBL Thatta	205 / 35210594	21-04-22	232,731
52	Pension to retired employees for the m/o April 2022	Manager NBP Makli	206 / 35210595	21-04-22	413,662
53	Life Insurance	Manager State Life Insurance Co.	35210596	21-04-22	12,206
54	Withholding IT Tax (Deducted from salary)	Inland Revenue Office Thatta	35210597	21-04-22	5,574
55	Purchase of stationery	M/S Sanaullah	207 / 35210598	16-05-22	64,290
56	Purchase of Newspapers	Muhammad Sohail Memon	208 / 35210599	16-05-22	4,650
57	Purchase of NADRA papers	NADRA CRMS	209 / 35210600	16-05-22	15,255
58	Salary for the m/o May 2022	Manager SBL Thatta	210 / 35210601	06-06-22	1,840,686

[Amount in Rs.]

Sr. No.	Description of Expenditure	Name of Payee	Vr. # / Cheque #	Date of Payment	Amount
59		Manager NBP Makli	211 / 35210602	06-06-22	2,784,193
60	Pension to retired employees for the m/o May 2022	Manager SBL Thatta	212 / 35210603	06-06-22	232,731
61		Manager NBP Makli	213 / 35210604	06-06-22	413,662
62	LPR PP	Achar Pash	214 / 35210605	06-06-22	25,000
63	Life Insurance	Manager State Life Insurance Co.	35210606	06-06-22	9,828
64	Withholding IT Tax (Deducted from salary)	Inland Revenue Office Thatta	35210607	06-06-22	6,078
65	Sanitation Services through contractor, hiring of sweepers for removal of waste, sweeping & cleaning of drains	M/S Sanaullah	215 / 35210608	06-06-22	297,501
66	Hiring of tractor trolley for sanitation	Sheeraz Builders	216 / 35210609	06-06-22	14,820
67			217 / 35210610	06-06-22	68,400
68	Purchase of POL w.e.f. 16/04/2022 to 30/04/2022	Makhdoom Hashim Filling Station	218 / 35210611	06-06-22	335,946
69	Purchase of POL w.e.f. 01/05/2022 to 15/05/2022		219 / 35210612	06-06-22	316,905
70	---	Abid Decoration Services	220 / 35210613	06-06-22	150,000
71	Decoration (Kheema) at Eid Gah Makli	M/S Sanaullah	221 / 35210614	06-06-22	17,268
72	Purchase of articles for water bowzer	M/S Umeruddin	222 / 35210615	06-06-22	17,530
73	Arrangement for Heat-wave campaign		223 / 36360721	06-06-22	15,519
74	Purchase of stationery	Ali Akbar Dars	224 / 36360722	06-06-22	23,285
75	Purchase of meat (queema) for dog killing stray	Ali Muhammad Gandro	225 / 36360723	06-06-22	10,850
76	Purchase of NADRA papers	NADRA CRMS	226 / 36360724	06-06-22	9,577
77	Purchase of Newspapers	Muhammad Sohail Memon	227 / 36360725	06-06-22	4,825
78	Purchase of articles for water bowzer	Sheeraz Builders	228 / 36360726	07-06-22	113,099
79	Purchase of poison for dogs killing	Umeruddin Govt. Cont.	229 / 36360727	07-06-22	92,149
80	Purchase of articles for	M/S Sanaullah	230 / 36360728	07-06-22	78,901

[Amount in Rs.]

Sr. No.	Description of Expenditure	Name of Payee	Vr. # / Cheque #	Date of Payment	Amount
	water bowzer				
81	Purchase of electric articles for office		231 / 36360729	07-06-22	17,099
82	Telephone Charges	PTCL	232 / 36360730	07-06-22	5,000
Total					**27,227,920**
Rupees in million					**27.228**

Detail of Pay & Allowances drawn after retirement from service						
Name of employee	**Designation BPS**	**Post held as**	**Date of Retirement**	**Monthly Salary**	**Total Months upto June 2022**	**Total Salary**
Mr. Khair Muhammad	Secretary (BPS-11)	Administrator	02.03.2022	65,631	4	262,524

Annex-HYD3 [Para: 4.5.2.5]: Irregular payment of salary without sanctioned posts

Sr. No. 1 Municipal Committee Matli						
Name of Employee		**Designation**	**BPS**	**No. of Sanctioned Posts**	**No. of Working Posts**	**Variation**
Mr. Abdul Razzaque Halepoto		Municipal Engineer	18	0	1	1
Sr. No. 2 Town Committee Chamber						
1	General Administration Branch/Section	Junior Clerk	11	3	7	4
2		Chowkidar	1	3	5	2
3		Malhi	1	1	2	1
4		Naib Qasid	1	2	4	2
5	Taluka Council Branch / Council Section	Junior Clerk	11	1	2	1
6		Driver	4	0	2	2
7		Malhi	1	0	1	1
8		Naib Qasid	1	1	2	1
9	Accounts Branch / Section	Fitter	4	0	1	1
10	Taxation Branch / Regulation Section	Senior Clerk	14	0	2	2
11		Naib Qasid	1	2	4	2
12	Fire Fighting Branch / Section	Junior Clerk	11	0	2	2
13		Chowkidar	1	1	2	1
			Total	**14**	**36**	**22**

Annex-HYD4 [Para: 4.5.2.6]: Irregular transfer and posting of employees from one council to another

Municipal Committee Badin (AIR Para No. 6)				
Sr. No.	**Name of Contractors Employee**	**Designation**	**Parent Council**	**Remarks**
1	Mr. Suleman Mallah	Assistant	T.C Talhar	
2	Mr. Rasheedullah			
3	Mr. Muhammad Essa	Junior Clerk	T.C Khadan	Bifurcated Town Committee from M.C Badin
4	Mr. Lutuf Ali Dal	Senior Clerk	T.C Diplo	Out of District
5	Mr. Iqbal Buhar	Sub-engineer		
6	Mr. Waheed Ali	Junior Clerk		
7	Mr. Aftab Ahmed Samejo		M.C Qasimabad	
8	Mr. Hyder Memon		Hyderabad	
9	Mr. Bashir Ahmed		T.C Tando Ghulam Hyder	Various Fake Employees appointee in T.C Tando Ghulam Hyder got transferred and posted all over Sindh
10	Mr. M Anwer Khaskheli			
11	Mr. Yousif Soomro			
12	Mr. Muhammad Soomro	Daftri		
13	Mr. Ali Hyder s/o Abdul Majeed	Junior Clerk	UC Kadhan	Numbers of bogus employees get appointed in Union Councils in District Badin and get adjusted to other Towns through fabricated transfer & posting orders on bribery.
14	Mr. Abdul Wahid Khaskheli		U.C Nindo	
15	Mr. Ghulam Nabi		UC Golarchi	
16	Mr. Rashid Ali		UC M. Khan Burghari	
17	Mr. Abdul Khalique	Naib Qasid		
18	Mr. Ahmed Soomro	Junior Clerk	UC Matli	
19	Mr. Abdul Sattar Kumbhar		U.C Luari Sharif	
20	Mr. Abdul Ghafoor Mallah	Recovery Guard		
21	Mr. Suleman s/o Shamsdin	Naib Qasid	UC-I Badin	
22	Mr. Asif Ali	Junior Clerk	T.C New Saeedabad	Bogus Employees adjusted by Ex-Administrator. Chance of adjustment on bribery cannot be ruled out.
23	Mr. Mukhtiar Ahmed		UC Dando	
24	Mr. Saddique s/o Mubeen		T.C New Saeedabad	
25	Mr. Nisar Ahmed s/o M. Siddique		T.C Kadhan	
26	Mr. Abdul Qudoos		Regularized	
27	Mr. Haji Muhammad Khan		Regularized	
28	Mr. Mehmood s/o Ibrahim		Regularized	

Annex-HYD5 [Para: 4.5.3.11]: Irregular payment of extra lead miles

[Amount in Rs.]

Sr. No.	Description of Works	Name of Contractors	Contract Cost	Running Bill	Amount in Rupees	Amount in Rupees As Extra Lead Miles
1	Bricks Pavement at village Abdul Haq Bhurgri UC Amanabad	M.S Lala Ghulam Rasool	1,325,339	2nd/Final	141,082	192,942
2	Bricks Pavement at Mallah Paro Near Sim Nalal UC Khalifo Qasim Taluka Tando Bago	M/S Ahmed Khan Soomro	935,946	1st/Final	935,550	179,635
3	Bricks Pavement at village Badal Khan Chandio UC Tarai Taluka S.F. Rahu	M/S Shabir Hussain	935,453	1st/Final	929,714	158,420
4	Bricks Pavement at village Jalal Khan Mazari UC Budho Qambrani	M/S Zulfiqar Ali Bhatti	1,774,584	2nd/Final	694,736	211,156
5	Bricks Pavement at village Ismail Khan Chang, Muneer Randhawa, Ali Hassan, Majeed Bagrani, Ameen Chandio, Muhammad Khan Arain UC Dumbalo	M/S USA Builders	1,506,457	1st/Final	1,506,557	214,313
6	Bricks Pavement at village Karam Ali Kori UC Dumbalo	M/S Umar Badshah	1,417,687	2nd	504,459	210,818
7	Bricks Pavement at Shah Mohd Colony, Mataro Colony, Madrasa Colony UC Dumbalo, Taluka Matli		1,759,083	1st/Final	1,759,054	263,866
8	Bricks Pavement at various villages of UC Dhumbalo		1,954,290	2nd	1,048,264	295,499
9	B/Pavement at village Khair Mohd Noudani UC Ghazi	M/S Rebari Brothers	1,918,239	1st	1,804,847	268,962

[Amount in Rs.]

Sr. No.	Description of Works	Name of Contractors	Contract Cost	Running Bill	Amount in Rupees	Amount in Rupees As Extra Lead Miles
	Khan Chnag					
10	Bricks Pavement at village Chang, village Ch. Waseem, Mohd Rahim Chang and Jam Chang UC Ghazi Khan Chnag Taluka Matli	M/S Munir Badhshah	1,952,977	1st/Final	1,933,904	295,173
11	Borrow Pit Earth Excavation undressed lead up to 100 Ft (in Ordinary Soil)	M/S Rebari Brothers	1,917,440	1st/Final	1,911,254	277,044
12	Borrow Pit Earth Excavation undressed lead up to 100 Ft (in Ordinary Soil)	M/S Tara & Co.	1,916,840	1st/Final	1,901,405	282,259
13	Bricks Pavement at village Ghulam Shabir Dars UC Haji Sawan	M/S Jeelani & Co.	877,726	2nd/Final	129,563	82,466
14	Bricks Pavement at village Haji Abdullah Halepoto & Mallah Paro UC Halepota Taluka Matli	M/S Umar Badshah	1,237,468	1st/Final	1,229,217	182,470
15	Bricks Pavement at village Manjoo Khaskheli Mallah Paro, Suleman Aresar UC Halepota		1,776,083	2nd	926,918	268,614
16	B/Pavement at village Dilbar Lund, Ali Bux, Talpur and Parkho Patel UC Nabi Bux Kamboh	M/S Aalio Charan	1,596,633	2nd/Final	745,794	243,352
17	B/Pavement at village Allah Dad Bhurgari UC Tharo Kot Taluka Matli	M/S Aamir Ali Bhatti	712,017	1st/Final	718,857	106,355

[Amount in Rs.]

Sr. No.	Description of Works	Name of Contractors	Contract Cost	Running Bill	Amount in Rupees	Amount in Rupees As Extra Lead Miles
18	B/Pavement at various villages in UC Luari Sharif	M/S ARM Enterprises	1,324,309	1st	1,224,300	197,059
19	B/Pavement at Kabali Chowk UC Mithi-3	M/S Lala Ghulam Rasool	1,146,003	2nd. Final	196,930	134,938
20	Bricks Pavement at village Jumo Burdi UC Shaheed Rani	M/S Bhaya Brothers & Co.	1,324,171	1st/Final	1,280,390	185,333
21	B/Pavement at Mehboob Lashari UC Gharo	M/S Lala Ghulam Rasool	1,147,489	2nd/Final	275,177	169,630
23	B/Pavement at village Arbaba Noohani UC Gharo		1,147,370	2nd/Final	178,748	169,687
24	B/Pavement at Chak No.17 Jatoi Mohalla UC Golarachi	M/S Ahmed Khan Soomro	1,773,051	1st/Final	1,759,029	277,647
25	B/Pavement at various at Chak No.17 Talpur Mohallah UC Golarchi	M/S Jeelani & Co.	1,146,300	2nd/Final	422,475	139,433
26	B/Pavement at various villages of UC Oliyo Khan Shah	M/S ONYX Enterprises	1,781,044	2nd/Final	249,318	251,817
27	B/Pavement at various villages of UC Pahar Mari	M/S Ahmed Khan Soomro	1,773,511	2nd/Final	71,080	265,734
28	B/Pavement at various villages of U.C Pahar Mari Taluka Tando Bago	M/S Shahid Builders	1,780,034	1st/Final	2,030,120	272,893
29	B/Pavement at various villages of U.C Saeed Khan Bhurgari	M/S Mohan	1,326,507	1st/Final	1,572,539	196,680
30	B/Pavement at village Laoung Jamali UC Dei	M/S Abdul latif Construction Co.	1,507,425	3rd/Final	57,502	224,466
31	B/Pavement at	M/S Ahmed	1,991,305	2nd/Final	239,041	319,330

[Amount in Rs.]

Sr. No.	Description of Works	Name of Contractors	Contract Cost	Running Bill	Amount in Rupees	Amount in Rupees As Extra Lead Miles
	various villages of UC Kazia Wah	Khan Soomro				
32	B/Pavement at various villages of UC Pahar Mari	M/S Younis Bhumbhro	1,867,921	2nd/Final	357,520	331,764
33	B/Pavement at various villages of UC Muhammad Khan Bhurgari	M/S Javed Ali Bhatti	1,325,614	2nd/Final	392,628	198,158
34	Bricks Pavement at village Haji Bilawal Korai, UC Dumbalo Taluka Matli	M/S Umar Badshah	1,418,127	1st/Final	1,384,427	189,026
35	Bricks Pavement at village Muhammad Rahim Chang & Jam Chang UC Ghazi Khan Chang		1,955,200	1st/Final	1,302,774	295,713
36	Bricks Pavement at village Vikiyo Mallah UC Khalifo Qasim Taluka Tando Bago	M/S Ahmed Khan Soomro	1,812,692	1st/Final	1,811,250	316,623
37	Construction of CC at Badin - Golarchi Road entrance into Badin	M/S Umar Badshah	929,748	1st/Final	951,300	204,931
		Total	**53,992,083**	**-**	**34,577,723**	**8,074,206**

Annex-HYD6 [Para: 4.5.3.13]: Unjustified expenditure on fumigation services

[Amount in Rs.]

Town Committee Tando Ghulam Hyder (AIR Para No. 03)					
Sr. No.	**Description of Expenditure**	**Name of Filling Station**	**Bill #**	**Cheque # Date**	**Amount in Rupees**
1	POL Charges for Fumigation Spray	M/.S Shaheed Ismail Odejo Petroleum Service	Sep, 21	Nil Oct, 21	274,574
2			Oct, 21	Nil Nov, 21	305,243
3			Nov, 21	Nil Dec, 21	175,365
4			Dec, 12	Nil Jan, 22	262,073
Total					**1,017,255**

[Amount in Rs.]

Expenditure on outsourcing of fumigation service						
Sr. No.	**Description of Services**	**Name of Contractors**	**Work Order # &Date**	**Bill # & Date**	**Cheque # & Date**	**Amount in Rupees**
1	Fumigation spray in Town (Vehicle, Chlorine Spray, Spray Tank, Spray Pipe)	M/S M.A Construction	60 08-10-21	Nil dt: Nil	Nil Oct, 21	168,800
2			61 08-10-21	Nil dt: Nil	Nil Oct, 21	171,600
3			62 08-10-21	Nil 28-10-21	Nil Oct, 21	180,800
4		M/S A.H Soomro	80 05-11-21	Nil 16-11-21	Nil Nov, 21	268,800
5			85 05-11-21	Nil 16-11-21	Nil Nov, 21	256,800
6			86 05-11-21	Nil 16-11-21	Nil Nov, 21	247,600
7		M/S Concern Waste Sindh & Recycling Pvt.	85 21-12-21	Nil 30-12-21	Nil Dec, 21	292,060
8			95 20-12-21	Nil 30-12-21	Nil Dec, 21	292,060
Total						**1,878,520**

Annex-HYD7 [Para: 4.5.4.4]: Non-deposit of taxes into public exchequer

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	IT	GST	SST	Total Taxes not deposited
1	Town Committee Kadhan	10	2020-22	0.449	-	0.201	0.650
2	Town Committee Chuhar Jamali	3	2021-22	1.264	-	-	1.264
3	Municipal Committee Mehar	3		0.443	-	0.590	1.033
4	Municipal Committee Johi	2		0.436	-	0.582	1.018
5	Town Committee Makli	**9**		0.380	-	0.442	0.822
6	Town Committee Tharirri Muhabbat	7		0.331	-	0.440	0.771
7	Town Committee Mirpur Bathoro	3		0.756	-	-	0.756
8	Town Committee Ghora Bari	8		0.390	-	0.316	0.706
9	Town Committee Phulji Station	8		0.252	-	0.323	0.575
10	Town Committee Khoski	9		0.223	-	0.149	0.372
11	Town Committee Kario Ghanwar	3		0.347	-	-	0.347
		4		-	-	0.221	0.221
12	Town Committee Tando Ghulam Hyder	13		0.216	-	0.125	0.341
13	Town Committee Mirpur Sakro	3		0.182	-	-	0.182
14	Town Committee Tando Bago	8		0.098	-	0.086	0.184
15	Town Committee Husri	6		0.160	-	0.019	0.179
16	Town Committee Shaheed Fazil Rahu	3		0.160	-	-	0.160
		4		-	-	0.142	0.142
17	Town Committee Gharo	12		0.096	0.007	0.051	0.154
18	Municipal Committee Tando Allahyar	2	2022-23	2.243	-	-	2.243
		5		-	-	1.932	1.932
19	District Council Tando M. Khan	10		3.076	-	1.965	5.041
20	District Council Tando Allahyar	5		2.976	-	-	2.976
21	Municipal Committee Hala	2		0.176	-	2.692	2.868
22	Town Committee Bhit Shah	3		4.925	-	6.146	11.071
23	Town Committee Matiari	2		0.625	-	0.625	1.250
24	Town Committee Sujawal	2		0.769	-	0.885	1.654
25	District Council Jamshoro	4		-	-	1.583	1.583
26	Municipal Committee Badin	8		0.447	0.076	0.130	0.653
27	Town Committee Jamshoro	5		-	-	3.155	3.155
28	District Council Dadu	7		0.990	-	1.794	2.784
29	Town Committee Bhan Saeedabad	3		1.154	-	1.596	2.750
30	Municipal Committee Dadu	5		0.631	0.650	0.459	1.740
31	Town Committee Tando Ghulam Hyder	9		3.813	-	2.924	6.737
32	Town Committee Jati	1		0.499	-	0.397	0.896
33	District Council Thatta	7		0.644	2.537	-	3.181
34	Municipal Committee Sehwan	2		-	-	3.507	3.507
		3		-	0.981	-	0.981
35	Municipal Committee Tando Jam	3		0.690	-	1.120	1.810
36	District Council Sujawal	8		1.155	-	1.025	2.180
Total				**30.996**	**4.251**	**35.622**	**70.869**

Annex-HYD8 [Para: 4.5.5.3]: Wasteful expenditure due to non-functioning of dispensaries

[Amount in Rs.]

Sr. No.	Description of Works	Name of Contractors	Work Order # & Date	Contract Amount	Tender Amount
1	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Choudhry Muhammad UC Pangrio Taluka Tando Bago	M/s Zulfiqar Ali Bhatti	443 27-04-22	3,079,554	3,081,162
2	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Peero Lashari Stop UC Peero Lashari Taluka Talhar	M/S Baba Jani Enterprises	444 27-04-22	3,078,105	3,081,162
3	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Abdullah Junejo UC Khalifo Qasim Taluka Tando Bago	M/S Ahmed Khan Soomro	445 27-04-22	2,579,198	2,580,930
4	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Allah Bux Lishkani UC Khair Pur Gambo Taluka Tando Bago	M/S Malik Naveed Construction Co.	448 27-04-22	2,578,511	2,580,930
5	Rehabilitation of, Renovation and Improvement of Medical Dispensary at village Dato Jat UC Chakar Panhwar Taluka Badin	M/S Farhat Jabar	447 27-04-22	2,578,842	2,580,930
6	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Hayat Solangi UC Nindo Taluka Badin	M/S Baba Jani Enterprises	448 27-04-22	2,578,511	2,580,930
7	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Mehrab Chandio UC Khairpur Gambo Taluka Talhar	M/S Lal Ghulam Rasool	449 27-04-22	2,578,049	2,580,930
8	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Mevo Lighari UC Dadah Taluka Tando Bago	M/S Abdul Latif Construction Co.	450 27-04-22	2,576,034	2,580,930
9	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Mir Sim Nala UC Budho Qambrani Taluka	M/S Shahid Brothers	451 27-04-22	2,576,553	2,580,930

[Amount in Rs.]

Sr. No.	Description of Works	Name of Contractors	Work Order # & Date	Contract Amount	Tender Amount
	Matli				
10	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Noor Muhammad Junejo UC Tarai Taluka S.F. Rahu	M/S Baba Jani Enterprises	452 27-04-23	2,576,723	2,580,930
11	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Shaboo Chang UC Bugra Memon Taluka Badin	M/S Bhaya Brothers & Co.	453 27-04-22	2,577,144	2,580,930
12	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Saman Sarkar UC Saman Sarkar Taluka Tando Bago	M/S Malik Naveed Construction Co.	453 27-04-22	2,577,144	2,580,930
13	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Sanghi Farho Taluka UC Sanghi Farho Tando Bago	M/S FAW & Brothers	455 27-04-22	2,577,046	2,580,930
14	Rehabilitation of, Renovation and Improvement of Medical Dispensary at Talib Bucho UC Bhugra Memon, Taluka Badin	M/S Alee Construction Co.	456 27-04-23	2,579,149	2,580,930
Total					**37,133,484**

Annex-HYD9 [Para: 4.5.6.1]: Unjustified withdrawl of funds

[Amount in Rs.]

Sr. No.	Description	Name of contractor	Vr # / Date	Cheque Register Page #	Cheque #	Amount
1	-	-	01 to 12 / 11/8/2022	8 to 9	36810561 to 36810569	-
2	-	-	13 to 14 / 15-08-2022	9	36781836 to 36781837	-
3	-	-	15 to 24 / 30-08-2022	9 to10	36781838 to ------	-
4	-	-	25 to 38 / 30-08-2022	10 to 11	---------- to 36781870	-
5	-	-	39 to 45 / 30-08-2022	12	36781871 to 36781878	-
6	-	-	46 / 30-08-2022	13	36781881 & 36781887	-
7	-	-	47 / 30-08-2022	13	36810586	-
8	-	-	48 to 52 / 30-08-2022	13 to 14	36781882 to 36781886	-
9	POL for July 2022	Sujwal Petroleum Services	53 to 54 / 22-08-2022	14	36810584 to 36810585	100,000
10	Refreshment	Ahsan Mehmood	55 / 22-08-2022	14	36810587	26,420
11	Protection band & kacha road	Umer & Brothers	56 to 58 / 22-08-2022	14	Not written	1,578,620
12	Kacha rain drains & Kacha road	Zubair Traders	59 to 62 / 22-08-2022	14 to 15	Not written	958,190
13	CC street & Katcha road	Sky line Engineering abstract	63 to 65 / 22-08-2022	15	Not written	2,068,738
14	Kacha road	Qadir & Sons	66 to 67 / 22-08-2022	15	Not written	603,386
15	Kacha road & Const. of culvert	Mashooque Ali Memon	68 to 69 / 22-08-2022	15	Not written	229,715
16	Const. of CC road	Mehtab Enterprises	70 to 72 / 22-08-2022	15 to 16	Not written	1,470,886
17	Kacha pond & CC road	Ilyas Sand	73 to 74 / 22-08-2022	16	Not written	660,103
18	CC street	Muhammad Memon	75 / 22-08-2022	16	Not written	489,117
19	Kacha road	Riz Enterprises	76 to 83 / 22-08-2022	16 to 17	Not written	1,360,192
20	Const. of bridge	Ali & sons	84 / 22-08-2022	17	Not written	716,248
21	CC street	Sky Line	85 / 22-08-	17	Not written	697,000

[Amount in Rs.]

