



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
GOVERNMENT OF SINDH  
AUDIT YEAR 2020-21**

**AUDITOR-GENERAL OF PAKISTAN**



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## ABBREVIATIONS & ACRONYMS

AAP	Accelerated Action Plan
AC	Assistant Commissioner
ADP	Annual Development Plan
AG	Accountant General
AGPR	Accountant General Pakistan Revenue
AIG	Additional Inspector General
AIR	Audit Inspection Report
AIT	Agriculture Income Tax
ANF MATRC	Anti-narcotics Force Model Addiction Treatment & Rehabilitation Center
APPM	Accounting Policies and Procedures Manual
ASTM	American Society for Testing and Materials
AWB	Area Water Board
BBSHRDB	Benazir Bhutto Shaheed Human Resource, Research & Development Board
BBSYDP	Benazir Bhutto Shaheed Youth Development Program
BHU	Basic Health Unit
BISE	Board of Intermediate & Secondary Education
BOQ	Bill of Quantities
BOR	Board of Revenue
BPS	Basic Pay Scale
BRT	Bus Rapid Transit
CDWP	Central Development Working Party
CEO	Chief Executive Officer
CGA	Controller General of Accounts
CIF	Community Investment Fund
CM	Chief Minister
CMAM	Community based Management of Severe Acute Malnutrition
CMC	College Management Committee
CMO	Chief Monitoring Officer
CNIC	Computerize National Identity Card
CPLC	Citizen Police Liaison Committee
CPWA	Combined Public Works Account
CPWD	Combined Public Works Department
CR	Credit

CRC	Complaint Redressal Committee
CSO	Civil Society Organization
CTD	Counter Terrorism Department
CVDL	Central Veterinary Diagnostic Laboratory
CVT	Capital Value Tax
DAC	Departmental Accounts Committee
DAO	District Account Office/Divisional Accounts Officer
DBRIU	Doing Business Reforms Implementation Unit
DC	Deputy Commissioner
DCS	Direct Credit System
DDC	District Development Committee
DDO	Drawing and Disbursing Officer
DEO	District Education Officer
DEPD	Department of Empowerment of Persons with Disabilities
DFC	District Food Controller
DFO	District Forest Officer
DG	Director General
DHA	Defense Housing Authority
DHO	District Health Officer
DIGP	Deputy Inspector General of Police
DLI	Disbursement Link Indicator
DPO	District Police Officer
DPWO	District Population Welfare Officer
DR	Debit
DSP	Deputy Superintendent of Police
EAD	Economic Affairs Division
ECNEC	Executive Committee of National Economic Council
EMD	Earnest Money Deposit
EOL	Extra Ordinary Leave
EPCM	Engineering Design Procurement & Construction Management
EPS	Earnings per Share
ERP	Enterprise Resource Planning
ET&NCD	Excise, Taxation and Narcotics Control Department
ETO	Excise & Taxation Officer
EUR	Euro
FAM	Financial Audit Manual

FAP	Foreign Aided Project
FBR	Federal Board of Revenue
FD	Finance Department
FIFO	First in First Out
FIR	First Information Report
FO	Field Office
FRC	Family Registration Certificate
FY	Financial Year
GFR	General Financial Rules
GAAP	Generally Accepted Accounting Principle
GB	Governing Body
GBPS	Govt. Boys Primary School
GL	General Ledger
GoS	Government of Sindh
GPF	General Provident Fund
GSP	Geological Survey of Pakistan
GST	General Sales Tax
HRA	House Requisition Allowance
HEC	Higher Education Commission
HESCO	Hyderabad Electric Supply Company
HQ	Head Quarter
HR	Human Resource
IBAN	International Bank Account Number
IBRD	International Bank for Reconstruction and Development
ICB	International Competitive Bidding
ICT	Information Communication Technology
IDA	International Development Association
IEE & EIAs	Initial Environmental Examination and Environmental Impact Assessment Regulations
IFMIS	Integrated Financial Management Information System
IGG	Income Generating Grant
IHS	Integrated Health Service
IPSAS	International Public-Sector Accounting Standards
ITB	Invitation to Bid
IYCF	Infant and Young Child Feeding
JV	Joint Venture
KDA	Karachi Development Authority

L/C	Letter of Credit
LCH	Low Cost Housing
LARMIS	Land Administration & Revenue Management Information System
LD	Liquidated Damages
LDA	Lyari Development Authority
LGSA	Local Government Strengthening Activity
LPC	Last Pay Certificate
MDA	Mair Development Authority
MDSBC	Mobile Diagnostic Services for Breast Cancer
M&E	Monitoring & Evolution
MEHCU	Mobile Emergency Health Care Unit
M&R	Maintenance & Repair
MB	Measurement Book
MD	Managing Director
MfDAC	Memorandum for Departmental Accounts Committee
MoF	Ministry of Finance
MS	Medical Superintendent
MSDP	Municipal Services Delivery Program
MUET	Mehran University of Engineering & Technology
MW	Mega Watt
NAB	National accountability Bureau
NACTA	National Counter Terrorism Authority
NBP	National Bank of Pakistan
NCB	National Competitive Bidding
NGOs	Non-Government Organizations
NIC	National Identity Card
NICVD	National Institute of Cardiovascular diseases
NIM	National Institute of Management
NIT	Notice for Inviting Tender
NOC	Non-objection Certificate
NTC	National Telecommunication Corporation
NTN	National Tax Number
OB	Opening Balance
ODBM	Operational Design and Business Model
OGRA	Oil & Gas Regulatory Authority
OM	Objection Memo

P&D	Planning & Development
PA	Provincial Assembly
PAC	Public Accounts Committee
PAD	Project Appraisal Document
PAO	Principal Accounting Officer
PC-I	Planning Commission Proforma-I
PCMD	Dr. Panjwani Center for Molecular Medicine and Drug Research
PCU	Project Coordination Unit
PD	Project Director
PDA	Project Design Advance
PEC	Pakistan Engineering Council
PFM	Public Fund Management
PHF	Pakistan Hockey Federation
PLA	Personal Ledger Account
PMCCB	Project Management, Coordination and Capacity Building
PMIU	Project Management Implementation Unit
PMR	Project Management Reports
POL	Petrol Oil and Lubricant
PPHI	People's Primary Healthcare Initiative
PPO	Pension Payment Order
PPP	Public Private Partnership
PRC	Provincial Reserve Center
PSC	Program Steering Committee
PSDC	Petroleum Social Development Committee
PSDP	Public Sector Development Program
PSF	Public Private Partnership Support Facility
PSL	Pakistan Super League
PSO	Pakistan State Oil
PTC	Police Training Center
PTCL	Pakistan Telecommunication Company Ltd
PTV	Pakistan Television
PWD	Public Works Department
QCBS	Quality and Cost Based Selection
QUEST	Quaid-e-Awan University of Engineering Science & Technology
R&D	Research & Development
RBOD	Right Bank Outfall Drain

RCC	Reinforced Cement Concrete
ROE	Return of Equity
ROP	Recovery of Over Payment
ROI	Return on Investment
Rs	Rupees
RSU	Reform Support Unit
SALU	Shah Abdul Latif University
SAP	Systems, Applications & Products
SAGP	Sindh Agriculture Growth Project
SASO	Sindh Agricultural Supplies Organization
SBB	Shaheed Benazir Bhuto
SBEP	Sindh Basic Education Program
SBP	State Bank of Pakistan
SDGs	Sustainable Development Goals
SELD	Sindh Education & Literacy Department
SEPCO	Sukkur Electric and Power Company
SERP	Sindh Education and Reform Program
SF	Soil Fertility
SFR	Sindh Financial Rule
SG&RRP	Sindh Growth & Rural Revitalization Programme
SGA&CD	Services, General Administration and Coordination Department
SHCC	Sindh Health Care Commission
SIDA	Sindh Irrigation Development authority
SIIDB	Sindh Industrial Infrastructure Development Board
SITE	Sindh Industrial Trading Estate
SIUT	Sindh Institute of Urology and Transplantation
SMCs	School Management Committee
SOE	Statements of Expenditure
SOP	Standard Operating Procedure
SPPRA	Sindh Public Procurement Regularity Authority
SPRIP	Sindh Provincial Road Improvement Project
SPSC	Sindh Public Service Commission
SRB	Sindh Revenue Board
SROs	Statutory Regulatory Orders
SRP	Sindh Resilience Project
SRSO	Sindh Rural Support Organization



SRV	Store Receipts Voucher
SSGC	Sui Southern Gas Company
SSP	Senior Superintendent of Police
SSS	Single Source Selection method
SST	Sindh Sales Tax
SSU	Special Support Unit
STEVTA	Sindh Technical Education & Vocational Training Authority
STRN	Sales Tax Registration Number
SWWB	Sindh Workers Welfare Board
SZABUL	Shaheed Zulfiqar Ali Bhutto University of Law
T&T	Technical & Transport
TA	Transport Allowance
TDR	Term Deposit Receipt
TEO	Taluka Education Officer
THO	Taluka Health Officer
TMK	Tando Muhammad Khan
TOR	Terms of Reference
TPV	Third Party Validation
TS	Technical Sanction
TS	Technical Sanction
UAT	User Acceptance Testing
UCBPRP	Union Council Based Poverty Reduction Program
UCG	Underground Coal Gasification
UNCRPD	UN Convention On Rights Of Persons With Disabilities
UNICEF	United Nations international Children's emergency funds
USAID	United States Agency
USD	US Dollar
VBO	Village Based Organization's
VGF	Viability Gap Fund
VTC	Vocational Training Centre
WAPDA	Water & Power Development Authority
WASA	Water And Sanitation Agency
WPC	Wheat Procurement Centre
WWF	Workers Welfare Fund
XEN	Executive Engineer



## **PREFACE**

Articles 169 & 170 of the Constitution of Islamic Republic of Pakistan 1973, read with Sections 8 and 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor General of Pakistan to conduct audit of expenditure from the Provincial Consolidated Fund and Public Account.

This report is based on the audit of accounts for FY 2019-20 of various departments and autonomous bodies of Government of Sindh. However, it also includes audit findings pertaining to FY 2018-19 which were reported to PAOs after finalization of Audit Report 2019-20.

The Directorate General of Audit Sindh conducted audit (during July to November 2020) on test check basis, with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes significant issues and audit findings carrying value of Rs one million or more. Relatively less significant issues are listed in the Annex-1 (Memorandum for Departmental Accounts Committee - MfDAC) of this report. The audit observations listed in the Annex-1 shall be pursued with the Principal Accounting Officers (PAOs) at the DAC level and in all cases where the PAO does not initiate appropriate action, the Audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report. Sectoral analysis has been added in this report covering strategic review and overall perspective of audit results.

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

The report was finalized in the light of written responses of the departments concerned, where available.

The Audit Report is submitted to the Governor of Sindh in pursuance of the article 171 of the Constitution of Islamic Republic of Pakistan 1973, for causing it to be laid before the Provincial Assembly.

Dated:

**Javaid Jehangir**  
**Auditor-General of Pakistan**



## **EXECUTIVE SUMMARY**

Director General Audit Sindh conducts various types of audit on behalf of the Auditor General of Pakistan to fulfill his statutory responsibility under Articles 169 and 171 of the Constitution of the Islamic Republic of Pakistan and in accordance with the provisions of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. These audits include Regularity (financial audit and compliance with authority audit), Performance and Special Audits of Principal Accounting Officers of departments of Government of Sindh, their attached departments, subordinate offices and of certain autonomous bodies.

Sindh Government carries out its operations under the Sindh Rules of Business 1986. The financial provisions of the Constitution of Islamic Republic of Pakistan mandate provinces to have a Provincial Consolidated Fund, for which annual budget statement is authorized by the Provincial Assembly in the form of budgetary grants, and Public Account which includes assets and liabilities of the government including funds and deposit accounts. The budget of Sindh Province is allocated at 161 fund centers of Provincial Government.

The final budget of the Government of Sindh for the financial year 2019-20 was Rs.953.755billionwith the segregation of non-development budget of Rs.856.119 billion and development budget of Rs.97.636 billion. The actual expenditure incurred was Rs.896.653 billionwhich included Rs.805.791 billionofnon-development expenditure and Rs.90.862 billion of development expenditure. The combined percentage of utilization of budget comes to 94%.

Audit was carried out on test check basis and the Financial Audit Manual (FAM) was applied in compliance with authority audit.

## **a. Scope of Audit**

This office is mandated to conduct audit of 2,786 formations working under 40 PAOs. Total expenditure of Sindh Government during the financial year 2019-20 was Rs.896.653 billion against total receipts of Rs.906.372 billion. The total expenditure (excluding Environment Department, Local Government Department, Public Health Engineering Department, and Rehabilitation Department) and provincial receipts under the audit jurisdiction of this office were Rs.789.676 billion and Rs.182.029 billion respectively for the financial year 2019-20.

Audit coverage relating to expenditure for the current audit year comprises 331 formations of 40 PAOs having a total expenditure of Rs.504.813 billion for the financial year 2019-20. In terms of percentage, the audit coverage for expenditure is 64% of auditable expenditure.

Audit coverage relating to receipts for the current audit year comprises 02 formations having total receipts of Rs.106.146 billion for the financial year 2019-20. In terms of percentage, the audit coverage for receipts is 58% of auditable receipts.

This audit report also includes audit observations resulting from the audit of:

- i. Expenditure of Rs.504.813 billion and receipts of Rs.106.146 billion for the financial year 2019-20 pertaining to 331 formations of 40 PAOs.
- ii. Expenditure of Rs.232.216 billion and receipts of Rs.1.935 billion for the financial year 2018-19 pertaining to 466 formations of 40 PAOs.

In addition to this compliance audit report, Director General Audit Sindh conducted 20 Financial Attest audits. Reports of these audits are being published separately.

## **b. Recoveries at the instance of audit**

As a result of audit, a recovery of Rs.14,180.139 million was pointed out in this report. Recovery effected from January to December 2020 was Rs.242.837million which was verified by audit.

### **c. Audit Methodology**

The audit year 2020-21 witnessed intensive application of desk audit techniques in the office of Director General Audit Sindh. This was facilitated by access to live SAP/R3 data, intranet, internet facility, and availability of permanent files. Desk reviews helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field audit activity. This greatly facilitated in the identification of high risk areas for substantive testing in the field.

### **d. Comments on Internal Controls and Internal Audit Department**

A general review of the activities and transactions of various formations of Government of Sindh with regard to Internal Control System called for the following comments:

- a. The instances of losses to government, recoverables and violation of rules, are outcome of the laxity in exercise of internal controls and violation of authorized procedures for processing transactions.
- b. The instances of splitting the expenditure to avoid sanction of the higher authority were observed to be a common practice. This is in violation of the process of delegation of financial powers as laid down in “New System of Financial Control and Budgeting 2018”.
- c. Codal requirements with regard to purchase of stores were not properly observed resulting into incurrence of expenditure in irregular and uneconomical manner in contradiction of prescribed rules.
- d. Another common issue observed by Audit was non-recording of different purchases in the stock register, which was a reflection of weak Internal Control System.
- e. Prescribed record in various cases was not maintained and in other cases the same was not produced to Audit, which was also a serious failure of Internal Control System.

A basic component of internal control system is internal audit. Internal audit investigates and appraises the internal controls and efficiency with which various units of the organization perform their assigned functions. Independent, effective and efficient internal auditing results in improving internal controls that in turn, gives well planned evaluation and professional proficiency. A major reason for weak internal controls is the non-existence of internal audit.

**e. The key audit findings of the report;**

- i. Non-production of records – Rs.71,263.591 million.
- ii. Reported cases of fraud, embezzlement and misappropriation – Rs.9,242.131 million.
- iii. Irregularities:
  - a. HR/employee related irregularities – Rs.5,270.334 million.
  - b. Procurement related irregularities – Rs.41,985.317 million.
  - c. Management of accounts with commercial banks – Rs.1,726.704 million.
- iv. Value for money and service delivery – Rs.315.563 million.
- v. Others – Rs.122,878.107 million.

The nature, frequency and the extent of above mentioned violations/irregularities suggest that most of the Principal Accounting Officers lack adequate institutional capacity required to address the financial management and control issues.

**f. Recommendations**

1. Principal Accounting Officers need to take necessary steps to institute, evaluate and strengthen internal controls and financial management practices in order to ensure:
  - i. compliance with canons of financial propriety, rules and regulations, especially in autonomous institutions through training, monitoring and accountability of departmental functionaries;
  - ii. proper maintenance of accounting records;
  - iii. effective internal controls to avoid recurrence of irregularities of similar nature; and
  - iv. establishment of an independent internal audit mechanism.
2. The Principal Accounting Officers further need to take steps to:
  - i. investigate cases of losses, embezzlements, unauthorized payments and non-recording of cash and stores and take appropriate corrective action;
  - ii. effect recovery of government dues and deposit into government treasury;



- iii. ensure deposit of funds irregularly kept outside government accounts by the departments;
  - iv. ensure procurements in accordance with SPPRA Rules;
  - v. ensure timely production of relevant record for audit in respect of cases pointed out in the report besides taking disciplinary action in terms of Section 14 (3) of Auditor General's Ordinance 2001;
  - vi. hold Departmental Accounts Committee meetings regularly and implement its recommendations;
  - vii. ensure compliance of the directives of Public Accounts Committee (PAC) by giving special attention and developing mechanism of monitoring of the compliance of PAC directives in their departments; and
  - viii. address systemic issues, which include absence of management controls to prevent unauthorized practices, improper utilization of public money, absence of adequate safeguards to protect public property from theft, misuse of public funds, non-observance of codal formalities and procedures, etc.
3. Finance Department, Government of Sindh needs to build up institutional capacity in financial matters.