Sr. No.	Description	Name of contractor	Vr # / Date	Cheque Register Page #	Cheque #	Amount
		Engineering Abstract	2022			
22	Kacha road & kacha pond	Qadir & Sons	86 to 89 / 22-08-2022	17 to 18	Not written	1,542,960
23	CC street & Const. of culvert	Shafi Mohd Lahgari	90 to 91 / 22-08-2022	18	Not written	821,622
24	Water line & CC street	Ilyas Sand	92 to 93 / 22-08-2022	18	Not written	850,050
25	Kacha road	Limra	94 / 22-08-2022	18	Not written	133,319
26	Const. of culvert	Nawaz Ali Magsi	95 / 22-08-2022	18	Not written	283,374
27	Const. of bridge & Kacha pond	M.A Soomro	96 to 97 / 22-08-2022	18	Not written	329,228
28	CC street	Muhammad Memon	98 / 22-08-2022	21	Not written	359,551
29	Kacha water pond	Farhat Jabbar	99 to 100 / 22-08-2022	21	Not written	28,472
30	Const. of bridge	Rehmatullah	101 / 22-08-2022	21	Not written	357,701
31	Garbage lifting	Zubair Traders	103 to 115 / 22-08-2022	6 to 7	36810570 to 36810580 and 36810582 to 36810583	2,961,743
32	CC road	Mohsin Awan	116 to 118 / 22-08-2022	56	37916343 to 37916345	1,100,391
33	CC street	Farhan H enterprises	119 to 121 / 22-08-2022	56	37916346 to 37916348	1,656,972
34	CC street	Salar & co	122 to 124 / 22-08-2022	56	37916349 to 37916351	831,324
Total						**22,215,322**

Annex-HYD10 [Para: 4.5.6.2]: Less realization of targeted receipts

[Rs. in Million]

Sr. No.	Name of Offices	AIR Para	F. Y.	Targeted Receipts	Receipts Collected	Shortfall
1	Town Committee Kadhan	9	2020-22	0.310	0.035	0.275
2	Municipal Committee Mehar	5	2021-22	11.602	2.345	9.257
3	Town Committee Piyaro Lund	3		6.100	0.077	6.023
4	Municipal Committee Matli	9		2.822	0.795	2.027
5	Town Committee Shaheed Fazil Rahu	6		2.362	0.629	1.733
6	Municipal Committee Johi	4		2.519	0.815	1.704
7	Town Committee Gharo	8		1.670	0.029	1.641
8	Town Committee Mirpur Bathoro	6		1.200	0.370	0.830
9	Town Committee Chamber	12		0.505	-	0.505
10	Town Committee Kario Ghanwar	6		0.572	0.065	0.507
11	Town Committee Mirpur Sakro	6		0.525	0.095	0.430
12	Town Committee Makli	11		0.405	-	0.405
13	Town Committee Chuhar Jamali	6		0.390	0.259	0.131
14	Town Committee Tando Ghulam Ali	9		10.389	8.252	2.137
15	Municipal Committee Tando Muhammad Khan	11	2022-23	18.520	8.675	9.845
16	Municipal Committee Tando Allahyar	1		67.595	37.265	30.330
17	Town Committee Sujawal	1		5.324	0.231	5.093
18	Town Committee Thana Bula Khan	3		3.027	0.633	2.394
19	Town Committee Jamshoro	4		11.000	3.079	7.921
20	District Council Dadu	10		6.100	4.734	1.366
21	Town Committee Bhan Saeedabad	2		5.947	3.859	2.088
22	Municipal Committee Dadu	7		2.260	1.393	0.867
23	Municipal Committee Sehwan	6		2.820	1.333	1.487
24	Municipal Committee Tando Jam	6		2.925	0.408	2.517
			Total	**166.889**	**75.376**	**91.513**

Annex-HYD11 [Para: 4.5.6.14]: Unjustified expenditure on POL and repair & maintenance of vehicles

[Amount in Rs.]

Sr. No	Description of Expenditure	Name of Contractors	Cheque # & Date	Amount
1	POL bill Tractor Dozer Removal of Garbage	Lakha Dino Petroleum Services	36461197, 04-07-22	211,860
2				274,571
3	POL bill chingches			14,214
4	POL Tractor trolley		36461228, 01-08-22	291,719
5	POL Tractor dozer			291,719
6	POL Chingchi			89,916
7	POL Dozer		37345180, 07-09-22	281,358
8	POL Tractor trolley			242,851
9	POL Tractor Trolley Garbage		37345203, 04-10-22	244,230
10	POL Tractor Dozer			281,988
11	POL Tractor garbage		39640318, 04-05-23	312,582
12	POL dozer			360,720
13	POL chingchi garbage			67,368
14	POL tractor trolley		39640339, 01-06-23	259,038
15	POL Dozer			189,638
16	POL Chingchi			45,192
17	POL Tractor trolley garbage		39640343, 01-06-23	101,139
18	POL Tractor Dozer			57,794
19	POL Chingchi			24,634
20	POL Tractor Trolley Garbage		39640357, 13-06-23	90,195
21	POL Tractor Dozer			149,594
22	POL Chingchi Garbage			31,886
			Total (Expenditure on POL)	**3,914,206**
23	Repair tractor dozer wiring	New Sindh Sanitary	36461214, 20-07-22	297,000
24	Repair tractor trolley iron chaddar welding			297,600
25	Welding tractor dozer, trolley	Pirbhoo Mal	36461239, 01-08-22	15,700
26	Repair tractor	Qaiser Pathan Co	36461243, 16-08-22	299,000
27	Repair tractor dozer		36461244, 16-08-22	288,500
28	Repair tractor trolley	Saifullah Jahkrani	37345262, 02-12-22	277,400
29				274,000
30		New Sindh Sanitary	38402900, 03-01-23	292,000
31		Qaiser Pathan Co	38402928, 01-02-23	296,350
32	Repair tractor wiring		38402943, 01-03-23	298,000
33	Repair tractor		39640306, 03-05-23	294,000
34	Repair trolley and tanker	Pirbhoo Mal	39640323, 04-05-23	11,000
35	Repair Tractor	New Sindh Sanitary	39640327, 17-05-23	298,500
			Total (Expenditure on M&R of Vehicles)	**3,239,050**
			Total	**7,153,256**

Local Councils, Larkana Division

Annex-LRK1 [Para: 5.5.1.1]: Non-production of record

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Description of Record	Amount
1	Municipal Committee Thull	1	2021-22	i Service Books and Personal Files of employees ii Record of On-going Schemes iii Detail of machinery & equipment iv Record of appointments and promotions v Details of litigation matters	- 5.000 - - -
		2		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	17.773
2	Town Committee Kashmore	1	2021-22	i Personal files and service books of employees and Establishment Control Register. ii Record relating to cattle piri iii Record of new appointments	-
		3		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	8.500
3	Town Committee Guddu	1	2021-22	i Personal files and service books of employees and Establishment Control Register. ii Record about cattle piri iii Record of new appointments	-
		3		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	4.073
4	Town Committee Naseerabad	1	2021-22	i Approval of budget estimates for the F.Y 2021-22 ii Expenditure statement duly reconciled with concerned accounts office (ADLF) iii Approved sanctioned and working strength of council from Government alongwith establishment check register iv Personal files and services	-

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Description of Record	Amount
				books of employees v Record/details of receipts from own sources vi Liabilities register alongwith details of total liabilities vii Record/details of un-serviceable stock	
		5		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	8.773
5	Town Committee Buxapur	1	2020-21	Complete record F.Y 2020-21 (Revised Budget Estimate 2020-21)	37.620
			2021-22	i Personal files and service books ii Record of new appointments transfer and posting iii Approval of vacant position filled iv Record of promotions v Details of absconder employees vi Details of enquiries and cases against council and employees vii Details of liabilities viii Property of the council ix Bank statement FY 2021-2022	-
6	Town Committee Tangwani	1	2020-21 & 2021-22	i Personal files and service books. ii Bank statement from July 2020 to June 2022 iii Record of new appointments transfer and posting, daily wages staff iv Details of absconder employees v Details of enquiries and cases against council and employees vi Details of liabilities on account of pay, pension and others	-
		7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	7.823
7	Town Committee	1	2021-22	i Expenditure statement duly	-

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Description of Record	Amount
	Mirokhan			reconciled with concerned accounts office (ADLF) ii Approval of budget estimates for the F.Y 2021-22 iii Personal files and services books of employees iv Record/Record of promotions v Record/details of expenditure incurred on account of leave encashment, commutation, gratuity, financial assistance vi Establishment Check Register vii Cash book viii Cheque Issue Register ix Budget Control Register x Dead Stock Register xi Detail of bank accounts and bank statements for the period under audit xii Details of all council vehicles xiii Record/details of pension cases finalized/pending xiv Record/details regarding disciplinary cases finalized/pending xv TA/DA register xvi Liabilities register alongwith details of total liabilities xvii Quarterly accounts statements xviii Record/details of employee who were granted leave and subsequent deduction of conveyance allowance xix Contractor ledger and contract register xx Annual, biannual and monthly tax statements, returns filled with concerned tax authorities xxi Record/details of un-serviceable stock xxii Progress report of development works xxiii Indent register xxiv Compliance of previous audit inspections reports	

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Description of Record	Amount
		14	2021-22	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.856
8	Town Committee Dokri	1	2021-22	i Approval of budget estimates for the F.Y 2021-22 ii Expenditure statement duly reconciled with concerned accounts office (ADLF) iii Establishment Check Register iv Cash book v Cheque Issue Register vi Budget Control Register vii Personal files and services books of employees viii Record/Record of promotions ix Record/details of expenditure incurred on account of leave encashment, commutation, gratuity, financial assistance x Dead Stock Register xi Record/details of pension cases finalized/pending xii Record/details regarding disciplinary cases finalized/pending xiii TA/DA register xiv Liabilities register alongwith details of total liabilities xv Record/details of employee who were granted leave and subsequent deduction of conveyance allowance xvi Contractor ledger and contract register xvii Annual, biannual and monthly tax statements, returns filled with concerned tax authorities xviii Record/details of un-serviceable stock xix Progress report of development works xx Indent register xxi Compliance of previous audit	-

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Description of Record	Amount
				inspections reports	
		12		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.914
9	Town Committee Garhi Khairo	1	2021-22	i Personal Files of Officer & Officials ii Service Books of Officials iii Budget Control Register & Establishment Control Register iv Record of Tax deposits 2021-22 and previous Tax liabilities v Details of litigation matters	-
		2		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	4.889
10	Town Committee Lakhi	1	2021-22	i Monthly Vouchers of Salary, Non-salary & Development w.e.f. July 1, 2021 to June 30, 2022 (12 Months) complete ii Detail of Budget & Expenditure for the F.Y. 2020-21 iii Budget Book 2020-21 iv Detail of Official Bank Account(s) v Schedule of Establishment (SoE) dully approved by Administrative Department vi Service Book & Personal Files of all Officers & Staff vii Record related to new appointment viii Record related to engaging / hiring record of Contract/Contingency ix Record of developments schemes executed throughout the period under audit alongwith complete record/case files and measurement books, contractors' ledgers etc. x Progress Reports of	-

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	Description of Record	Amount
				schemes/works executed and paid during period under audit xi Demand & Collection Register alongwith record of own source recoveries xii Record of lease out rights of council property to contractors through open auction xiii Details of enquiries and cases against council and employees xiv Details of liabilities on account of pay, pension and others xv Details of absconder employees	
11	Town Committee Lakhi	3	2021-22	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.611
12	Town Committee Warah	1	2021-22	i Personal Files of Officer & Officials and Service Books of Officials ii Budget Control Register & Establishment Control Register iii Details of Tax deposits 2021-22 and previous Tax liabilities iv Details of litigation matters v Details of Council Property	- - 90.554 - -
		3		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	1.949
13	Municipal Committee Shahdadkot	5	2021-22	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	37.783
14	District Council Shikarpur	6			33.176
15	Municipal Committee Kandhkot	11			23.313
16	Town Committee Garhi Yaseen	4			5.027
17	Town Committee Khanpur	5			2.877
				Sub-Total	**291.511**

Sr. No.	Name of Entity	AIR Para	F. Y.	Particulars	Amount
1	District Council Kashmore	1	2022-23	i. Reconciled expenditure statement and revised budget estimates for the FY-2022-23 ii. Approved sanctioned and working strength iii. Personal files and services books of employees iv. Budget control register v. TA/DA register vi. Demand & collection register	-
2	Municipal Committee Jacobabad	1	2022-23	i. Service Books and Personal Files ii. Property details (Moveable/Immovable) iii. Annual Statement of Accounts 2022-23 iv. Bank Statements (all accounts) v. Detail of machinery and equipment vi. Establishment Control Register vii. Tender Register viii. Security Deposit Register	-
3	Municipal Committee Shikarpur	1	2022-23	i. Revised budget estimates with reconciled expenditure statement, ii. All Registers including Budget Control, Register of Advances, TA/DA Register, complete indent & issue register, Pre-audit registers iii. Record regarding appointments (daily wages, adhoc, contract employees), iv. Record regarding promotions, disciplinary cases (in process/finalized) v. Record of officers/officials to whom Govt. accommodation provided, vi. Progress report regarding development works, vii. Compliance of Previous Audit Paras, viii. Record regarding own sources receipts, tenancy agreements of property, minutes of auction meeting. ix. Personal files and service books	

Sr. No.	Name of Entity	AIR Para	F. Y.	Particulars	Amount
				of officers/staff, Detail of Encroachment drive, Details of gardens, Firefighting and Store branch with employees posted	
4	District Council Larkana	1	2022-23	i. Reconciled expenditure statement ii. Approved sanctioned and working strength alongwith establishment check register iii. Personal files and services books of employees along with detail of promotions iv. Record of expenditure incurred on account of leave encashment, commutation, gratuity, financial assistance, arrears/difference bills paid if any v. Record of pension cases finalized/pending vi. Record pertaining to weekly cattle/animal piri at village Fareedabad Taluka Bakrani (auction notice dated 10.06.2022) vii. Record of employees who were granted leave, absent period and subsequent deduction of conveyance allowance viii. Record of employees under litigation/inquires ix. Progress report of all development works/schemes and purchases of vehicles alongwith bills and sanctions of competent authority, x. Tender register, cash book, budget control register, demand & collection register, deposit register, register of liabilities xi. Detail of grants received from Local government xii. Compliance of previous audit reports xiii. Detail record i.e., invoices, warranty cards, delivery challans, acknowledgement receipt regarding purchase of 96 fogging machines	-

Sr. No.	Name of Entity	AIR Para	F. Y.	Particulars		Amount
				xiv. Allotment record of all tenants of rented property/shops of the District Council. xv. Progress report regarding fumigation spray with plan and photos in 47 Union Councils under control of District Council Larkana		
5.	District Council Jacobabad	1	2022-23	i. Service Books and Personal Files ii. Bank Statements (all accounts) iii. Detail of machinery and equipment iv. Tender Register v. Security Deposit Register		-
6.	District Council Kamber	1	2022-23	Personal files of officers and service books of staff		
7.	Municipal Committee Kamber	1	2021-22 & 2022-23	Personal files of officers and service books of staff		
8.	District Council Jacobabad	4	2022-23	**Credentials of contractors for following works**		
				Name of work	**Name of contractor**	
				Construction of Paving Block/Tuff Tile in District Council Office, Jacobabad	M/s. Brohi Construction Co	4.922
				Construction of culverts/bridge over Qaisar Shaikh UC Baqapur Taluka Jacobabad	M/s. Al-Muzamil Construction Co	2.484
				Construction of culverts/bridge over at UC Molai, UC Tajo Khoso & UC Logi Taluka Thull Distruct Jacobabad Qaisar Shaikh UC Baqapur Taluka Jacobabad	M/s. New Nawab Ali Soomro	7.564
					Sub-total	**14.970**
Grand Total						**306.481**

Annex-LRK2 [Para: 5.5.2.2]: Joining of transferred employees without verification of service profile

S. No.	Name of employee	Transferred from	Remark
01	Mr. Lal Dino S/o Fakir Muhammad Mangrio (Junior Clerk, BPS-11)	Union Council Pir Bux Shujrah, Khanpur, District Shikarpur	i. NOCs of transferred employees from other councils were not found available in record. ii. Employees were allowed joining without verification of service profile from parent council/office and concerned Assistant Director, Local Government and Local Fund Audit. iii. Service books and personal files were found maintained without verification of pay from concerned Local Fund Audit and maintenance of leave accounts off employees
02	Mr. Sabir Ali Khakhrani, Assistant Computer operator, BPS-10	Larkana Development Authority	
03	Mr. Muhammad Amir Junior Clerk (BPS-11)	Union Council Aitabar Khan Chandio, District Kambar-Shahdadkot	
04	Mr. Abdul Sattar Kehar, Malhi BPS-01	Town Committee Garhi Yasin, District Shikarpur	
05	Mr. Waseem Ahmed, Jr. Clerk (BPS-11)	Town Committee Lakhi, District Shikarpur	
06	Mr. G. Hussain	N/A	
07	Mr. Waled-ul-Islam		
08	Mr. Nasir Nadeem Ali Shah		
09	Mr. Amir		
10	Mr. Jam Shah, Naib Qasid		
11	Asghar Ali Mangrio, Naib Qasid		
12	A Salary Kehar		

Annex-LRK3 [Para: 5.5.3.5]: Execution of schemes without approval of competent forum

[Amount in Rs.]

Sr. No.	Name of work	Name of contractor	Tender Amount	Contract Amount
1	Construction of Paving Block / Tuff Tile with Edge Wall and CC Drain at UC Dasti, UC Ahmed Pur, UC Baqa Pur, UC Garhi Chand, UC Mehar Shah, UC Jani Dero, UC Ramzan Pur & UC Qadir Pur Taluka Jacobabad	M/S Yaseen and Company	125,050,500	124,708,499
2	Construction of Paving Block / Tuff Tile with Edge Wall and CC Drain at UC Nawra, UC Rind Wahi & UC Moula Dad Taluka Jacobabad	M/S Aram Abbas Enterprises	49,925,000	49,641,058
3	Construction of Paving Block / Tuff Tile with Edge Wall and CC Drain at UC Bahadur Pur, UC Meeral, UC Mubark Pur,UC Madad Pur Khoso, UC Balochabad, UC Kot Jangu, UC Bahu Khoso, UC Logi, UC Malohi, UC Thull Nao & UC Ranjhaan Pur Taluka Thull District Jacobabad	M/S New Javed Ahmed Lashari	161,025,000	160,582,112
		Total	**336,000,500**	**334,931,669**

Annex-LRK4 [Para: 5.5.3.8]: Non-imposition of liquidated damages

[Rs. in Million]

Sr. No.	Name of Entity	AIR Para	Contract Amount	Penalty @ 5%
1	Town Committee Tangwani	2	49.700	2.485
2	Municipal Committee Kandhkot	2	1.500	0.075
Total			**51.200**	**2.560**

1. Town Committee Tangwani, AIR Para No.02, F.Y 2021-22							
S. No	**Work**	**Contractor**	**WO No. dated**	**Date of Completion/ period**	**Status**	**Total Cost**	**Penalty @ 5%**
1	Construction of Surface Drains and Paver Block in Various Mohallas/Streets of Ward No. 01, 02 & 03 of Town Committee Tangwani	M/s Engineer Majid Hussain Enterprises Pvt. Ltd.	TC/Tang/155/2020 dated 28-04-2020	27-10-2020 Six months	Work in Progress	49,700,000	2,485,000
Rupees in million						**49.700**	**2.485**

2. Municipal Committee Kandhkot, AIR Para No.02, F.Y 2021-22							
S. No	**Work**	**Contractor**	**Date of Strat**	**Date of Completion**	**Status**	**Total Cost**	**Penalty @ 5%**
1	Construction of RCC drains and tough titles in diverent streets of (a) Sheikh Muhalla (b) Malik Muhalla (c) Arbani Muhalla (d) Mirani Muhalla Ward No.13	Ghafar Khan Bajkani	30/09/2019	30/09/2020	Work in Progress	1,500,000	75,000
Rupees in million						**1.500**	**0.075**

Annex-LRK5 [Para: 5.5.4.4]: Non-deposit of taxes into public exchequer

[Rs. in Million]

Sr. No.	Name of Office	AIR Para	F.Y.	IS	SST	GST	Taxes not deposited
1	District Council Shikarpur	3	2021-22	0	25.193	0	25.193
2	Municipal Committee Kandhkot	1		3.750	2.153	0	5.903
3	Town Committee Gouspur	2		1.995	2.975	0	4.970
4	Municipal Committee Thul	6		0.837	2.418	0	3.255
5	Town Committee Tangwani	4		1.519	1.246	0	2.765
6	Town Committee Guddu	4		1.559	0.908	0	2.467
7	Town Committee Kashmore	4		1.669	0.587	0	2.256
8	Municipal Committee Shahdadkot	2		0.821	1.130	0	1.951
9	Town Committee Khanpur	3		0.666	0.889	0	1.555
10	Town Committee Warah	7		0.648	0.864	0.053	1.565
11	Town Committee Qubo Saeed Khan	2		0.449	0.684	0	1.133
12	Town Committee Naseerabad	4		1.065	0	0	1.065
13	Town Committee Garhi Yaseen	2		0.391	0.674	0	1.065
14	Town Committee Buxapur	3		0.709	0.101	0	0.810
15	Town Committee Mirokhan	5		0.455	0.293	0	0.748
16	Town Committee Dokri	6		0.235	0.391	0	0.626
17	District Council Larkana	3&9	2022-23	18.453	7.585	0	26.038
18	District Council Kamber	3		0	11.685	0	11.685
19		2		9.773	0	0	9.773
20	Municipal Committee Jacobabad	9		1.876	4.403	0	6.279
21	Municipal Committee Shikarpur	5 & 6		2.392	4.533	0	6.925
22	Municipal Committee Kamber	5	2021-22 and 2022-23	3.759	0	0	3.759
23	Municipal Committee Kandhkot	1 & 6	2022-23	2.308	3.213	0	5.521
24	Municipal Committee Kamber	2	2021-22 And 2022-23	0	2.854	0	2.854
25	District Council Shikarpur	10	2022-23	0	2.732	0	2.732
26	District Council Kashmore	2 & 5		0.688	0.879	0	1.567
27	District Council Jacobabad	9		0.797	0	0	0.797
28	Municipal Committee Ratodero	3		0.289	0.432	0	0.721
			Total	**57.103**	**78.822**	**0.053**	**135.978**

Annex-LRK6 [Para: 5.5.6.5]: Irregular payment on clearance of previous liability

[Rs. in million]

Sr. No.	Name of Entity	AIR Para	Amount
1	Municipal Committee Kandhkot	5	3.138
2	Town Committee Mirokhan	12	1.203
3	Town Committee Dokri	11	1.364
Total			**5.705**

1. Municipal Committee Kandhkot, AIR Para No. 5, F.Y 2021-22						
S. No	**Work**	**Contractor**	**Date of Strat**	**Date of Completion**	**Total Cost**	**Paid during current year**
1	Construction of RCC drains and tough titles in diverent streets of (a) Sheikh Muhalla (b) Malik Muhalla (c) Arbani Muhalla (d) Mirani Muhalla Ward No.13	Ghafar Khan Bajkani	30/09/2019	30/09/2020	1,500,000	637,325
2	Construction of RCC drains and tough titles in diverent streets of (a) Ghareebad Muhalla (b) Rex Cinema Muhalla (c) Channa Muhalla (d) Shaikh Muhalla (e) Mirani Muhalla (f) Awan Muhalla (g) Jiskani Muhalla (h) Noonari Muhalla in Ward No.5	Bashir Ahmed Khoso	30/09/2019	30/09/2020	3,017,000	2,500,838
Total					**4,517,000**	**3,138,163**
Rupees in million					**4.517**	**3.138**

2. Town Committee Mirokhan, AIR Para No. 12, F.Y 2021-22					
Sr. No.	**Description**	**Name of contractor/ supplier**	**Work Order and Date**	**Cheque No & Date**	**Amount of bill**
1	Cleaning f drains at Yousif colony and Peer Shah Mohalla	M/s Kaleemullah Tunio	TCM/178 14.06.2021	33187828 05.07.2021	290,400
2	Cleaning of Type-I & II drain Gulshanabad Mohalla and Brohi Mohalla		TCM/176 14.06.2021	33187826 05.07.2021	298,200

2. Town Committee Mirokhan, AIR Para No. 12, F.Y 2021-22						
Sr. No.	**Description**	**Name of contractor/ supplier**	**Work Order and Date**		**Cheque No & Date**	**Amount of bill**
3	Repair of fire brigade	M/s Ali Autos	TCM/184 02.06.2021		33187829 05.07.2021	103,800
4	Cleaning of type-I & II drains in Brohi Mohall	M/s Amir HussainLaGarhi	TCM/181 17.06.2021		33187827 05.07.2021	175,200
5	POL bill for the month of June, 2021	M/s Al-Wali Filling Station Mirokhan	NA	NA	33187825 05.07.2021	335,453
Total						**1,203,053**
Rupees in million						**1.203**

3. Town Committee Dokri, AIR Para No.11, F.Y 2021-22					
Sr. No.	**Description**	**Name of Contractor/ Supplier**	**Cheque No**	**Date**	**Amount of bill**
1	Repair & maintenance of Council Vehicles (Bill dated 07.06.2021)	M/s Subhash	32042565	05.07.2021	50,200
2	Purchase of sanitation material (Bill dt 15.06.2021)	M/s Ali Paint & Hardware	32042564	05.07.2021	49,000
3	Purchase of sanitation material (Bill dt 11.06.2021)		32042563	05.07.2021	51,180
4	Removal of garbage ward No. 1 to 5 (Bill dt 15.06.2021)	M/s Mashooq Mal	32042562	05.07.2021	141,550
5	De-silting of dains/nullahs in various mehullas (Bill dt 04.06.2021)		32042561	05.07.2021	222,750
6	Removal of garbage ward No. 1 to 5 (Bill dt 15.06.2021)	M/s Bhittai Construction Co	32042560	05.07.2021	201,550
7	De-silting of dains/nullahs in various mehullas (Bill dt 13.06.2021)		32042559	05.07.2021	225,180
8	Payment on account of POL bill for the month of June, 2021	M/s Ghousia Petroleum Services	32042558	05.07.2021	422,870
Total					**1,364,280**
Rupees in million					**1.364**

Annex-LRK7 [Para: 5.5.6.6]: Non-deduction of security deposit

[Amount in Rs.]

Sr. No:	Description	Cheque No: & Date	Name of Contractor	W.O No. & Date	Amount	S.D @ 10%
1	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o Sep-21	33907879 & 33907880/ 08-10-21	M/s Din Muhammad Entp.	No.MCT.SB:/ 2021/1725 dt. 13-09-21	1,133,900	113,390
2	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o Oct-21	33907900 & 33907901/ 08-10-21			2,067,700	206,770
3	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o N ov-21	33907915 & 33907916/ 07-12-21			2,001,000	200,100
4	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o Dec-21	33907927 & 33907928/ 14-01-22			2,429,550	242,955
5	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o Jan-22	33907936 & 33907937/ 04-02-22			2,067,699	206,770
6	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o Feb-22	35316732 & 35316733/ 07-03-22			2,194,000	219,400
7	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o Mar-22	35316745 & 35316746/ 07-04-22			2,202,100	220,210

[Amount in Rs.]

Sr. No:	Description	Cheque No: & Date	Name of Contractor	W.O No. & Date	Amount	S.D @ 10%
8	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o Apr-22	35316761 & 35316762/ 25-04-22			2,176,086	217,609
9	Outsourcing of Sanitation Work in jurisdiction of MC-Thull (Ward No. 01 to 10) for the M/o May-22	35316781 & 35316782/ 01-06-22			2,176,255	217,626
Total					**18,448,290**	**1,844,830**
Rupees in million					**18.448**	**1.845**

Annex-LRK8 [Para: 5.5.6.7]: Unauthorized creation of liability

[Rupees in million]

Sr. No.	Name of Entity	AIR Para	Financial Year	Amount
1	Municipal Committee Kamber	6	2021-22 and 2022-23	18.000
2	Municipal Committee Ratodero	6	2022-23	8.400
3	District Council Larkana	11		7.869
Total				**34.269**

1. Municipal Committee Kamber, AIR Para No.06, F.Y 2021-23		
S. No	**Particulars**	**Payables for the FY 2022-23**
1	Remaining bills of contingency	5,000,000
2	POL Charges	1,000,000
3	SRB/Income Tax	1,000,000
4	Employees Dues	8,000,000
5	Liveries of employees	3,000,000
	Total	**18,000,000**

2. Municipal Committee Ratodero AIR Para No.06, F.Y 2022-23		
S. No.	**Description**	**Amount**
1	SRB (03 Years)	3,200,000
2	FBR (05 Years)	5,200,000
Total		**8,400,000**

3. District Council Larkana, AIR Para No.11, F.Y 2022-23		
S. No.	**Description**	**Amount**
1	Telephone bills	50,000
2	Other miscellaneous liabilities	300,000
3	Payment of un-cashed cheques	7,519,471
Total		**7,869,471**

Annex-LRK9 [Para: 5.5.6.9]: Irregular expenditure without supporting vouchers

Town Committee Lakhi, AIR Para No. 05, F.Y 2021-22			
S. No.	**Detail of payment**	**Date of Payment**	**Amount**
1	Ahsan Ali Buriro Govt Contractor	04-Jun-21	241,312
2	Sadat filling Station	07-Jun-21	256,425
3			269,112
4	Gulab Buriro Govt Contractor	07-Jun-21	61,054
5			247,252
6			114,444
7			176,962
8	A/C 01141669171000	07-Jun-21	308,921
9	A/C 01142180191000	07-Jul-21	200,952
10	A/C 01144784981000	15-Jul-21	100,000
11	A/C 01415072561000	19-Jul-21	99,000
12			99,000
13			99,000
14			99,000
15			181,170
16			189,420
17			181,170
18			99,000
19	A/C 01415069601000	19-Jul-21	198,000
20			198,000
21			198,000
22			198,000
23	Salary for month of July 2021	19-Jul-21	5,554,807
24	A/C 01145494371000	11-Aug-21	251,370
25	A/C 01141369661000	18-Aug-21	363,658
26	A/C 01145494371000	09-Nov-21	245,025
27			319,274
Total			**10,549,328**
Rupees in million			**10.549**

Local Councils, Sukkur Division

Annex-SUK1 [Para: 6.5.1.1]: Non-production of record

[Rs. in Million]

Sr. No.	Name of Offices	F.Y.	AIR Para	Particulars	Amount
1	Town Committee Hingorja	2021-22	1	i. Service Books ii. Cash Book iii. Cheque issue register	-
			6	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	4.136
2	Town Committee Pano Akil	2021-22	1	i. Service Books & Personal Files ii. Approved Sanctioned & Working Strength iii. Vehicle details along with name of allottees with POL quota iv. Bank Statement(s) all accounts v. Establishment Check Register vi. Cheque Issue Register 01-06-2021 to 30-06-2022 vii. Property Register viii. Detail of Auctions along with case files ix. Detail of property / Shops	-
			3	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	14.184
3	Town Committee Saleh Pat	2021-22	1	i. Service Books & Personal Files ii. Approved Sanctioned & Working Strength iii. Bank Statement(s) all accounts iv. Establishment Check Register v. Cheque Issue Register 01-06-2021 to 30-06-2022 vi. Detail of liabilities vii. Property Register viii. Detail of Auctions along with case files	-
			3	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.894
4	Town Committee Kandhra	2021-22	1	i. Service Books & Personal Files ii. Approved Sanctioned & Working Strength iii. Establishment Check Register iv. Cheque Issue Register 01-06-2021 to 30-06-2022	-

[Rs. in Million]

Sr. No.	Name of Offices	F.Y.	AIR Para	Particulars	Amount
				v. Detail of outstanding liabilities vi. Property Register	
			2	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	2.676
5	Town Committee Agra	2021-22	1	Service Books & Personal Files	-
6	Town Committee Khuhra		1	Service Books & Personal Files	-
			6	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	10.415
7	Town Committee Ahmedpur		1	i. Service Books & Personal Files ii. Auction file of cattle piri, Advertisement fee and Generator fee iii. Details of appointments and promotions iv. Bank statements of deposit fund accounts.	-
			6	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	1.593
8	Municipal Committee Rohri	2021-22	1	i. Service Books & Personal Files ii. Detail of last 3 yeas promotion along with DPC iii. Minutes Detail of Auctions along with case files iv. Complete detail of shops along with detail of Security Deposits and agreements v. Establishment Check Register	-
			2	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	58.150
9	Town Committee Khangarh	2021-22	1	i. Service Books & Personal Files ii. Approved sanctioned and working strength iii. Detail of machinery & equipment	-
			4	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	4.581

[Rs. in Million]

Sr. No.	Name of Offices	F.Y.	AIR Para	Particulars	Amount
10	Municipal Committee Mirpur Mathelo	2021-22	1	i. Service Books & Personal Files ii. Detail of appointment & Promotion	-
			6	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	24.601
11	Town Committee Therhi-I	2021-22	1	i. Service Books and Personal Files ii. Approved sanctioned and working strength iii. Detail of Government Properties iv. List of machinery & equipment v. Establishment Check Register vi. Detail of liabilities as on 30-06-2022	-
12	Town Committee Pacca Chang		1	i. Service Books and Personal Files ii. Approved sanctioned and working strength iii. Budget Book F.Y 2021-22 iv. Detail of Budgeted Income & Actual Income (head wise) F.Y 2021-22 v. Detail of Budgeted Expenditure &Actaul Expenditure (head-wise) F.Y 2021-22 vi. List of machinery & equipment vii. Cash Book F.Y 2021-22 viii. Cheque Register F.Y 2021-22	-
			2	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	3.061
13	Town Committee Ubaro	2021-22	1	i. Service Books and Personal Files ii. Approved sanctioned and working strength iii. Detail of Auctions held in F.Y 2021-22 iv. Detail of Government Properties v. List of machinery & equipment vi. Cash Book F.Y 2021-22 vii. Establishment Check Register viii. Detail of payment of taxes including Income Tax, Sindh Sales Tax & General Sales Tax duly reconciled with tax authorities along with CPR during F.Y 2021-22 ix. Detail of liability as on 30-06-2022	-
			8	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	4.504

[Rs. in Million]

Sr. No.	Name of Offices	F.Y.	AIR Para	Particulars	Amount
14	Town Committee Daharki	2021-22	1	i. Service Books and Personal Files ii. Approved sanctioned and working strength iii. Budget Book F.Y 2021-22 iv. Detail of Budgeted Income & Actual Income (head wise) F.Y 2021-22 v. Detail of Budgeted Expenditure & Actual Expenditure (head wise) F.Y 2021-22 vi. Detail of Auctions held in F.Y 2021-22 vii. Detail of Government Properties viii. List of machinery & equipment ix. List of vehicles along with POL Quota x. Cash Book F.Y 2021-22 xi. Cheque Register F.Y 2021-22 xii. Establishment Check Register xiii. Detail of payment of taxes including Income Tax, Sindh Sales Tax & General Sales Tax duly reconciled with tax authorities along with CPR during F.Y 2021-22 xiv. Detail of Collections/income (head wise) xv. Detail of liability as on 30-06-2022	-
			6	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	5.485
15	Town Committte Ranipur	2021-22	5		38.102
16	Town Committee Thari Mirwah	2021-22	1	i. Complete Record	-
17	Town Committee Faqirabad		1		-
18	Town Committee Kumb		1		-
19	Town Committee Sobhodero		1		-
20	Town Committee Setharja		1		-
21	Town Committee Bozdaar Wada		1		-
22	Municipal	2021-22	5	Mandatory certificates for payment of	10.147

[Rs. in Million]

Sr. No.	Name of Offices	F.Y.	AIR Para	Particulars	Amount
	Committee Kingri			pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	
23	Sukkur Municipal Corporation	2022-23	1	i. Establishment record i.e Service Books & Personal Files, Working & Sanctioned Strength and Establishment Control Register ii. Property Record i.e movable & non-movable property iii. Machinery & Equipments record iv. Tender Record i.e Tender Register	-
			9	Contractor Credentials i.e past experience, turnover for last three years, undertaking for no litigation against contractor, affidavit for not blacklisted along with registration with FBR, SRB and PEC.	118.230
24	District Council Sukkur	2022-23	1	i. Establishment record i.e Service Books and Personal Files, Approved sanctioned and working strength ii. Property record i.e Record of Government Properties iii. Annual Statement of Accounts F.Y 2022-23 iv. Machinery & Equipment record.	-
25	District Council Khairpur	2022-23	1	i. Record of final budget/ expenditure for the F.Y 2022-23. ii. HR record pertaining to establishment, promotions and disciplinary cases. iii. Record/details of un-serviceable stock. Complete detail of development works. iv. Record of verified own source recovery position excluding shops recovery v. Machinery & equipment record. vi. Handing taking report of previous officers. vii. Complete record/details w.e.f 09.06.2023 to 30.06.2023 (excluding pay roll for the month of June 2023).	– -
26	District Council Ghotki @ Mirpur Mathelo	2022-23	1	i. Establishment record i.e service books, Promotion cases of staff	-
27	Muncipal Committee Ghotki @	2022-23	1	i. Establishment record i.e service books, Promotion cases of staff	-

[Rs. in Million]

Sr. No.	Name of Offices	F.Y.	AIR Para	Particulars	Amount
	Mirpur Mathelo				
28	Municipal Committee Khairpur	2022-23	1	i. HR record pertaining to establishment, pension, promotions and disciplinary cases. ii. Final budget/expenditure record of F.Y 2022-23. iii. Record of property. iv. Complete detail of development works carried during 2022-23. v. Complete record of receipts (own sources and Government grants) vi. Record of Local government grants and expenditure made through district Accounts Office vii. Compliance of previous audit report viii. List of vehicles alongwith details of allotees and monthly quota of POL	-
			2	i. Record pertaining to credentials of contractors.	305.358
29	Municipal Committee Gambat	2022-23	1	i. Establishment record i.e Service Books and Personal Files ii. Bank Statements (all accounts) , Annual Statement of Accounts 2022-23 iii. Record of machinery and equipment iv. Tender Register, Security Deposit Register with complete detail of Security Deposit deducted and deposited during 2022-23 v. Record of property (Moveable/Immovable)	-
			7	i. Record pertaining to credentials of contractors. with FBR, SRB and PEC	7.648
30	Town Committee Thari Mirwah	2022-23	1	i. Establishment record i.e Service Books and Personal Files ii. Bank Statement, Cash Book F.Y 2022-23, Cheque Register F.Y 2022-23 iii. Record of shops	-
Total					**613.765**

Annex-SUK2 [Para: 6.5.2.1]: Irregular appointment of staff on adhoc basis

Sukkur Municipal Corporation for the FY 2022-23, AIR Para No-5					
Sr. No.	**Name of staff**	**Designation**	**No. of posts**	**Salary/Month**	**Salary/Year**
1	Daily Wages / Contractual Staff	Lady / Sanitary Workers	280	3,951,374	47,416,488
2		Coolies	28	414,325	4,971,900
3		Drivers	92	1,776,190	21,314,280
4		Chemist	01	201,000	2,412,000
5		Technical Engineer	01		
6		Jr. Technical Engineer	01		
7		Jr. Office Associate	02		
8		Chlorinator Operator	01		
Total			**406**	**6,342,889**	**76,114,668**

Municipal Committee Khairpur for the FY 2022-23, AIR Para No-20		
Sr. No.	**Name of staff**	**No. of posts**
1	Daily Wages	92

Annex-SUK3 [Para: 6.5.3.3]: Splitting up of expenditure to avoid open tender

1) Town Committee Pano Akil for the F.Y 2021-22, AIR Para No. 06					
Sr. No.	**Particulars**	**Payment**	**Work Order No. & Date**	**Cheque No & Date**	**Amount**
1	Earth filling through Tractor Trolly	M/s. Dua Enterprises	37 20/07/2020	29147705 01/06/2022	109,200
2	Earth filling through Tractor Trolly	M/s. Faique Ali Shah	30 20-07-2020	29147744 15/04/2022	118,400
3	Earth filling / Sand through Tractor Trolly		40 21-07-2020	29147747 22-04-2022	112,000
4	Earth filling / Sand through Tractor Trolly		49 24-07-2020	89655902 19-05-2022	95,700
5	Earth filling / Sand through Tractor Trolly		55 28-07/2020	89655902 19-05-2022	108,500
6	Earth filling through Tractor Trolly	M/s. Dua Enterprises	59 29/07/2020	89655865 24-12-2021	141,900
Total					**685,700**
1	Removal of garbage and desilting through Labor	M/s. Dua Enterprises	388 08/10/2021	36768728 09/03/2021	280,280
2	Removal of garbage and desilting through tractor trollies	M/s. Ali Akbar Shah	433 18-10-2021	89655862 11/09/2021	300,000
3	Removal of garbage	M/s. Gul Hassan Dayo	496 14-01-2022	89655878 15-02-2022	259,350
4	Removal of garbage and desilting through Labor	M/s. Dua Enterprises	429 27-01-2020	89655901 19-05-2022	104,500
Total					**944,130**
1	Supply of Electric Material	M/s. Bismillah Electric Store	534 03/10/2022	89655908 06/08/2022	245,100
2	Supply of Electric Material	M/s. Paras Electric & Solar System	368 08/10/2021	36768729 09/03/2021	278,790
3	Supply of Electric Material	M/s. Paras Electric & Solar System	409 09/10/2021	89655855 11/01/2021	60,000
Total					**583,890**
Grand Total					**2,213,720**

2) District Council Khairpur for the FY-2022-23, AIR Para No-09					
Sr. No.	**Particulars**	**Name of Contractor**	**Work Order No. Date**	**Checque No. & Date**	**Amount Paid**
1	Supply & purchase of mosquito nets for protection from mosquito bites/dengue virus for various villages	M/s Munir & Sons Construction Co	Nil/Nil	39188849 dt 09.03.2023	219,000
2				39188850 dt 09.03.2023	183,000
3				39188851 dt 09.03.2023	237,000
4				39188852 dt 09.03.2023	183,000
5				39188853 dt 09.03.2023	168,360
6	Supply & purchase of fumigation liquid delthmathric 2.5% for protection against mosquitos/malira & dengue fever-fumigation spray	M/s Azad and Brothers		39188854 dt 09.03.2023	97,350
7				39188855 dt 09.03.2023	106,200
8				39188856 dt 09.03.2023	98,825
9				39188857 dt 09.03.2023	121,275
10				39188858 dt 09.03.2023	114,975
11	Supply/printing of stationery items	M/s Popat Printing Press		39188859 dt 09.03.2023	191,400
12	Supply/purchase of sharbat & sugar durng holy mont of Muhram-ul-Haram for lighting system of various Imam Bargahs	M/s Rizwan and Brothers		37356198 dt 15.02.2023	212,500
13				37356201 dt 15.02.2023	242,840
14				37356202 dt 15.02.2023	212,500
15				37356203 dt 15.02.2023	127,500
16				37356204 dt 15.02.2023	238,000
17				37356205 dt 15.02.2023	212,500
18				37356206 dt 15.02.2023	212,540
19	Supply & purchase of fumigation liquid delthmathric 2.5% for protection against mosquitos/malaria & dengue fever-fumigation spray	M/s Azad and Brothers		38861685 dt 28.02.2023	103,250

2) District Council Khairpur for the FY-2022-23, AIR Para No-09					
Sr. No.	**Particulars**	**Name of Contractor**	**Work Order No. Date**	**Checque No. & Date**	**Amount Paid**
20	Supply & purchase of water machine pump/dewatering machine for office	M/s Faisal Pipe & Machinery Store		38861686 dt 28.02.2023	262,000
21	Supply/pruchae of fumigation liquid delthamatric 2.5% for protection against mosquitos/malaria & denggue fever-fumigation spray	M/s Nisar & Brother		39638796 dt 18.04.2023	135,450
22	Supply/purchase of mosquito nets for distribution in villages	M/s Muhammad Kabeer and Co		39587225 dt 18.04.2023	293,410
23	Supply/purchase of mosquito nets for distribution in villages			39587226 dt 18.04.2023	29,341
24				39587227 dt 18.04.2023	293,410
25		M/s Lal Sheeraz Enterprises		39587228 dt 18.04.2023	293,410
26				39587229 dt 18.04.2023	293,410
27				39587230 dt 18.04.2023	293,410
28				39587231 dt 18.04.2023	293,410
29				39587232 dt 18.04.2023	298,900
30				39587233 dt 18.04.2023	295,240
31				39587234 dt 18.04.2023	295,240
32	Supply/pruchae of fumigation liquid delthamatric 2.5% for protection against mosquitos/malaria & denggue fever-fumigation spray	M/s Azad and Brothers		39587235 dt 18.04.2023	126,000
33				39587236 dt 18.04.2023	133,875
34		M/s Lal Sheeraz Enterprises		39587237 dt 18.04.2023	132,300
35		M/s Nisar & Brother		39587238 dt 18.04.2023	129,150
36		M/s Nisar & Brother		39587239 dt 18.04.2023	135,450
37				39587240 dt 18.04.2023	138,600