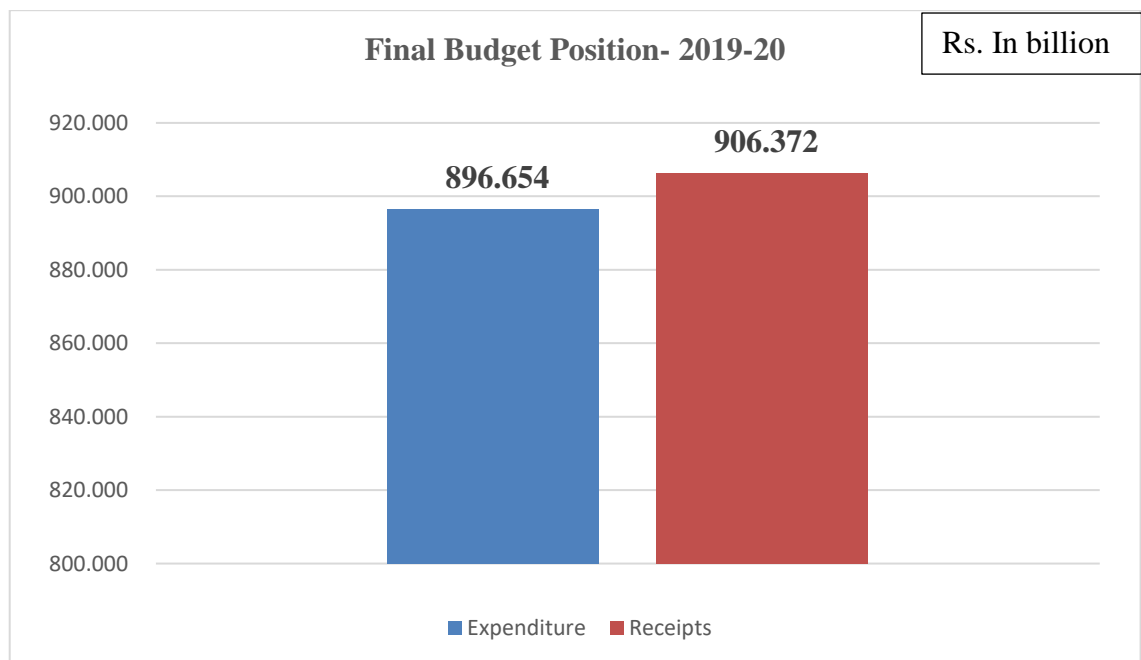


# CHAPTER - 1 PUBLIC FINANCIAL MANAGEMENT ISSUES

## (A) GOVERNMENT OF SINDH - SECTORAL ANALYSIS

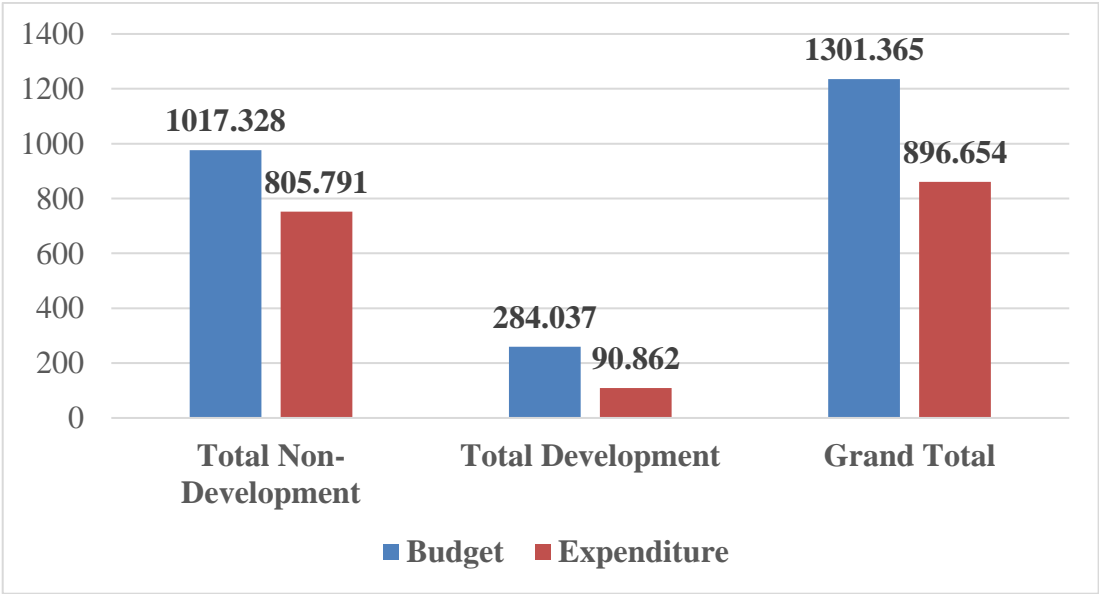
### 1.1 Introduction

Government of Sindh carries out its operations under the Sindh Rules of Business 1986 which consists of Governor, Chief Minister and Cabinet. The Provincial Assembly approves budget based on the leadership's vision for development. The budget estimates are based on province's own receipts and federal transfers to finance its operations and development activities during the year. The position of expenditure against receipts during the year 2019-20 was as under;



## Sectoral Analysis

The audit jurisdiction of the office of the Director General Audit Sindh, Karachi consists of 2,786 formations working under 40 Principal Accounts Officers, excluding Local Government Department and Public Health Department. Audit selected 771 formations for regularity audit which makes it 27.6% of the total formations of the Government of Sindh during the year 2019-20 based on the risk assessment which included non-compliance of SPPRA rules, non-recovery of government taxes, irregularities in HR related payments, non-alignment of SDGs with development budget, financial indiscipline due to rush expenditure after delayed releases and short tenure transfer postings etc. The break-up of expenditure pertaining to Development and Non-Development sectors as given under indicates that Sindh Government could only utilize Rs.896.654 billion which makes it 68.90% of the planned budget of Rs.1,301.365 billion. It was observed that the government spending on development activities remained around 31.98% of the total expenditure which was quite low. Government’s claims for major spending on its priority areas for achievement of Sustainable Development Goals (SDGs) suffered adversely due to heavy burden of non-development expenditure and emergency expenditure during Covid-19. Savings of Rs.57.093 billion during FY 2019-20 also put question mark on the government’s ability or priority in terms of spending on priority areas.



## 1.2 Analysis of budgeting

From the analysis of last three years' budgetary figures, Audit observed increasing trend in original budget and revised estimates with decreasing trend in expenditure resulting in increased savings which is evident from the tabular presentation given below;

**Table-1<sup>1</sup>:**

(Rs. in billion)

Particulars	2016-17	2017-18	2018-19	2019-20
<b>Original Budget</b>	923.322	1,060.950	1,146.450	1,301.365
<b>Revised Estimate</b>	1,049.405	1,171.603	1,235.766	953.747
<b>Actual Expenditure</b>	863.362	936.327	860.650	896.654
<b>Saving</b>	186.042	235.276	375.115	57.093

### Receipts:

In financial year 2019-20, the Government of Sindh relied heavily on Federal Transfers which constituted 72% of its total receipts. The Government received an amount of Rs.654.87 billion as transfers from Federal Government and generated an amount of Rs.251.502 billion as provincial receipts.

In the year 2019-20, transfers from Federal Government consisting of revenue assignment, straight transfers and grants to offset losses of abolition of OZT were Rs.642.085 billion.<sup>2</sup> On the other hand, provincial government's own tax collection consisting of provincial tax receipts, provincial sales tax on services and provincial non-tax receipts was Rs.225.085 billion.

## 1.3 Comparison of Receipts & Expenditure

During FY 2019-20, overall receipts of the Sindh Government reduced by Rs.6.886 billion as compared to the last financial year and expenditure was increased by 36.002

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<sup>1</sup> Source: Financial Statements of the Government of Sindh for the financial years 2017-18, 2018-19 and 2019-20.

<sup>2</sup> Source: Note 8 to the financial statement of Government of Sindh FY 2019-20.

billion in comparison to FY 2018-19. The overall decrease in expenditure, if compared to the FY 2017-18, was mainly due to the cut in development expenditure of Rs.90.862 billion (31.98%) from budget of Rs.284.037 billion<sup>3</sup>. Details are given in the table-3 below.

**Table-2:**

(Rs in billion)

Financial Year	Receipts (Rs)	Expenditure (Rs)
2019-20	906.372	896.653
2018-19	913.258	860.651
2017-18	838.530	936.327

#### 1.4 Development Expenditure vis-à-vis Total Expenditure

Audit noticed that government's spending on development was declining for last three years as compared to total expenditure. Expenditure on development during 2019-20 remained the lowest which was not a positive indicator in terms of boosting economic activity for generation of employment opportunities and reduction of poverty and hunger in the province.

**Table-3<sup>4</sup>:**

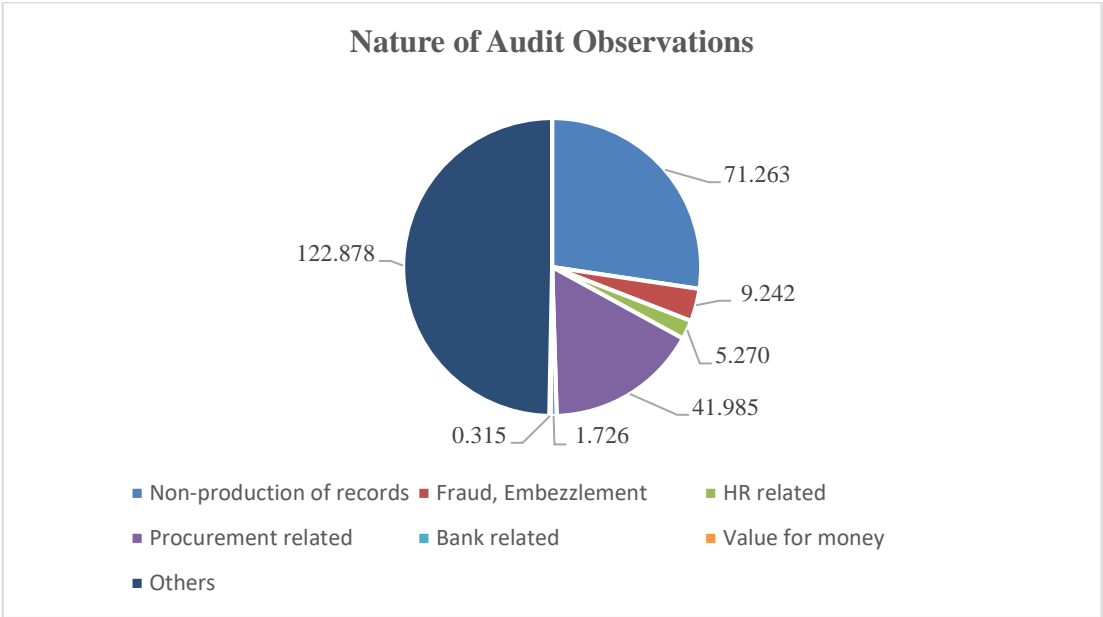
Component	2017-18 (Rs)	2018-19 (Rs)	2019-20 (Rs)
Development Expenditure (Capital)	206.134	100.854	81.423
Development Expenditure (Revenue)	19.907	7.707	9.439
<b>Total Development Expenditure</b>	<b>226.041</b>	<b>108.561</b>	<b>90.862</b>
<b>Total Expenditure</b>	<b>936.327</b>	<b>860.620</b>	<b>896.653</b>
<b>% of Development Expenditure to Total Expenditure</b>	<b>24.14%</b>	<b>12.61%</b>	<b>10.13%</b>

<sup>3</sup> Source: Budget Book Vol-V of Government of Sindh FY 2019-20.

<sup>4</sup> Source: Appropriation Accounts of FY 2017-18, 2018-19 and 2019-20.

**1.5 Nature of Observation AAR 2020-21**

From the analysis of DPs issued to the Principal Accounting Officers after taking feedback from the management, the audit observed partial or complete departure from necessary compliance processes in certain cases. Systemic issues, reported to the management, were classified as non-production of auditable record (Rs.71.263 billion), reported cases of fraud, embezzlement and misappropriation (Rs.9.242 billion), HR related irregularities (Rs.5.270 billion), procurement related irregularities (Rs.41.985 billion), management of accounts with commercial banks related irregularities (Rs.1.726 billion), value for money related irregularities (Rs.0.315 billion) and others (Rs.122.878 billion).



The analysis of observations pertaining to Government of Sindh revealed that major cases under observation were due to non-compliance of SPPRA rules, improper deduction of government taxes at applicable rates, non-compliance of government rules and instructions while dealing with HR matters and government formations’ resistance to audit in terms of non-provision of auditable record which indicates government’s poor commitment towards transparency in public spending. Audit also found issues relating to year-end budget releases resulting into rush of expenditure in

the end of June causing multiple deviations from compliance of rules. Departure from the procedures resulted in non-transparent, un-economical expenditure due to violations of SPPRA rules and blockage of government funds due to unjustified and irregular advance payments to avoid lapse of funds. Audit observed prevalence of weak internal controls and poor financial management practices prevailing within the formations under Government of Sindh.

Audit recommends that serious efforts be made to increase revenues and widen provincial tax base, prioritize achievement of development goals in line with Sustainable Development Goals (SDGs) and compliance of government rules while spending of public money and making fresh appointments. Principal Accounts Officers (PAOs) are required to revisit their budgetary requirements on realistic grounds in order to avoid unnecessary savings causing blockage of government funds. Timely releases of funds coupled with adherence to applicable laws and rules will result in economical cost of development projects besides timely completion.



## **(B) BUDGETING ISSUES**

### **1.5.1 Assessment of Budget and budgeting process**

The ability to implement the budgeted expenditure is crucial to the government's capability to deliver public services annually as expressed in policy statements, output commitments, and work plans. An assessment was undertaken to analyze the extent of the provincial government budget realism and overall budget variances were determined. Comparative analysis of budget and actual expenditure is as follows:

#### **Original Budget to Aggregate Expenditure**

(Rs. in million)		
<b>Particulars</b>	<b>FY2019-20</b>	<b>FY2018-19</b>
Budget (original)	1,301,365	1,146,451
Actual Expenditure	896,654	860,651
Difference between budget and actual expenditure (%)	-31.10%	-24.93%

This measure provides an assurance of whether the PFM system is delivering effective fiscal discipline and is responsive to changes in macroeconomic situations in accordance with budget intentions. The deviation of 31.1% of actual expenditure from original budget demonstrates that budget preparation was not rational.

#### **Final Budget to Actual Expenditure**

(Rs. in million)		
<b>Particulars</b>	<b>FY2019-20</b>	<b>FY2018-19</b>
Budget (Revised)	953,747	965,786
Actual Expenditure	896,654	860,651
Difference between budget and actual expenditure (%)	-5.99%	-10.89%

The budgetary estimates were not realistic and later on government had to revise the budget. Later on, even after downward revision there was 6% variation between the revised budget and actual expenditure. This resulted into inadequate preparation of revised budget estimates.

## Original Budget compared with Revised Budget

(Rs. in million)

Particulars	FY2019-20	FY2018-19
Budget (original)	1301,365	1,146,451
Budget (Revised)	953,747	965,786
Difference between original budget and final budget (%)	26.71%	15.76%

The original budget estimates were reduced by 26.71% which indicate that the management was over ambitious in formulating the original budget.

## Measure of deviations in above ratios

(Amount in Rupees)

Nature of Expenditure	Final Grant/ Appropriation	Expenditure	Difference %
Charged	31,810,331,900	27,943,875,877	12
Voted	921,936,336,243	868,709,922,491	6
	<b>953,746,668,143</b>	<b>896,653,798,368</b>	<b>6</b>
Nature of Expenditure	Final Grant/ Appropriation	Expenditure	Difference %
Revenue	724,325,777,080	700,499,094,550	3
Capital	229,420,891,063	196,154,703,818	15
	<b>953,746,668,143</b>	<b>896,653,798,368</b>	<b>6</b>
Nature of Expenditure	Final Grant/ Appropriation	Expenditure	Difference %
Non-Development	856,119,543,777	805,791,369,411	6
Development	97,636,124,366	90,862,428,957	7
	<b>953,755,668,143</b>	<b>896,653,798,368</b>	<b>6</b>
<i>Source: Government of Sindh Appropriation Accounts 2019-20 at page No.27</i>			

All above percentages portray a clear picture that development side of the expenditure could not be completed in fiscal year and government's estimates to meet its long term goals were less efficient in current fiscal year. The reasons of this inefficiency could be attributed to;

- Lack of government planning for execution of development targets
- Poor monitoring by Planning Department of the Provincial Government,
- Executing agencies were not ready to execute such work during current fiscal year

## Debt Management

Decrease in debt servicing principal and interest payment budget (Current Capital and Current Revenue Expenditure) is almost 8% of last year while that in actual expenditure is 26.53% of last year.

(Amount in Rupees)

	2019-20		
Debt Servicing Principal & Interest Payment	Final Grant / Appropriation	Actual Expenditure	Difference
Debt Servicing (Principal Payment)	59,516,705,495	46,269,733,002	13,246,972,493
Debt Servicing (Interest Payment)	29,412,249,998	28,432,965,439	979,284,559
	88,928,955,493	74,702,698,441	14,226,257,052
	2018-19		
Debt Servicing Principal & Interest Payment	Final Grant / Appropriation	Actual Expenditure	Difference
Debt Servicing (Principal Payment)	66,827,112,830	65,233,768,010	1,593,344,820
Debt Servicing (Interest Payment)	29,292,000,000	29,292,000,000	0
	96,119,112,830	94,525,768,010	1,593,344,820
	Change		
Debt Servicing Principal & Interest Payment	Final Grant / Appropriation	Actual Expenditure	Difference
Debt Servicing (Principal Payment)	-7,310,407,335	-	11,653,627,673
Debt Servicing (Interest Payment)	120,249,998	-859,034,561	979,284,559
	-7,190,157,337	-	12,632,912,232
<b>Increase/decrease in Debt Servicing Principal and Interest Budget</b>			<b>8%</b>
<b>Increase/decrease in Debt Servicing Actual Expenditure</b>			<b>26.53%</b>
<i>Source: Financial Statements and Appropriation Account Government of Sindh 2019-20</i>			

## Function-wise budget and expenditure allocations with variances

The percentage variation with base amount original allocation and revised allocation with respect to Function-wise budget allocations and expenditure are tabulated as below.

(Rs. in million)

Sr .#	Function	Original	Revised	Actual Exp:	Variance Original Budget/ Exp:	Variance Revised Budget/ Exp:	% with base amount original allocation	% with base amount revised allocation
1	General Public Service	408,050	332,264	314,628	93,422	17,636	22.89	5.31
2	Defense Affairs & Services	122	74	74	48	0	39.34	0.00
3	Economic Affairs	248,369	193,116	177,879	70,490	15,237	28.38	7.89
4	Public Order and Safety Affairs	126,415	60,927	54,310	72,105	6,617	57.04	10.86
5	Education Affairs and Services	239,881	177,970	169,739	70,142	8,231	29.24	4.62
6	Health Affairs and Services	132,084	123,023	118,731	13,353	4,292	10.11	3.49
7	Housing & Community Amenities	34,961	12,607	11,430	23,531	1,177	67.31	9.34
8	Recreation, Culture and Religion	14,965	8,220	7,749	7,216	471	48.22	5.73
9	Social Protection	95,143	45,037	41,811	53,332	3,226	56.05	7.16
10	Environment Protection	1,375	509	303	1,072	206	77.96	40.47
<b>Total</b>		<b>1,301,365</b>	<b>953,747</b>	<b>896,654</b>	<b>404,711</b>	<b>57,093</b>	<b>31.10</b>	<b>5.99</b>
<i>Source: Financial statements of the Government of Sindh for the Financial Year 2019-20</i>								

## Object wise revenue budget variance

(Rs. in million)

Function	Budget		Actual Receipts	Variance Original Budget	Variance Revised Budget
	Original	Revised			
<b><u>Revenue</u></b>					
Taxation	1,037,340	778,503	750,661	(27.64%)	(3.58%)
Non-Taxation	91,634	86,709	83,124	(9.29%)	(4.13%)
<b>Total Revenue Receipts</b>	<b>1,128,974</b>	<b>865,212</b>	<b>833,785</b>	<b>(26.15%)</b>	<b>(3.63%)</b>
<b><u>Capital</u></b>					
Domestic Debt	39,000	39,000	26,422	(32.25%)	(32.25%)
Foreign Debt	52,353	31,793	12,785	(75.58%)	(59.79%)
Recovery of Loans & Advances	10,000	948	124	(98.76%)	(86.92%)
State Trading Activities	44,784	47,445	33,256	(25.74%)	(29.91%)
Miscellaneous Recoveries	0	0	0		
<b>Total Capital Receipts</b>	<b>146,137</b>	<b>119,186</b>	<b>72,587</b>	<b>(50.33%)</b>	<b>(39.10%)</b>
<b>Total Receipts</b>	<b>1,275,111</b>	<b>984,399</b>	<b>906,372</b>	<b>(28.92%)</b>	<b>(7.93%)</b>

*Source: Financial statements of the Government of Sindh for the Financial Year 2019-20*

All above variances analysis depicts that total revenue receipts were less realized by 26.15% and 3.63% against the target set in Original Budget and Revised Budget respectively. Similarly, total capital receipts were less realized by 50.33% and 39.10% against the target set in Original Budget and Revised Budget respectively. Total revenue receipts were less realized by 28.92% and 7.63% against the target set in Original Budget and Revised Budget respectively.

It is to pointout that Government of Sindh could only receive the receipts of 1.24% on account of recoveries of loan and advances resulting in failure of Government to achieved target by 98.76%. Government of Sindh received foreign degt less by 75.58% of original budgeted amount. This may lead to non-achievement of deliverable of the projects for which this debt was supposed to be reccieved. Over all position of Government of Sindh shows the poor budgeting of the flows of funds.

## **(C) ACCOUNTING ISSUES**

### **Accounting of Assets**

#### **1.5.2 Un-reconciled long outstanding difference between book and bank balances- Rs.725.987 million**

APPM chapter 6 section 6.1.1.1 to 6.1.1.6 while defining policies and procedures regarding bank reconciliation state that The State Bank of Pakistan and the National Bank of Pakistan, acting as an agent for the State Bank of Pakistan, shall be the Government's banker, unless otherwise authorized by the Government.

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

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

The head office of SBP should report cash balances of each government bank account on a daily basis and in the form prescribed by the Auditor General to the following, as applicable to each government as Finance Department, Sindh and Accountant General, Sindh

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that that there was a net un-reconciled difference in bank account closing balance as shown at Page # 167 of Finance Account of Government of Sindh for the financial year 2019-20. Details are as below:

<b>Transaction awaited for adjustment by Bank</b>	<b>2019-20</b>
<b>Breakup of un-reconciled difference</b>	(Amount in Rupees)
Provincial Account Current period 2019-20 (1997-98 to 2019-20)	580,313,487 Dr.
Provincial Account Previous period 1995-2018(1994-95 to 1996-97)	145,673,784 Dr.
<b>Total</b>	<b>725,987,271 Dr.</b>

Monthly bank reconciliations of Provincial A/C I and II are carried out by the Accountant General Sindh, therefore such differences should not arise, this practice is a case of non-observance of the requirements of APPM for preparation of bank reconciliations.

The DAC meeting was held on the 26th of October 2020, where DAC directed to get the differences reconciled.

Audit recommends that the DAC directive maybe complied.

**(OM#04)**

### **1.5.3 Long outstanding loans and advances – Rs.2,039.385 million**

Section 4.10.9.1 of APPM states, “Detailed accounts of all loans and advances granted by the Government shall be maintained by the Accountant General, who will monitor their balances and identify any breaches in the terms and conditions of these loans”. Section 4.10.9.2 of the manual states, “the delegated officer in Accountant General’s office shall record payments and recoveries of loans and advances in the relevant account heads under “Loans and Advances” in the Sub Ledger in accordance with directions laid down in Section 4.4 “Accounting for Expenditures”. Also, these loans and advances shall be recorded in the Financial Register”. Further, any default in repayment (either in principal or interest) shall be promptly reported by the Accountant General to the delegated authority who shall then take steps to recover the amount in default as per section 4.10.11.2 of the same manual.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that there were long outstanding loan balances against various institutions and government servants appearing at Page #121-124 of Finance Account of Government of Sindh.

These loans/advances include:

(Rupees in million)

<b>Institution</b>	<b>Opening Balance</b>	<b>Payments</b>	<b>Receipts</b>	<b>Closing Balance</b>
To non-financial institutions	1,957.056		115.263	1,841.793
To Government Servants	31.263	0	8.534	22,729
To private sector	174.864	0	0	174,864
<b>Total</b>	<b>2,163.183</b>	<b>0</b>	<b>123.797</b>	<b>2,039.385</b>

Following were the observations:

- i. No amount was recovered on outstanding balance of loans and advances except recovery of Rs115.263million from Sindh Transmission & Dispatch Company (Pvt) ltd (Energy Department) and Rs8.534million against House Building Advances.

Audit requires justification of non-recovery of such long outstanding loans and advances. Moreover, appropriate measures should be taken in respect of recovery or settlement of long outstanding balances in order to present a true and fair picture of the financial position of the entity.

The DAC meeting was held on the 26th of October 2020, where DAC directed to initiate the recovery or adjustment.

Audit recommends that the DAC directive maybe complied.

**(OM#11)**

#### **1.5.4 Unrealized long-outstanding Receivables**

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that current assets of the Government of Sindh classified into following sub-headings as Civil Department Balances, Receivables, Other Receivables, and Other Assets, which had been unrealized since long



Following observations were noted:

## **Receivables**

### **a) Permanent Advance Rs.6.204 million**

According to Para-140 of General Financial Rules, any advances made out of the permanent advance may be recovered. The book balances include an amount of Rs.130,639 transferred by the A.G West Pakistan, Lahore as receivable for Sindh Government on disintegration of one unit. Balances are appearing at Page # 132 of Finance Account of Government of Sindh.

### **b) O.B. Advances (Civil) Rs.51.141 million**

O.B. Advance (Civil) comprises mainly the payments on account of Pay and T.A. on transfer and payments of one month salary to the Government Servants on Eid festival. The Eid advance is recovered in 02 or 03 installments and its recovery appears in next month's payroll. Balances are appearing at Page # 131 of Finance Account of Government of Sindh.

(Amount in Rupees)

Movement	Opening Balance	Payment	Receipt	Closing Balance
	48,014,528	5,843,401	2,717,336	51,140,593

The amount of O.B advances recovered during the year is very minimal. This shows poor cash management.

### **c) Special advances Rs.1.707 million**

Special Advance records advance of the special nature under the orders of the Provincial Government. These advances, except those in the case of District Accounts Officer Khairpur relate to the period prior to 1970-71 and have not been repaid so far. The details are as under Balances appears at Page # 134-135 of Finance Account of Government of Sindh.

(Amount in Rupees)

Sr.#	Description	Amount
1	Advances paid for test purchase made by Price Control Department	4,957
2	Advances for Tarawih Prayer	1,012
3	Trap money advance for Anti-Corruption Department	70,251
4	Advance for Students of District Municipal Corporation Karachi	1,411
5	Advances to Board of Management of Muslim Education Cess, Karachi	11,973
6	Advances by revenue department for Flood Relief	185,363
7	Advances by Deputy Commissioner Lahore for Flood Relief	677,396
8	Advances for purchase of Coconut Seeds	5,041
9	Advances for Agriculture Department for East Pakistani Families.	435,000
10	District Account Officer Khairpur	314,991
	<b>Total</b>	<b>1707,395</b>

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

**d) Payment for fertilizer Rs.1,839.202 million**

The debits received from Federal Government on account of supply of Fertilizer to Sindh Agriculture Supply Corporation are booked under this head pending recovery from the Corporation. The balance represents amount outstanding against the corporation. The acceptance of the balance is awaited. This is a stagnant balance that appears at Page # 131&135 of Finance Account of Government of Sindh.

**Other Receivables**

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

**e) Account with Government of India Rs.4.660 million**

The above head records transaction between the Government of Sindh and the various Provincial Governments in India requiring settlement. The balance represents the outstanding balance for which settlement could not be carried out through the account of the Stand Bank up to the year 1982-83. The matter is correspondence with the various Accountant Generals in India. Balances are appearing at Page # 132 &135 of Finance Account of Government of Sindh.

**f) Account with Government of Burma Rs.0.366 million**

This head records transactions between the Government of Burma and the Government of Sindh requiring settlement through State Bank. The balance represents the outstanding for which settlement could not be carried out through the accounts of the State Bank up-to the year 1982-83 and is under investigation. The ledger balance is under agreement with broadsheet figures. Balances are appearing at Page # 132&135 of Finance Account of Government of Sindh.

**g) East Pakistan suspense Rs.4.540 million**

This head is intended to accommodate Payment on behalf of the Government of East Pakistan and their autonomous bodies after Separation of that Government with the Government of Pakistan. The balance will be settled only upon agreement between the two Governments. Balances are appearing at Page # 132 & 135 of Finance Account of Government of Sindh.

This has serious implications as non-deposit of government moneys held by any government official in fiduciary trust is a legal mistrust on his part and he can be subject to legal and pecuniary obligations under such circumstances.

The DAC meeting was held on the 26th of October 2020, where DAC directed to initiate the recovery or adjustment.

Audit recommends that the DAC directive maybe complied.

**(OM#13)**

**1.5.5 Non-investment of GP Fund subscription**

As per APPM Section 2.3.2.6 regarding the Economy: the accounting system shall include controls to ensure the prudent allocation of government resources. This objective shall be addressed by:

1. expenditure approval, certification and authorization procedures.
2. a competitive procurement process
3. central purchasing facilities
4. asset management policies and procedures

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that yearly GP Fund subscription amount was Rs11,357,914,339/- for the period under audit. On the other hand, Sindh General Provident Investment Fund was created in the year 2007-08 managed by Fund Management House, Finance Department in which accumulated value of investments as on 30-06-2020 was shown as Rs.73.097 billion. (Annual Budget Statement 2020-21). However, the amount of annual GP Fund subscription was not invested in the said fund.

The DAC meeting was held on the 26th of October 2020, where Finance Department agreed to inject funds in GP Fund investment portfolio. DAC directed for compliance.

Audit recommends that the DAC directive maybe complied.

**(OM#61)**

## Accounting of Liabilities

### 1.5.6 Variation in opening balance of Foreign Debt – Rs.349,185.891 million

As per APPM section 11.5.1.2 regarding the Accounting Procedure for processing of Receipts and Payments of loans and other liabilities, the following key controls shall be observed when processing receipts and repayments of loans:

- Cash transactions arising from loans should be identified against the proper receipt and payments heads, giving reference to the concerned Federal or Provincial Government .
- Reconciliation of loan liability records of AG/AGPR with EAD/MoF, in relation to domestic and external debt .
- Reconciliation of loan receipts and repayment transactions between AGPR/AG and EAD/MoF records .
- Reconciliation of loan liability records of AG/AGPR with other concerned ministries and departments in relation to recognized liabilities

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20 variation in opening balance of foreign debt was observed between the figures reported in Finance Account of Government of Sindh (P#114) and Budget Statement 2020-21 (P#62). Detail are as under;

(Amount in Rupees)

As per Annual Budget statement 2020-21 (P#62)		As per Finance A/C(P#114)	Difference
Development partner	Balance on 01-07-19	Balance on 01-07-19	
International Development Association/ world Bank	220,106	20,191.109	
Asian Development Bank	122,887		
Federal Government	13,026		
Japan	12,321		
Others	1,037		
<b>Total</b>	<b>369,377</b>	<b>20,191.109</b>	<b>349,185.891</b>

The DAC meeting was held on the 26th of October 2020, where DAC decided that Finance Department will approach CGA for guidance on the subject matter.

Audit recommends that the DAC directive maybe complied.

(OM#14)

### 1.5.7 Variation in opening balance of Domestic Debt - Rs.18,046.158 million

As per the APPM section 11.5.1.2 regarding the Accounting Procedure for processing of Receipts and Payments of loans and other liabilities, the following key controls shall be observed when processing receipts and repayments of loans:

- Cash transactions arising from loans should be identified against the proper receipt and payments heads, giving reference to the concerned Federal or Provincial Government .
- Reconciliation of loan liability records of AG/AGPR with EAD/MoF, in relation to domestic and external debt .
- Reconciliation of loan receipts and repayment transactions between AGPR/AG and EAD/MoF records .
- Reconciliation of loan liability records of AG/AGPR with other concerned ministries and departments in relation to recognized liabilities

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, while reviewing the Finance Account of Government of Sindh (P#114) and Budget statement 2020-21 (P#62), it was revealed that there was a huge difference in Domestic Debt figures Rs.18,046.158 million between figures of Budget Statement 2020-21 and Finance Account.

(Rs. in million)

As per Annual Budget statement 2020-21 (P#62)		As per Finance A/C(P#114)	Difference
<b>Domestic Loan</b>	<b>Balance on 01-07-19</b>	<b>Balance on 01-07-19</b>	
Cash Development loan	1.370	18,060.288	
Salinity control & Reclamation Project SCARP	12.760		
<b>Total</b>	<b>14.130</b>	<b>18,060.288</b>	<b>18,046.158</b>

The DAC meeting was held on the 26th of October 2020, where DAC directed for making necessary reconciliation.

Audit recommends that the DAC directive maybe complied.

(OM#15)

### **1.5.8 Long outstanding balances in GL Head “G10137 Pre-Audit civil cheque (Account-II)” Rs.(263.267) billion**

According to Note 24.1 of Financial Statements “The public account consists of those moneys received by the Government for which it has a fiduciary duty, but not at liberty to appropriate for the general services of Government, unless provided under an Act of Provincial Assembly or rules made by the Governor. The balances in the public account are carried forward at year end and to be used for the specific purpose for which they are established”.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed while analyzing Finance Account of the Government of Sindh, negative balance of Rs.263.267 billion was appearing as OB under the head G10137-Pre-Audit Civil Cheques (Account-II) on page No.147, which represents that liabilities were presumably paid off in excess of actual amount.

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

**(OM#16)**

### **1.5.9 Variation in the monthly G P Fund subscription**

Para-(4) of General Provident Fund Rules 1938 states that the amount of subscriptions so fixed shall remain unchanged throughout the year.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that there was substantial variation in monthly G P Fund subscription amount in the months of November 2019 and March 2020. The variation in GP Fund monthly subscription amount in aforementioned months may please be justified to audit.

(Amount in Rupees)

<b>Month</b>	<b>Subscription amount</b>	<b>Amount of preceding month</b>	<b>Variation (Amount)</b>	<b>Variation (%)</b>
July	927,631,768.00			
August	930,231,004.00			
September	928,808,839.00			
October	936,339,146.00			
November	1,043,181,614.00	936339146.00	106,842,468.00	10.24%

(Amount in Rupees)

<b>Month</b>	<b>Subscription amount</b>	<b>Amount of preceding month</b>	<b>Variation (Amount)</b>	<b>Variation (%)</b>
December	928,429,303.00			
January	936,427,229.00			
February	946,144,556.00			
March	1,010,138,081.00	946144556.00	63,999,835.00	6.33%
April	922,816,299.00			
May	923,776,379.00			
June	923,990,121.00			
	-			
<b>Total</b>	<b>11,357,914,339.00</b>		<b>170,842,303.00</b>	

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

**(OM#25)**



## Accounting of Receipts

### 1.5.10 Unjustified payment to different vendors from Various GL Heads- Rs.10.896 million

APPM Section 5.5.9.3 states, “The Accountant General and the tax collecting agencies will be jointly responsible for reconciliation of tax revenues, in thane prescribed by the Auditor-General”

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed from SAP Data that Debit entries were made from various GL Heads (Details as under) with document type “KR. This suggests that these were payments made through cheques to vendors and companies. Audit is of opinion that making payments to individuals as well as companies from the aforementioned head is unjustified. (Document No wise details attached in Annexure)

(Rs. in million)

GL Head	GL Description	OM #	Amount
G12714	Income Tax deduction from Contractors/Suppliers	01	9.089
B02384	Sales Tax on Services	02	1.711
G12777	Sales Tax Deduction at source	03	0.096
<b>Total</b>			<b>10.896</b>

The DAC meeting was held on the 26th of October 2020, where DAC directed to recover the amount and put check toward such payment in future from this G/L Head.

Audit recommends that the DAC directive maybe complied.

### 1.5.11 Loss of investment in Viability Gap Fund – Rs.2,094.81million

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

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed from Annual Budget statement 2020-21 that

profit earned in Viability Gap Fund was shown as negative Rs (2,094.81) million. This suggests that loss was incurred on the Accumulated Value of Investments as on 30-06-2020.

(Rs. in million)

Sr. #	Description of Investment	Accumulated Value of Investments as on 1st July 2019	Releases in 2019-20	Expenditure 2019-20	Profit Earned During 2019-20	Accumulated Value of Investments as on 30th June, 2020
1	Viability Gap Fund	7,662.30	1,500.00	3,553.59	(2,094.81)	3,513.90

Source: Annual Budget statement 2020-21 page no 63.

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

(OM#10)

### **1.5.12 Un-justified retention of receipts after closing of financial year – Rs.2,957.669 million**

As per APPM section 5.2.2.1“All monies received as revenue of the Government, must be banked in the name of the Government without delay and included in the Consolidated Fund of the respective Federal or Provincial Government”. Further as per Para 26 of the GFR Volume-I updated edition 2019 “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the departmental Controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account. They should accordingly arrange to obtain from their subordinates monthly accounts and returns in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statements of treasury credits furnished by the Accountant General, to see that the amounts reported as collected have been duly credited in the Public Account.”

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed from the finance account that closing balance of following GL Heads pertaining to receipts was shown as Rs.2,957.669 million. This suggests that receipts were retained till the close of financial year and were not remitted

into relevant head of account and liabilities of government of Sindh increased by Rs.2,957.669 million.

(Rs. in million)

<b>Head</b>	<b>Balance on 1st July 2019</b>	<b>Receipts</b>	<b>Payment</b>	<b>Balance on 30th June 2020</b>
G10304-Zakat Collection Accounts	902.706	8.698	9.472	901.931
G12713-Income Tax deduction from Salaries	91.297	4,966.666	4,792.233	265.730
G12714-Income Tax deduction from Contractors / Suppliers	2,490.050	7,395.624	8,188.674	1,697
G12777-Sales Tax Deduction at Source under Sales Tax Special Procedure	44.324	400.530	351.846	93.008
<b>Total</b>	<b>3,528.377</b>	<b>12,771.518</b>	<b>13,342.225</b>	<b>2,957.669</b>
Source: Finance Account Government of Sindh 2019-20 page no 148 &157				

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

**(OM#12)**

## Accounting of Expenditures

### 1.5.13 Unjustified Excess payment from the GL Head “G01191-Assignment Account Cheques” – Rs.97,296,898

According to section-(3)(1) of revised procedure for operation of assignment account, the expenditure will be recorded in the accounts on endorsement of cheques of assignment account by the AG/DAO in order to record expenditure.

DR. Detail expenditure head

CR. G01191- assignment account

According to section-(3) (6) of revised procedure for operation of assignment account, NBP will provide scroll with paid cheques of assignment account (local Currency) to AG/DAO on daily basis or as the payment are made.

DR-G01191-assignment account cheques

CR-Bank Account

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed from the Finance Account 2019-20 at page No. 137 that an amount of Rs.97,296,898 was drawn in excess from GL Head “G01191-Assignment Account Cheques” during the year 2019-20. Whereas the same GL Head reflected excess payments from previous years as Opening Balance Rs3,535,870,357. Details are as below:

(Amount in Rupees)

GL Head	Balance on 1st July 2019	Receipts	Payments	Excess	Balance on 30th June
G01191	(3,535,870,357)	34,405,985,717	34,503,282,615	97,296,898	(3,633,167,255)

Audit is of the view that excess payment is result of non-observance of Para - (3)(1) i&ii and (3)(2) vi of revised procedure for operation of assignment account (local currency) dated 16-10 2018.

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

(OM#17)

#### **1.5.14 Payment of pension through NBP instead of DCS – Rs.16.095 million**

According to Section 4.7.3.1 of APPM “The normal method of payment of pension shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment, and it automatically ensures that pensioners have access to their pension on the due date. Moreover, direct credit has tangible advantages, over payment by cheque, against risks of theft or fraud.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that an expenditure of Rs.16.095 million was incurred on monthly pension (A04101) manually by NBP instead of payment through DCS. Thus, the chances of misappropriation cannot be ruled out. District wise details are as under. (Document no. wise details are attached in annexure)

(Amount in Rupees)

<b>Sr.#</b>	<b>Name of office</b>	<b>Document Type</b>	<b>Amount</b>
1	DAO Jacobabad	ET	,176,052
2	AG Sindh	ET	7,919,823
<b>Total</b>			<b>16,095,875</b>

Audit is of the view that manual payment of monthly pension through NBP is irregular.

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

**(OM#18)**

#### **1.5.15 Payment of pension through cheque instead of DCS – Rs.4.151million**

According to Section 4.7.3.1 of APPM “The normal method of payment of pension shall be by credit transfer direct to a bank account nominated by the employee. This is the most secure and economical method of payment, and it automatically ensures that pensioners have access to their pension on the due date. Moreover, direct credit has tangible advantages, over payment by cheque, against risks of theft or fraud.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that Rs.4.151 million was incurred on monthly pension (A04101) through cheques instead of payment through DCS. District wise details are as under. (Vendor No. wise details are attached in annexure)

(Amount in Rupees)

Sr.#	Name of DAO	Amount
1	DAO Hyderabad	1,109,406
2	DAO Khairpur	1,668,284
3	DAO Dadu	940,698
4	DAO Mirpurkhas	310,192
5	DAO Sukkur	122,521
<b>Total</b>		<b>4,151,101</b>

Audit is of the view that payment of monthly pension through cheques instead of DCS is irregular.

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive may be complied.

**(OM#19)**

#### **1.5.16 Payment on account of commutated value of pension Rs.199.235 million**

According to Section 4.7.15.1 of APPM “In the Account Section the delegated officer shall record details of pensions, as stated on the authorized Pension Advice Note and Pension Credit Advice sent by the Pension Section”.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-2020, it was observed that irregular payment amounting to Rs.199.235 million was made to various officers/officials on account of commuted value of pension in which following shortcomings were observed (Details are attached).

- i. Nature of ROP details were not mentioned in the relevant files.
- ii. No details regarding payment of arrears were available in the relevant files.
- iii. There was no stoppage of salary form attached.
- iv. Pass order with respect to final payment was not attached with the files.

Audit was of the view that irregular payments were incurred on account of commutated value of pension due to above observations, which constituted weak administrative and financial management.