2) District Council Khairpur for the FY-2022-23, AIR Para No-09					
Sr. No.	**Particulars**	**Name of Contractor**	**Work Order No. Date**	**Checque No. & Date**	**Amount Paid**
38	Construction of Masjid Shareef in the premises of district Council Khairpur	M/s Altaf Bhutto		38861776 dt 02.03.2023	297,518
39				38861777 dt 02.03.2023	298,964
40				38861777 dt 02.03.2023	266,345
41	Construction of compound wall & gate of Imam Baragh near village Ali Nawaz Wassan UC Jhano Mashaikh DCK	M/s Farman Ali Jamro		36715450 dt 15.08.2022	267,726
42	Construction/repair of surface drain at village Ghulam Mohd Wassan UC Rahim Bux Wassan	M/s Altaf Bhutto		36715471 dt 18.08.2022	226,225
43				36715472 dt 18.08.2022	210,736
44	Construction/repair of compound wall at DCKHP	M/s Shahzain Construction Co		36891520 dt 19.08.2022	238,196
45	Mini water supply scheme for Dargah Sakhi Shanodo Deh Panhwar UC Shadi Shaheed Taluka Khairpur	M/s Fine Contractor & Builders		36715969 dt 16.08.2022	299,488
46				36715970 dt 16.08.2022	299,712
47	Earth filling at Shaikh to Soomra Mohalla UC Sehtarja Bala DC KHP	M/s Shahzain Construction Co		37356346 dt 03.02.2023	296,143
48	Earth filling at Zarai Farm to village Mukhakdumin arein UC Mosin Shah DC KHP			37356347 dt 03.02.2023	287,386
49	Earth filling at village Haji Shukhyal Dahari UC Rasoolabad DC KHP			37356348 dt 03.02.2023	298,112
50	Earth filling at Khan Muhammad Mangejo UC Mad DC KHP			37356349 dt 03.02.2023	295,002
51	Earth filling at various villages	M/s Muhammad Kabeer and Co		38861606 dt 22.02.2023	180,793
52		M/s Samma Enterprises		38861607 dt 22.02.2023	290,191
53				38861609 dt 22.02.2023	279,179
54				38861610 dt 22.02.2023	294,389
55		M/s Azad and Brothers		38861611 dt 22.02.2023	189,122

2) District Council Khairpur for the FY-2022-23, AIR Para No-09					
Sr. No.	**Particulars**	**Name of Contractor**	**Work Order No. Date**	**Checque No. & Date**	**Amount Paid**
56				38861612 dt 22.02.2023	298,089
57				38861613 dt 22.02.2023	297,215
58		M/s Ali Raza		39281221 dt 21.03.2023	279,339
59				39281222 dt 21.03.2023	281,892
60		M/s Siraj Ahmed		39281223 dt 21.03.2023	296,688
61		M/s Ali Raza		39281220 dt 21.03.2023	296,580
Total					**13,719,051**

3) Municipal Committee Gambat for the FY-2022-23, AIR Para No-05					
Sr. No.	**Particulars**	**Name of Contractor**	**WO # /Date**	**Cheque #**	**Amount Paid**
1	Supply of decoration material on rent for Eid-ul-Adha	M. Abdullah Enterprises	11 07/07/2022	36570727	260,238
2			10 07/07/2022		273,894
3		M/s. Hassan Engineering & Co	12 07/07/2022	36570723	285,068
4	Lifting of offals on occasion of Eid-ul-Azha		14 07/07/2022	36570725	209,344
5			13 07/07/2022	36570724	245,232
6	Hiring of labor for cleaning of streets	M/s. Hamza Buliders & Co	161 14/07/2022	36570715	242,626
7			155 15/07/2022	36570719	180,873
8			131 18/07/2022	36570714	242,599
9			154 18/07/2022	36570716	242,599
10		M/s. Masroor Ahmed	184 11/08/2022	36570763	221,067
11			135 11/08/2022	36570760	242,626
12			144 06/09/2022	Nil	194,967
13			145 07/09/2022	36570767	242,600

3) Municipal Committee Gambat for the FY-2022-23, AIR Para No-05					
Sr. No.	**Particulars**	**Name of Contractor**	**WO # /Date**	**Cheque #**	**Amount Paid**
14			150 08/09/2022	Nil	221,067
15			155 07/11/2022	38278542	242,626
16			157 08/11/2022	38278545	242,600
17			156 08/11/2022	38278544	206,521
18			159 10/11/2022	38278546	221,067
19		M/s. Z.A Hyder Construction Co	137 07/11/2022	38078541	246,958
20			159 05/09/2022	37581199	242,626
Total					**4,707,198**

District Council Sukkur for the F.Y 2022-23, AIR Para No-03					
Sr. No.	**Particulars**	**Name of Contractor**	**Work Order No. & Date**	**Cheque No & Date**	**Amount Paid**
1	Supply of furniture	M/s. Saeed Engineering	50 20/01/2023	05/04/23 39398389	294,000
2			52 28/01/2023	06/04/23 39398389	294,000
3			53 28/01/2023		294,000
4	Supply of Mud Pump	M/s. Mehran Machinery	635 08/07/2022	02/08/22 37059655	237,000
5			640 04/07/2022		237,000
6	Supply of clay trollies	M/s. Rizvi Enterprises	764 08-09-2022	-NIL	299,600
7			767 07-09-2022		299,600
8			758 04-09-2022		299,600
9			750 27-08-2022		299,600
10			753 17-08-2022	22/0323 38158570	299,600
11			743 24-08-2022		299,600
12			1157 09-10-2022	NIL	299,600
13			1169 17-10-2022		299,600

District Council Sukkur for the F.Y 2022-23, AIR Para No-03					
Sr. No.	**Particulars**	**Name of Contractor**	**Work Order No. & Date**	**Cheque No & Date**	**Amount Paid**
14			1147 23-09-2022		299,600
15			1176 27-10-2022		299,600
Total					**4,352,000**

Town Committee Thari Mirwah for the FY-2022-23, AIR Para No-05					
Sr. No.	**Particulars**	**Name of Contractor**	**WO # date**	**Cheque #**	**Amount Paid**
1	Hiring of tractor jhatta	M/s. Mehtab Ali	442 21/11/2022	38457276	257,400
2		M/s. Waseem Ahmed	445 23/11/2022	38457278	287,100
3			458 30/11/2022	38457304	277,200
4		M/s. Mehtab Ali	463 02/12/2022	38457314	257,400
5	Hiring of excavator for Katcha Nala	M/s. Mansoor Hussain	428 14/11/2022	37285792	240,800
6			433 16/11/2022	37285791	263,200
7	Supply of kerosine oil		440 21/11/2022	37285785	162,000
8		M/s. Mehtab Ali	446 23/11/2022	37285804	135,000
9	Hiring of labor for silt clearance		364 10/10/2022	37285769	117,000
10		M/s. Noor Muhammad	363 10/10/2022	37285764	168,000
11		M/s. Mansoor Hussain	506 23/12/2022		126,000
12		M/s. Nawaz Ali	504 23/12/2022	38457358	117,000
13		M/s. Mehtab Ali	505 23/12/2022	39182751	107,250
Total					**2,515,350**

Annex-SUK4 [Para: 6.5.3.6]: Award of works without execution of contract agreement

Sukkur Municipal Corporation for the financial year 2022-23, AIR Para No. 10			
Sr. No.	**Description**	**Name of Contractor**	**Amount Paid**
1	Supply and installation of trees/plants etc for Sukkur Municipal Corporation	M/s. The Workers Construction Co	10.00
2	Construction of Room size 12" x 16" & providing/installation of filter plant with UF System/R.O Plant with 5000 GPD capacity including drainage anf provide electric fitting with electric connection within limits of SMC	M/s. Abdul Hafeez Kolachi	8.870
3	Construction of shed parking at Bunder Road Sukkur	M/s. Ravi Kumar Enterprises	5.250
4	Construction of eid gah cum Park at Police Line New Pind Sukkur	M/s. Al-khidmat Enterprises	12.340
5	Construction of compound wall for graveyard at village Miandad Khoso UC-21, SMC	M/s. Abdul Hafeez Kolachi	10.500
7	Supplying, Providing LED lights 40, 50, 90, 100 and 120 watts with canopy for SMC	M/s. Core Karachi	52.500
8	Construction of CC block & Paving blocks at Shah e Najaf Imam Bargah	M/s. Al-Hasan Electric & Civil Work	2.100
Total			**101.560**
Stamp duty not recovered (35 Paisa Per Rs.100/-)			**0.355**

Municipal Committee Gambat for the financial year 2022-23, AIR Para No. 08				
Sr. No.	**Description**	**Name of contractor**	**Amount Paid**	**Stamp Duty**
1	Construction of S/drains and Paver Block from Quba Masjid to house of Mumtaz Ali Shaikh, Gharibabad Mohalla, Gambat	M. Abdullah Enterprises	1,999,600	6,999
2	Construction of S/drain& paver blocks from Ranipur road beside main disposal via house of Zahida Jamro to house of Syed Ahmed Shah & house of Mumtaz Makrani, Gambat	M/s. Nazeer Ahmed Shahani	1,998,600	6,995
3	Construction of S/drains and Paver Blocks @ village Noor Muhammad Siyal, Gambat	M/s. Jan Construction Co	1,997,800	6,992
4	Construction of S/drains and Paver Blocks @ village Wahid Bux Ukkan, Taluka Gambat	M/s. Amjad Ali Soomro	1,500,000	5,250
5	Repair & construction of S/drains & construction of Paver Blocks @ various streets of Abdul Bari Mohalla, Railway Station Gambat	M/s. Jameel Ahmed Shaikh	1,997,600	6,992
Total			**9,493,600**	**33,228**

Annex-SUK5 [Para: 6.5.3.7]: Irregular award of development works

Municipal Committee Khairpur for the financial year 2022-23, Para No-4					
					[Rs. in Million]
Sr. No.	**Description**	**Name of Contractor**	**Sanctioned Cost**	**NIT Ref**	**NIT ID**
1	Supplying chingchi cargo/rickshaw loaders with Hydraulic (29 Nos)	M/s Engineer Muhammad Faisal Shaikh Construction Co	18.052	GB/MC/KHP /1779/2022 dt 30.05.2022	T00781-22-0002
2	Supplying tractor Millat/Messi-260 model (05 Nos)		10.795		
3	Supplying Hydraulic trolley tipping trolley 8 ton capacity (05 Nos)	M/s Arshad Hussain & Co	4.255		
4	Supplying of tractor loader 385 Messi/Millat or equivalent with front bucket (05 Nos)		18.792		
5	Supplying broom kit complete (5 Nos)		1.045		
Total			**52.939**		

Annex-SUK6 [Para: 6.5.6.1]: Less realization of targeted receipts

01) Town Committee Ranipur for the F.Y 2020-21 & 2021-22 AIR Para No. 07				
S. No	**Description/ Receipts Head of Account**	**Actual Demand**	**Actual Collection**	**Less Recovery/ Collection**
1	2020-21	4,550,000	479,057	4,070,943
2	2021-22	4,750,000	520,280	4,229,720
Total		**9,300,000**	**999,337**	**8,300,663**

02) Municipal Committee Mirpur Mathelo for the F.Y 2021-22 AIR Para No. 03				
S. No.	**Heads**	**Demand**	**Collected**	**Arrears**
1	Tax on Transfer of Immovable Property 1%	12,500,000	2187600	10,312,400
2	Others (House Tax & Transfer Fee)	500,000	5,300	494,700
3	Misc: Receipts	50,000	7,750	42,250
4	Rent, Rates and Taxes (Cattle Pound)	84,652	2,600	82,052
5	Rent of Municipal Property-Shops	1,896,000	1,090,295	805,705
6	Advertisement Fee on sign boards of	200,000	5,000	195,000
7	Road Cutting Charges	50,000	24,318	25,682
8	Arrears (Rents of shops)	1,204,000	243,171	960,829
9	Pension Contribution	15,000,000	9,083,694	5,916,306
	Total	**31,484,652**	**12,649,728**	**18,834,924**

03) Town Committee Daharki for the F.Y 2021-22 AIR Para No. 15				
S. No.	**Nature of collection**	**Budgeted demand**	**Collected**	**Shortfall**
1	Own source Taxes	12,970,000	6,436,940	6,533,060
2	Rent of property	3,060,000	834,600	2,225,400
	Total Grants	**16,030,000**	**7,271,540**	**8,758,460**

04) Town Committee Ubaro for the F.Y 2021-22 AIR Para No. 03				
Sr.	**Nature of collection**	**Budgeted demand**	**Collected**	**Shortfall**
1	Rent for Municipal shops	4,000,000	1,929,050	2,070,950
2	Tehbazari fee	1,200,000	569,850	630,150
3	Parking fee	1,000,000	288,970	711,030
4	market fee (Fish & meat sandal)	1,000,000	153,050	846,950
5	Advertisement/ Billboard fee	1,000,000	12,000	988,000
6	Fine on encroachment	500,000	14,000	486,000
7	Road cutting charges	1,000,000	10,800	989,200
8	Misc: Receipts	1,000,000	6,725	993,275
9	Generator fee	200,000	5,000	195,000
	Total	**10,900,000**	**2,989,445**	**7,910,555**

05) Town Committee Kingri for the F.Y 2021-22 AIR Para No. 07				
S. No	**Description/ Receipts Head of Account**	**Actual Demand**	**Actual Collection**	**Less Recovery/ Collection**
1	Taxes	1,500,000	420,000	1,080,000
2	Fees	1,500,000	288,519	1,211,481
3	Rent of Shops	1,000,000	616,000	384,000
Total		**4,000,000**	**1,324,519**	**2,675,481**

06) Town Committee Ahmedpur for the F.Y 2021-22 AIR Para No. 03				
Year 2020-21				
Sr.	**Nature of Tax**	**Demand**	**Collected**	**Less Realization**
1	Property tax	200,000	Nil	200,000
2	Katcha fee	10,000	Nil	10,000
3	Cattle fee	10,000	Nil	10,000
4	Tender fee	100,000	Nil	100,000
5	Liscence fee	15,000	Nil	15,000
6	Sign board fee	100,000	Nil	100,000
7	Building plan approval	50,000	Nil	50,000
8	Vegitable & Fruit market fee	455,400	Nil	455,400
9	Slaughter fee	15,000	Nil	15,000
10	Parking fee	100,000	Nil	100,000
11	Wallar fee	200,000	Nil	200,000
12	Certificate fee	50,000	Nil	50,000
	Sub-total	**1,305,400**		**1,305,400**
Year 2021-22				
1	Property tax	200,000	Nil	200,000
2	Katcha fee	10,000	Nil	10,000
3	Cattle fee	10,000	Nil	10,000
4	Tender fee	100,000	Nil	100,000
5	Liscence fee	15,000	Nil	15,000
6	Road Cutting fee	60,000	Nil	60,000
7	Sign board fee	100,000	Nil	100,000
8	Building plan approval	50,000	Nil	50,000
9	Vegitable & Fruit market fee	350,000	Nil	350,000
10	Slaughter fee	15,000	Nil	15,000
11	Parking fee	100,000	Nil	100,000
12	Wallar fee	200,000	Nil	200,000
13	Certificate fee	50,000	Nil	50,000
	Sub-total	**1,260,000**		**1,260,000**
Total (2020-21 & 2021-22)		**2,565,400**	**-**	**2,565,400**

07) Town Committee Agra for the F.Y 2021-22 AIR Para No. 03			
Particulars	**Demand**	**Collected**	**Arrears**
Taxes/fees	1,235,000	179,840	1,055,160

08) Town Committee Khuhra for the F.Y 2021-22 AIR Para No. 03			
Nature of Tax/ Fee	**Budgeted**	**Collected**	**Shortfall**
Own source taxes	920,000	391,715	528,285

09) Sukkur Municipal Corporation for the F.Y 2022-23 AIR Para No. 13				
S #	**Income Head**	**Revenue Target**	**Actual Collection**	**Shortfall**
1	Advertisement Fees	12,570,000	8,783,040	3,786,960
2	Generator Fee	6,489,000	1,000,000	5,489,000
3	Municipal Shops and Buildings	56,088,600	20,889,499	35,199,101
4	City Shopping Center	4,904,400	2,522,900	2,381,500
5	Fish & Fowl	86,500	-	86,500
6	Contract of Rezki Fee	4,245,000	2,288,560	1,956,440
7	Latrine Fee	396,000	36,000	360,000
8	Benazir Bhutto Park	1,501,500	630,000	871,500
9	Parking Fee Bundar Road	217,751	82,000	135,751
10	Parking Fee Utility Slope	182,500	65,000	117,500
11	Cattle Piri fee	5,176,000	5,041,000	135,000
12	Hand Cart fee	150,000	-	150,000
13	Slaughter house	206,000	70,000	136,000
14	Whole Sale Market	7,944,000	5,252,000	2,692,000
Total		**100,157,251**	**46,659,999**	**53,497,252**

10) District Council Ghotki @ Mirpur Mathelo for the F.Y 2022-23 AIR Para No. 6				
Sr. No.	**Income Head**	**Revenue Target**	**Actual Collection**	**Shortfall**
1	Shaheed Zulfiquar Bhutto Shopping Centre Phase-I Mirpur Mathelo	3,461,400	1490,400	1,971,000
2	Shaheed Zulfiquar Bhutto Shopping Centre Phase-II Mipur Mathelo	1,806,600	652,800	1,153,800
3	Benazir Bhutto Shopping Centre Mipur Mathelo	2,659,224	1,222,224	1,437,000
4	Hospitals Mipur Mathelo	657,408	540,000	117,408
5	Rest House Mipur Mathelo	31,200	0	31,200
6	District Council Shopping Centre Near NADRA office Mipur Mathelo	684,000	324,000	360,000
7	Benazir Bhutto Shopping Centre (Upper Story) Mipur Mathelo	806,100	215,400	590,700
Total		**10,105,932**	**4,444,824**	**5,661,108**

11) Municipal Committee Ghotki @ Mirpur Mathelo for the F.Y 2022-23 AIR Para No. 6				
Sr.	**Income Head**	**Revenue Target**	**Actual Collection**	**Shortfall**
1	Wallar fee	5,639,883	4,795,640	844,243
2	Parking fee	731,957	541,320	190,637
3	Publicity/ Advertisement fee	1,495,000	1,007,950	487,050
4	Gara fee	74,785	540	74,245
5	Cattle Pound fee	50,000	30,750	19,250
6	Nali Tax/ Drainage fee	360,000	124,326	235,674
7	Residence Certificate fee	120,000	25,650	94,350
8	Rent of Cabins	1,767,451	952,142	815,309
9	Fish fee	120,372	119,420	952
10	Tower fee	400,000	56,246	343,754
11	Library fee	150,000	6,100	143,900
12	Hotel and Juice Tax	300,000	218,950	81,050
Total		**11,209,448**	**7,879,034**	**3,330,414**

12) Town Committee Thari Mirwah for the F.Y 2022-23 AIR Para No. 07				
Sr. No.	**Income Head**	**Revenue Target**	**Actual Collection**	**Shortfall**
1	Charge Tax	178,000	-	178,000
2	Tax on bill boards	205,100	-	205,100
3	Ware house tax	14,400	-	14,400
4	Vegetable/Dalali Fee	65,000	-	65,000
Total		**462,500**	**-**	**462,500**

Annex-SUK7 [Para: 6.5.6.6]: Non-revision of rent of property at fair value

District Council Khairpur for the F.Y 2022-23, AIR Para No-10					
S. No.	**Location of shops**	**Number of shops**	**Monthly Rent**	**Total Monthly Rent**	**Total Rent Per Year**
1	Setharaja	52	1,000	52,000	624,000
2	Mumtaz Colony	2	1,000	2,000	24,000
3	Faizabad Colony	5	1,000	5,000	60,000
4	Barerlo	3	1,000	3,000	36,000
5	Therhi	5	1,000	5,000	60,000
6	Pir-Jo-Goth	10	1,000	10,000	120,000
7	Khuhra	4	1,000	4,000	48,000
8	Tharhi Mirwah	3	1,000	3,000	36,000
Total		**84**		**84,000**	**1,008,000**

District Council Ghotki @ Mirpur Mathelo for the F.Y 2022-23, AIR Para No-8				
Sr. No.	**Area**	**Number of Shops**	**Monthly Rent**	**Annual Rent**
1	Shaheed Zulfiquar Bhutto Shopping Center Phase-I Mipur Mathelo	40	120,000	1,440,000
2	Shaheed Zulfiquar Bhutto Shopping Center Phase-II Mipur Mathelo	16	48,000	576,000
3	Benazir Bhutto Shopping Centre Mipur Mathelo	27	81,000	972,000
4	Hospitals Mipur Mathelo	05	25,000	300,000
5	Rest House Mipur Mathelo	01	200	2,400
6	District Council Shopping Centre Near NADRA office Mipur Mathelo	09	13,500	162,000
7	Benazir Bhutto Shopping Centre (Upper Story) Mipur Mathelo	23	11,500	138,000
Total		**121**	**299,200**	**3,590,400**

Municipal Committee Ghotki @ Mirpur Mathelo for the F.Y 2022-23, AIR Para No-8		
Sr. No.	**Area**	**Number of Shops**
1	Shops (Mutfarqa)	168
2	Shops Bus Terminal	28
3	Service Station Bus Terminal	1
4	Canteen Bus Terminal	1
5	Shopping Center Mobile Market	63
6	Cabin	167
7	Building National Bank	1
8	Public Park	3
9	Mutton and Fish Market	1
10	Meat Market	1
11	Library Building	2

Municipal Committee Ghotki @ Mirpur Mathelo for the F.Y 2022-23, AIR Para No-8		
Sr. No.	**Area**	**Number of Shops**
12	Naka Post	5
13	Building CMO House	21
14	Building Ex Union Council - II	1
15	Building Ex Union Council - III	1
16	Building Municipal Committee Office	1
17	Sweeper quarters	10
18	Open Plots	7
19	Maries Upon Shopping Center	8
Total		**490**

Local Councils, Mirpurkhas Division

Annex-MPK1 [Para: 7.5.1.1]: Non-production of record

[Rs. in Million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of record	Amount
1	Town Committee, Samaro	2021-22	9	Service books and personal files, appointment order, promotion orders, transfer postings alongwith LPC's of Mr. Hassan Mallah, Town Officer BPS-16 (total salary Rs. 1.527 million)	1.527
			8	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	2.194
2	Town Committee, Jhuddo	2021-22	16	i. Schedule of establishment duly approved by administrative department ii. Detail of sanctioned and working strength statement duly signed by controlling authority/head of the department. iii. Service books and personal files of employees iv. Record of Promotions made during period under audit. v. Record of transfer and posting of staff along with absorption of other Council's staff (in & out); vi. Record of Contract and adhoc staff hired alongwith termination/continuation / regularization of service of contractual/contingent staff. vii. Record of disciplinary cases/court case against any employees. viii. Record of vehicles alongwith allotment order & POL quota fixed for each vehicle as per entitlement of each officer/official ix. Detail of liabilities and reason for non-payment. x. Progress reports/record related to ongoing development works xi. Complete payment vouchers related to salary for the month of July, September 2021 and January 2022	0
			9	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	15.742
3	Town Committee, Hingorno	2021-22	1	Service books and personal files of employees	0
			8	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	1.754

[Rs. in Million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of record	Amount
4	Town Committee, Tando Jan Muhammad	2021-22	1	i. Service books & personal files of employees ii. Cheque issue register iii. List of vehicles & machineries iv. Measurement books	0
			4	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	22.673
			6	Contractor Credentials i.e past experience, turnover for last three years, undertaking for no litigation against contractor, affidavit for not blacklisted along with registration with FBR, SRB and PEC.	13.068
5	Town Committee, Nagarparkar	2021-22	1	i. Approval of budget estimates for the F.Y 2020-21 ii. Service books and personal files of employees iii. Record of promotions iv. Record of expenditure incurred on account of leave encashment, commutation, gratuity, financial assistance v. Expenditure statement duly reconciled with concerned accounts office (ADLF) vi. Detail of liabilities and relevant registers vii. Record related to receipts from own sources viii. Record of un-serviceable stock	0
			6	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	2.789
6	Town Committee, Chachro, Tharparkar	2021-22	1	i. Service books and personal files of employees ii. Budget and establishment control register iii. Cheque issued register iv. Detailed income and expenditure statement v. Paid vouchers for 2020-21	0
			2	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.309
7	Town Committee, Diplo,	2021-22	1	i. Complete record of the expenditure for the period from July to November 2021 (– Rs 34.355 million)	34.355

[Rs. in Million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of record	Amount
	Tharparkar			ii. Service books and personal files of employees iii. Details of complaints and litigation matters iv. Record relating to appointments and promotions v. Budget control register	
			3	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	5.034
8	Town Committee, Naukot	2021-22	6	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	10.605
9	Town Committee, Islamkot		1		8.132
10	Town Committee, Nabisar		5		2.058
11	Municipal Committee, Mithi, Tharparkar	2022-23	6	i. Budget Honoraria ii. Social Welfare iii. Medical Reimbursement	3.958
			12	Property record per Sindh Local Councils (Property) Rules, 2017	0
12	Municipal Committee, Mirpurkhas	2022-23	23	i. HR record relating to appointments, promotions and disciplinary cases. ii. Record of property and encroachments (if any)) iii. Dead stock register, detail of all vehicles with maintenance and POL consumption register iv. Detail of GTS/LS in MMC v. Detail of firefighting equipment/material alongwith the fire incidents with Roznamcha during the period of financial year 2022-23 vi. Detail of firefighting employees and employees belonging to another department working in firefighting department	0
13	Town Committee, Digri, Mirpurkhas	2022-23	1	i. Service books of staff ii. Personal files of officers and officials iii. Detail of complaints/ Ligation matters iv. Record/details regarding appointments and promotions v. Budget Control Register	0
			13	Property record per Sindh Local Councils	0

[Rs. in Million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of record	Amount
				(Property) Rules, 2017	
14	Town Committee, Jhuddo, Mirpurkhas	2022-23	1	i. Service books of staff ii. Personal files of Officers and Officials iii. Detail of complaints/ Ligation matters iv. Record/details regarding appointments and promotions v. Budget Control Register vi. List of Shops and their rent	0
			15	Property record per Sindh Local Councils (Property) Rules, 2017	0
15	District Council, Tharparkar	2022-23	9	Property record per Sindh Local Councils (Property) Rules, 2017	0
16	Town Committee, Chelhar, Tharparkar	2022-23	1	i. Income & expenditure statement for the FY-2022-23 duly reconciled with concerned accounts office (ADLF) ii. Approved budget and revised budget estimates for FY-2022-23 iii. Personal files and services books of employees' record, promotions and disciplinary cases. iv. Record of un-serviceable stock v. Progress report of all development works alongwith running bill of all development/purchases of vehicles and sanctions of competent authority, vi. Measurement books of all works/schemes vii. Tender issue registers, cash book, budget control register and demand & collection register, deposit register viii. History sheet of machinery & equipment ix. Complete record/details of receipts (own sources and Government grants) x. Register of liabilities xi. List of vehicles alongwith details of allotment of vehicles and monthly quota of POL of each vehicle xii. Property record/details and register owned	0
17	Town Committee, Islamkot, Tharparkar	2022-23	1	i. Budget estimates and revised budget estimates for the FY-2022-23 ii. Expenditure statement for the FY-2022-23 duly reconciled with concerned accounts office/ADLFA iii. Approved sanctioned and working	0

[Rs. in Million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of record	Amount
				strength alongwith establishment check register, iv. Payroll of employees for the F.Y-2022-23 v. Personal files and service books of employees along with details of promotions vi. Progress report of all development works/schemes and purchases of vehicles alongwith bills and sanctions of competent authority, vii. Annual statements of accounts for the FY-2022-23 viii. Record/details of un-serviceable items	
			9	Property record per Sindh Local Councils (Property) Rules, 2017	0
18	Town Committee, Chachro, Tharparkar	2022-23	1	i. Budget and revised budget estimates for the FY-2022-23 ii. Expenditure statement for the FY-2022-23 duly reconciled with concerned accounts office/ADLFA iii. Approved sanctioned and working strength alongwith establishment check register, iv. Personal files and services books of employees along with detail of promotions v. Record of pension cases and expenditure incurred on account of leave encashment, commutation, gratuity, financial assistance, arrears/difference bills paid if any vi. Record of employees who were granted leave, absent period and subsequent deduction of conveyance allowance vii. Progress report of all development works/schemes and purchases of vehicles alongwith bills and sanctions of competent authority alongwith measurement books. viii. Tender registers, cash book, budget control register, cheque issue register, demand & collection register, deposit register ix. Record of liabilities along with register of liabilities x. Complete record of receipts (own	0

[Rs. in Million]

Sr. No.	Name of office	F.Y.	AIR Para	Description of record	Amount
				sources and Government grants) xi. Annual statements of accounts for the FY-2022-23 xii. Compliance of previous audit reports xiii. List of vehicles alongwith details of allotees and monthly quota of POL xiv. Record of un-serviceable items xv. Bank statements of all bank accounts xvi. Incumbency reports xvii. Report of defalcation & losses	
			12	Property record per Sindh Local Councils (Property) Rules, 2017	0
			18	Contractor ledger and contract register	0
19	District Council, Umerkot	2022-23	11	i. Service Books & Personal Files & ECR ii. Detail of machinery & equipment iii. Stock and dead stock register iv. Approval of Schedule of Establishment	0
20	Town Committee, Kunri, Umerkot	2022-23	11	i. Service Books & Personal Files & ECR ii. Detail of machinery & equipment iii. Budget Book for the F.Y. 2022-23 iv. Approval of Schedule of establishment	0
Total					**124.198**

Annex-MPK2 [Para: 7.5.2.1]: Unauthorized payment of cycle allowance

[Amount in Rs.]

Sr. No.	Name of Employees	Designation	Employee No.	Payment of Cycle Allowance	
				Per Month	Per Year
1	Mr. M. Ramzan Qureshi	Computer Operator.	187	800	9,600
2	Mr. Jan Muhammad S/o Ghanwar Khan	Naib Qasid	189	800	9,600
3	Mr. Abdul Waheed S/o Abdul Hameed	Naib Qasid	189	800	9,600
4	Mr. Abdul Samad S/o Abdul Karim	Naib Qasid	192	800	9,600
5	Mr. M. Siddique Baloch	Naib Qasid	192	800	9,600
6	Mr. Mushtaque Ahmed S/o Suleman	Naib Qasid	215	800	9,600
7	Mr. Imran S/o Manzoor Ahmed	Naib Qasid	201	800	9,600
8	Mr. Waseem S/o Mehboob	Despatch Rider	214	800	9,600
9	Mr. M. Umair S/o Zahid Hussain	Muqadam.	224	800	9,600
10	Mr. Faisal Khan S/o Wali Muhammad	Jr. Clerk	227	800	9,600
11	Mr. M. Arif S/o M. Umar	Naib Qasid	228	800	9,600
12	Mr. Kamran S/o M. Ramzan	Recovery/ Jr. Clerk	231	800	9,600
13	Mr. Parkash S/o Waso Mal	Naib Qasid	453	800	9,600
14	Mr. Ashfaque Ahmed	Jr. Clerk	375	800	9,600
15	Mr. Shahid Ahmed S/o Azmatullah	Naib Qasid	244	800	9,600
16	Mr. Rafique Ahmed S/o Mansab Ali	Chowkidar	245	800	9,600
17	Mr. Wajahat Ali S/o Khursheed Ali	Naib Qasid	249	800	9,600
18	Mr. M. Zubair S/o M. Shafique	Inspector	252	800	9,600
19	Mr. Kamran S/o Rahim Bux	Inspector	252	800	9,600
20	Mr. Ali Gul S/o G. Qadir	Inspector	252	800	9,600
21	Mr. Hussain Bux S/o Mewa	Inspector	253	800	9,600
22	Mr. M. Nadeem S/o Rauf Ahmed	Inspector	253	800	9,600
23	Mr. Danish Ahmed S/o Mushtaque Ahmed	Inspector	253	800	9,600
24	Mr. Jameel Ahmed S/o Sagheer Ahmed	Inspector	254	800	9,600
25	Mr. Ali Nawaz Danish	Inspector	254	800	9,600
26	Mr. Parvaiz S/o Abdul Khalique	Inspector	254	800	9,600
27	Mr. Lakhmeer	Inspector	255	800	9,600
28	Mr. Mukhtiar Masih S/o Siraj Masih	Sanitary Jamadar	262	800	9,600
29	Mr. Zakir Ahmed S/o Najamuddin	Sanitary Jamadar	262	800	9,600
30	Mr. Furqan Abbasi	Sanitary Jamadar	262	800	9,600
31	Mr. Abid Ali S/o Sikander Ali	SWP	368	800	9,600
32	Mr. Qamaruddin S/o Sarwar Khan	M.J	267	800	9,600
33	Mr. Khalid Ahmed S/o Jamal Ahmed	Cleaner	273	800	9,600
34	Mr. Muhammad Iqbal S/o Shahmeer	Cleaner	273	800	9,600
35	Mr. Muhammad Yameen S/o Noor	Cleaner	273	800	9,600

[Amount in Rs.]

Sr. No.	Name of Employees	Designation	Employee No.	Payment of Cycle Allowance	
				Per Month	Per Year
	Mohd:				
36	Mr. Lal Muhammad S/o M. Manthar	Chowkidar	277	800	9,600
37	Mr. Noman-Ul-Hassan	Recovery .Clerk	431	800	9,600
38	Mr. Rashid Rana S/o Mehmood Rana	R.C/ Jr. Clerk	387	800	9,600
39	Mr. M. Farooque S/o Abdul Shakoor	Naib Qasid	388	800	9,600
40	Mr. Noor Hassan S/o Taj Muhammad	Naib Qasid	388	800	9,600
41	Mr. Muhammad Hanif S/o Mohd: Hayat	Naib Qasid	389	800	9,600
42	Mr. Fayaz Ahmed S/o Sanaulah	Jr. Clerk	392	800	9,600
43	Mr. Zahid Hussain S/o Hamzo Khan	Jr. Clerk	392	800	9,600
44	Mr. Shabbir Ahmed S/o Gulab	Recovery/ Jr. Clerk	394	800	9,600
45	Mr. Muhammad Aslam	Recovery/ Jr. Clerk	394	800	9,600
46	Mr. Muhammad Afzal	Recovery/ Jr. Clerk	395	800	9,600
47	Mr. Badal Mal	Recovery/ Jr. Clerk	396	800	9,600
48	Mr. Gulab Rai	Recovery/ Jr. Clerk	396	800	9,600
49	Mr. Imam Bux Baloch	Recovery/ Jr. Clerk	396	800	9,600
50	Mr. Vejay Kumar S/o Rewa Chand	Recovery/ Jr. Clerk	397	800	9,600
51	Mr. Mahesh Kumar S/o Gurmukh Das	Recovery/ Jr. Clerk	397	800	9,600
52	Mr. Muhammad Adeel S/o Muneer Sohail	Tax Inspector	398	800	9,600
53	Mr. Muhammad Sohail S/o Chand Muhd:	Recovery/ Jr. Clerk	403	800	9,600
54	Mr. Abdul Ghani S/o Abdul Hameed	Recovery/ Jr. Clerk	404	800	9,600
55	Mr. Vejay Kumar S/o Mano Mal	Recovery/ Jr. Clerk	404	800	9,600
56	Mr. Muhammad Younus Khan	Recovery/ Jr. Clerk	406	800	9,600
57	Mr. Abdul Rasheed S/o Wazir Ali	Recovery/ Jr. Clerk	406	800	9,600
58	Mr. Mukesh S/o Utam Chand	Tax Inspector	407	800	9,600
59	Mr. Chaitan Das	Tax Inspector	409	800	9,600
60	Mr. M. Hanif S/o M. Rafique	Recovery/ Jr. Clerk	408	800	9,600
61	Mr. Ch: Muhammad Ramzan	Recovery/ Jr.	408	800	9,600

[Amount in Rs.]

Sr. No.	Name of Employees	Designation	Employee No.	Payment of Cycle Allowance	
				Per Month	Per Year
		Clerk			
62	Mr. Muhammad Ali S/o Musharaf Ali	Recovery/ Jr. Clerk	410	800	9,600
63	Mr. Kamran Khan S/o Sirajuddin	Helper	412	800	9,600
64	Mr.Prem Kumar S/o Vekho Mal	Naib Qasid	412	800	9,600
65	Mr. Jahanzaib Ahmed S/o Riaz Ahmed	Jr. Clerk	413	800	9,600
66	Mr. Ghulam Dastageer S/o Ghulam Muhd:	Recovery/ Jr. Clerk	413	800	9,600
67	Mr. Amolakh Das S/o Dhano Mal	Jr. Clerk	413	800	9,600
68	Mr. Sikandar Ali S/o Hadi Bux	Recovery/ Jr. Clerk	416	800	9,600
69	Mr. Aamir S/o Gulzar	Recovery/ Jr. Clerk	418	800	9,600
70	Mr. Shahzad Sooba	Recovery/ Jr. Clerk	418	800	9,600
71	Mr. Jahanzaib S/o Ashfaque Ahmed	Recovery/ Jr. Clerk	418	800	9,600
72	Mr. Irshad Ali S/o Arbab Ali	Recovery/ Jr. Clerk	423	800	9,600
73	Mr. Rana Muhammad Umair	Recovery/ Jr. Clerk	423	800	9,600
74	Mr. Kamran Ali S/o M. Ibrahim	Naib Qasid	424	800	9,600
75	Mr. Imran Khan S/o Karim Bux	Naib Qasid	424	800	9,600
76	Mr. Muhammad Shahid S/o Jabbar	Naib Qasid	426	800	9,600
77	Mr. Sohail Ahmed S/o Abdul Rasheed	Naib Qasid	425	800	9,600
78	Mr. Abdul Ghafoor S/o Gul Muhammad	Naib Qasid	426	800	9,600
79	Syed Nadir Ali	Recovery/ Jr. Clerk	432	800	9,600
80	Mr. Sanaullah S/o Shamsuddin	Jr. Clerk	442	800	9,600
81	Mr. M. Waseem S/o Liaquat Ali	Daftari	443	800	9,600
82	Mr. Shahid Iqbal	Naib Qasid	444	800	9,600
83	Mr. Jawaid Ali S/o M. Bux	Naib Qasid	444	800	9,600
84	Mr. Jagdesh Kumar S/o Chagan Lal	Naib Qasid	445	800	9,600
85	Mr. Mansoor Ali S/o Muhammad Siddique	Naib Qasid	447	800	9,600
86	Mr. M. Yaqoob Ghouri	Jr. Clerk	441	800	9,600
87	Mr. M. Ayoub S/o Arz Muhd	Beldar	369	800	9,600
88	Mr. M. Kamran S/o Raees	Chowkidar	368	800	9,600
89	Mr. Abdul Waheed	Naib Qasid	367	800	9,600
90	Mr. Ismail Khan S/o Umaid Ali	Jr. Clerk	302	800	9,600
91	Mr. Abdul Rehman	D.M	301	800	9,600
92	Mr. Muhammad Shahid S/o Faiz	Mistary	303	800	9,600

[Amount in Rs.]

Sr. No.	Name of Employees	Designation	Employee No.	Payment of Cycle Allowance	
				Per Month	Per Year
	Muhammad				
93	Mr. Naseer Ahmed S/o Abdul Aziz	Naib Qasid	304	800	9,600
94	Mr. Imran Baig	Naib Qasid	304	800	9,600
95	Mr. Nadeem S/o Manzoor Ali	Malhi	305	800	9,600
96	Mr. Abdul Quddos	Work Mistri	309	800	9,600
97	Mr. Wazeer S/o Nothi	Beldar	310	800	9,600
98	Mr. Riaz Muhammad S/o Sher Muhammad	Beldar	221	800	9,600
99	Mr. Abdul Shakir	Beldar	221	800	9,600
100	Mr. Ali Nawaz S/o Karim Bux	Beldar	222	800	9,600
101	Mr. M. Saleem S/o Jumma	machinist	313	800	9,600
102	Mr. Mazhar S/o M. Rafique	Helper	316	800	9,600
103	Mr. Muhammad Irfan S/o Islamuddin	Beldar	316	1,900	22,800
104	Mr. Muhammad Zeeshan S/o Abdul Rasheed	Naib Qasid	315	1,500	18,000
105	Mr. Mushtaque Ali S/o Kherati	Helper	322	800	9,600
106	Mr. M. Kamran S/o Ghulam Mohd	Head munshi	330	800	9,600
107	Mr. Zahir Ahmed S/o Noor Muhammad	Malhi	333	800	9,600
108	Mr. Shoukat S/o Gulab	Plumber	336	800	9,600
109	Mr. Muhammad Ramzan S/o Jamal Khan	Pump Driver	337	800	9,600
110	Mr. Imran Ali S/o Anwar Ali	Pump Driver	337	800	9,600
111	Mr. Muhammad Ibrahim S/o Sahib Dino	Pump Driver	337	800	9,600
112	Mr. Imtiaz Ali S/o Taj Muhammad	Pump Driver	338	800	9,600
113	Mr. Ghulam Ayaz	Valve man	342	800	9,600
114	Mr. Fateh Muhammad S/o Kale Khan	Valve man	342	800	9,600
115	Mr. Ali Sher S/o Dur Muhammad	Valve man	343	800	9,600
116	Mr. Muhammad Razzaque S/o Tufail	Valve man	343	800	9,600
117	Mr. Zahid Hussain S/o Asghar Ali	Valve man	343	800	9,600
118	Mr. Shakir Hussain S/o Baqar Hussain	Valve man	344	800	9,600
119	Mr. Nisar Hussain S/o Mukhtar Hussain	Valve man	344	800	9,600
120	Mr. Abdul Rehman S/o Faqir Muhammad	Ft. M	341	800	9,600
121	Mr. Muhammad Tayyab	Helper	346	800	9,600
122	Mr. Najabuddin S/o Muhammad Bux	Helper	345	800	9,600
123	Mr. Shahnawaz S/o Faqir Muhammad	Helper	347	800	9,600
124	Mr. Rashid Hussain S/o Baqar Hussain	Helper	346	800	9,600
125	Mr. Saeed Ahmed S/o Manzoor Ahmed	Helper	347	800	9,600
126	Mr. Muhammad Umar (Junior)	Beldar	349	800	9,600
127	Mr. Zohaib S/o Muhammad Siddique	Beldar	349	800	9,600

[Amount in Rs.]

Sr. No.	Name of Employees	Designation	Employee No.	Payment of Cycle Allowance	
				Per Month	Per Year
128	Mr. Muhammad Yameen S/o Saeed Ahmed	Beldar	350	800	9,600
129	Mr. Arif Mehboob	Dresser	354	800	9,600
130	Mr. Raees Ahmed S/o Ameer Ahmed	Naib Qasid	361	800	9,600
131	Syed Al e Imran	Computer Operator:	282	800	9,600
132	Miss. Naseem Akhter D/o Atta Muhammad	vaccinator	284	800	9,600
133	Mr. Noor Muhammad	vaccinator	284	800	9,600
134	Mr. Tarique Hussain	vaccinator	284	800	9,600
135	Mr. Shoaib Khan S/o Abdul Latif	Naib Qasid	287	800	9,600
Total				**109,800**	**1,317,600**
Rs. in million				**0.110**	**1.318**

Annex-MPK3 [Para: 7.5.3.2]: Non-transparency in spending public funds

Municipal Committee, Mirpurkhas 2022-23 [AIR Para: 7] Rs 23.524 million

[Amount in Rs.]

Sr. No.	Description	Name of Contractor	Vr. No.	Cheque No. & Date	Gross Payment
1	Filling mud trolly	M/S Ghori Const. Co.	19	277515484 15/07/2022	290,000
2	Hiring charges		20		289,100
3	Supply of pipe and other		21		284,700
4	Supply of routers		22		299,000
5	Supply of pipe and other		23		106,250
6	Dewatering 10HP pumps	M/S Shah Engineer & Builders	24	277515485 15/07/2022	281,900
7			25		285,850
8			26		293,750
9	Supply of routers		27		289,100
10	Supply of pipe oil		28		231,750
11	Supply of routers		29		299,500
12	Supply of routers	M/S Ameer Hamza Engineer & Builder	30	277515486 15/07/2022	281,900
13			31		299,500
14	Supply of pipe etc rain emergency		32	277515487 15/07/2022	284,550
15	Supply of used oil		47	277515488 26/07/2022	256,000
16	Filling mud trolly		48		283,800
17	Supply of used oil	M/S Ghori Const. Co.	49	277515489 26/07/2022	281,600
18	Supply of lime powder		50		288,500
19	Supply of manhole covers		51		298,500
20	Supply of manhole covers	M/S Shah Engineer & Builders	52	277515490 26/07/2022	276,000
21	Supply of used oil		53		224,000
22	Hiring charges		54		294,000
23	Hiring charges Excavator	M/S Ghori Const. Co.	38	277515498 17/08/2022	289,100
24	Hiring charges Excavator	M/S Shah Engineer & Builders	39	277515499 17/08/2022	294,000
25	Hiring charges of lights for Muharram ul Haram		40		217,500
26			41		104,400
27			42		289,600
28			43		246,500
29			44		150,800
30	Hiring charges of lights for Muharram ul Haram	M/S Ameer Hamza Engineer & Builder	45	277515500 17/08/2022	163,900
31			46		232,000
32	Supply of mosquito fogger	M/S Shah Engineer & Builders	44	277515511 02/09/2022	247,500
33	Supply of de-watering pump		45	277515512 02/09/2022	252,900
34	Supply of pipes	M/S Ghori	46	277515513	192,250

[Amount in Rs.]

Sr. No.	Description	Name of Contractor	Vr. No.	Cheque No. & Date	Gross Payment
35	Supply of flags / banners on 14th August	Const. Co.	47	02/09/2022	192,000
36	Repair of NPR small vehicle	M/S Ameer Hamza Engineer & Builder	49	277515514 02/09/2022	167,650
37	Supply of oil filters for sanitation	M/S Ghori Const. Co.	50	277515515 02/09/2022	264,500
38	Repair of sewerage lines		51		290,600
39	Rent charges camp. Office		56	37113039 05/09/2022	99,900
40	Hiring charges Excavator	M/S Ameer Hamza Engineer & Builder	61	277515519 09/09/2022	153,450
41			62		173,250
42	Hiring charges Excavator	M/S Shah Engineer & Builders	18	37113072 03/10/2022	292,050
43	Supply of electric material		19		95,520
44	Repair Govt. vehicle 5879		37	37113079 18/10/2022	39,900
45	Hiring charges Excavator		52	37113086 18/10/2022	284,200
46	Hire Charge P/labour & Excavator	M/S Ameer Hamza Engineer & Builder	24	37897003 02/11/2022	273,750
47	Supply of electric material		25		272,300
48	Hiring charges Tractor blade	M/S Shah Engineer & Builders	30	37897007 02/11/2022	296,000
49	Repair of sewerage lines		31		299,170
50	Supply of manhole covers	M/S Ghori Const. Co.	32	37897008 02/11/2022	299,500
51	Rent of Suzuki vehicle		33		99,550
52	Supply of sanitation material		34		253,000
53	Repair of sewerage lines		91	37897027 23/11/2022	298,900
54	Hiring charges Tractor blade		92		275,200
55	Hiring of labour		93		262,500
56	Hiring charges Tractor trolly		94		294,000
57	Hiring charges Tractor trolly	M/S Ameer Hamza Engineer & Builder	95	37897028 23/11/2022	294,000
58	Supply of sanitation material		96		296,150
59	Hiring of labour		97		294,000
60	Hiring charges Tractor blade	M/S Shah Engineer & Builders	98	37897029 23/11/2022	292,400
61	Hiring charges Tractor trolly		99		273,000
62	Supply of hand carts		100		284,300
63	Supply of hand trolly		101		298,000
64	Supply of computer		43	37897054 07/12/2022	185,500
65	Hiring charges Tractor blade	M/S Ameer Hamza Engineer & Builder	92	37897069 16/12/2022	296,700
66	Repair of sewerage lines		93		299,550
67	Hiring of labour		94		294,000
68	Hiring charges Excavator		95		287,100

[Amount in Rs.]