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

(OM#21)

### **1.5.17 Multiple payment of arrears and commuted value of pension – Rs.134.668 million**

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

During Certification Audit of Government of Sindh for the financial year 2019-20, it was observed that in various cases, same pensioner was paid arrears and commuted value of pension respectively multiple times amounting to Rs134.668 million in different months and dates which resulted into duplicate payments. Details are as attached:

(Amount in Rupees)

<b>Sr.#</b>	<b>Head of account</b>	<b>No. of entries</b>	<b>Wage Type</b>	<b>Amount</b>
1	Arrears of pension	128	5901	120,198,086
2	Commuted value of pension	8	5906	14,470,409
<b>Total</b>				<b>134,668,495</b>

Audit is of the view that payments of Rs.134.668 million on account of arrears and commuted value of pension showed multiple entries of same pensioner in different months and dates, which creates doubt of duplicate payments.

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

(OM#24)

### **1.5.18 Non-conducting of post audit of Assignment Accounts – Rs.7,190.109 million**

As per Revised Procedure for Operation of Assignment Accounts of Federal Government (Local Currency) issued by office of the Controller General of Accounts vide letter dated No.916 /CGAJA.A/RP-2018 (LC) dated 16-10-2018 applicable w-e-f 01-07-2018 at para-6 Post Audit it states that “The drawing authorities will submit monthly account of expenditure with copies of paid vouchers to the AGPR/DAO concerned for post audit purpose by 15th of each month who will carry out 100% post audit. The AGPR/DAO will issue a certificate of post audit by the end of month to the DDO concerned”.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that releases amounting to Rs.7,190.109 million were made through assignment accounts, but post-audit of these payments were not conducted by AG Sindh/DAOs to comply with the instructions of CGA. Post-audit reports of these assignment accounts were not produced to audit for evidence. List of those assignment accounts whose post Audit reports were not produced is attached as annexure.

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

**(OM#26)**

### **1.5.19 Misclassification of expenditure – Rs.1.009 million.**

According to Rule 12 of GFR, Volume-I, “A controlling officer is responsible to watch that the funds allotted to the spending units, are expended in the public interest upon the object, which the money was provided”

During certification audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed in the bills that the expenditure amounting to Rs.1.009 million was charged in the inappropriate head of accounts. Detail is as below:



(Amount in Rupees)

Cost Centre	Document No. & Date	Name of Vendor	Head of Account Wrongly Charged	Correct head of Account	Amount
KQ0593 (Health-III)	1900589374 12-06-2020	M/s Comsys Consultant	A03204 Electronic Communication	A09203 I.T. Equipment	290,950
KQ0593 (Health-III)	190055452505- 06-2020	M/s Comsys Consultant			298,250
KQ0733	1900054325 23-08-2019	M/s IT Box	A03202 Telephone and Trunk Call	A03204 Electronic Communication	140,000
KQ0733	19000607413 18-06-2020	M/s IT Box			280,000
<b>Total</b>					<b>1,009,200</b>

The DAC meeting was held on the 26th of October 2020, DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

(OM#59)

### 1.5.20 Unauthorized payment of inadmissible allowances – Rs.236.511 million

According to Rule-88 of Sindh Financial Rules, Volume-I, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as person of ordinary prudence would exercise in respect of expenditure of his own money”.

During certification audit of the Government of Sindh, Karachi for the financial year 2019-20, it was observed that amount of Rs.236.511 million was paid to various officers/officials of different offices/departments on account of various allowances for which they were not entitled. Payment of allowances without entitlement was irregular. The detail is given below:

(Rupees in million)

Sr.#	Particulars	O.M No	Amount
1	Teaching allowance	31	5.266
2	Orderly allowance	32	0.165
3	Overtime allowance	33	0.306
4	Project Allowance	34	0.230
5	Unattractive allowance	35	73.258
6	Hard area allowance 50%	36	0.984
7	Governor House Allowance	37	37.958
8	Abolished Allowance	38	0.942

(Rupees in million)

<b>Sr.#</b>	<b>Particulars</b>	<b>O.M No</b>	<b>Amount</b>
9	Non-Practicing allowance	39	18.948
10	Uniform allowance	42	6.252
11	CM Secretariat allowance	43 & 52	34.408
12	Special Pay Package (One Basic)	45	4.267
13	Ph.D / M.Phil allowance	48	41.332
14	Utility allowance	49	4.434
15	Conveyance allowance	50	1.061
16	Various allowances	53	0.175
17	Casualty allowance	54	3.146
18	Honorarium	55	3.379
<b>Total</b>			<b>236.511</b>

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification, to initiate stop payment and to recover excess amount drawn, by the officials after soliciting FO2 forms.

Audit recommends that the DAC directive maybe complied.

## Findings and Recommendations on Reporting

### 1.5.21 Non-reporting of undrawn amount from assignment account by the bank authorities - Rs.4,354.030

As per Revised Procedure for Operation of Assignment Accounts of Federal Government (Local Currency) issued by office of the Controller General of Accounts vide letter dated No.916 /CGAJA.A/RP-2018 (LC) dated 16-10-2018 applicable w-e-f 01-07-2018 at para-5(1) Budgeting-Reconciliation “National Bank of Pakistan will report the account remaining undrawn against the authorized ceiling at the close of a financial year to AGPR/DAO/PAO in respect of each Assignment Account within a week”.

During certification audit of Government of Sindh, for the financial year 2019-20, it was observed that amount of Rs.4,354.030 million remaining undrawn against the authorized ceiling at the close of a financial year to AGPR/DAO/PAO in respect of each Assignment Account within a week was not reported. No such evidence was shown to Audit regarding information/status of undrawn amount by NBP to AGPR/DAO/PAO.

(Rs. in million)

Amount Released as reported by AG Sindh	Credit Amount to GL Head G01191- “Assignment Account Cheques”	Undrawn amount
38760.015	34,405.985	4,354.030

The DAC meeting was held on the 26th of October 2020, where DAC directed to take up the matter with NBP.

Audit recommends that the DAC directive maybe complied.

(OM#27)

### 1.5.22 Non-disclosure of Profit or loss in Finance Account from the investment made in Sindh Bank

As per APPM Section 2.3.2.3 regarding Completeness of information in the accounts states, “the information in the accounts and the supporting subsidiary records shall be a complete representation of all past transactions that have occurred during the reporting period”

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that

the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that an amount of Rs21.700 billion was shown as investment in Sindh Bank till the financial year 2019-20 from Sindh Consolidated fund, but figures of profit or loss from the investment was neither incorporated in Finance Accounts of Government of Sindh (Detail is available on page No. 107 of Finance Accounts) nor in Annual Budget statement 2020-21.

The DAC meeting was held on the 26th of October 2020, where DAC decided that Finance Department will approach CGA for guidance on the subject matter.

Audit recommends that the DAC directive maybe complied.

**(OM#05)**

### **1.5.23 Non-recording of profit earned from investment – Rs.53,580 million**

As per APPM Section 2.3.2.2 regarding accuracy of information in the accounts states, “the information in the accounts and the supporting subsidiary records shall be accurate, representing the actual substance of past events, without undue errors or omission. This shall include correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period.”

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that as per Annual Budget statement 2020-21, an amount of Rs53,580 million was shown as profit earned during the year 2019-20 from the investments made in funds managed by the Sindh Fund Management House, Finance Department, Government of Sindh. However, the same was not recorded in Financial Statement and Finance Account of Government of Sindh.

(Rupees in million)

Sr. #	Description of Investment	Accumulated Value of Investments as on 1st July 2019	Releases in 2019-20	Expenditure 2019-20	Profit Earned During 2019-20	Estimated Accumulated Value of Investments as on 30th June, 2020
1	Sindh Pension Fund	104,695.53	0	2.00	31,542.08	136,235.61
2	Sindh Social Relief Fund	5,481.35	0.00	1,300.00	2,908.28	7,089.63
3	Sindh General Provident Fund	56,466.47	0	1.67	16,633.11	73,097.91
4	Viability Gap Fund	7,662.30	1,500.00	3,553.59	(2,094.81)	3,513.90
5	People's Housing Cell Fund	462.59	0	-	203.17	665.76
6	Provincial Disaster Management Fund	0.07	0	-	-	0.07
7	SASO Pensioner's Funds	109.84	0	34.15	25.50	101.19
8	Sindh Flood Relief Fund	0.73	0	-	-	0.73
9	Sindh Coal Development Fund	5,888.87	0.00	3,395.77	550.00	3,043.10
10	Sindh Project Development Facility	407.81	0	145.95	122.75	384.61
11	Endowment Fund for PPHI	619.47	0	-	233.64	853.11
12	Sindh Employees Group Insurance Fund	2,569.29	0	-	1,105.70	3,674.99
13	Education City Fund	0.16	0	-	0.01	0.17
14	SPPRA Investment Fund	61.38	0	-	7.53	68.91
15	Investment Fund For Sindh	7,306.99	0	-	2,315.98	9,622.97

(Rupees in million)

Sr. #	Description of Investment	Accumulated Value of Investments as on 1st July 2019	Releases in 2019-20	Expenditure 2019-20	Profit Earned During 2019-20	Estimated Accumulated Value of Investments as on 30th June, 2020
	Civil Servants Housing Foundation					
16	Sindh Alternative Energy Fund	176.82	0	-	26.87	203.69
<b>Total</b>		<b>191,909.67</b>	<b>1,500.00</b>	<b>8,433.13</b>	<b>53,579.81</b>	<b>238,556.35</b>

The DAC meeting was held on the 26th of October 2020, where DAC decided that Finance Department will approach CGA for guidance on the subject matter.

Audit recommends that the DAC directive maybe complied.

(OM#06)

#### **1.5.24 Non-recording of expenditure incurred from investment funds– Rs.8,433.13 million**

As per APPM Section 2.3.2.2 regarding accuracy of information in the accounts states, “the information in the accounts and the supporting subsidiary records shall be accurate, representing the actual substance of past events, without undue errors or omission. This shall include correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period.”

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed that as per Annual Budget Statement 2020-21, an amount of Rs8,433.13 million was shown as expenditure incurred from investment funds managed by the Sindh Fund Management House, Finance Department, Government of Sindh. However, the same was not recorded in Financial Statement and Finance Account of Government of Sindh.

(Rupees in million)

Sr. #	Description of Investment	Accumulated Value of Investments as on 1st July 2019	Releases in 2019-20	Expenditure 2019-20	Profit Earned During 2019-20	Estimated Accumulated Value of Investments as on 30th June, 2020
1	Sindh Pension Fund	104,695.53	0	2.00	31,542.08	136,235.61
2	Sindh Social Relief Fund	5,481.35	0.00	1,300.00	2,908.28	7,089.63
3	Sindh General Provident Fund	56,466.47	0	1.67	16,633.11	73,097.91
4	Viability Gap Fund	7,662.30	1,500.00	3,553.59	(2,094.81)	3,513.90
5	People's Housing Cell Fund	462.59	0	-	203.17	665.76
6	Provincial Disaster Management Fund	0.07	0	-	-	0.07
7	SASO Pensioner's Funds	109.84	0	34.15	25.50	101.19
8	Sindh Flood Relief Fund	0.73	0	-	-	0.73
9	Sindh Coal Development Fund	5,888.87	0.00	3,395.77	550.00	3,043.10
10	Sindh Project Development Facility	407.81	0	145.95	122.75	384.61
11	Endowment Fund for PPHI	619.47	0	-	233.64	853.11
12	Sindh Employees Group Insurance Fund	2,569.29	0	-	1,105.70	3,674.99
13	Education City Fund	0.16	0	-	0.01	0.17
14	SPPRA Investment Fund	61.38	0	-	7.53	68.91
15	Investment Fund for Sindh Civil Servants Housing Foundation	7,306.99	0	-	2,315.98	9,622.97
16	Sindh Alternative Energy Fund	176.82	0	-	26.87	203.69
<b>Total</b>		<b>191,909.67</b>	<b>1,500.00</b>	<b>8,433.13</b>	<b>53,579.81</b>	<b>238,556.35</b>

The DAC meeting was held on the 26th of October 2020, where DAC decided that Finance Department will approach CGA for guidance on the subject matter.

Audit recommends that the DAC directive maybe complied.

(OM#07)

### 1.5.25 Non-reporting of certain Investment Funds in Finance Accounts – Rs.1,893.46 million

As per APPM Section 2.3.2.2 regarding accuracy of information in the accounts states, “The information in the accounts and the supporting subsidiary records shall be accurate, representing the actual substance of past events, without undue errors or omission. This shall include correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period.”

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed from the annual budget statements 2020-2021 that an amount of Rs1893.46 million was shown as accumulated value of investments as on 30-06-2020 in following different investment funds managed by the Sindh Fund Management House, Finance Department, Government of Sindh. However, the investment details of these funds were not reported in Finance Account of Government of Sindh.

(Rupees in million)

Sr. #	Description of Investment	Accumulated Value of Investments as on 1st July 2019	Releases in 2019-20	Expenditure 2019-20	Profit Earned During 2019-20	Accumulated Value of Investments as on 30th June, 2020
1	People’s Housing Cell Fund	462.59	0	0	203.17	665.76
2	Provincial Disaster Management Fund	0.07	0	0	0	0.07
3	SASO Pensioner’s Funds	109.84	0	34.15	25.50	101.19
4	Sindh Flood Relief Fund	0.73	0	0	0	0.73
5	Endowment Fund for PPHI	619.47	0	0	233.64	853.11
6	SPPRA Investment Fund	61.38	0	0	7.53	68.91
7	Sindh Alternative Energy Fund	176.82	0	0	26.87	203.69
<b>Total</b>		<b>1430.9</b>		<b>34.15</b>	<b>496.71</b>	<b>1893.46</b>

Source: Annual Budget statement volume -1 2020-21.



The DAC meeting was held on the 26th of October 2020, where DAC decided that Finance Department will approach CGA for guidance on the subject matter.

Audit recommends that the DAC directive maybe complied.

**(OM#08)**

## Findings and Recommendations on Internal Control Weaknesses

### 1.5.26 Difference in closing balances of various investment funds

As per APPM Section 2.3.2.2 regarding accuracy of information in the accounts states, “The information in the accounts and the supporting subsidiary records shall be accurate, representing the actual substance of past events, without undue errors or omission. This shall include correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period.”

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20 differences in closing balances were found among various investment funds managed by the Sindh Fund Management House. The closing balances of these funds as reported in Annual Budget Statement 2020-21 were different from the closing balances as reported in Finance Account of Government of Sindh. Details are as under:

(Rs. in million)

Sr. #	Description of Investment	Accumulated Value of Investments as on 1st July 2019	Releases in 2019-20	Expenditure 2019-20	Profit Earned During 2019-20	Accumulated Value of Investments as on 30th June, 2020	As per Finance A/C 2019-20	Difference
1	Sindh Pension Fund	104,695.53	0	2	31,542.08	136,235.61	86,428.73	(49,806.88)
2	Sindh Social Relief Fund	5,481.35	0	1,300.00	2,908.28	7,089.63	17,986.00	10,896.37
3	Sindh General Provident Fund	56,466.47	0	1.67	16,633.11	73,097.91	47,397.65	(25,700.26)
4	Viability Gap Fund	7,662.30	1,500	3,553.59	(2,094.81)	3,513.90	14,483.86	10,969.96
5	Sindh Coal Development Fund	5,888.87	0	3,395.77	550	3,043.10	12,674.90	9,631.80
6	Sindh Project Development Facility	407.81	0	145.95	122.75	384.61	200	(184.61)
7	Sindh Employees Group	2,569.29	0	-	1,105.70	3,674.99	2,151.06	(1,523.93)

(Rs. in million)

Sr. #	Description of Investment	Accumulated Value of Investments as on 1st July 2019	Releases in 2019-20	Expenditure 2019-20	Profit Earned During 2019-20	Accumulated Value of Investments as on 30th June, 2020	As per Finance A/C 2019-20	Difference
	Insurance Fund							
8	Education City Fund	0.16	0	-	0.01	0.17	0.1	(0.07)
9	Investment Fund for Sindh Civil Servants Housing Foundation	7,306.99	0	-	2,315.98	9,622.97	5,805.15	(3,817.82)

The DAC meeting was held on the 26th of October 2020, where DAC decided that Finance Department will approach CGA for guidance on the subject matter.

Audit recommends that the DAC directive maybe complied.

**(OM#09)**

### **1.5.27 Undue favour to employee by allowing higher rate of GP Fund subscription-Rs.3.747 million**

Para-10 (2) (iii) General Provident Fund Rules 1938 if the subscriber joined the fund for the first time under the operation of rule-5 on a day subsequent to the said date, his emoluments shall be emoluments to which he was entitled on such subsequent date.

During Certification Audit on the accounts of Government of Sindh for the financial year 2019-20, it was observed from the G P Fund final payment that amount of Rs. 3.747 million was paid to Dr. Yasmin malik in which following short comings were noticed:

As per service statement the employee was promoted to BPS-18 in year 2008-09, whereas G P Fund Subscription rate of BPS-18 was allowed to the same employee since 1996-1997.

(Rs. in million)

Name of employee	I.D No	Year of promotion to BPS-18 as per service statement	Year from which G P Fund subscription rate of BPS 18 was allowed	Subscription rate due in 1996-97 in BPS-17	Subscription rate allowed since 1996-97 of BPS-18	Payment Nature	Amount
Dr.yasmin malik	10099098	2008-09	1996-97	350x1 450x11= 8900	555x11 425x1= 6450	Final payment	3.747

Audit is of the view that management did not observe the date of actual promotion of BPS-18, the amount must be recalculated and excess amount may be recovered.

The DAC meeting was held on the 26th of October 2020, where DAC directed to overdue record for verification.

Audit recommends that the DAC directive maybe complied.

(OM#30)

### 1.5.28 Payment through DDO account – Rs.128.386 million

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

During Certification Audit of Government of Sindh for the financial year 2019-20, it was observed that cheques of Rs128.386 million were issued in favor of DDO account instead of actual payees. Details are below:

(Rs. in million)

Sr.#	Particulars	O.M#	Amount
1	Payment of Gratuity and LPR through DDO account	23	69.449
2	Unauthorized payment of G.P Fund through DDO account	29	24.720
3	Irregular salary transfer into DDO account	47	34.217
		<b>Total</b>	<b>128.386</b>

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

The DAC meeting was held on the 26th of October 2020, where DAC directed to produce record for verification.

Audit recommends that the DAC directive maybe complied.

### **1.5.29 Excess service length of employees – Rs.14.874 million**

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

During Certification audit on the accounts of Government of Sindh for the financial year 2019-20, SAP data disclosed the service length of various employees of different departments. It revealed that the service length of various employees was ranging from 43 years to 72 years which is abnormal and requires justification/clarification (Statement attached).

The DAC meeting was held on the 26th of October 2020, where DAC directed that matter be taken up with line department(s) for making necessary correction in the record.

Audit recommends that the DAC directive maybe complied.

**(OM#41)**

### **1.5.30 Non-reconciliation of expenditure – Rs.95,772.956 million**

According to Rule-77 (V) of Central Treasury Rules Volume-I, read with the order of Finance Department No. FD-510 (FD) 759/59 dated 05/12/59 it was the responsibility of the Drawing & Disbursing officer, to obtain a consolidated list of all cheques, issued by the A.G. Sindh / DAO (Payment for each month) in order to verify

the correctness of the amount drawn from Bank and posting of each transaction of cheques made in the Government Cash Book, and also to ensure that all such cheques were not omitted and have been properly recorded, in Cash Book.

During audit of various offices of various departments of Government of Sindh, it was observed that an expenditure of Rs.95,772.956 million was incurred on various heads of account but the same was not reconciled from the accounts office. Details are given at **Annex-1** of Chapter-1.

The matter was reported to the management during November 2019 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

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

### **1.5.31 Non-reconciliation of receipts – Rs.9,195.184 million**

As per Para 26 of the GFR Volume-I “Subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipt, it is the duty of the department Controlling officers to see that all the sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account. They should accordingly arrange to obtain from their subordinates monthly account and return in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statement of treasury credits furnished by the Accountant General, to see that the amount reported as collected have been duly credited in the Public Account.

During audit of various offices of various departments of Government of Sindh, it was observed that receipts of Rs.9,195.184 million was realized but the same was not reconciled from the accounts office. Details are given at **Annex-2** of Chapter-1.