Sr. No.	Description	Name of Contractor	Vr. No.	Cheque No. & Date	Gross Payment
69	Supply of lime powder		96		299,600
70	Supply of electric material	M/S Shah Engineer & Builders	97	37897070 16/12/2022	299,560
71	Hiring charges Tractor trolly		98		283,500
72	Hiring of labour		99		199,500
73	Repair of office vehicle	M/S Ameer Hamza Engineer & Builder	60	25276429 17/01/2023	174,000
74	Repair of sewerage lines		61		299,250
75	Hiring charges Tractor blade	M/S Shah Engineer & Builders	63	25276430 17/01/2023	282,000
76	Repair of sewerage lines		64		278,500
77	Supply of electric material		65		294,800
78			66		299,750
79			67	25276431 17/01/2023	299,000
80			68		299,000
81			69		299,000
82			70		299,000
83			71		299,000
84			72		299,000
85	Supply of lime powder	M/S Ameer Hamza Engineer & Builder	20	38602608 02/02/2023	284,000
86	De-silting of nalla		21		297,000
87	Supply of electric material		31	38602614 06/02/2023	109,500
88			32		297,500
89	Purchase of Stationery & other items	M/S Shah Engineer & Builders	39	38602617 06/02/2023	134,490
90	Supply of hand carts		40		231,250
91	Repair of furniture	M/S Ghori Const. Co.	41	38602618 06/02/2023	296,200
92	Generator rent		42		298,650
Total					**23,524,340**
Rupees in million					**23.524**

Annex-MPK4 [Para: 7.5.3.4]: Execution of development works through quotations instead of NIT

1. Town Committee, Jhuddo, Mirpurkhas [AIR Para: 1] 2021-22 Rs 8.769 million

Sr. No.	Description of Works	Name of Contractors	Work Order # & Date	Gross Amount
1	Repair of Open S/Drain at Rasool Bux Baloch House to via Waseem Baloch to Mugeri House Ward No.9, Jhuddo	M/S Maqsood Ali	149 02-03-21	300,000
2	Construction of CC Road at Noor Masjid to Nawaz House, Edan Paro Ward No.6	M/S Abdul Salam Arif	164 10-04-21	297,319
3	Construction of CC Road at Bagu House to Jagum House Edan Paro Ward No.06	M/S Abdul Salam Arif	165 16-04-21	298,787
4	Construction of CC Road at Jano House Edan Paro Ward No.06	M/S Abdul Salam Arif	166 19-04-21	287,785
5	Construction of Open S/Drain, CC Road, & RCC Slab at Wadera House, Allahdino House, , Noor Masjid to Akbar House, Edan Paro Ward No.6	M/S Abdul Salam Arif	167 19-04-21	299,929
6	Construction of Open S/Drain @ EidGah Rod to Main Nala, Waheed Thaheem to Salam Thaheem Ward No.01	M/S Maqsood Ali	23 24-07-21	294,314
7	Construction of Open S/Drain, CC Road, & RCC Slab at Wadera House, Allahdino House, , Noor Masjid to Akbar House, Edan Paro Ward No. 6	M/S Maqsood Ali	23 24-07-21	294,314
8	Construction of Open S/Drain @ Mir Irfan Bungalow to Naseer Masjid, Mir Khan Muhammad Ward No. 01	M/S Maqsood Ali	24 27-07-21	221,842
9	Construction of CC Road and Slab @ Asif Gondal to Asif House Ward No. 06	M/S Maqsood Ali	56 10-12-21	169,936
10	Construction of CC Road at Aziz Qureshi House to Ashraf Shop Ward No. 1, Jhuddo	M/S Maqsood Ali	57 10-12-21	293,113
11	Construction of Open S/Drain @ Ahmed Burghari House to Puran, Mir Kamran Bungalow to Puran Ward No.01	M/S Maqsood Ali	58 13-12-21	219,421
12	Construction of Open S/Drain @ NADRA Office to Yousif Laghari House	M/S Maqsood Ali	60 16-12-21	295,214
13	Construction of CC Road @ NADRA Office to Main Road	M/S Maqsood Ali	62 23-12-21	290,000
14	Providing & Fixing of Paving Block @ Noornai Masjid to Khuda Bux Siyal, Jhudo	M/S Construction Company	74 28-03-22	287,558
15	Providing & Fixing of Paving Block @ Qasim Chowan to Suleman Kumbhar, Khalid House Jhudo	M/S Construction Co	75 28-03-22	268,110
16	Providing & Fixing of Paving Block @ Allah Bux Chowan to Muthal Plot, Jhudo	M/S Construction Co	76 29-03-22	293,188
17	Providing & Fixing of Paving Block @ Niazi	M/S	78	244,775

Sr. No.	Description of Works	Name of Contractors	Work Order # & Date	Gross Amount
	town to Akram House, Jhudo	Construction Co	30-02-22	
18	Providing & Fixing of Paving Block @ Khamiso House to Arbab Siyal Tamachi Street, Jhudo	M/S Construction Co	81 31-03-22	295,226
19	Providing & Fixing of Paving Block @ Ayaz Shah, Ahmed Shidi, Qambar Shidi	M/S Ali Asghar	94 08-04-22	299,000
20	Providing & Fixing of Paving Block @ Siddique Kumbhar, Younis Kunbhar, Usman Kunbhar to Asif Shop	M/S Ali Asghar	96 11-04-22	149,170
21	Providing & Fixing of Paving Block @ Ramzan Unar to Mumtaz Shop	M/S Ali Asghar	97 11-04-22	299,000
22	Providing & Fixing of Paving Block @ Main Road to Qadir Kumbhar, Jumo Kumbhar	M/S Ali Asghar	98 11-04-22	273,219
23	Providing & Fixing of Paving Block @ Shahid Mohram House to Ahmed Foji House	M/S Ali Asghar	115 22-04-22	292,806
24	Providing & Fixing of Paving Block @ Sadique House to Syed Mamo Shah Town	M/S Ali Asghar	116 22-04-22	298,594
25	Providing & Fixing of Paving Block @ Gujrati Muhalla, Madir to Ashok Gujrati House, Ramesh Gujrati to Natwar Gujrati House	M/S Ali Asghar	117 25-04-22	299,000
26	Providing & Fixing of Paving Block @ Karim Bux Khaskheli, Muhammad Ali Khaskheli Ward No.11, Porho Khaskheli House, Arif Shidi House, Nadir Foji Ward No.10	M/S Maqsood Ali	118 25-04-22	253,111
27	Providing & Fixing of Paving Block @ Kirshan Gujrati House, Kalo Rama, Ramesh House, Kheema Ajia Ram, Manji Rama, Kano Rama	M/S Ali Asghar	119 02-05-22	299,000
28	Providing & Fixing of Paving Block @ Masjid Kunbhar, Dileep Viram, Natho, Akbar Khaskheli to Ali KK Shop	M/S Maqsood Ali	120 26-04-22	292,100
29	Providing & Fixing of Paving Block @ Amjad House, Mashooque Thaheem House, Govind Meghwar, Ghullam Bhati House, Anwar Rehmani	M/S Maqsood Ali	121 27-04-22	299,000
30	Providing & Fixing of Paving Block @ Shankar House, Hameed, Panha Shah, to Aijaz KK House, Jhudo	M/S Maqsood Ali	133 09-05-22	289,303
31	Providing & Fixing of Paving Block @ Sain Dida Shah, Manhar Kishor, Abdul Hameed, Khuda Bux K.K to Mashoque Shop, Jhudo	M/S Ali Asghar	134 09-05-22	291,306
32	Providing & Fixing of Paving Block @ Allah Dino Khatri, Ahmed Khaskheli, Jhudo	M/S Ali Asghar	144 01-06-22	184,088
Total				**8,769,528**

2. Town Committee, Digri, Mirpurkhas, 2022-23 [AIR Para: 6] Rs 2.052 million

S No.	Description	Contractor	Work Order No & Date	Cheque No & Date	Amount
1	Providing Laying & Fixing P.E Pipeline Street No. 04	M/S TZK Enterprise	T.C/DGHR/122 dated 22-04-2022	36196098/ 07-06-22	299,527
2	Excavation of Surface Wah & drain nala	M/S Naeem Azhar	T.C/DGHR/1373 dated 15-08-22	85809054/ 25-08-22	300,000
3	Repair of Boundary Wall at Muhammad Shah Jeelani Graveyard	M/s Noor Builders	T.C/DGHR/124/ dated 26-04-2022	36196099/ 01-07-22	298,400
4	Repair of Boundary Wall at Muhammad Shah Jeelani Graveyard		T.C/DGHR/134/ dated 10-05-2022	36196099/ 01-07-22	293,162
5	P/L & Fixing of P.E Pipeline for repair of drain	M/s Zain Entp.	T.C/DGHR/17 dated 17-01-23	38950228/ 04-07-23	284,802
6	P/L & Fixing of P.E Pipeline at Mir Yaseen & Nazeer Shah Colony	M/S Naeem Azhar	T.C/DGHR/41 dated 11-04-23	38950255/ 17-05-23	287,818
7	Repair/ Reconstruction of RCC Slab and open S/Drain at various places	M/S Zainul Abideen	T.C/DGHR/42 dated 12-04-23	38950256/ 17-05-23	288,746
Total					**2,052,455**
Rupees in million					**2.052**

3. Town Committee, Kunri, Umerkot, 2022-23 [AIR Para: 9] Rs 0.445 million

Sr. No.	Description	Contractor Name	Cheque No. & Date	Vr. No.	Gross Payment
1	Construction of surface drain with RCC slab cross at Al-Makkah	M/s Mohd Hussain Govt: Contractor	39400755 13/03/2023	68	289,693
2	Construction of RCC slab cross at Rajab Sheedi House		39400756 13/03/2023	69	155,779
Total					**445,472**
Rupees in million					**0.445**

Annex-MPK5 [Para: 7.5.3.5]: Irregular expenditure without inviting open tender

Town Committee, Diplo, Tharparkar [AIR Para: 4] 2021-22 Rs 3.358 million

Sr. No.	Description	Cheque No.	Date	Name of Contractor	Amount
1	Labor Charges NOV-21	34613017	1-Dec-21	Muhammad Umer:	324,000
2	-do-	35318535	2-Feb-22	Muhammad Umer	334,800
3	-do-	35318553	2-Mar-22	Muhammad Umer	302,400
4	-do-	35318573	29-Mar-22	M/S Indus Enterprises	334,800
5	-do-	35318586	25-Apr-22	Muhammad Umer	379,800
6	-do-	35318595	11-Apr-22	Mamlesh Kumar	334,800
7	-do-	35318607	1-Jun-22	Muhammad Umer	334,800
8	-do-	35318615	1-Jun-22	Mamlesh Kumar.	334,800
9	Labor Charges Nov-21	25810103	1-Dec-21	M/S Indus Enterprises	306,000
10	Labor Charges Dec-2021	29148427	4-Jan-22	Muhammad Umer	372,000
Total					**3,358,200**

Annex-MPK6 [Para: 7.5.3.6]: Irregular expenditure on earth filling without estimates

Sr. No.	Description	Name of contractor	Work order No. date	Gross amount of bill
1	Filling & leveling of katcha roads in town committee Chachro	M/s A.Q	197/2021 dt 23.11.2022	299,000
2			176/2021 dt 11.11.2022	299,000
3	Filling & leveling of katcha roads in town committee Chachro	M/s N.D Traders	561/2022 dt 24.03.2022	299,000
4			536/2022 dt 17.03.2022	299,000
5			545/2022 dt 20.03.2023	299,000
6			98/2022 dt 16.09.2022	299,000
7			92/20222 dt 13.09.2022	299,000
8			586/2022 dt 03.04.2022	299,000
9			341/2022 dt 12.01.2023	299,000
10			616/2022 dt 10.02.2023	299,000
11			562/2023 dt 15.02.2023	299,000
12			602/2022 dt 13.02.2023	299,000
13			369/2022 dt 12.01.2023	299,000
Total				**3,887,000**

Annex-MPK7 [Para: 7.5.6.4]: Expenditure over and above the allocated budget

[Rs. in million]

Sr. No.	Name of office	F.Y.	AIR Para	Amount
1	Municipal Committee, Umerkot	2022-23	2	50.808
2	District Council, Mirpurkhas		2	17.675
Total				**68.483**

1. Municipal Committee, Umerkot, 2022-23 [AIR Para: 2] Rs 50.808 million

[Amount in Rs.]

Sr. No.	Budget Head	Description	Sanctioned Budget Year 2022-23	Actual Expenditure Year 2022-23	Excess
1	Establishment	Salary	130,119,427	151,765,531	21,646,104
2		Monthly Pension	40,000,000	49,080,372	9,080,372
3	Contingencies	Purchase of UPS Battery	200,000	539,566	339,566
4		Generator POL	300,000	413,534	113,534
5		Celebration National Day	500,000	1,732,598	1,232,598
6		Group Insurance Premium	500,000	787,508	287,508
7		Professional Fee Advocate	300,000	815,000	515,000
8		Grant of Social Activities Forma	300,000	400,000	100,000
9		TA DA	100,000	220,720	120,720
10		POL Fire Brigade	800,000	1,214,169	414,169
11		Purchase of Crude Oil	300,000	360,010	60,010
12		Lime Stone	200,000	262,324	62,324
13		Purchase of POL and Malaria Spray	8,000,000	19,074,343	11,074,343
14		Purchase of Electric Material	2,000,000	2,677,879	677,879
15	Development	Maintenance W/S Line	500,000	3,812,532	3,312,532
16		Minor Work	1,500,000	3,271,287	1,771,287
Total			**185,619,427**	**236,427,373**	**50,807,946**
Rupees in million			**185.619**	**236.427**	**50.808**

2. District Council, Mirpurkhas, 2022-23[AIR Para: 2] Rs 17.675 million

[Amount in Rs.]

Sr. No.	Code	Budget Head	Description	Sanctioned Budget Year 2022-23 (Rs)	Actual Expenditure Year 2022-23 (Rs)	Excess (Rs)
1	A04	Employees benefit	Monthly Pension	70,000,000	72,576,733	2,576,733
			Commutation /Gratuity	6,500,000	8,885,342	2,385,342
			Pension Contribution	10,000,000	11,562,292	1,562,292
2	B01	Reserve	Reserve for Disaster Management/ Un-foreseen/Preparedness & Relief	3,000,000	8,912,018	5,912,018
3	C01	Liabilities	Pension (Commutation/Gratuity)	4,000,000	9,238,731	5,238,731
Total				**93,500,000**	**111,175,116**	**17,675,116**
Rupees in million				**93.500**	**111.175**	**17.675**

Annex-MPK8 [Para: 7.5.6.9]: Award of works without execution of agreement

S. No.	Name of work	Name of Contractor	Work Order No	Date	Sanctioned Cost
1	Repair/construction of open surface drains near rangers camp mithi	M/s Sabir Ali	MC/Mithi/403/ 2022	12.04.2022	922,652
2	Repair/construction of open surface drain @ Lohana & Khatri Paro Mithi	M/s Ramesh Kumar	MC/Mithi/431/ 2022		921,217
3	Installation of paver block @ BhittMithi	M/s Zoya Enterprises	MC/Mithi/437/ 2022		1,042,445
4	Repair/construction of open surface drain @ Khokhar Mohalla Mithi	M/s Kelash	MC/Mithi/445/ 2022		921,695
5	Repair/construction of cc road near boys primary school North colony Minthi	M/s Mool Shankar	MC/Mithi/430/ 2022		481,175
6	Installation of paver block @ Ramesh Aryani Mohalla to vedivyas Narsani Mohalla Mithi	M/s Naya Sawera Enterprises	MC/Mithi/416/ 2022		1,044,957
7	Construction of cc road @ Suthar colony school MAU Paro Mithi	M/s Rassani Enterprises	MC/Mithi/404/ 2022		1,000,652
8	Construction of cc road @ Sattar Junejo Street Bachal Shah colony Mithi	M/s AI-Murshid	MC/Mithi/402/ 2022		1,005,124
9	Construction of A-type & B-type open surface drain @ Jagdesh colony Mithi	M/s Rooma Construction	MC/Mithi/441/ 2022		580,344
10	Construction of cc road near Ganeshi Mandir Mithi	M/s Ali Muhammad & Co	MC/Mithi/422/ 2022		1,006,019
Total					**8,926,280**

Annex-MPK9 [Para: 7.5.6.10]: Unjustified expenditure on purchase of water

[Amount in Rs.]

S. No	Description	Contractor/ Supplier Name	W.O No and Date	Cheque No & Date	Amount
1	Hire charges of Water Tanker for supply of Water various colonies & Flood areas @ 4,500/- per tanker	M/s Shah Latif Pre Cast Engineering	207/ 19-09-22	37100903/ 11-10-22	292,000
2			107/ 23-09-22	37100892/ 11-10-22	292,500
3		M/s Mashalla	89/ 09-09-22	37100860/ 23-09-22	296,000
4			108/ 13-10-22	37100911/ 26-10-22	297,000
5			127/ 10-11-22	37805945/ 23-11-22	292,500
6			120/ 07-11-22	36805947/ 23-11-22	297,000
7			105/ 07-10-22	37100895/ 07-10-22	297,000
8			103/ 07-10-22	37100912/ 26-10-22	288,000
9			99/ 29-09-22	37100899/ 11-10-22	288,000
10		M/s Shah Latif Pre-Cast Engineering	109/ 11-10-22	37100906/ 20-10-22	297,000
Total					**2,937,000**

Local Councils, Shaheed Benazirabad Division

Annex-SBA1 [Para: 8.5.1.1]: Non-production of record

[Rs. in Million]

Sr. No.	Name of Office	Para No	F.Y.	Description of Record	Amount
1	Town Committee Mithiani	1	2021-22	Complete record (Establishment, Contingencies, development, repair and maintenance)	-
2	Town Committee Padiedan	1	2021-22	Complete record (Establishment, Contingencies, development, repair and maintenance)	-
3	Town Committee Daultpur	1	2021-22	Service books of staff, personnel files of officers and officials Detail of complaints and litigation cases (if any) Record of appointments and promotions Budget control register	-
		2		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	2.071
4	Town Committee Shahpur Jahania	1	2021-22	Service books of staff, personnel files of officers and officials Details of complaints/litigation matters, Record of appointments and promotions, Budget control register	-
		2		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	9.170
5	Town Committee Daur	1,2,3	2021-22	Budget and expenditure statement of financial year. Detail of bank account along with bank statements. Complete record of establishment and development Detail of property (plots, parks, graveyard, buildings etc) and auctions (if any) Registers including budget control, establishment check register, demand and collection register, cash book, dead stock register, cheque issue register, P.O.L	-

[Rs. in Million]

Sr. No.	Name of Office	Para No	F.Y.	Description of Record	Amount
				account register along with log books and history sheet of the vehicles, list of broken/unserviceable articles and sale proceeds of the old articles Complete auditable record for the FY-2019-20 Record regarding "Misappropriation / inundation of record to avoid NAB enquiry"	
6	Town Committee Jatia	1	2021-22	Reconciled expenditure statement Approval of budget estimates for the F.Y 2021-22 Approved sanctioned and working strength along with personal files and service books of staff and record of promotion, Record of expenditure incurred on account of leave encashment, commutation, gratuity, financial assistance, pension cases finalized/pending Record of disciplinary cases Liabilities register Record of un-serviceable stock items	-
		6		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	0.227
7	Town Committee Sinjhoro	1	2021-22	Service books and personal files of officers and officials	-
		2		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	3.628
8	Municipal Committee Kipro	1	2021-22	Personal files, services books of employees and record of promotions Record of receipts Record of expenditure incurred on account of leave encashment, commutation, gratuity, financial assistance Reconciled expenditure statement	-

[Rs. in Million]

Sr. No.	Name of Office	Para No	F.Y.	Description of Record	Amount
				Approval of budget estimates for the F.Y 2021-22 Liabilities register Record of un-serviceable stock items	
		8		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	26.454
		4		Contractor Credentials i.e past experience, turnover for last three years, undertaking for no litigation against contractor, affidavit for not blacklisted along with registration with FBR, SRB and PEC.	11.880
9	Town Committee Shahpur Chakar	1	2021-22	Details of promotion of four employees of council (Minutes of DPC, seniority lists, ACRs, approval of schedule of establishment, confirmation of Local Government Department)	-
		8		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	8.843
10	Town Committee Sarhari	1	2021-22	Budget control register, attendance register, house advance, recovery and movement register, Service books Posting and assignment orders, History sheet of vehicles, Details of NADRA certificates issued Property details, leased plots, agreement of shops, Detail of disposed off old scrape, Details of malaria and dengue, anti-dog and polio campaign, LFA internal audit report, detail of LFA observation on bills Record of court cases and complaints pending in NAB, FIA, Anti-corruption and Ombudsman and action against them if any, Contingency plan, Muharam-ul-	-

[Rs. in Million]

Sr. No.	Name of Office	Para No	F.Y.	Description of Record	Amount
				Haram plan, Eid-ul-Adha plan	
		7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	7.743
11	Town Committee Tharo Shah	1	2021-22	Service books and personnel files of staff and officers, Details of liabilities, Bank statement Details of promotions	-
		5		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	8.125
12	Town Committee Mehrabpur	1	2021-22	Service books and personnel files along with establishment check register Transfer details, Details of promotions, seniority lists, Details of vehicle allotment	-
		7		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	11.876
13	Town Committee Naushahro Feroze	1	2021-22	Incumbency of officers, service books and personnel files, Bank statements of all accounts, Details of promotion and appointments, Details of vehicles allotment, Detail of property, Details of liabilities, Details of income and expenditure,	-
		6		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	14.220
14	Town Committee Darya Khan Mari	1	2021-22	Service books and personnel files Bank statement, Record of promotion, Employee transferred from other councils,	-

[Rs. in Million]

Sr. No.	Name of Office	Para No	F.Y.	Description of Record	Amount
				ECR and BCR, Details of council property and agreements	
		6		Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	4.433
15	Town Committee Kazi Ahmed	1	2021-22	Mandatory certificates for payment of pension i.e. life certificates and no-marriage/re-marriage certificates in case of family pension	9.421
16	Town Committee Khadro	6	2021-22		3.602
17	Town Committee Jhol	6	2021-22		1.310
18	Town Committee Bhiria	7	2021-22		6.847
19	Municipal Committee Khipro	11	2022-23	Personal files and service books of employees Sanctioned & working strength cadre wise Promotions of employees Complete record of revenue	- - - 7.001
20	Municipal Committee Shahdadpur	14	2022-23	Personal files and service books of employees Sanctioned & working strength cadre wise Promotions of employees Complete record of development	- - - 4.697
21	District Council Sanghar	15	2022-23	Service Books and Personal Files of employees Sanctioned & working strength cadre wise	- -
22	Municipal Committee Sanghar	13	2022-23	Personal files and service books of employees Sanctioned & working strength cadre wise	- -
23	Municipal Committee Tando Adam	15	2022-23	Personal files and service books of employees Sanctioned & working strength cadre wise Promotions of employees	- - -
24	Town Committee Bhiria City	1	2022-23	Personal files and service books of employees Establishment Control Register (ECR)	-
25	District Council Shaheed Benazirabad	4-11	2022-23	Personal files and service books of employees	-