The matter was reported to the management during February 2020 to May 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

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

### **1.5.32 Misclassification of expenditure – Rs.626.326 million**

According to Rule 12 of GFR, Volume-I, “A controlling officer is responsible to watch that the funds allotted to the spending units, are expended in the public interest upon the object, which the money was provided”

During audit of various offices of various departments of Government of Sindh, it was observed that an expenditure of Rs.626.326 million was incurred by way of misclassification. This was done to avoid the process of re-appropriation through Finance Department. Detail are given at **Annex-3** of Chapter-1.

The matter was reported to the management during August 2019 to December 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### **1.5.33 Excess expenditure incurred over & above the budget allocation – Rs.538.171 million**

According to Section-133 of Sindh Budget Manual, “No government servant should, however, without previously obtaining an extra appropriation, incur expenditure in excess of the amounts provided under the heads concerned. When a government servant exceeds the annual appropriation he runs the risk of being held responsible for the excess”.

During audit of various offices of various departments of Government of Sindh, it was observed that an excess expenditure of Rs.538.171 million was incurred over and above the budget allocation. Details are given at **Annex-4** of Chapter-1.

The matter was reported to the management during February 2020 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **1.5.34 Savings not surrendered in time - Rs.1,783.103 million**

As per Rule-128 of Sindh Budget Manual, the Drawing and Disbursing Officer is personally responsible for surrendering the savings to the Government before the close of the financial year.

During audit of various offices of various departments of Government of Sindh, it was observed that funds amounting to Rs.1,783.103 million were remain unutilized till the close of financial year and the same was not surrendered to government well in time. The saving would have been used in some other useful objects or functions of the government, had the same been surrendered in time. Details are given at **Annex-5** of Chapter-1.

The matter was reported to the management during September 2019 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.



## CHAPTER - 2

### AGRICULTURE, SUPPLY AND PRICES DEPARTMENT

#### 2.1 Introduction

The Department of Agriculture, Supply and Prices was created mainly to provide agricultural services to growers/farmers and to transfer the latest technology to the farming community, introduction of high-yield varieties, timely supply of seeds, fertilizers and pesticides, imparting training and to boost-up the agricultural production and productivity in the Province.

The department is also responsible for modernization of agriculture research, advancement of mechanized agriculture, strong market information system, improved agriculture extension service and water management.

Some functions of the department are performed by Bureau of Supply & Prices such as: -

- To collect, analyse and disseminate information regarding production, trading movement and prices of Essential Commodities including farm produce, livestock, fisheries, poultry and manufactured items used by the common man.
- To conduct production and market cost studies of essential commodities with a view to ascertain their economic price level and to recommend corrective measures to keep the prices at reasonable level.
- To identify bottlenecks in the supply, movement and storage of Essential Commodities and to adopt remedial measures for their availability to consumers at reasonable prices.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	15	13	2,281.957	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	03	03	3,514.232	

## 2.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
14,996.104	0.000	2,961.946	(2,961.946)	(4,767.713)	10,228.391	10,144.170	(-) 84.220

The department was unable to spend the allocated budget in time. As a result, savings of Rs84.220 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
459.200	71.695	54.681	(17.014)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs17.014 million was observed. Revenue estimate were reduced upto 84% in revised estimate. Actual receipts were only 76% of revised estimate.

## 2.3 Classified Summary of Audit Observations

Audit observations amounting to Rs1,996.994 million were raised as a result of this audit. This amount also includes recoverables of Rs38.089 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	1,385.320
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	-
B	<i>Procurement related irregularities</i>	599.859
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	11.815

## 2.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 6.35%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	14	9	0	9	-	
2	1998-99	11	7	0	7	-	
3	1999-2000	31	2	0	2	-	
4	2001-02	11	6	0	6	-	
5	2004-05	19	9	2	7	22.2	
6	2005-06	16	13	1	12	7.7	
7	2006-07	9	3	0	3	-	
8	2007-08	4	4	0	4	-	
9	2008-09	5	5	0	5	-	
10	2009-10	8	1	0	1	-	
11	2010-11	7	4	1	3	25	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	0	-	Meeting was called off by the chairman
<b>Total</b>		<b>135</b>	<b>63</b>	<b>4</b>	<b>59</b>	<b>6.35</b>	

## **2.5 Audit Paras**

### **2.5.1 Non-production of auditable record – Rs.1,385.324 million**

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of various offices of Agriculture Supply & Prices Department, Government of Sindh for the financial year 2018-19, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.1,385.324 million remained unaudited. The details are given at **Annex-1** of Chapter-2.

The matter was reported to the management during November 2019 to April 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **2.5.2 Non-invitation of open tenders – Rs.290.810 million**

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over one hundred thousand rupees and up to one million rupees shall be advertised by timely notification on the Authority’s websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit on the accounts of following offices of Agriculture Supply & Prices Department, Government of Sindh for the financial years 2019-20, it was observed that expenditure of Rs.290.810 million was incurred without inviting open

tenders. Audit is of the view that due to non-following of SPPRA Rules mamangement failed to achieve competitive rates. Details are given as under:

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
1	Director General Agriculture Extension Hyderabad	1	2019-20	Plant & Machinery, Printing & Publication, Other services rendered	241.964
2	D G Agriculture Research, Hyderabad	1	2019-20	Cost of Other stores	48.846
<b>Total</b>					<b>290.810</b>

The matter was pointed out to the department in October 2020. DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### **2.5.3 Award of contract without international tender - Rs.281.404 million**

According to World Bank Procurement Guidelines for Non-Consulting Services “Contracts greater than \$600,000 require International Competitive Bidding”.

According to SPPRA Rule-15(2)(b)(iii) of 2010, a procuring agency may opt for National Competitive Bidding for procurements with an estimated cost equivalent to US \$ 10 million or above, where the procuring agency is convinced that it is the most economical and timely way of procuring goods, works or services which, by their nature or scope are unlikely to attract foreign competition;

Provided that the Head of the Department of the procuring agency, while making decision to opt for the National Competitive Bidding shall record reasons and justifications for his decision.

During audit of the office of Sindh Multi Sectoral Action for Nutrition Component-I & Component-II for the financial year 2018-19, it was observed that national competitive bidding amounting to Rs.281.404 million (\$2.706 million) was invited for hiring of NGOs instead of international competitive bidding as required in the above rule.

The matter was pointed out to the department in November 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification besides fixing of responsibility on person(s) at fault.  
(AIR#4.3.1)

#### **2.5.4 Un-justified procurement of vehicles – Rs27.644 million**

As per paragraph 5(s) of Government of Sindh Finance Department Letter No.FD/B&E-IV/5(23)/2014-15 dated: 11th July, 2014 “ All luxury goods, especially purchase of luxury vehicles shall be banned”. Section 14(2) & (3) of the Auditor General’s (Functions, Powers & Terms & Conditions of the Service) Ordinance, 2001, state that; (2) The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with responsible expedition. (3) Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subjected to disciplinary action under efficiency and discipline rules. As per Rule 88 of Sindh Financial Rules, Volume-I, "Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money".

During audit on the accounts of Director General Agriculture Extension Hyderabad for the year 2019-20, it was observed that an expenditure of Rs.27.644 million was incurred on purchase of vehicles for utilizing them during preparatory measures against locust attack in different parts of Sindh. Audit further observed that the vehicles were neither registered nor insured for the last one year and those vehicles remained unutilized and were parked under open sky since the date of purchase.

Audit is of the view that purchase of vehicles without utilization for longer period was sheer wastage of public money.

The matter was reported to the management during Septemter 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

(AIR#02)

### **2.5.5 Loss due to short supply of agriculture spray machines -Rs.11.815 million**

As per Rule 88 of Sindh Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of Project Director, Sindh Agriculture Growth Project, Hyderabad (Agriculture Component) for the financial year 2019-20, it was observed that an amount of Rs.47.300 million was paid to M/s SR Traders vide cheque 139400219 dated 26.08.2019 against invoice no. SRT/SAGP//02/19 dated 09.08.2019 for supply of 10,000 electric chargeable spray machines for use at different locations of the field offices of SAGP but on scrutiny of delivery challans it was revealed that only 7,502 units were delivered. This resulted in short supply of 2,498 spray machines. Due to short supply of spray machines, an excess payment of Rs11.815 million was made to the supplier. The details are given at **Annex-2** of Chapter-2.

Audit is of the view that due to excess payment by the management, the government sustained loss.

The matter was reported to the management in September, 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation of the matter besides recovery of excess payment.  
(AIR# 4.2.1)

### **2.5.6 Less-deduction of Government taxes – Rs.27.946 million**

According to Section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time “any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contact with

government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

As per section 72 the read with section 2[5,6,9,13,26] and 75 of the Sindh Sales Tax on Service Act, 2011, goods and services used or consumed in a service are liable to a tax rate not lesser than the 13% of charges or to a specific rate of tax not based on value.

As per Section 3(1) of the Sales Tax Act, 1990, “There shall be charged, levied and paid a tax known as sales tax @ 14% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”. Further Section 3(1A) ibid “Taxable supplies are made by a person other than a registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3(1).

During audit on the accounts of various offices of Agriculture Supply & Prices Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that payments were made to various suppliers/ contractors but income tax, SST, and GST amounting to Rs.27.946 million were not deducted at applicable rates, resulting in loss to the government. The details are given at **Annex-3** of Chapter-2.

The matter was reported to the management during March to September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation of the matter besides recovery of excess payment.

### **2.5.7 Miscellaneous recoveries – Rs.10.143 million**

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



During audit on the accounts of various offices of Agriculture Supply & Prices Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that recoveries on account of various inadmissible payments / non-deductions of taxes at applicable rate worth Rs.10.143 million were not made. Details are as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	PD, Sindh Agriculture Growth Project (FAP)	2019-20	4.2.4	Stamp Duty	0.771
			4.2.3	S.Sales Tax on Services	1.753
		2018-19	4.4.1	Assets not returned by consultant	0.794
			4.2.5	Project Allowance on additional charge not admissible	6.568
2	Director, Agriculture Extension, Karachi	2019-20	5	POL beyond ceiling	0.257
<b>Total</b>					<b>10.143</b>

Audit is of the view that Government sustained loss due to non-recovery of inadmissible payments and non-deduction of various taxes.

The matter was reported to the management in October 2019, September & October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires recovery besides taking remedial measures to avoid such lapses in future.

## CHAPTER - 3

### AUQAF, RELIGIOUS AFFAIRS & ZAKAT & USHR DEPARTMENT

#### 3.1 Introduction

Department's main functions are detailed below:-

1. Management and looking after of shrines, *dargahs* and mosques,
2. Making proper arrangements for lighting, cleanliness, drinking water, *wazoo khana*(Ablution Place) for the performance of religious rites at shrines and mosques,
3. Construction of *musafirkhanas* (Resting Place), *langarkhanas* (Eating Place), lavatories, etc. at the shrines/*dargahs* to facilitate *zairreen* (Devotees),
4. To generate maximum revenue from the *waqf* properties, contracts, rents and lease, etc. so that the same amount be utilized on maintenance and reconstruction of old shrines, *dargahs* and mosques,
5. To assist and coordinate district wise Hajj trainings to group leaders and the intending pilgrims,
6. To extend welfare / financial assistance out of its self-generated funds to orphans, destitute and disabled persons on yearly basis,
7. The Auqaf Department also maintains agriculture land and property as *Waqf* properties.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	3	3	777.755	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

### 3.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
1,121.379	19.018	233.544	(233.544)	(353.654)	786.743	756.329	(-) 30.414

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs30.414 million was observed which was not surrendered in time.

### 3.3 Classified Summary of Audit Observations

Audit observations amounting to Rs279.683 million were raised as a result of this audit. This amount also includes recoverables of Rs25.127million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	254.553
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	-
B	<i>Procurement related irregularities</i>	-
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	25.130

### 3.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 10%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
2	1998-99	0	0	0	0	-	
3	1999-2000	0	0	0	0	-	
4	2001-02*	0	0	0	0	-	
5	2004-05*	0	0	0	0	-	
6	2005-06	0	0	0	0	-	
7	2006-07	0	0	0	0	-	
8	2007-08	0	0	0	0	-	
9	2008-09	0	0	0	0	-	
10	2009-10	0	0	0	0	-	
11	2010-11	0	0	0	0	-	
12	2014-15	4	3	0	3	-	
13	2016-17	8	7	1	6	14.28	
<b>Total</b>		<b>12</b>	<b>10</b>	<b>1</b>	<b>9</b>	<b>10</b>	

### 3.5 Audit Paras

#### 3.5.1 Non-production of auditable record – Rs.254.553 million

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of following offices of Auqaf, Religious Affairs, Zakat & Ushr Department Government of Sindh, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.254.553 million remained unaudited. Details are given as under:

(Rs in million)

Sr #	Name of office	Financial Year	AIR Para #	Particulars	Amount
01	Chief Administrator Auqaf Sindh, Hyderabad	2019-20	05	Technical Sanction	31.716
			12	Copies of challans & reconciliation statement	66.520
			15	Approved tour Program Tour diary Attendance Certificates Acknowledgment receipts	1.500
			03	Drawing & Design	10.407
02	Secretary, Auqaf Religious Affairs, Zakat & Ushr Department	2019-20	01	i. Annual progress report of development work ii. Physically joint inspection report iii. Record of store & stock vi. Annual plan for procured items	0
03	Project Director, Dargah Hazrat Lal Shahbaz Qalandar, Hyderabad	2015-16 to 2019-20	12	N.I.T Contractors profiles Selection criteria, Pre-qualified results	144.410
<b>Total</b>					<b>254.553</b>

The matter was reported to the management during September 2020 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### 3.5.2 Non-recovery of outstanding dues – Rs.24.662 million

According to Rule 41 of Sindh Financial Rules, Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit on accounts of Chief Administrator Auqaf, Hyderabad for the financial year 2018-19 and 2019-20, it was observed that an amount of Rs.24.662 million was not recovered against outstanding arrears of Waqf Properties in all over Sindh. The details are as under:

(Rs. in million)

Sr.#	Name of office	Financial Year	AIR Para#	Name of Circle	Amount of Outstanding Dues
01	Chief Administrator Auqaf, Hyderabad	2018-19	01	Sukkur Circle	1.178
02				Thatta Circle	4.318
03				Hyderabad Circle-I	6.252
04				Shikarpur Circle	0.581
05		2019-20	07	Sukkur Circle	1.178
06				Thatta Circle	4.318
07				Hyderabad Circle-I	6.252
08				Shikarpur Circle	0.581
<b>Total</b>					<b>24.662</b>

The matter was pointed out to the management during May 2020 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires expeditious recovery of outstanding dues under intimation to audit.

### 3.5.3 Non-recovery of various taxes at applicable taxes – Rs.0.465 million

According to Para 22-A of Stamp Act, it was the duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of Agreement @ 0.30 paisa per hundred rupees of the value of the Agreement or against tender cost.

As per Section 3(1) of the Sales Tax Act, 1990 “There shall be charged, levied and paid a tax known as sales tax @ 16% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”. Further Section 3(1A) *ibid* “Taxable supplies are made by a person other than a registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3(1).

During audit on accounts of Project Director, Dargah Hazrat Lal Shahbaz Qalandar, Hyderabad for the financial year 2015-16 to 2019-20, it was observed that various work amounting to Rs.141.309 million were awarded to various contractors but the stamp duty @ 0.35% of Rs0.421million was not affixed on agreement.

Similarly, it was observed that GST & SST amounting to Rs.0.044 million was less withheld at applicable rates from suppliers causing loss to the government. Details are given at **Annex-1** of Chapter-3.

The matter was reported to the management during October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery under intimation of audit besides taking remedial measures.

## CHAPTER – 4 BOARD OF REVENUE

### 4.1 Introduction

The Board of Revenue was established in 1970 and governed by the Sindh Board of Revenue Act, 1957. It is a controlling authority relating to management of state land, collection of land revenue and other taxes/duties, maintenance of revenue record and other allied matters. It has appellate and reviewing authority in all revenue cases / matters.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	10	08	2,434.490	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

### 4.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
10,046.765	-	701.452	(701.452)	(1,789.391)	8,257.374	5,691.371	(-) 2,566.003

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs2,566.003 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
181,378.789	161,290.750	113,714.515	(47,576.235)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs47,576.235 million was observed. Revenue estimate were



reduced upto 11% in revised estimate. Actual receipts were only 70.5% of revised estimate.

#### 4.3 Classified Summary of Audit Observations

Audit observations amounting to Rs111.192 million were raised as a result of this audit. This amount also includes recoverables of Rs10.528 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	74.127
B	<i>Procurement related irregularities</i>	26.537
C	<i>Management of Accounts with Commercial Banks</i>	
4	Value for money and service delivery issues	
5	Others	10.528

#### 4.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Percentage of Compliance	Remarks
1	1992-93	55	19	0	-	
2	1998-99	7	4	0	-	
3	1999-2000	21	7	0	-	
4	2001-02	9	9	0	-	
5	2004-05	0	0	0	-	No audit para pertaining to this
6	2005-06	0	0	0	-	

<b>Sr. No</b>	<b>Audit Report</b>	<b>Total Paras discussed</b>	<b>No. of Paras requiring Compliance</b>	<b>Compliance of PAC directives made</b>	<b>Percentage of Compliance</b>	<b>Remarks</b>
						department was printed in these Audit Reports
7	2006-07	7	7	0	-	
8	2007-08	5	5	0	-	
9	2008-09	10	10	0	-	
10	2009-10	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
11	2010-11	5	5	0	-	
12	2014-15	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	-	Meeting was called off by the chairman
<b>Total</b>		<b>119</b>	<b>66</b>	<b>0</b>	<b>-</b>	

## **4.5 Audit Paras**

### **4.5.1 Non-production of auditable record**

Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that "The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition." And "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 on the accounts of the following offices of Board of Revenue Department, Government of Sindh for the years 2018-19 & 2019-20, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the remaining accounts were not unaudited. Details are given at **Annex-1** of Chapter-4.

The matter was reported to the management in August to December 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **4.5.2 Doubtful expenditure due to non-invitation of tenders - Rs.25.686 million**

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over one hundred thousand rupees and up to one million rupees shall be advertised by timely notification on the Authority's websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit on the accounts of Director of Settlements Survey and Land Records Sindh, Hyderabad for the financial years 2018-19 and 2019-20, it was observed that payments amounting to Rs.25.686 were made from the head cost of other

stores in violation of SPPRA Rules. Due to following irregularities, audit is of the opinion that possibility of doubtful payment can not be ruled out.

- i. Purchases & its payments were made to the two vendors without inviting tenders and quotations.
- ii. No Serial numbers and dates were mentioned on most of the Invoices.
- iii. Purchases were made every day by way of split up.
- iv. Heavy payments were made without obtaining delivery challans.
- v. Purchased material was not entered in Stock register.
- vi. Consumption accounts were also not maintained to ascertain the actual requirements.
- vii. Acknowledgement receipts in support of payments were not obtained.
- viii. M/s Falcon Traders did not furnish Sales Tax Invoice against the payments.
- ix. M/s Adnan & Brothers was not registered with FBR as their NTN /STRN were not mentioned on their invoices.

The matter was reported to the management in August to September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter, besides taking remedial measures.

#### **4.5.3 Loss due to non-deduction of government taxes – Rs. 10.528 million**

According to Notification issued to Sales Tax Department for Sales Tax Special procedure (withholding) Rules, 2007 vide letter No. S.R.O 77 (i) 2008 dated 23-01-2008, withholding agent shall deduct an amount equal to 1/5<sup>th</sup> of the total Sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him. If sales tax invoice is not provided then 17% tax would be deducted.

According to Section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time “any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contact with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

During audit on the accounts of the following offices of Board of Revenue, Government of Sindh for the years 2018-19 & 2019-20, it was observed that SST, GST and income tax amounting to Rs.10.528 million was not deducted from suppliers/contractors at applicable rates. Details are given as under;

(Rs. in million)

Sr.#	Name of office	Financial Year	AIR Para#	Particulars	Amount
1	Director Settlement Survey and Land Records, Hyderabad	2018-19 to 2019-20	15	Less deduction of GST	3.885
2	Deputy Chief Inspector of Stamps BOR, Karachi.	2019-20	12	Less deduction of GST & SST	0.043
3	Director Settlement Survey and Land Records, Hyderabad	2018-19 to 2019-20	14	Less deduction of SST	0.001
4	Secretary Land Utilization BOR, Hyderabad	2018-19 to 2019-20	01	Less deduction of SST	5.442
5	Director Settlement Survey and Land Records, Hyderabad	2018-19 to 2019-20	02	Less deduction of Income Tax	0.382
6	Secretary Land Utilization BOR, Hyderabad	2018-19 to 2019-20	08	Less deduction of Income Tax	0.621
7	PD Automation of Stamps & Registration BOR, Karachi	2018-19 to 2019-20	17	Less deduction of Income Tax	0.154
<b>Total</b>					<b>10.528</b>

Audit is of the view that due to non-deduction of SST and GST, the government has sustained financial loss.

The matter was reported to the management in August to September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery besides taking remedial measures to avoid such practices in future.

#### **4.5.4 Irregular appointment of staff – Rs.74.127 million**

According to “Sindh Civil Servants, (Appointment, Promotion and Transfer) Rules, 1974, regarding “Adhoc and Temporary Appointments”:

When under the Sindh Public Service Commission (Functions) Rules, 1974, a post is required to be filled through the Commission, the appointing authority shall forward a requisition on the prescribed form to the Commission immediately it is

decided to fill the post or, if that is not practicable and the post is filled on ad-hoc basis as provided in rule 19 within two months of the filling of the post.

When the appointing authority considers it to be in public interest to fill a post falling within the purview of the Commission urgently it may, pending nomination of a candidate by the Commission, proceed to fill such post on Adhoc basis for a period not exceeding six months by advertising the same in accordance with the procedure laid down for initial appointment in Part III.

Short-term vacancies in the post falling within the purview of the Commission and vacancies occurring as a result of creation of temporary posts for a period not exceeding six months, may be filled by the appointing authority otherwise than through the Commission on a purely temporary basis after advertising the vacancy.”

[The Authority competent to exercise any power under these rules may with the prior approval of the Chief Minister delegate such power generally or for any specific purpose to an officer subordinate to such Authority.]

During audit on the accounts of the Secretary cum Director, Land Administration & Registration Management Information System (LARMIS), Karachi, Services, General Administration & Coordination Department, for the financial year 2018-19, it was observed that an amount of Rs.74.127 million was paid to the employees since their appointment by the management of local office.

(Rs. in million)

Sr. #	Name of officer/official	AIR Para #	Amount
1	Mr. Irshad Ahmed Mallah, Farhan Ahmed Abro, Shoaib Muhammad, Abuzar Iqtidar, & Insaf Ali Kalwar (Data Processing Assistants)	06	15.660
2	Mr. Muhammad Faraz Ahmad, Deputy Director (I.T.)	12	10.803
3	Mr. Asif Karim, AD (Procurement)	08	8.891
4	Mr. Jam Faisal, AD (Admn)	07	8.557
5	Ms. Bushra Memon, AD (Finance)	04	8.148
6	Mr. Zafar Ali Sohoo, System Administrator	09	6.518
7	Mr. Bashir Ahmed, District Manager @ PMU	05	5.546
8	Mr. Umar Ansari, Assistant Accounts Officer	10	4.944
9	Mr. Shakir Raza Shah, I.T. Incharge	11	3.091
10	Ms. Neelam Naz, Executive Secretary to PD	13	1.969
<b>Total</b>			<b>74.127</b>

The following observations were noticed:

- i. The appointments were made without advertisement in the newspapers.
- ii. The posts were not filled through Sindh Public Service Commission.
- iii. The approval of Chief Minister Sindh was obtained as the appointments were made on “Adhoc & Temporary Appointments”

- iv. The appointments were made without considerations of eligibility requirements (qualifications and experience).
- v. The undue favor was extended to the incumbents as age limit was not considered while appointing the incumbents.
- vi. The eligibility criteria and job description / functions for various posts were not mentioned in PC-I to extend undue favor to specific candidates.
- vii. The official was allowed additional charge of higher posts without required eligibility of the posts.

The audit is of the view that the appointments of said officer, without adherence of rules and regulations is treated as favoritism to the individuals; hence, all payment made to employees stands irregular.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation for fixing of responsibility against the person(s) at fault.

#### **4.5.5 Non-invitation of tender – Rs0.851 million**

Rule 17(1) & (2) of Sindh Public Procurement Rules, 2010 as amended in March 2019 states that procurement over three hundred thousand rupees shall be advertised by timely notification on the Authority's websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit on the accounts of the Secretary cum Director, LARMIS, Board of Revenue Department, for the financial year 2018-19, it was observed that an expenditure of Rs0.851 million was incurred without calling open tender on purchase of fire extinguisher and safety equipment in violation of above-mentioned rule.

Audit is of the view that due to non-invitation of tenders; the government was deprived of competitive rates.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation for fixing of responsibility against the person(s) at fault.

**(AIR#15)**



**CHAPTER – 5**  
**CHIEF MINISTER SECRETARIAT**

**5.1 Introduction**

The province has a Governor, a council of ministers headed by a Chief Minister appointed by the Governor, and a provincial assembly. Members of the provincial assembly are elected by the public in an electoral polling process. Chief Minister is the head of provincial government.

Chief Minister’s Secretariat includes following wings. Each one among these is separate public entity performing its own functions as defined in Sindh Rules of Business, 1986.

- (a) Chief Minister’s Secretariat
- (b) Universities & Boards
- (c) Sindh Technical Educational & Vocational Training Authority (STEVTA)

Each entity as mentioned above, excluding Universities & Boards, is allocated with separate budget. The Universities & Boards under administrative control of Chief Minister’s Secretariat are financially autonomous entities; however, these are financially supported with specific grants by the Provincial Government as well as Higher Education Commission (HEC).

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	10	3	1,369.884	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	8	1	160.985	
4	Foreign Aided Projects (FAP)	0	0		

## 5.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
11,399.559	263.083	1,557.576	(1,557.576)	(3,107.763)	8,554.879	8,288.088	(-) 266.791

The department was unable to spend the allocated budget in time. As a result, of savings of Rs266.791 million was observed, which was not surrendered in time.

## 5.3 Classified Summary of Audit Observations

Audit observations amounting to Rs39.976 million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	6.926
B	<i>Procurement related irregularities</i>	33.050
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	-

## 5.4 Comments on the Status of Compliance with PAC Directives

This department was not included in the audit reports (1992-93 to 2010-11) discussed by the PAC. However, the department has been included in Audit Report 2016-17. The Report has not yet been discussed in PAC.

## 5.5 Audit Paras

### 5.5.1 Loss due to payment of inadmissible allowances – Rs.6.926 million

According to the office memorandum of Ministry of Housing and Works vide No. F2 (3) / 2003- policy dated 31-07-2004, no house rent allowance will be admissible to such employees who are availing house hiring facility. As per Para-8 of Government of Sindh, Finance Department notification No.FD(SR-IV)1(12)/77 dated 13-5-1977, Similarly Government of Sindh S&GAD Notification No. PA-DS (G)/41133/76 dated 27-07-1977 and No. S.O (INSP) S&GAD /VI (3) /79 dated 20-07-1979, the Conveyance Allowance is not required to be paid to those officers, who have been provided with Government transport facilities. And As per office memorandum of Government of Sindh Finance Department No. FD(SR-I) I I(32)201 1-15 dated 22 July 2016 read with payscale notification 2017, various Adhoc Relief allowances were discontinued.

During audit on the accounts of Principal Secretary to Chief Minister's Secretariat/House Karachi, for the financial year 2019-20, it was observed that an amount of Rs.6.926 million was paid to various officials on account of inadmissible allowances. Details are given as under;

(Rs. in million)

Sr. #	Description	Remarks	AIR Para #	Amount
01	House Rent Allowance	Officials availing facility of hiring of residential accommodation	02	6.358
03	Conveyance Allowance	Officials allotted government vehicle	04	0.414
02	Adhoc Relief Allowance 2013	Allowance was discontinued	03	0.154
			<b>Total</b>	<b>6.926</b>

Audit is of the opinion that government sustained loss due to payment of inadmissible allowances which indicates prevalence of weak internal controls within the department.

The matter was reported to the management in September 2020. In DAC meeting held on 19-01-2021, it was decided in Serial.# 1 that SGA&CD will be approached to scrutinize the cases and recover the unauthorized payment under

intimation to audit. In other cases, the DAC directed to recover the amount and get the same verified from audit. However, no progress was reported.

Audit requires compliance of the DAC directives.

### 5.5.2 Mis-procurement due to violation of SPPRA rules – Rs.33.050 million

As per Rule 17 “Methods of Notification and Advertisement” of Sindh Public Procurement Rules, 2010, provides that:

- i) Procurements over three hundred thousand 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.
- ii) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages”.

As per rule 9 of SPPR “A procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned. The annual requirements thus determined would be advertised in advance on the Authority’s website as well as on the website of the procuring agency in case the procuring agency has its own website”. And Rule 146 of General Financial Rules, Volume-I, states that, “purchase orders should not be splitting up instead of inviting open tender”.

During audit on the accounts of Principal Secretary to Chief Minister Sindh Karachi, for the financial year 2019-20, it was observed that an expenditure of Rs.33.050 million was incurred under various heads of accounts by way of split up of the work orders to avoid invitation of open tenders. Details are given as under;

(Rs. in million)

Sr. #	Particulars	AIR Para #	Violation	Amount
01	Uniform & Protective Clothing	08	Tenders were neither invited in newspapers nor hoisted on website. Notification for constitution of procurement committee and minutes of the same were not available.	5.494
02	Purchase of stationery			4.544
03	Printing & Publication			2.607
04	Payment to other Service Rendered			5.488
05	Entertainment			0.976
06	Repair of vehicles	18	Expenditure was incurred through splitting to avoid tender	13.941
<b>Total</b>				<b>33.050</b>

The matter was reported to the management in September 2020. In DAC meeting held on 19-01-2021 management replied that the tenders were called for procurement and repairs as reported by audit and same will be got verified. DAC directed management to produce all relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of the DAC directives.

## CHAPTER – 6 CULTURE, TOURISM & ANTIQUITIES DEPARTMENT

### 6.1 Introduction

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

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

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

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	13	03	671.209	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	01	01	175.144	
4	Foreign Aided Projects (FAP)	0	0		

### 6.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
4,064.947	42.351	262.865	(262.865)	(1,046.439)	3,060.859	2,889.346	(-)171.513

The department was unable to spend the allocated budget in time. As a result, of savings of Rs171.513 million was observed, which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
123.000	61.366	44.888	(16.478)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs16.478 million was observed. Revenue estimate were reduced upto 50% in revised estimate. Actual receipts were only 73% of revised estimate.

### 6.3 Classified Summary of Audit Observations

Audit observations amounting to Rs550.963 million were raised as a result of this audit. This amount also includes recoverables of Rs0.422 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	170.930
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	-
B	<i>Procurement related irregularities</i>	21.812
C	<i>Management of Accounts with Commercial Banks</i>	357.799
4	Value for money and service delivery issues	
5	Others	0.422

### 6.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 24.65%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
2	1998-99	7	3	0	3	-	
3	1999-2000	14	2	0	2	-	
4	2001-02*	7	5	0	5	-	
5	2004-05*	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
6	2005-06	9	7	0	7	-	
7	2006-07	7	4	0	4	-	
8	2007-08	15	0	0	0	-	
9	2008-09	7	7	0	7	-	
10	2009-10	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
11	2010-11	0	0	0	0		Audit Report not yet discussed
12	2014-15	17	14	06	08	-	
13	2016-17	18	18	07	11	38.88	
14	2017-18	13	13	5	8	38.4	
<b>Total</b>		<b>114</b>	<b>73</b>	<b>18</b>	<b>55</b>	<b>24.65</b>	



## **6.5 Audit Paras**

### **6.5.1 Non-production of record – Rs.170.930 million**

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of various offices of Culture, Tourism and Antiquities Department, for the financial years 2018-19 & 2019-2020, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.170.930 million remained unaudited. The details are given at **Annex-1** of Chapter-6.

The matter was reported to the management during February to October 2020, the reply of serial no.12 (Sindhi Language Authority) was received in which the department produced the sub-vouchers of all cheques except cheque no.310349161, dated 22-08-2017 amounting to Rs24900.

DAC in its meeting held on 02-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **6.5.2 Non-invitation of tender – Rs.21.812 million**

As per Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010, “Procurement over three hundred thousand rupees and up to one million rupees shall be advertised by timely notification on the Authority’s websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language”.

During audit on the accounts of Executive Director, Arts Council of Pakistan, Karachi for the financial year 2018-19, it was observed that an expenditure of Rs.21.812 million was incurred on various heads i.e Repair & Maintenance of Auditorium, Aalmi Urdu Conference, and various programmes without inviting open tenders in violation of SPPRA Rules.

Audit is of view that management failed to comply with the SPPRA rules to get economical rates for the government.

The matter was reported to the management in March 2020. DAC in its meeting held on 02-02-2021 directed the management to approach SGA&CD for obtaining details of grant in aid and for compliance of the Rules of Business, as Executive Director, Arts Council of Pakistan, Karachi is under the control of Secretary Culture and Tourism for verification by audit. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR # 11 & 19)**

### **6.5.3 Irregular payments through DDO account – Rs.351.731 million**

As per Rule-303 of Central Treasury Rules, “A contingent bill for payment to suppliers etc which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned.”

During audit on the accounts of the Secretary Culture, Tourism & Antiquities Department Government of Sindh for the financial year 2019-20, it was observed that expenditure of Rs.351.731 million was incurred under various heads of accounts through DDO account instead of direct crediting in favor of the actual payee / vendor accounts. The details are given at **Annex-2** of Chapter-6.

Audit is of the view that due to payment from DDO account authenticity of expenditure could not be verified and chances of misappropriation of public funds could not be ruled out.

The matter was reported to the management in October 2020. DAC in its meeting held on 02-02-2021 directed the management to produce the complete record of disbursement to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR # 09)**

#### **6.5.4 Un-authorized retention of funds into DDO account – Rs.3.797 million**

According to Rule-290 of Treasury Rules, Volume-I, “No money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand or to prevent lapses of budget grant”.

During audit on the accounts of the Secretary Culture, Tourism & Antiquities Department Government of Sindh for the financial year 2019-2020, it was observed that an amount of Rs.3.797 million was retained in DDO account i.e. Sindh Bank A/C No.3035491771000 till close of the financial year.

Audit is of view that due to non-surrendering the before close of financial year, the government could not use the funds somewhere else for useful purposes.

The matter was reported to the management in October 2020. In DAC meeting held on 02-02-2021 management replied that they issued cheques before 30<sup>th</sup> June to vendors, but the encashment was made in next year. DAC directed the management to produce cheques alongwith complete details to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR # 10)**

#### **6.5.5 Irregular cash payments instead of cross cheques - Rs2.271 million**

As per Finance Department, Government of Sindh, Karachi letter no. FD(1-II)1(10)/2006 dated 12-09-2006 “Claims on account of purchases of material supplied

and services rendered exceeding Rs 10,000 are payable through cheques to the suppliers in order to ascertain the transparency and accuracy”.

During audit on the accounts of Executive Director, Pakistan Arts Council, Karachi for the financial year 2018-2019, it was observed that various advance payments amounting to Rs.2.271 million were made in cash instead of cross cheques and without adjustment vouchers.

Audit is of view that due to cash payments, chances of misappropriation can not be ruled out.

The matter was reported to the management in March 2020. DAC in its meeting held on 02-02-2021 directed the management to approach SGA&CD for obtaining details of grant in aid and for compliance of the Rules of Business, as Executive Director, Arts Council of Pakistan, Karachi is under the control of secretary culture and tourism the same may be got verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR # 02 & 08)**

#### **6.5.6 Non-deduction of Sindh Sales Tax on Services – Rs.0.422 million**

As per Section 8 (1) of The Sindh Sales Tax on Services Act, 2011 Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of a taxable service at the rate specified in the Schedule in which the taxable service is listed.

During audit on the accounts of following offices of the Culture, Tourism and Antiquities Department for the financial year 2018-19, it was observed that an expenditure of Rs.3.423 was incurred on account of services rendered. However, the Sindh Sales Tax amounting to Rs.0.422 million on various services rendered was not deducted at source.

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para#</b>	<b>Amount</b>
1	Director Planning Development Monitoring & Implementation Cell, Culture Department, Karachi	2018-19	02	0.169
2	Executive Director, Arts Council of Pakistan, Karachi	2018-19	16	0.253
<b>Total</b>				<b>0.422</b>

Due to non-deduction of Sindh sales tax on services government was deprived of legitimate receipts.

The matter was reported to the management in February & March 2020. DAC in its meeting held on 02-02-2021 directed the management to approach SGA&CD for obtaining details of grant in aid and for compliance of the rules of business, as Executive Director, Arts Council of Pakistan, Karachi is under the control of secretary culture and tourism the same may be got verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

**CHAPTER – 7**  
**EDUCATION AND LITERACY DEPARTMENT**

**7.1 Introduction**

The department looks after the educational affairs within the province and coordinates with the federal government and donor agencies for promotion of education in the province.

The attached or sub-ordinate entities to the Education Department are;

- (i) Bureau of Curriculum and Extension Sindh
- (ii) Literacy and Non-Formal Education Sindh

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	124	25	6,669.912	-
2	Assignment Accounts (excluding FAP)	3	1	215.709	
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	1	0		

**7.2 Comments on Budget and Accounts (Variance analysis)**

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
216,322.803	1,029.052	33,184.863	(33,184.863)	(57,450.511)	159,901.344	152,189.739	(-) 7,711.604

The department was unable to spend the allocated budget in time. As a result, savings of Rs7,711.604 million was observed which was not surrendered in time.

(Rs. in million)

<b>Revenue Estimates</b>	<b>Revised Revenue Estimates</b>	<b>Actual Receipts</b>	<b>Variation</b>
683.200	200.145	144.781	(55.364)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs55.364 million was observed. Revenue estimate were reduced upto 70% in revised estimate. Actual receipts were only 72% of revised estimate.

### **7.3 Classified Summary of Audit Observations**

Audit observations amounting to Rs28,435.204 million were raised as a result of this audit. This amount also includes recoverables of Rs1,222.049 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

<b>Sr. No.</b>	<b>Classification</b>	<b>Amount</b>
1	Non production of record	18,636.923
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	170.986
B	<i>Procurement related irregularities</i>	4,788.469
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	4,838.826

### **7.4 Comments on the Status of Compliance with PAC Directives**

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 27.16%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	27	11	9	2	81.8	
2	1998-99	14	7	0	7	-	
3	1999-2000	20	0	0	0	-	
4	2001-02*	11	6	2	4	33.3	
5	2004-05*	10	9	3	6	33.3	
6	2005-06	3	1	0	1	-	
7	2006-07	3	2	0	2	-	
8	2007-08	19	12	0	12	-	
9	2008-09	8	2	0	2	-	
10	2009-10	18	13	0	13	-	
11	2010-11	6	6	0	6	-	
12	2014-15	24	12	8	4	-	
13	2016-17	0	0	0	0	-	Audit Report not yet discussed
<b>Total</b>		<b>163</b>	<b>81</b>	<b>22</b>	<b>59</b>	<b>27.16</b>	



## **7.5 Audit Paras**

### **A- Education & Literacy Department (Colleges)**

#### **7.5.1 Non-production of record - Rs.2,516.050 million**

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

During the audit on accounts of various offices of College Education Department, Government of Sindh for the financial years 2013-14 to 2019-20, it was observed that the management did not produce auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.2,516.050 million remained unaudited. The details are given at **Annex-1** of Chapter-7.