[Rs. in Million]

Sr. No.	Name of Office	Para No	F.Y.	Description of Record	Amount
				Sanctioned & working strength cadre wise Promotions of employees Awarded eighteen works to different contractors without obtaining credentials i.e., past experience, turnover for last three years, undertaking for no litigation against contractor, affidavit for not blacklisted along with registration with FBR and SRB	- - 30.008
26	Town Committee Sakrand	1	2022-23	Detail of council property and recovery of rent Establishment Control Register (ECR) Detail of Contract files of rights of collection/auctions awarded	-
27	Town Committee Bhiria Road	1	2022-23	Personal files and service books of employees Establishment Check Register (ECR)	-
28	Town Committee Mehrapur	1	2022-23	Personal files and service books of employees Establishment Check Register (ECR) Record of Promotion and change of cadre cases Salary distribution sheet/bank sheet Record of liabilities, vehicles, sanctioned and working strength, development schemes, daily wages staff, purchase of machinery & equipment, certificates/NOCs issued. Head wise detail of expenditure and income statemen, Payment vouchers for the month of November,2022 and January, 2023	-
Total					**171.556**

Annex-SBA2 [Para: 8.5.2.1]: Unauthorized creation of new posts without approval of schedule of establishment

Sr. No.	Cadres	Schedule of Establishment as per Budget Book 2016-17	Schedule of Establishment as per Budget Book 2022-23	Extra Posts	Remarks
1	Council Officer (BS-17)	1	1	0	Council Employee posted despite SCUG Posts
2	Budget Officer (BS-16)	1	1	0	
3	Fire Officer (BS-11)	1	1	0	Post of Fire Officer (BS-11) upgraded to BS-16 without approval
4	Computer Operator (BS-11)	4	4	0	All Computer operator upgraded to BS-16 instead of Junior Computer Operator BS-14
5	Stenographer (BS-15)	1	2	1	Created post without approval of Government
6	Deputy Accountant (14/11)	1	2	1	
7	Encroachment Officer (BS-17)	0	1	1	
8	Tax Inspector (BS-16)	0	1	1	
9	A. Sanitary Inspector (BS-6)	1	2	1	
10	Pump Driver (BS-05)	5	8	3	
11	Naib Qasid (BS-01)	14	15	1	
12	Malhi (BS-01)	2	3	1	
14	Helper (BS-01)	10	17	7	
Total		**41**	**58**	**17**	

Annex-SBA3 [Para: 8.5.2.2]: Irregular out of turn / cadre promotions

Sr. No.	Full Name of the Employees	Date of Appointment	Designation on Initial Appointment with Scale	Date of Promotion (1st)	Authority allowed Promotion	Date of Promotion (2nd)	Date of Promotion (3rd)	Authority Allowed Promotion	Drawing Salary Currently as	Remarks
1	Mr. Muhammad Iqbal S/o Hanif	01/07/1985	Octroi Clerk (BS-05)	4/7/2012, Assistant (BPS-11)	SO-III, LGD	-	Office Superintendent (BS-17)	-	Office Superintendent	Out of Cadre
2	M- Yaqoob S/o Abdul Hameed	01/07/1985	Octroi Clerk (BS-05)	21-3-2005, Computer Operator (BPS-11)	TMA/SHD	1/12/2010, Assistant (BPS-14)	Assistant E/B (BS-16)	SO-III/LG	Assistant	Out of Cadre
3	Intizar Ali S/o Muhammad Sharif	17/05/1992	Octroi Clerk (BS-05)	1/4/2005, Sr. Clerk (BPS-7)	TMA/SHD	23/2/2009 Budget Clerk (BPS-9) 1/7/2011 Budget Clerk	Deputy Accountant (BS-16)	SO-III/LG	Deputy Accountant	Out of Cadre
4	Zulfiqar Ali S/o Abdul Aziz	10/10/1991	Octroi Clerk (BS-05)	29-04-2009, Assistant Revenue (BPS-09)	SO-III, LGD	13-09-2011, Tax Inspector (BPS-11)	Assistant Revenue (BS-16)	SO-III, LGD	Assistant Revenue	-
5	Abdul Jabbar S/o Raza Mohd	16/07/1981	Octroi Clerk (BS-05)	18-05-2017, Council Officer (BPS-1)	SOA, LGD	22-09-2022, Council Officer BPS-16	Council Officer (BS-16)	SO-I, LGD	Council Officer	Out of Cadre
6	Ashraf Adil S/o M- Shafique	01/11/1990	Sanitary Inspector (BS-06)	29-04-2009, Sr. Clerk (BPS-07)	SO-III, LGD	01-07-2011, Sr. Clerk (BPS-09)	Senior Clerk (BS-14)	SO-III, LGD	Senior Clerk	-
7	Atta Mohammad S/o Sahib Khan	27/01/2012	Junior Clerk (BS-07)	04-08-2016, Upgradation0 (BPS-11)	FD(SR-IV)	24/07/2020 Sr. Clerk (BPS-14)	Senior Clerk (BS-16)	SO-I (LGD)	Senior Clerk	-
8	Zahid Hussain Mirza Fazal Karim	18/07/1988	W/S Helper (BS-01)	19/12/1991	TMA/SHD	-	Mistry (BS-03)	-	Mistry	-
9	Gul Sher S/o Hameer Chutto	1/20/1990	Naib Qasid (BS-01)	29/04/2009	SO-III, LGD	-	D / Operator (BS-04)	-	Drainage Operator	Out of Cadre
10	A- Hameed S/o Ali Akber Pahore	04/08/1991	Naib Qasid (BS-01)	29/04/2009	SO-III, LGD	-	Nike (BS-04)	-	Nile	-

Sr. No.	Full Name of the Employees	Date of Appointment	Designation on Initial Appointment with Scale	Date of Promotion (1st)	Authority allowed Promotion	Date of Promotion (2nd)	Date of Promotion (3rd)	Authority Allowed Promotion	Drawing Salary Currently as	Remarks
11	Mukesh Ganesh	13/11/1993	Sanitary Worker (BS-01)	05/05/2011	TMA/SHD	-	Sanitary Jamadar (BS-04)	-	Sanitary Jamadar	-
12	Ratan Ramji	15-021990	Sanitary Worker (BS-01)	05/05/2011	TMA/SHD	-	Sanitary Jamadar (BS-04)	-	Sanitary Jamadar	

Annex-SBA4 [Para: 8.5.3.3]: Splitting up of the works to avoid publication in print media

Sr. No.	Wr. No.	Description of Work	Duration of Work	Tender Amount
1	1	Part-A Repair and Maintenance of Pir Qurban Hall of District Council Office District, Shaheed Benazir Abad.	03 Months	1,999,000
2	3	Repair and Maintenance of Sanitary Works installation of Works supply pipe line and Sewerage pipe line, Repair of Leaterh Seats of Pir Qurban Hall of District Council Office District, Shaheed Benazir Abad.	03 Months	1,998,000
3	6	Part-A Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from Nawabshah- Kazi Ahmed road to Village Nibaho Bhoora Road Mile 0/0-1/7 (3.00 K.m) UC Bhoora Taluka Sakrand Part-B Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Nawabshah Sakrand road to Village Usman Kerio road deh 43 dad Mile 0/0-1/0 UC Jamal Keerio Part-C Providing Brick Pavement Road 300RFT at Village Rabani Zardari UC Hassan Jamali Part-D Construction of Cross Culverts 04 Nos surrounding Areas of Village Rabani Zardari UC Hassan Jamali	03 Months	1,987,160
4	7	Part-A Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from 68th road @ mile 1/0 to Village Sher Khan Jamali Road Mile 0/0-1/0 UC Ghandtar Part-B Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from 68th Mile road 0/5 to village Saeed Khan Jamali Mile 0/0-1/0 UC Ghandtar Part-C Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from Juna Mori Jamal Shah road @ Mile 3/2 to Village Khabar Khan Zardari, Badar Din, Link Masjid & School Mile 0/0- 1/6+330 (2.90 km) UC Mirzabagh	03 Months	1,456,000
5	8	Part-A Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from 72 Mori to 68th Mile road to Connect Village Khan Muhammad Brohi Mile 0/0-0/4+330 (0.90 K.m) UC Ismail Khan Brohi Part-B Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Sirac Muhbat Sethar Road @ Mile 2/2 to Village Achar Khan Rind Road Mile 0/0-1/0 (1.60 km) i/c Slab Bridge Over Sim Nala UC Sohelo Part-C Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from Jam Sahib-68th Mile Road 2/0 to Village Soomar Khan Lashari road Deh 111 Nusrat Mile 0/0-2/2 UC Jhoro Khan Shar Part-D Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Nawabshah Jam Sahib Road @ Mile 3/4 to Village Abdul Karim Barhmani road deh 36 Nusrat Mile 0/0-1/0 UC Ismail Khan Brohi	03 Months	1,862,261
6	9	Part-A Dismantling and Reconstruction of Cross Culverts 01 Nos at Road 12/0 to Village Nazir Ahmed Brohi Deh 117 Nusrat Mile 0/0-1/2+330 (2.10 km) UC Gupchani Part-B Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from	03 Months	1,106,533

Sr. No.	Wr. No.	Description of Work	Duration of Work	Tender Amount
		Gupchani Shahdadpur road to Village Gul Hassan Siyal Deh Gupchani Mile 0/0-1/4 Gupchani		
7	10	Part-A Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from to Village Sabir Ali Shah Deh 7 Nusrat Mile 0/0-1/3 UC Amerji Part-B Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from Chutto Pitfi link road to Village Pir Bux Dahri UC Amergi Mile 0/0-1/5 UC Amerji Part-C Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Khuda Dad Borhi 2/0 to Village Fazal Muhammad Bhangwar Deh Obheri Sawari Chak No.1 Mile 0/0-2/4 UC Amerji	03 Months	1,858,600
8	11	Part-A Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from 2/0 to Village Fazal Muhammad Bhangwar Deh Obheri Sawari Chak No.1 Mile 0/0-2/4 UC Amerji Part-B Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from to North side of Bandhi village Dr. Saleem Chandio via Porho Khan Londhho Mile 0/0-1/1+120 UC Bandhi Part-C Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Moula Bux Zardari to Village Ibrahim Zardari UC Sher Ali Shah Part-D Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Nawabshah- Kazi Ahmed road Misri Khan Chandio via Hussain Unar Mile 0/0 0/6 (1.20 Km) UC Wali Muhammad Rind	03 Months	1,845,500
9	12	Part-A Dismantling and Reconstruction of Cross Culverts 05 Nos at Road from Sakrand - Khadhar road to Connect Sakrand - Sarhari road Via Adam Brohi Mile 0/0-2/0 UC Kumbleema	03 Months	1,837,500
10	13	Part-A Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from N.H. Way Nawab Wali Muhammad to Connect Sarkari Khooh to Pubjo via Kandu Kalhoro, Allah Bux Chandio, 0/0-5/0 UC Ahmed Bughio Part-B Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Khar to Village Raj Muhammad Dahri Mile 0/0-2/0 UC Kharr Part-C Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from Kot Bhadurabad to Sugar Mill Road UC Kharr	03 Months	1,967,600
11	14	Part-A Dismantling and Reconstruction of Cross Culverts 04 Nos at Road from to Village Padd, Mile 0/0-2/6 UC Ahmed Bughio Part-B Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Kazi Ahmed Sawai Manjtho 2/6 to Jamal Shah Via Dino Mehar Mile 0/0-1/3 UC Mehraro	03 Months	1,824,500
12	15	Part-A Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Kazi Ahmed Punjo road to Connect Kazi Ahmed Jamal Shah Road via Village Bhadur UC Mirzabagh Part-B Construction of Cross Culverts 04 Village Allah Bux Zardari, 01 Village Ahmed Kaloi UC Jamal Shah Part-C Dismantling and Reconstruction of Cross Culverts 01 Nos at Road from Kazi Ahmed Punjo road to Connect Kazi Ahmed Jamal Shah Road to Saeed Khan Mashori Mile 0/0-4/0 UC Jamal Shah	03 Months	1,329,300

Sr. No.	Wr. No.	Description of Work	Duration of Work	Tender Amount
13	16	Part-A Dismantling and Reconstruction of Cross Culverts 02 Nos at Road from Daur Haberi Road @mile 3/0 to Village Ghulam Hussain Dahri road Mile 0/0- 3/3 UC Abul Hassan Part-B Dismantling and Reconstruction of Cross Culverts Main Road 02 Nos Near village Haji Ahmed Hoti Poto UC Charro	03 Months	1,462,400
14	17	Construction of Cross Culverts 02 Village Muhammad Khan Magsi UC Morio Lakho, Part-B Construction of Cross Culverts 06 UC Dalil Dero, Part-C Construction of Cross Culverts 04 UC Hamal Faqeer, Part-D Construction of Cross Culverts 02 Village Sahib Khan Jamali UC Hassan Jamali	03 Months	1,959,700
15	19	Part-A Construction of Cross Culverts 03 at Village Abid Ali Gorchani UC Abul Hassan, 01 Culvert Nawab Punjabi UC Abul Hassan Part-B Providing Brick Pavement Road 1200RFT at Village Abid Ali Gorchani UC Abul Hassan	03 Months	1,810,500
16	20	Part-A Construction of Cross Culverts 03 at Qurbarsatan Paral Pir UC Ahmed Bughio Part-B Providing Brick Pavement Road 1500RFT at Qurbarsatan Paral Pir UC Ahmed Bughio	03 Months	1,956,000
17	22	Part-A Construction of Cross Culverts 05 UC Jamal Keerio, Part-B Construction of Cross Culverts 04 UC Kumbleema, Part-C Construction of Cross Culverts 02 Village Dari Magsi UC Mehrabpur	03 Months	1,533,865
18	23	Construction of Cross Culverts 04 Village Molla Bux Khaskheli 04 No culverts Village Faiz Khaskheli, 04 Atta Muhammad Malokhani, 02 Village Muhammad Kaloi UC Jamal Shah	03 Months	1,995,000
19	24	Construction of Cross Culverts 04 Village Aijaz Zardari, 01 at Allah Ditho Hoot, 01 Sabir Zardari UC Khair Shah Part-B Providing CC Topping Road 500RFT at Village Aijaz Zardari UC Khair Shah	03 Months	1,811,000
20	26	Construction of Cross Culverts 04 Deh Olah Amergi, 04 Nos Culverts Deh Behlaro, 04 Culvert Deh Manhar UC Manharo	03 Months	1,732,000
21	27	Part-A Construction of Cross Culverts 04 at Village Haji Muhammad Idris Dahri near House of Dr Asadullah Dahri UC Manharo Part-B Construction of waiting Shade at Village Chaudry Javeed Pir Shahmir Road UC Manharo	03 Months	1,557,000
22	28	Providing Brick Pavement Road 2000RFF at Village Dili Jan Near Jadeen UC Mirza Farakh Baig	03 Months	1,576,300
23	29	Part-A Construction of Small Bridge at Yaseem Khaskheli Village Shah Muhammad Khaskheli UC Mureed Khan Zardari Part-B Construction of Cross Culverts 01 Atta Muhammad, 01 Ayoub Zardari, 01 Mehboob Zardari, 01 ustad Muhammad Hussain, 02 Bashir Zardari UC Mureed Khan Zardari Part-C Construction of Cross Culverts 04 at Ishaque Zardari Deh 13 Dad Village Badaruddin Zardari UC Wali Muhammad Rind	03 Months	1,917,575
24	30	Construction of Cross Culverts 02 No at Press Club Nawab Wali Muhammad Part-B Provding CC topping 870RFT at Village Allah Bux UC Ahmed Bugio	03 Months	1,986,150
25	31	Construction of Cross Culverts 04 Hobdar Zardari, 04 Village Allah Bux Zardari, 02 Nos at Khalid Hussain Zardari, 04 Village	03 Months	1,967,000

Sr. No.	Wr. No.	Description of Work	Duration of Work	Tender Amount
		Saleem Raza UC Mureed Khan Zardari		
26	34	Construction of Cross Culverts 05 at Ghulam Hyder Zardari UC Mureed Khan Zardari Part-B Construction of Cross Culverts 02 Nos Main Road to Village Pir Bux Jajoha 14 Dad UC Wali Muhammad Rind Part-C Providing CC Topping 250RFT at Ghulam Mustafa Zardari UC Khair Shah	03 Months	1,920,783
27	36	Part-A Construction of Cross Culverts 02 at Village Pir Bux Jajwo UC Wali Muhammad Rind, 02 At Ali Gul Zardari UC Sher Ali Shah Part-B Construction of Cross Culverts 01 Village Rehman, 01 Malho Zardari, 04 Mashooque Zardari, 04 Asghar Zardari UC Mureed Khan Zardari	03 Months	1,969,500
28	37	Providing Brick Pavement Road 1800RFT at Ghulam Hussain including Madersa portion road UC Ghandhtar	03 Months	1,417,800
29	38	Providing CC Topping Road 1000RFT at Jamal Keerio UC Jamal Keerio	03 Months	1,878,500
30	40	Part-A Construction of Cross Culverts 04 at Village Rasheed Zardair UC Jam Datar Part-B Providing CC Topping road 700RFT at Village Rasheed Zardari Deh 26 Nusrat UC Jam Datar	03 Months	1,921,000
31	41	Providing Brick Pavement Road 1200RFT at Villag Talib UC Nathiani	03 Months	998,000
32	43	Part-A Construction of Cross Culverts 06 UC Mehrabpur Part-B Construction of Cross Culverts 06 UC Thatt	03 Months	1,693,000
33	44	Construction of Cross Culverts 06 UC Pat Peral Part-B Construction of Cross Culverts 06 UC Kazi Ahmed Part-C Construction of Cross Culverts 02 Nos at Gohram Mari UC Gohram Mari	03 Months	1,965,000
34	45	Providing CC Topping Road 1000RFT at Village Muhammad Ali Khaskhal UC Jamal Shah	03 Months	1,988,900
35	46	Construction of Cross Culverts 06 UC Dehran	03 Months	841,900
Total				**60,930,827**
Rupees in million				**60.931**

Annex-SBA5 [Para: 8.5.3.6]: Irregular award of works without publication of tender in print media

Sr. No.	Wr. No.	Description of Work	Duration of Work	Tender Amount
1	4	Providing Supplying and Installation of Floor Standing Air Condition 2 Tons Inverter Kenwood, Gree or any Other Equivalent Brand i/c Installation Fitting with Power Cable with Complete Accessories (Market Rate)	03 Months	2,079,000
2	5	Providing Supplying and Installation Of High Quality Audio Sound System In Pir Qurban Hall I/C Installation Of High Quality Speakers, Amplifier And Microphone System Of Imported Quality Such As Toa Japan Or Any Other Equivalent Company With Complete Accessories Installation Cabling Etc Office Of The District Council Shaheed Benazirabad	03 Months	2,012,000
3	18	Part-A Dismantling and Reconstruction Construction of Cross Culverts 01 Nos Main Road to Village Pir Bux Hot UC Khair Shah, Part-B Construction of Cross Culverts 02 at Village Rafique Jutt Deh 27 Nusrat Uc Ismail Khan Brohi, Part-C Construction of Water tank at Village Ahmed Khan Mari Deh 47 Nusrat UC 60th Mile	03 Months	2,034,000
4	21	Part-A Construction of Cross Culverts 02 at Village Haji Khair Muhammad Dahiri Deh Talhi UC Charro Part-B Providing CC topping 970RFT at Village Haji Khair Muhammad Dahiri Deh Talhi UC Charro	03 Months	2,008,000
5	25	Providing CC Topping Road 1000RFT at Village Haji Muhammad Idris Dahri near House of Dr Asadullah Dahri UC Manharo	03 Months	2,068,500
6	32	Construction of Water tank at Village Sabir Zardari Near Village Tando Ghulam Ali UC Mureed Khan Zardari Part-B Construction of Cross Culverts 05 Nos Muhammad Ali Khaskhali 06 Dad UC Mureed Khan Zardari	03 Months	2,042,400
7	33	Part-A Construction of Cross Culverts 02 Village Karem Bux Zardari, 02 Village Mehon Zardari Part-B Providing CC Topping Road 450RFT at Khalid Hussain Zardari UC Mureed Khan Zardari Part-C Providing CC Topping Road 300RFT at Malho Zardari UC Mureed Khan Zardari	03 Months	2,025,800
8	35	Construction of Cross Culverts 02 Village Bashir Rind, 02 Village Ustad Anwar Kerio 05 Culverts Surrounding Village UC Natheyani Part-B Providing Brick Pavement Road 700RFT at Waseem Keerio UC Jamal Keerio	03 Months	2,009,500
9	39	Providing CC Topping Road 1000RFT at village Rasheed Zardari Deh 26 Nusrat UC Jamdatar	03 Months	2,037,700
10	42	Providing CC Topping Road 1000RFT at Village Abdullah Khan Lund Umar Baig House and other street UC Abdullah Khan Lund	03 Months	2,010,000
Total				**20,326,900**
Rupees in million				**20.327**

Annex-SBA6 [Para: 8.5.3.8]: Irregular expenditure without inviting open tender

Sr. No.	Description of Work	Name of Contractor	Work Order # and date	Bill Date	Cheque # and date	Amount Paid
1	Supply of De-watering Machinery (2 No's)	M/S Al-Sadat	-	Nil 01-09-22	36718265 02-09-22	1,529,000
2	Hiring of Excavator Machines to Dispose off Rain Water	M.S Janan Khan	655 31-08-22	Nil 06-09-22	37419174 03-10-22	2,319,760
3	Providing & fixing of 3-Core 120 MM Cable for Energizing Electric Motor at Tando Branch to Dispose off Water	M/S Dawood Khan Mughal	663 07-09-22	Nil 08-09-22	37419175 03-10-22	560,000
4	Hiring of Excavator Machines to Excavate a Nallah from Juman Shah Khad to Bhit Shah Road to Dispose Water from Juman Shah Khad	M/S Mehram Shah Engineering Co.	685 03-09-22	Nil 30-09-22	37419193 05-10-22	1,935,000
5	Hiring of Excavator Machines to Excavate Nallah for dewatering rainy/flood water from Juman Shah Khad	M/S G.M Contractor	615 21-10-22	Nil dt: Nil	37419204 28-10-22	662,000
Total						**7,005,760**
Rupees in million						**7.006**

Annex-SBA7 [Para: 8.5.3.11]: Irregular expenditure on earth filling without estimates

[Amount in Rs.]