The matter was reported to the management in August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

#### **7.5.2 Irregular expenditure without inviting open tenders – Rs.86.953 million**

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over one hundred thousand rupees and up to one million rupees shall be advertised by timely notification on the Authority's websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit on the accounts of following offices of College Education Department, Government of Sindh for the financial years 2017-18 to 2019-20, it was

observed that an expenditure of Rs.86.953 million was incurred under various head of accounts without inviting open tenders.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Head of account	Amount
1	Principal, Bakhtawar Cadet College for Girls Shaheed Benazirabad	2017-18 & 2018-19	02 & 11	Purchase of Furniture, Mess Equipment & Stationery	46.104
2	Principal, Cadet College Ghotki	2019-20	11 & 32	Purchase of Uniform, Stationery, Furniture & Others	33.868
3	Principal, Cadet College Petaro	2019-20	05	Purchase of Tracksuits, Computers, LED & Others	5.185
4	Project Director / Principal, Cadet College Karampur	2019-20	02	Purchase of Laptop, Furniture & Others	1.796
<b>Total</b>					<b>86.953</b>

Audit is of the view that the government was deprived of economical rates due to non-invitation of tenders.

The matter was reported to the management in during October 2019, October & November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### **7.5.3 Unauthorized payments from DDO account – Rs.2,521.615 million**

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

During audit on the accounts of following offices of College Education Department, Government of Sindh for the financial years 2017-18 to 2019-20, it was

observed that expenditure amounting to Rs.2,521.615 million was incurred through DDO account. The details are given as under;

(Rs. in million)

Sr. #	Name of Formation	AIR Para #	Particulars	Financial Year	Amount
01	Principal, Cadet College Petaro Jamshoro	32	Payments through DDO account.	2019-20	1,388.971
02	Secretary, College Education Karachi	22	Payments through DDO account.	2019-20	1,132.644
<b>Total</b>					<b>2,521.615</b>

Audit is of the view that due to payment from DDO account authenticity of expenditure could not be verified and the chances of misappropriation of public funds could not be ruled out.

The irregularity was reported to the management during the month of September & October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **7.5.4 Un-authorized cash withdrawal from bank account – Rs.4.353 million**

According to Rule-290 of Central Treasury Rules, Volume-I, no money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand, or to prevent lapses of budget grant. AND According to Para-25 of S.F.R. Vol.1, “Every voucher should also bear or have attached to it, an acknowledgement of the payment signed by the persons to or in whose behalf the claim is put forward. No. payment will be made in the absence of the necessary acknowledgement”.

During audit on the accounts of following offices of College Education Department, Government of Sindh for the financial years 2017-18 to 2019-20, it was observed while reviewing the DDO account bank statement that amount in cash amounting to Rs.4.353 million was drawn from bank account instead of payment through crossed cheques in favour of vendor. The details are given as under;

(Rs. in million)

Sr. #	Name of Formation	Particulars	Financial Year	AIR Para #	Amount
1	Principal, Bakhtawar Cadet College for Girls Shaheed Benazirabad	Cash withdrawn from bank accounts	2017-18 to 2018-19	07	2.779
2	Principal, Cadet College Ghotki		2019-20	17	1.574
<b>Total</b>					<b>4.353</b>

Audit is of the view that due to cash payment from DDO account, the chances of misappropriation of public funds could not be ruled out.

The matter was reported to the management during October 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation into the matter besides taking remedial measures to deter recurrence of such practice in future.

**(AIR#07)**

#### **7.5.5 Non-recovery of various taxes at applicable taxes – Rs.7.116 million**

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011, “Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable service is listed.” Further, Section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time “any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contact with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

According to Para-22-A of Stamp Act, “It was the duty of the competent authority to recover the Stamp Duty and affix the same while execution of agreement @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost”.

The Finance Department Circular letter NO. FD(SR-II)18-13/77 dated 08-08-1987, states that “rent from the occupants of government houses would be deducted at the rate of Rs. 5% of the maximum of the basis pay scale”.

During audit on the accounts of following offices of College Education Department, Government of Sindh for the financial year(s) 2017-18 to 2019-20, it was observed that an amount of Rs.7.005 million on account of various taxes and house maintenance charges were not deducted / recovered at applicable rates.

Similarly, during audit on the accounts of office of the Principal, Cadet College Ghotki, College Education Department, Government of Sindh for the financial year 2019-20, it was observed that stamp duty amounting to Rs.0.111 million was short recovered while executing contract agreement with the contractors which was to be deducted @ 0.35% of the contract value. Details are given at **Annex-2** of Chapter-7.

Audit is of the view that due to non-recovery of taxes and dues, the government was deprived of its revenue.

The matter was reported to the management during October 2019 & October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of government taxes besides taking remedial measures to stop recurrence of such practice in future.

#### **7.5.6 Un-authorized payment of inadmissible allowances – Rs.3.580 million**

Government of Sindh, S & GAD Notification No. PA-DS (G)/41133/76 dated: 27-07-77 and No. SO (INSP) S& GAD VI (3) /79 dated: 20-07-1979, “the conveyance allowance is an allowance paid to employees to enable them to reach the office. The conveyance allowance is not required to be paid to those officers, who have been provided with government transport facilities and / or have gone on vacations.

According to Finance Division (Regulation Wing) office memo # F-3 (b) R.1/35 dated 26th June, 1985, computer allowance is required to be paid to those employees who possess degree in Computer Science, fulfill terms & conditions and also get appointed for particular post.

During audit on the accounts of following offices of College Education Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.3.580 million was paid to the officers/officials on account of various inadmissible allowances. The details are given as under;

(Rs. in million)

Sr #	Name of Formation	AIR Para #	Financial Year	Inadmissible Allowances	Amount
1	Principal, Cadet College Larkana	02	2019-20	Un attractive Area Allowance	1.192
2	Principal, Cadet College Petaro	25	2019-20	Additional charge allowance	1.034
3	Principal, Cadet College Ghotki	37	2019-20	Conveyance Allowance	0.760
4	Principal, Govt: M.B & G.F Girls College ,Hyderabad	04	2013-14 to 2019-20	Conveyance Allowance	0.160
5	Secretary, College Education Karachi	13	2019-20	Conveyance Allowance	0.120
6	Principal, Govt Nazareth Girls College Hyderabad	03	2017-18 to 2019-20	Conveyance Allowance	0.090
7	Principal, Govt Nazareth Girls College Hyderabad	04	2017-18 to 2019-20	Computer Allowance	0.120
8	Principal, Govt Degree College & P.G Centre Latifabad No.11 Hyderabad	07	2018-19 & 2019-20	Computer Allowance	0.064
9	Principal, Govt: College for Women Shahrae Liaqat Karach	01	2018-19 & 2019-20	Adhoc relief allowance-2013	0.024
10	Principal, Govt: College for Women Shahrae Liaqat Karach	05	2018-19 & 2019-20	Conveyance Allowance	0.016
<b>Total</b>					<b>3.580</b>

Audit is of the view that due to payment of inadmissible allowances, the government sustained loss.

The matter was reported to the management during September to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery besides taking remedial measures to stop recurrence of such practice in future.

### 7.5.7 Non-recovery of various advances – Rs.52.639 million

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

During audit on the accounts of following offices of College Education Department, Government of Sindh for the financial years 2017-18 to 2019-20, it was observed that advance payment amounting to Rs.52.639 million was made to various contractors/suppliers and employees but the same was not adjusted/ recovered from the concerned. The details are given as under;

(Rs. in million)

Sr. #	Name of Formation	Financial Year	AIR Para #	Particulars	Amount
1	Principal Cadet College Petaro	2017-18 & 2018-19	15	Advance against procurement of machinery and furniture.	7.792
		2019-20	10	Advance against supply of food items and cloths.	10.900
			34	Advance to employee for various reasons not adjusted.	12.360
			29	Advances to contractor, chokidar and others not adjusted.	8.401
			09	Advances to employee for repair of house were not adjusted.	10.000
2	Principal, Cadet College Ghotki	2019-20	25	Advances to employees for purchase of medicine, uniform etc not adjusted.	1.618
3	Principal, Cadet College Larkano	2019-20	03	Advance to employee not adjusted.	1.568
<b>Total</b>					<b>52.639</b>

Audit is of the view that management committed serious irregularity for payment in advance to the employees and contractors and failed to get adjustment account.

The matter was reported to the management in October & November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends adjustment and stoppage of such practice in future.

#### **7.5.8 Recovery of foreign university fees paid from Endowment Fund - Rs.4.290 million**

As per Secretary Education Summary No.1596 Dt.26-04-2019, it was stated that “Foreign education is not covered under the criteria of Endowment Fund”

During audit of the office of Secretary, College Education Department, Government of Sindh Karachi, for the financial year 2019-20, it was observed that an amount of Rs.4.290 million was released from Endowment Fund, in favour of Urwa Irfan as university fees for foreign education at Illinois Institute of Technology, Chicago, USA in violation of the policy. Details are as under;

- (a) As per Summary for Chief Minister No.1596 Dt.26-04-2019, CM observed, “Foreign education is not covered under the criteria of Endowment Fund & her request is not covered under the policy”.
- (b) Finance Secretary also stated in letter dated. 30-05-2019 “though the request of mother of student is not covered under the Education Endowment Fund Policy”

Audit is of the view that payment of foreign university fee from Endowment Fund was un-authorized and caused loss to the government exchequer.

The irregularity was reported to the management in the month of October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery and thorough investigation of similar cases.

**(AIR# 12)**

#### **7.5.9 Non-deposit of income tax - Rs.20.276 million**

According to General Financial Rule-20 “It is the duty of the departmental Controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the Public Account They should accordingly arrange to obtain from their subordinates monthly accounts and returns in suitable form claiming credit for so much paid into the treasury or otherwise accounted for and compare them with the statements treasury credits furnished by the Accountant



General, to see that the amount, reported as collected have been duly credited in the Public Account.

During audit on the accounts of Principal, Cadet College Petaro, College Education Department, Government of Sindh for the financial year 2019-20, it was observed that management deducted income tax from the different suppliers on account of work/supplies amounting to Rs.20.276 million but the same were not deposited into government treasury. The details are given as under;

(Amount in Rupees)

Sr.#	Payee	CHQ No.	Vr.#	Remarks	Amount
01	M/S FBR	02814 dt 31-07-2019	4099	Non-deposit of tax in 2018-19 of Batch 2017.	3,230,459
02	-do-	002813 dt 31-07-2019	4098	Do- Batch 2018	2,905,138
03	-do-	02812 Dt31-07-2019	4097	Do- Batch 2015.	2,493,820
04	-do-	02811 dt 31-07-2019	4096	Do- Batch 2014	2,384,040
05	-do-	02815 Dt 31-07-2019	4101	Do-Batch 2018	9,262,584
<b>Total</b>					<b>20,276,041</b>

Audit is of the view that government sustained loss due to non-deposit of receipts which indicates prevalence of poor financial indiscipline within the formation.

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends deposit of collected taxes, besides taking remedial measures.

(AIR# 7)

#### **7.5.10 Excess payment to contractor due to wrong calculation – Rs.4.070 million**

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

Rule-10 (4) of General Financial Rules Volume-I, Public money should not be utilized for the benefit of a particular person or section of the community.

During audit on the accounts of office of the Principal, Cadet College Ghotki, College Education Department, Government of Sindh for the financial year 2019-20, it was observed that a payment of Rs.4.070 million was made to the contractor against various items of work based on wrong calculation of quantity/rate of these items. The rate of these items was to be calculated as % cft (qty x rate / 100) but the same was calculated as per cft (qty x rate) due to which the payment was made in excess. Details are given as under;

Name of Work	Item of Work	Qty Executed	Actual Rate	Rate Charged	Amount Due	Amount Paid	Excess
Const of Bachelors' Accommodation	8. supply & filling sand (SI No. 29/P-25)	353.76 cft	1141.25 % cft	1141.25 p.cft	4,037	403,730	399,693
	9. Cement concrete brick (S.No.4/P-14)	51.7637 cft	8694.95 %cft	8694.95 p.cft	4,500	450,083	445,583
	10. Cement plaster 1:4 (S.I No.11 & 13/P-51) 3/4 thick	282.22 sft	3015.76 % sft	3015.76 p.sft	8,511	851,120	842,609
	Part-ii, 11. Cement concrete	23.79 cft	14429.25 %cft	14429.25 p.cft	3,433	343,337	339,904
	18. painting with matt finish	125.70 sft	3444.38 % sft	3444.38 p.sft	4,330	432,956	428,626
	Part-iii, 1st floor - 5. pacca brick work	54.7929 cft	13227.41 % cft	13227.41 p.cft	1,248	724,768	723,520
	11. cement plaster extra labour 13%	207.8600 sft	2308.85 % sft	2308.85 p.sft	4,799	479,917	475,118
	15. tiles glazed on floor	13.7270 sft	30509.77 % sft	30509.77 p.sft	4,188	418,808	414,620
<b>Total</b>						<b>4,069,673</b>	

Audit is of the view that due to wrong calculation of amount of the work, the government sustained loss.

The matter was reported to the management in November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation into the matter besides taking remedial measures.

**(AIR # 01)**

### **7.5.11 Non-deduction of security deposit – Rs.6.504 million**

According to the clause-10.1 Performance Security of the standard bidding document approved by government regarding large civil work exceeding Rs 50.000 million, the contractor shall provide Performance Security to the procuring agency in the prescribed form. The Performance Security shall be 5% of the Contract Price stated in the Letter of Acceptance. Besides obtaining 5% as Performance Security, the Security Deposit at rate of 5% will also be deducted from running bills, thus amount equal to 10% of the Contract Price is obtained from contractor, i.e., 5% as performance security and 5% security deposit as retention money. Deductions from interim/running bills will be made from successful bidder after the bidder has furnished the required performance security and signed the contract agreement.

During audit on the accounts of office of the Principal, Cadet College Ghotki, College Education Department, Government of Sindh for the financial year 2019-20, it was observed that security deposit and performance security @ 10 percent amounting to Rs.6.504 million was not obtained / deducted against contract agreement amounting to Rs.65.040 million.

Audit is of view that undue favour was extended to contractors at the cost of government interest.

The matter was reported to the management in the month of November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for non-obtaining of security deposit / performance security, besides taking remedial measures.

**(AIR # 09)**

### **7.5.12 Un-authorized use of security deposit - Rs126.109 million**

According to Section 39 of SPPRA “Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by

the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price”,

During audit of the office of Principal, Cadet College Petaro for the years 2017-18 & 2018-19, it was observed that an amount of Rs126.109 million was drawn from security deposit bank account and the same was utilized for day to day expenditure of the college irregularly.

Audit is of the opinion that management misused their authority in utilizing security deposits for other purposes which was prohibited.

The matter was pointed out to the management in September 2019, but no reply was received.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR # 09)**

## **B- Education & Literacy Department (Schools)**

### **7.5.13 Non-production of auditable record – Rs.16,120.873 million**

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

During audit on the accounts of various offices of School Education & Literacy Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.16,120.873 million remained unaudited. The details are given at **Annex-3** of Chapter-7.

The matter was reported to the department in October & November 2019, & September 2020. DAC in its meeting held on 08-02-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **7.5.14 Irregular award of works - Rs.4,622.085 million**

The According to Rule 4 of Sindh Public Procurement (SPP) 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”. According to Rule 2(jj) of Sindh Public Procurement (SPP) Rules 2010, “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 on the accounts of following offices of School Education & Literacy Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.4,622.085 million was incurred on

execution of various works in violation of various provisions of SPPRA rules / regulations. The details are given at **Annex-4** of Chapter-7.

(Rs. in million)

Sr. #	Name of office	Financial year	AIR Para #	Amount
1	Executive Engineer, Education Works Division Hyderabad	2018-19	04	87.426
2	Executive Engineer, Education Works Division Malir	2019-20	21 & 20	62.028
3	PD PMIU	2018-19	32, 33, 48 & 08	4472.631
<b>Total</b>				<b>4622.085</b>

Audit is of the view that management has extended undue favor by awarding the contracts in violation of Public Procurement Rules.

The matter was reported to the department in September, October 2019 & October 2020. DAC in its meeting held on 08-02-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **7.5.15 Award of contract without open tenders – Rs16.218 million**

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over one hundred thousand rupees and up to one million rupees shall be advertised by timely notification on the Authority's websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit on the accounts of following offices of School Education & Literacy Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs16.218 million was incurred without calling open tenders. Details are given as under;

(Rs. in million)

Sr. #	Name of formation	Financial year	AIR Para #	Amount
1	Executive Engineer, Education Works, Division Dadu	2018-19	02	3.560
2	Korangi Public School Karachi	2018-19	04	3.263

(Rs. in million)

Sr. #	Name of formation	Financial year	AIR Para #	Amount
			08	0.535
3	Kiran Foundation Karachi	2018-19	03	1.466
4	Sindhi Adabi Board Jamshoro	2019-20	08	2.428
5	Executive Engineer, Education works Division Mirpurkhas	2019-20	06	0.633
6	District Education Officer Elementary Secondary & Higher Secondary West Karachi	2018-19	06	0.157
7	Principal Public School Hyderabad	2019-20	13	4.176
<b>Total</b>				<b>16.218</b>

Audit is of the view that the government was deprived of the economical rates due to non-invitation of tenders.

The matter was reported to the department in November 2019 & February 2020. DAC in its meeting held on 08-02-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **7.5.16 Non-recovery of various taxes at applicable taxes – Rs.1,037.443 million**

According to Para 153 (1)(a),(b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/contractors w-e-f 01-07-2015.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%

According to Rule 2 (2) of S.R.O. 660(I)/2007 dated 30th June, 2007 issued by FBR, a withholding agent shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by the registered suppliers and make payment of the balance amount to him.

According to Para-22-A of Stamp Act, “It was the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.35% paisa per hundred rupees of the value of the agreement or against tender cost”.

During audit on the accounts of various offices of School Education & Literacy Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that various taxes amounting to Rs.1,035.592 million were not deducted.

Similarly, it was observed that various agreements were executed without obtaining stamp duty of Rs.1.851 million. This has resulted in potential loss of revenue to government exchequer. The details are given at **Annex-5** of Chapter-7.

Audit is of the view that due to non-recovery of taxes, the government was deprived of its revenue.

The matter was reported to the department during the month of October 2019 & February 2020. DAC in its meeting held on 08-02-2021, directed the management to effect the recovery and get the same verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **7.5.17 Irregular withdrawal of funds – Rs.16.111 million**

According to the Notification issued by the Govt. of Sindh, Finance Department vide No. B-2/78(P-II)/20, dated 30-11-1981, read with para-99 of G.F.R. Vol-I, that the fund allocated for one unit of appropriation cannot utilized from other head of account without prior approval of Govt. Authority / Finance Department.

During audit on the accounts of office of the Sindhi Adabi Board, Jamshoro for the financial year 2018-19 & 2019-20, it was observed that an amount of Rs.16.111 million was debited to Account No: 4061738427 maintained with National Bank of Pakistan University Branch, Jamshoro but no proper justification for expenditure against drawn funds was available on the record in the local office. Details are given as under;

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Date</b>	<b>Amount</b>
1	Sindhi Adabi Board	2018-19 & 2019-20	03 & 05	17/08/2018	8,233,545
				17/08/2018	1,378,126
				31/12/2019	500,000
				26/03/2020	3,000,000
				16/06/2020	3,000,000
				<b>Total</b>	<b>16,111,671</b>



Audit is of the view that drawl of funds without relevant details amounts to mis-appropriation of funds which indicates prevalence of financial indiscipline.

The matter was reported to the department in the month of September 2020. DAC in its meeting held on 08-02-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **7.5.18 Irregular payment of inadmissible allowances – Rs167.406 million**

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

During audit on the accounts of following offices of School Education & Literacy Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.167.406 million was paid to various officers/officials of different offices on account of various inadmissible allowances. Payment of allowances without entitlement was unauthorized. The details are given at **Annex-6** of Chapter-7.

Audit is of the view that due to payment of inadmissible allowances, the government sustained loss.

The matter was reported to the department in June 2017, January 2018 and June 2020. DAC in its meeting held on 08-02-2021, directed the management to effect the recovery and get the same verified from audit. However, no progress was reported.

#### **7.5.19 Irregular retention/payment through DDO account – Rs.82.526 million**

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to suppliers etc. which cannot be met from the permanent Imprest may be endorsed for payment to the party concerned and the DDOs are suggested that payment to the suppliers may be issued through crossed cheques in the name of firms concerned”.