Sr. No.	Description of work	Name of Contractor	Work Order # and date	Bill detail	Cheque # and dated	Amount Paid
1	Earth Filling at Cattle Form village Sanjar Junejo	M/S Hamzo	2195 14-07-22	1st & Final	37073205 01-08-22	291,610
2	Earth Filling at Attaullah Khan Junejo Form village Sanjar Junejo	M/S Hamzo	2243 22-07-22	1st & Final	37073206 01-08-22	293,314
3	Earth Filling at various villages of UC Ghundan	M/S Arbab Ali	2351 29-07-22	1st & Final	37073227 10-08-22	289,132
4	Earth Filling at various villages of UC Bhit Bhatti	M/S Arbab Ali	2342 29-07-22	1st & Final	37073228 10-08-22	292,906
5	Earth Filling at various villages UC Khoori	M/S Muneer Traders	Nil dt: Nil	1st & Final	37073229 17-08-22	291,026
6	Earth Filling at various villages of UC Amanullah Dahri	M/S Hamzo	Nil dt: Nil	1st & Final	37073230 17-08-22	292,055
7	Earth Filling at various villages of UC Loon Khan	M/S Shah Inayat Traders	Nil dt: Nil	1st & Final	37073231 17-08-22	298,881
8	Earth Filling at various villages of UC Sher Mohd Dero	M/S Shah Inayat Traders	2437 05-08-22	1st & Final	37073236 27-08-22	292,598
9	Earth Filling at various villages UC Amanullah Dahri	M/S Arbab Ali	944 07-04-23	1st & Final	39589083 02-05-23	293,314
10	Earth Filling at various villages UC Habibullah Keerio	M/S Abdul Hakeem	949 07-04-23	1st & Final	39589084 02-05-23	291,221
11	Earth Filling at various villages UC 30 Jamrao	M/S Arbab Ali	1023 13-04-23	1st & Final	39589087 02-05-23	288,256
12	Earth Filling at various villages UC Soomar Faqeer	M/S Hamzo	1024 13-04-23	1st & Final	39589090 02-05-23	291,132
13	Earth Filling at various villages UC Jama Khan	M/S Hamzo	1025 13-04-23	1st & Final	39589091 02-05-23	289,049
14	Earth Filling at various villages UC Banko Chaniyo	M/S Hamzo	972 10-04-23	1st & Final	39589092 02-05-23	292,322
15	Earth Filling at various villages UC Bhopi	M/S Hamzo	961 07-04-23	1st & Final	39589093 02-05-23	293,510
16	Earth Filling at various villages UC Sandhno	M/S Hamzo	1017 13-04-23	1st & Final	39589094 02-05-23	289,479
17	Earth Filling at various villages UC koro Khan Umrani	M/S Abdul Hakeem	1055 18-04-23	1st & Final	39589096 02-05-23	289,641
18	Earth Filling at various villages UC Shah Ali Nizamani	M/S Abdul Hakeem	1096 19-04-23	1st & Final	39589097 05-05-23	291,366

[Amount in Rs.]

Sr. No.	Description of work	Name of Contractor	Work Order # and date	Bill detail	Cheque # and dated	Amount Paid
19	Earth Filling at various villages UC Habibullah Keerio	M/S Arbab Ali	1093 19-04-23	1st & Final	39589098 05-05-23	286,246
20	Earth Filling at various villages UC Mansoora	M/S Arbab Ali	1041 14-04-23	1st & Final	39589099 05-05-23	287,236
21	Earth Filling at various villages UC Kurkali	M/S Arbab Ali	1034 14-04-23	1st & Final	39589100 05-05-23	283,937
22	Earth Filling at various villages UC Kumb Darro	M/S Arbab Ali	1072 18-04-23	1st & Final	39589101 11-05-23	288,726
23	Earth Filling at various villages UC Tilla Shah	M/S Abdul Hakeem	1144 27-04-23	1st & Final	35989105 May,23	292,079
24	Earth Filling at various villages UC Azeemabad	M/S Abdul Hakeem	1162 28-04-23	1st & Final	35989106 May,23	291,172
25	Earth Filling at various villages UC Lundo	M/S Arbab Ali	1164 28-04-23	1st & Final	35989107 16-05-23	291,577
26	Earth Filling at various villages UC Workshop	M/S Abdul Hakeem	1307 11-05-23	1st & Final	35989115 26-05-23	292,484
27	Earth Filling at various villages UC Kurkali	M/S Abdul Hakeem	1197 03-05-23	1st & Final	35989116 26-05-23	290,550
28	Earth Filling at various villages UC Bitor	M/S Abdul Hakeem	1194 03-05-23	1st & Final	35989117 26-05-23	291,698
29	Earth Filling at various villages UC Khadwari	M/S Arbab Ali	1310 12-05-23	1st & Final	35989118 26-05-23	289,659
30	Earth Filling at various villages UC Gujri	M/S Arbab Ali	1217 04-05-23	1st & Final	35989119 26-05-23	289,511
31	Earth Filling at various villages UC Kot Nawab	M/S Arbab Ali	1218 04-05-23	1st & Final	35989119 26-05-23	290,727
32	Earth Filling at various villages UC Azeemabad	M/S Hamzo	1322 12-05-23	1st & Final	35989120 26-05-23	289,220
33	Earth Filling at various villages UC 84 Jamrao	M/S Shah Inayat Traders	1273 09-05-23	1st & Final	35989121 26-05-23	292,111
34	Earth Filling at various villages UC Bhiro	M/S Shah Inayat Traders	1279 10-05-23	1st & Final	35989122 26-05-23	289,908
35	Earth Filling at various villages UC Janib Dhoro	M/S Muneer Traders	1315 12-05-23	1st & Final	35989123 26-05-23	291,772
36	Earth Filling at various villages UC Khori	M/S Muneer Traders	1281 10-05-23	1st & Final	35989124 26-05-23	291,740
37	Earth Filling at various villages UC Ghujro	M/S Muneer Traders	1300 11-05-23	1st & Final	35989125 26-05-23	290,832
Total						**10,761,997**
Rupees in million						**10.762**

Annex-SBA8 [Para: 8.5.3.12]: Non-imposition of liquidated damages

[Amount in Rs]

1. Town Committee Tharo Shah (AIR Para # 4)					
Sr. No.	**Name of Contractor**	**Work details**	**Cost**	**liquidated damages**	**SDOC**
1	M/s G.M Almani	Constt of CC topping Brick pavement SD by pass to Mangi Chowk Ward-7	1,848,615	92,431	3.7.2020
2	M/s Khanzada Builders	Construction of paver blocks ward 2	1,819,368	90,968	3.7.2020
3	Ms/ Asad and Brothers	Constt of paver blocks, C Topping	1,896,387	94,819	3.7.2020
Total			**5,564,370**	**278,219**	**-**

2. District Council Naushahro Feroze (AIR Para # 9)									
S. No	**Contractor**	**Work Order # and date**	**Bill/ RA. #**	**Period of Completion**	**Actual Date of Start**	**Stipulated Date of Completion**	**Status of work**	**Total Expenditure**	**Amount of Penalty @ 5%**
Const. of paver block, S/drain, Brick pavement, CC Topping, Shops & culverts in various villages of UC Cheeho, Dageja, Bhambari, Channari, Vessar, Phull, Noorpur, Wagan, Abbran, Koor Hassan, Bhurand & Thatt Taluka N. Feroze **(Package No. 8)**									
1	J.J. Construction	123/ 24-6-21	6	12 Moth	28-06-21	28-06-22	WIP	44,242,991	2,212,150
Const. of paver block, S/drain, RCC sewer line 9", earth filling, Shops & culverts in various villages of UC Kamal dero, Ghulam shah, Darbelo Taluka Kandiaro (**Package No. 6)**									
2	National Engineering Works	121/ 24-6-21	7	12 Moth	30-06-21	30-06-22	WIP	47,978,771	2,398,939
Const. of paver block, S/drain, Brick pavement, CC Topping, culverts & metalled road of UC Lundaki, Daris, Vessar, Kehkat**(Package No. 2)**									
3	National Engineering Works	117/ 24-6-21	8	12 Moth	29-06-21	29-06-22	WIP	54,599,633	2,729,982
Total								**146,821,395**	**7,341,071**
Rupees in million								**146.822**	**7.341**

Annex-SBA9 [Para: 8.5.4.1]: Non-recovery of outstanding dues

[Rs. in Million]

1. Town Committee Daur [AIR Para No. 10, FY-2021-22]				
Sr. No.	**Description**	**Target**	**Actual Recovery**	**Shortfall**
01	Target for recovery of Arrears for the FY-2021-22	15.00	0.00	15.00

[Amount in Rs.]

2. Town Committee Sinjhoro {AIR Para No. 09, FY-2021-22]				
Sr. No.	**Nature of Collection**	**O/S Arrears**	**Arrears Recovered**	**Balance**
01	Water Supply	1,000,000	0	1,000,000
02	Water / Gutter & Nali Tax	1,000,000	0	1,000,000
03	Rent of Shops	100,000	0	100,000
04	Pat Piri	30,000	0	30,000
05	Sabzi Mandi	50,000	0	50,000
Total		**2,180,000**	**0**	**2,180,000**

[Amount in Rs.]

3. Town Committee Shahpur Chakar [AIR Para No. 9, FY-2021-22]				
Sr. No.	**Nature of Collection**	**Auction Value**	**Recovery**	**Short Fall**
1	Cattle Piri	5,560,000	1,723,000	3,837,000
2	Entrance/ Parking Fee	970,000	141,680	828,320
3	Pat Piri Tax	65,000	14,249	50,751
Total		**6,595,000**	**1,878,929**	**4,716,071**

4. Town Committee Bhiria [AIR Para No. 09, FY-2021-22]				
Sr. No.	**Nature of Collection**	**Target**	**Recovery**	**Short Fall**
1	Shop rent	350,000	262,120	87,880
2	Katchi Piri	300,000	96,410	203,590
Total		**650,000**	**358,530**	**291,470**

5. Town Committee Tharo Shah [AIR Para No. 07, FY-2021-22]				
Sr. No.	**Nature of Collection**	**Target**	**Recovery**	**Short Fall**
1	Rent of shop	800,000	554,760	245,240
2	Katchi Piri/Pat Piri	300,000	122,700	177,300
Total		**1,100,000**	**677,460**	**422,540**

6. Town Committee Mehrabpur [AIR Para No. 09, FY-2021-22]				
Sr. No.	**Market location**	**Target**	**Recovery**	**Short Fall**
1	Station road 62 shops	781,680	719,480	62,200
2	Thari Road 6 shops	70,800	51,300	19,500
3	Shahzi bazar 21 shops	261,600	215,600	46,000
4	Shahi Bazar 1 shop	12,000	10,500	1,500
5	Sakhani Khad 17 shops	204,000	163,000	41,000
6	Near Police Station 10 shops	171,600	123,710	47,890
7	Old Nadra Office 10 shops	194,400	101,600	92,800
8	Kotri Road 5 shops	60,000	55,000	5,000
9	Main Disposal 9 shops	122,400	83,100	39,300
10	Sabzi Market 20 shops	144,000	72,200	71,800
11	Meat Market 18 shops	129,600	22,900	106,700
	Total	**2,152,080**	**1,618,390**	**533,690**

7. Town Committee Darya Khan Mari [AIR Para No. 05, FY-2021-22]				
Sr. No.	**Description**	**Target**	**Collection**	**Shortfall**
1	Rent of shop	250,000	173,640	76,360
2	Katchi Piri	250,000	136,240	113,760
3	Water Supply charges	200,000	144,240	55,760
Total		**700,000**	**454,120**	**245,880**

8. Municipal Committee Nawabshah (AIR Para # 6)					
Number of Shops & Water Connections	**Arrears as on 30-06-22**	**Demand (2022-23)**	**Total Demand**	**Recovery during 2022-23**	**Outstanding as on 30-06-23**
Rent of Shops (1,161)	10,020,510	5,531,520	15,552,030	10,002,483	5,549,547
Water Supply (8,895)	64,580,268	5,531,520	70,111,788	5,442,711	64,669,077
Total					**70,218,624**

8. Municipal Committee Nawabshah (AIR Para # 7)					
Sr. No.	**Description of Property Rights**	**Name of Contractor**	**Approved Bid**	**Amount Recovered during 2022-23**	**Outstanding Amount as on 30-06-23**
1	Parking Fee	M/S Hasnain Enterprises	5,380,000	1,555,833	3,824,167
2	Sign Board Fee		2,790,000	200,000	2,590,000
3	Katcha Piri Fee		850,000	236,666	613,334
4	Hoarding Board Fee	M/S Sky Adver.	2,085,000	-	2,085,000
5	Slaughter House Fee	Mr. Mansoor	325,000	-	325,000
6	Sun Shade Fee		286,000	-	286,000
7	License Fee	M.Yaqoob	250,000	-	250,000
8	Generator Fee	Mr. Aslam	750,000	332,710	417,290
Total			**12,716,000**	**2,325,209**	**10,390,791**

9. Municipal Committee Sanghar (AIR Para # 11)						
Sr. No.	**Number of Shops & Water Connections**	**Demand (2022-23)**	**Arrears as on 30-06-22**	**Total Demand**	**Recovery during 2022-23**	**Outstanding as on 30-06-23**
1	Shop Rent (200 No's)	1,259,400	3,081,000	4,340,400	1,637,000	2,703,400
2	Water Supply Connections (6511 No's)	2,833,885	39,499,839	42,333,724	1,107,540	41,226,184
Total		**4,093,285**	**42,580,839**	**46,674,124**	**2,744,540**	**43,929,584**

9. Municipal Committee Sanghar (AIR Para # 12)					
Sr. No.	**Description of Property Rights**	**Name of Contractor**	**Bid Approved Amount**	**Amount Recovered during 2022-23**	**Outstanding Amount as on 30-06-23**
1	Cattle Pirri	Mr. Khan Muhammad s/o Sahib Khan	5,640,000	3,477,000	2,163,000
2	Parking Fee	Mr. Ahmed Ali s/o Altaf Hussain	870,000	497,000	373,000
4	Chhapra Fee	Mr. Jani Ali s/o Noor Muhammad	340,000	89,000	251,000
5	Rehri/Thela Tax	Mr. Jani Ali s/o Noor Muhammad	330,000	88,000	242,000
Total			**7,180,000**	**4,151,000**	**3,029,000**

10. Municipal Committee Shahdadpur (AIR Para # 7)					
Number of Shops	**Arrears as on 30-06-22**	**Demand (2022-23)**	**Total Demand**	**Recovery during 2022-23**	**Outstanding as on 30-06-23**
Rent of Shops (260)	14,540,089	4,663,272	19,203,361	10,204,526	8,998,835
Total					**8.999**

10. Municipal Committee Shahdadpur (AIR Para # 8)					
Sr. No.	**Description of Property Rights**	**Name of Contractor**	**Approved Bid**	**Amount Recovered during 2022-23**	**Outstanding Amount as on 30-06-23**
1	Cattle Pirri Tax	Bahwal Khan S/o Allaoddin	15,300,000	6,805,000	8,495,000
2	Entrance/Parking fees	Zulfiqar S/o Abdul Shakoor	3,155,000	615,500	2,539,500
4	Temporary Pirri	Ayaz Ali S/o Mukhtiar Ali	1,108,000	1,068,000	40,000
5	Blood & Slaughter fees	Ayaz Ali S/o Mukhtiar Ali	160,000	48,000	112,000
Total			**19,723,000**	**8,536,500**	**11,186,500**

11. District Council Naushahro Feroze			
Sr. No.	**Name of Taluka**	**Number of Shops/ Quarters**	**Outstanding Dues as on 30-06-23**
1	Moro	16	67,270
2	Naushahro Feroze	25	284,330
3	Bhiria	25 Shops & 5 Quarters	95,148
4	Kandiaro	34 Shops & 7 Quarters	26,260
5	Mehrapur	13	45,290
6	Arrears of shop rent	-	7,036,478
7	Rent of canteen	-	500,000
Total			**8,054,776**
Rupees in million			**8.055**

12. Municipal Committee Moro					
Nature of Collection	**Arrears as on 30-06-22**	**Demand (2022-23)**	**Total Demand**	**Recovery During 2022-23**	**Outstanding as on 30-06-23**
Rent of Shops, plots, flats, quartesr, pirri, rooms etc	5,065,638	5,019,405	10,085,043	3,800,902	6,284,141
Rupees in million					**6.284**

13. Town Committee Kandiaro					
Nature of Collection	**Arrears as on 30-06-22**	**Demand (2022-23)**	**Total Demand**	**Recovery during 2022-23**	**Outstanding as on 30-06-23**
Rent of Shops, plots, flats, quartesr, pirri, rooms etc	2,720,151	2,899,692	5,619,843	1,616,550	4,003,293
Total					**4.003**

14. District Council Sanghar					
Nature of Collection	**Arrears as on 30-06-22**	**Demand (2022-23)**	**Total Demand**	**Recovery during 2022-23**	**Outstanding as on 30-06-23**
Rent of Shops, plots, flats, quartesr, pirri, rooms etc	2,586,993	2,576,270	5,163,263	1,506,802	3,656,461
Total					**3.656**

15. Municipal Committee Tando Adam						
Sr. No.	**Number of Shops & Water Connections**	**Arrears as on 30-06-22**	**Demand (2022-23)**	**Total Demand**	**Recovery during 2022-23**	**Outstanding as on 30-06-23**
1	Water Supply	800,000	400,000	1,200,000	493,100	**706,900**
2	Shop Rent (469)	1,400,000	2,800,000	4,200,000	3,275,495	**924,505**
Total		**2,200,000**	**3,200,000**	**5,400,000**	**3,768,595**	**1,631,405**

16. District Council Shaheed Benazirabad					
Sr. No.	**Detail of Property**	**Number of shops quarter/ flats/ rooms**	**Demand 2022-23**	**Recovery during 2020-23**	**Outstanding Dues as on 30-06-23**
1	Liaquat Market Nawabshah (Shops)	52	862,392	530,539	331,853
2	Flat Shan Centre, L.Market New	24	246,240	118,140	128,100

16. District Council Shaheed Benazirabad					
Sr. No.	**Detail of Property**	**Number of shops quarter/ flats/ rooms**	**Demand 2022-23**	**Recovery during 2020-23**	**Outstanding Dues as on 30-06-23**
3	Shopping Centre Front Side District Council SBA	32	417,756	240,852	176,904
4	Shopping Centre Back Side District Council SBA	13	200,616	92,592	108,024
5	Shopping Centre East Side District Council SBA	18	364,488	178,233	186,255
6	Canteen / Store District Council Office	7	78,192	56,352	21,840
7	Buchhery Road, Nawabshah (V.D)	33	428,580	316,938	111,642
8	Quarter District Council, SBA	11	132,000	22,000	110,000
9	Mian Road Sakrand	12	121,968	118,580	3,388
10	Mian Road Sakrand	10	127,776	126,687	1,089
11	Sarhari road	8	71,148	38,115	33,033
12	Mukhtiarkar office	15	152,460	149,919	2,541
13	V.D Sakrand	28+1	191,040	119,140	71,900
14	V.D Rooms at Sakrand	11	47,910	10,890	37,020
15	4 A-1 V.D Sakrand	4 AI	34,848	4,356	30,492
16	Hall V.D Sakrand	2	31,944		31,944
17	Kazi Ahmed (Dehran Road)	26	150,168	128,366	21,802
18	Kazi Ahmed (Jamal Shah Road)	28	319,440	289,190	30,250
19	Kazi Ahmed (Jamal Shah Road)	5	53,724	46,948	6,776
20	Cattle Pound & Press Club Jamal Shah Road	2	30,492	26,862	3,630
21	Shopping Centre Dour	8	58,080	54,320	3,760
Total		**317**	**4,121,262**	**2,669,019**	**1,452,243**

17. Town Committee Mehrapur							
Sr. No.	**Name of Market, Center/ Location**	**Number of Shops**	**Arrears of 30-06-2022**	**Rent Per Month**	**Total Demand for the year 2022-23**	**Recovered Amount for the Year 2022-23**	**Outstanding Dues as on 30-06-23**
1	Station Road	62	73,200	68,305	819,660	735,640	84,020
2	Thari Road	6	26,800	6,490	77,880	57,930	19,950
3	Shahi Bazar	21	41,800	22,930	275,160	221,960	53,200
4	Shahi Bazar	1	2,500	1,025	12,300	10,200	2,100
5	Sakhani Khad	17	53,000	17,425	209,100	155,800	53,300
6	Near Police Station	10	52,700	15,730	188,760	112,980	75,780
7	Old Nadra	10	119,000	18,040	216,480	99,720	116,760

17. Town Committee Mehrapur							
Sr. No.	**Name of Market, Center/ Location**	**Number of Shops**	**Arrears of 30-06-2022**	**Rent Per Month**	**Total Demand for the year 2022-23**	**Recovered Amount for the Year 2022-23**	**Outstanding Dues as on 30-06-23**
	Office						
8	Kotri Road	5	6,000	5,025	60,300	58,300	2,000
9	Main Disposal	14	66,600	16,555	198,660	160,420	38,240
10	Sabzi Market	20	95,000	12,300	147,600	89,720	57,880
11	Meat Market	18	276,650	11,070	132,840	31,060	101,780
Total		**184**	**813,250**	**194,895**	**2,338,740**	**1,733,730**	**605,010**

18. Town Committee Sakrand					
Sr. No	**Auction Description**	**Name of Contractor**	**Bid Amount / to be Recovered**	**Amount Recovered**	**Outstanding Dues as on 30-06-23**
1	Katchi Piri	Sultan Ahmed	843,315	568,000	275,315
2	Slaughter Fee	Sultan Ahmed	41,500	28,000	13,500
3	Sign Board	Kamran	305,000	225,000	80,000
Total			**1,189,815**	**821,000**	**368,815**

Impact Audit

Annex-IA [Para:10.6.4]: Non-removal of unauthorized waste dumping points

Sr. No.	Location of un-authorized waste dumping points
District Korangi	
1	RCD Ground Model Zone
2	Azeempura , Shah Faisal Zone
3	Punjab Ground, Shah Faisal Zone
4	Double Story School, Model Zone
5	Khokherapar Model Zone
6	GFS Chowrangi, Model Zone
7	Begum Khurshed Model Zone
8	Baldia School District Korangi Zone
9	Shareefabad Road Korangi Zone
10	UC-31, 9000 Road, Korangi Zone
11	UC-31, Noor Masjid Korangi Zone
12	UC-30, 7000 Road, Korangi Zone
13	Double Story Garbage Point Korangi
14	51-C, Khizra Masjid, District Korangi
15	Ilyas Goth, Faisal Masjid, District Korangi
District Central	
1	Near Up More, Behind TMO Office, District Central
2	5c, 2 North, Karachi District Central
3	Furniture Market, Main Gharibabad, Liaqatabad District Central
4	Girls/Boys School No-04, Liaqatabad, District Central
5	Liaqatabad No.04 District Central
6	Amjad Sabri Street, Liaqatabad No-03, District Central
7	Main 04 No Laloo Kheet Road, Nazimabad, District Central
8	Nazimabad No-03, District Central
9	UC-46, Nazimabad, District Central
10	UC-46 near Abbassi Shaheed Hospital, District Central
11	Adjacent to wall of Abbassi Shaheed Hospital, Nazimabad No-03 District Central
12	Back of Abbassi Shaheed Hospital, Nazimabad No-03, District Central
13	Block-08, Sector-10, Nazimabad, District Central
14	Ancholi Gulberg near Sindh Government Hospital, District Central
15	Power House, F.B Area, District Central

Sr. No.	Location of un-authorized waste dumping points
16	Shaadmaan No-02 Park, District Central
17	Adil Associate, BS-41, Block-7, F.B Area, District Central
18	Super Market, Laloo Kheet No-05, Liaqatabad, District Central
19	Nazimabad No-03 Railway Phatak near Abbassi Shaheed Hospital, District Central
20	Nazimabad No-02, infront of Model Park, Al-Khidmat Hospital, District Central
21	Nazimabad No-02, Khamosh ColonyStop opposite Quetta Hotel, District Central