During audit on the accounts of Secretary, School Education & Literacy Department, Government of Sindh for the financial year 2019-20, it was observed that funds were retained/paid amounting to Rs.82.526 million through Drawing & Disbursing Officer which is irregular & unjustified. Details are given as under;

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Description	Amount
1	Secretary Schools, Education & Literacy Department, Karachi	2019-20	02	Payments through DDO Account	68.116
2	Principal Public School Hyderabad	2019-20	18	Retention of funds in DDO Account	14.410
<b>Total</b>					<b>82.526</b>

The matter was reported to the department in May 2020. DAC in its meeting held on 08-02-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **7.5.20 Non-crediting of revenue into government treasury – Rs.210.694 million**

According to Rule 41(a) of Sindh Financial Rules, Volume-I, the Departmental Controlling Officer should see that all sums due to the Government are regularly received and checked against demands and that they are paid into the treasury. Read with Para 399 (iii) of CPWA Code, “the unclaimed balance of Public Works Deposits for more than three complete account years should be credited to Government as lapsed deposit”

During audit on the accounts of following offices of School Education & Literacy Department, Government of Sindh for the financial years 2018-2019 & 2019-20, it was observed that an amount of Rs.210.694 million was collected on account of government receipts but the same was not credited into the government treasury. As a result, the government was deprived of revenue. The details are given at **Annex-7** of Chapter-7.

The matter was reported to the management in October & November-2019. DAC in its meeting held on 08-02-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **7.5.21 Irregular holding of balance - Rs.24.177 million**

According to the General Financial Rule# 95 All anticipated savings should be surrendered to Movement immediately they are foreseen but not later than 31st March of each year in any case. Unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time (see paragraph 98). However, savings accruing from funds provided after 31st March shall be surrendered to Government immediately, they are foreseen but not later than 30th June of each year. No savings should be held in reserve for possible future excesses.

According to Revised Procedure for Operation of Assignment Accounts of Government #3. Budgeting and Reconciliation vi. The balance in the existing non-lapsable Assignment Accounts, if any, remaining un-spent on June 30, 2008 will not be available without its revival through a fresh budgetary ceiling.

During audit of the office of Project Director (Project Management Implementation Unit) Karachi for the financial year 2018-19, it was observed that management of the project held the balance amounting to Rs-24.177 million in DDO/ assignment account after 30<sup>th</sup> of June 2019 in violation of rule.

Audit is of the view that holding of unspent balance amount beyond 30<sup>th</sup> June is violation of rules and misuse of authority.

The matter was reported to the management in September-2019. DAC in its meeting held on 08-02-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR# 46)**

### **7.5.22 Irregular payment of Grant-in-aid - Rs.784.116 million**

The Guidelines issued by Finance Department vide No. FD/B&E-1/2(407)/2018-19, dt:18<sup>th</sup> April, 2019 pertaining to the Grants-in-aid provided to Non-Government entities and Government entities (Autonomous Bodies), states that:

- a) The non-government entities are required to furnish Utilization Report of earlier release funds before demanding further funds during a financial year; as well as Certified Audited statement of account of previous financial year by a reputable / certified Audit Firms.

- b) Similarly, Govt. Entities (Autonomous Bodies) which are self-accounting entities are required to provide a copy of the Budget approved by their respective Boards, Utilization Report (Duly countersigned by the PAO) and Audit Reports.

During audit on the accounts of office of the Secretary, School Education & Literacy Department, Government of Sindh for the financial year 2019-20, it was observed that the grants amounting to Rs784.116 million were sanctioned for the autonomous authorities / bodies. The details are given at **Annex-8** of Chapter-7.

Following observations have been noticed:

- Some grants amounting to Rs.68.116 million were approved in the name of autonomous authorities but the payments were made in favour of the Drawing and Disbursing Officer instead of direct payment to the main account of the concerned autonomous authorities.
- An amount of Rs.30.000 million was received through the DDO account for “Sindh School system welfare foundation” but the same payment was made to the “Public School Korangi” irregularly.
- No utilization report or the audit reports was obtained before sanctioning the next release of the grant in aid.

Audit is of the view that government in presence of the above shortcomings the audit could not authenticate the expenditure.

The matter was reported to the management in October-2020. DAC in its meeting held on 08-02-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR# 01)**

## CHAPTER - 8 ENERGY DEPARTMENT

### 8.1 Introduction

Energy Department deals with strategic management of coal & energy sector, determining policies in respect of exploration and development of coal and lignite reserves, sanctioning of important projects and deciding all related issues in Sindh.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	3	2	300.003	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	2	2	225.555	
4	Foreign Aided Projects (FAP)	1	1	80.512	

### 8.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
33,029.067	-	6,936.436	(6,936.436)	(23,195.233)	9,833.834	9,749.256	(-) 84.579

The department was unable to spend the allocated budget in time. As a result, savings of Rs84.579 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
5,600.000	1,120.000	117.873	(1,002.127)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs1,002.127 million was observed. Revenue estimate were reduced upto 80% in revised estimate. Actual receipts were only 10.5% of revised estimate.

### 8.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.1,520.376 million were raised as a result of this audit. This amount also includes recoverables of Rs18.003 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	6.925
B	<i>Procurement related irregularities</i>	31.519
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	1,481.932

### 8.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 36.36%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
2	1998-99	0	0	0	0	-	
3	1999-2000	0	0	0	0	-	
4	2001-02*	0	0	0	0	-	
5	2004-05*	0	0	0	0	-	
6	2005-06	0	0	0	0	-	
7	2006-07	3	3	0	3	-	

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
8	2007-08	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
9	2008-09	5	3	0	3	-	
10	2009-10	0	0	0	0	-	
11	2010-11						No audit para pertaining to this department was printed in this Audit Report
12	2014-15	3	2	0	2	-	
13	2016-17	13	9	4	5	44.44	
<b>Total</b>		<b>16</b>	<b>11</b>	<b>4</b>	<b>7</b>	<b>36.36</b>	

## **8.5 Audit Paras**

### **8.5.1 Irregular appointment of consultants – Rs.6.925 million**

As per “Rule 61; Selection of Consultancy Services”, of SPPRA 2010, the selection of consultants shall be guided by the following considerations:

- i. Best quality of Services available;
- ii. Need for economy and efficiency;
- iii. Need to give all qualified consultants an equal opportunity to compete;
- iv. Encouragement of local consultants without any unfair competitive advantage; &
- v. Transparency in the selection process.

As per Rule-72 of SPPRA 2010, the selection system shall be determined by the procuring agency prior to issuance of the Request for Proposals from interested consultants. A procuring agency may adopt one of the following methods for selection of consultants, keeping in view nature of the assignment:

- i. Least Cost Selection Method
- ii. Quality Based Selection Method Least cost
- iii. Quality and Cost Based Selection Method
- iv. Direct Selection Method
- v. Fixed Budget
- vi. Design Contest

During audit on the accounts of Managing Director, Thar Coal & Energy Board, Karachi, Energy Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an amount Rs.6.925 was paid to the Consultants who were appointed without following the procedure as outlined in the above quoted rules.

The audit is of the view that the appointments of the consultants in violation of rules was irregular and amounted to extension of favoritism to the individuals. Hence, all payment made to the consultants was irregular.

The matter was reported to the management in November 2019. DAC in its meeting held on 16-01-2021 directed the management to produce record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#02&04)**



### 8.5.2 Loss due to non-recovery of taxes – Rs.18.003 million

According to Notification issued by Sales Tax Department for sales tax special procedure (withholding) rules, 2007 vide letter No. S.R.O. 77 (1) 2008 dated 23-01-2008, withholding agent shall deduct an amount equal to 1/5 of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him. If sales tax invoice is not provided, then 17% tax would be deducted. Further according to sections of Income Tax Ordinance, 2001 amended from time to time, “it is the duty of paying authority to deduct income tax from the suppliers/contractor at source and deposit the same into bank/treasury”.

During audit on the accounts of Managing Director, Underground Coal Gasification Project, Islamkot, Mithi, Energy Department, Government of Sindh, for the financial years 2012-13 to 2014-15, it was observed that payments were made to various suppliers/contractors without deduction of sales tax/income tax of Rs.18.003 million at source. The details are given as under;

(Rs. in million)

Sr. #	Particulars	AIR Para #	Financial Year	Amount
1	Non-deposit of GST	5	2012-13	5.512
2	Non-deduction of income tax	3	2014-15	5.116
3	Non-deduction of GST	1	2014-15	2.456
4	Non-deduction of income tax	6	2012-13	2.014
5	Less-deduction of GST	2	2014-15	1.737
6	Non-deposit of GST	3	2013-14	1.168
<b>Total</b>				<b>18.003</b>

Audit is of the view that due to non-recovery of taxes, the government sustained loss.

The matter was reported to the management in April 2016 and DAC was held on 23-01-2019 wherein it was informed that matter was already under investigation with NAB.

Audit recommends expeditious recovery besides taking remedial measures.

### 8.5.3 Execution of work by repeat order to avoid open tenders – Rs.13.042 million

As per Rule 12 of PPRA Rules 2010, “Procurement over one hundred thousand rupees and up to the limit of one million rupees shall be advertised on the authority’s

website in the manner and format specified by regulation by the authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.”

During audit on the accounts of Managing Director, Underground Coal Gasification Project, Islamkot, Mithi, Energy Department, Government of Sindh, for the financial year 2011-12, it was observed that an expenditure of Rs.13.042 million was incurred on work, “Construction of administration block and fuel storage tank at Block-V, Islamkot” from M/s MPPL by way of repeat order only to avoid invitation of open tender and extending un-due favor to the contractor.

Audit is of the view that due to issuance of repeat orders to avoid the invitation of fresh tenders; the government was deprived of competitive rates.

The matter was reported to the management in April 2016 and DAC was held on 23-01-2019 wherein it was informed that matter was already under investigation by NAB.

Audit recommends justification for repeat work order and avoiding of tender besides taking remedial measures.

**(AIR#9.4)**

#### **8.5.4 Non-deposit of Income Tax – Rs.0.474 million**

According to section 153 (1) of Income Tax Ordinance 2001, Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person, shall deduct income tax at source.

During audit on the accounts of Managing Director, Thar Coal & Energy Board, Karachi, Energy Department, Government of Sindh, for the financial year 2018-19, it was observed that an amount Rs.5.534 was paid to the Consultants i.e. Mr. Abdul Qadir and Mr. Zulfiqar Ali Talpur but Income Tax @ 7% i.e. amounting to Rs.0.474 million was deducted at source but the same was not deposited into Government Account.

Audit is of the view that due to non-deposit of government receipts; government was deprived of its revenues.

The matter was reported to the management in November 2019. DAC in its meeting held on 16-01-2021 directed the management to produce record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#05)**

### **8.5.5 Excess consumption of electricity units – Rs.983.356 million**

As per policy by Sindh Government maximum limit of unit consumption was fixed against individual GoS electric connections and DISCOs were directed to ensure that electricity supply is discontinued in those connections / meters which have reached the maximum limit to electricity consumption prescribed by energy department government of Sindh, else GoS will not be responsible for the payment for those connections.

During audit on the accounts of Secretary, Energy Department, Government of Sindh, Karachi, for the financial year 2019-20, it was observed while analyzing data relating to maximum limit (Units) consumption on GoS electric connections, 7,555 connections consumed units in excess of allowed units resulting in loss of Rs.983.356 million to government of Sindh. The details are given as under;

(Amount in Rupees)

<b>Sr. #</b>	<b>Month</b>	<b>No. of Connections</b>	<b>Units Billed</b>	<b>Max. Units Allowed</b>	<b>Units Exceeds from Allowed</b>	<b>Amount of Exceeded Units</b>
1	Sep-19	1,103	9,960,393	4,583,730	5,376,663	132,547,780
2	Oct-19	1,121	10,213,007	4,613,435	5,599,572	143,445,634
3	Nov-19	637	5,834,005	2,728,686	3,105,319	79,470,953
4	Dec-19	538	4,820,342	2,319,253	2,501,089	66,729,714
5	Feb-20	571	5,375,124	2,615,277	2,759,847	66,229,041
6	Apr-20	1,062	9,684,979	4,231,339	5,453,640	130,384,896
7	May-20	1,289	13,297,777	5,565,413	7,732,364	184,757,602
8	Jun-20	1,234	12,487,989	4,909,172	7,578,817	179,790,742
<b>Total</b>		<b>7,555</b>	<b>71,673,616</b>	<b>31,566,306</b>	<b>40,107,310</b>	<b>983,356,360</b>

The audit is of the view that the excess payment over the allowed units put an extra financial burden on Government exchequer.

The matter was reported to the management in October 2020. The DAC meeting was held on 16 January 2021. The management replied that over all prescribed

limit by GoS should be compared with over all units billed by HESCO/SEPCO as per SOPs. The reply of the management was not tenable as efficient monitoring was not carried out by Electricity Monitoring & Reconciliation Cell, Energy Department to follow policy of maximum limit in order to save public money. DAC decided that record may be produced for verification. However, no progress was reported.

Audit requires compliance of DAC directives besides recovery on account of overpayment of electricity bills.

(AIR#01)

### 8.5.6 Irregular expenditure without provision in PC-I – Rs.327.966 million

There is no any provision for purchase of Horizontal Drilling system and water well Drilling Rings in the PC-1 of development scheme, to establish 2X50 MW power plant from syngas. As per Sr # 12(a) page no. 14 & 15 of PC-1, the PMU will responsible for execution, implementation, monitoring and controlling of the project as per approved PC-1.

During audit on the accounts of following offices of Energy Department, Government of Sindh, for the financial years 2013-14 to 2019-20, it was observed that expenditure amounting to Rs.327.966 million was incurred on account of purchase of vehicles/drilling machines without/over & above the provision in PC-I. The details are given as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Managing Director, Underground Coal Gasification Project, Islamkot,	2013-14	01	Purchase of Drilling Machines	321.789
2	Project Director, Project Management Unit, Karachi Sindh Solar Energy Project Sindh	2019-20	4.1	Purchase of Vehicles	6.177
<b>Total</b>					<b>327.966</b>

The audit is of the view that due to non-provision in PC-1, irregular expenditure was incurred which indicates prevalence of poor internal controls within the departments.

The matter was reported to the management in April 2016 and September 2020 and DAC (office at Sr#1) was held on 23-01-2019 wherein it was informed that matter was already under investigation by NAB. No reply was received from office at S#02.

Audit requires justification for purchase without/over and above the provision in PC-I besides taking remedial measures.

### 8.5.7 Excessive work over the approved estimates – Rs.107.826 million

Para- 532 of public works departmental manual, volume -1, states “A revised estimate may be submitted when a sanctioned estimate is likely to be exceeded by more than 5%.”

During audit on the accounts of Managing Director, Underground Coal Gasification Project, Islamkot, Mithi, Energy Department, Government of Sindh, for the financial years 2011-12 & 2013-14, it was observed that execution of excessive work amounting to Rs.107.826 million above the permissible limit of 5% was carried out without approval of revised estimates. The details are given as under;

(Rs. in million)

Name of work	Financial Year	AIR Para #	Sanctioned estimate	Expenditure	Excess	Percentage %
Establish 2X50 MW power plant from syngas	2013-14	3	172.000	212.740	40.740	23.69
Construction of residential camp at block V, Islamkot	2011-12	9.1	30.788	97.874	67.086	217.90
<b>Total</b>			<b>202.788</b>	<b>310.614</b>	<b>107.826</b>	

The audit is of the view that the execution of excessive work over the approved estimates without revision by the competent authority was serious negligence on the part of management.

The matter was reported to the management in April 2016 and DAC was held on 23-01-2019 wherein it was informed that matter was already under investigation by NAB.

Audit recommends justification for execution of works over the sanctioned estimates besides taking remedial measures.

(AIR#9.1)

#### **8.5.8 Wasteful expenditure on purchase of excessive quantity – Rs.32.091 million**

According to Rule-167 of General Financial Rules, Volume-I, “Stores which are reported to be obsolete, surplus or unserviceable may be disposed of by sale or otherwise under the orders of competent authority to sanction the writing off of a loss caused by deficiencies and depreciation equivalent to their value”.

During audit on the accounts of Managing Director, Underground Coal Gasification Project, Islamkot, Mithi, Energy Department, Government of Sindh, for the financial year 2014-15, it was observed that excess purchase of material such as M.S. angle, cable for pump, oil filter etc., was made which was lying unutilized in the store causing blockade of public money amounting to Rs.32.091 million. Audit apprehends that excess material could never be utilized as project has been abandoned.

The audit is of the view that due to expenditure on purchases of excess items beyond normal requirement caused blockade of funds and resulted in wasteful expenditure after abandonment of the project.

The matter was reported to the management in April 2016 and DAC was held on 23-01-2019 wherein it was informed that the matter was already under investigation with NAB.

Audit recommends investigation of the matter, besides taking remedial measures.

(AIR#11&09)

#### **8.5.9 Irregular advance payment after payment of mobilization advance – Rs.24.0 million**

According to Para 23 of G.F.R., “Every government officer should realize fully and clear that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part. and that he will also be held responsible for any loss arising from fraud or negligence on the part of any other

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

During audit on the accounts of Managing Director, Underground Coal Gasification Project, Islamkot, Mithi, Energy Department, Government of Sindh, for the financial year 2011-12, it was observed that an advance payment of Rs.24.00 million was made to M/s. MPPL despite earlier payment of mobilization advance of Rs.16.847 million.

The audit is of the view that the undue favor was extended to the contractor by allowing advance payment in addition to already paid mobilization advance which is irregular.

The matter was reported to the management in April 2016 and DAC was held on 23-01-2019 wherein it was informed that matter was already under investigation by NAB.

Audit requires justification for advance payment in addition to mobilization advance besides taking remedial measures.

**(AIR#9.3)**

#### **8.5.10 Defective completion of work/non-execution of item of works – Rs.3.452 million**

According to Clause-17 of the agreement if at any time before the security deposit is refunded to the contractor, it shall appear to the Engineer in-charge or his sub-ordinate in charge of the work, that any work executed with unsound, imperfect or unskillful workmanship or with material of inferior quality, or that any materials or articles provided by him for execution of work are unsound, or quality inferior to that contracted for , or are otherwise not in accordance with the contract, it shall be lawful for the Engineer-in-charge to intimate this fact in writing to the contractor and then notwithstanding, the fact that the work materials or articles complained of, may have seen inadvertently passed, certified and paid for, the contractor shall bound forth with to rectify or remove and reconstruct the work so specified in, whole or part, as the case may require.

During audit on the accounts of Managing Director, Underground Coal Gasification Project, Islamkot, Mithi, Energy Department, Government of Sindh, for the financial year 2011-12, it was observed that items of works of Rs.3.452 million were less executed by the contractor, M/s Indus Traders in work, “Construction of Boundary Wall”. Thus, less execution of quantity of items of works indicates that defective/incomplete work was carried out. The details are given as under;

(Rs. in million)

Sr. #	Item of work	Qty as per BOQ	Qty executed	Rate	Amount
1	Providing laying, compacting, finishing & curing etc, straight or curved or other shape....	1,170	901.99 cft	215	0.058
2	Providing, cleaning, cutting, bending, placing & fixing in position at any height etc.....	3,862	348.457 kg	90.50	0.318
3	Providing and laying first class burnt brick masonry 9” & above, straight or curved set.....	26,610	21691.8 cft	140	0.689
4	Providing and laying 60mm thick interlock concrete pavers of approved manufactured....	5,800	0 sft	63	0.365
5	Providing fabricating and fixing in position parking shed comprising.....	4,800	0 sft	415	1.992
6	Providing and fixing GI water supply line 1/2” .....	300	0 rft	100	0.030
<b>Total</b>					<b>3.452</b>

The audit is of the view that non-compliance of rules resulted in presence of weak financial control within the department.

The matter was reported to the management in April 2016 and DAC was held on 23-01-2019 wherein it was informed that matter was already under investigation by NAB.

Audit recommends justification for completed works executing less quantities of items of works besides taking remedial measures.

**(AIR#9.5)**

#### **8.5.11 Irregular cash withdrawal from bank – Rs.3.241 million**

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc. which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are advised that in case of payments to



the Suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid un-necessary delays and risk involved in the drawal and disbursement of cash.”

During audit on the accounts of Director General, Sindh Coal Authority, Karachi, Energy Department, Government of Sindh, for the financial year 2019-20, it was observed that an amount of Rs.3.241 million was drawn in cash from bank account, but the details of expenditure and the name of payees were not available on record. In absence of this vital record, the authenticity of expenditure could not be ascertained.

(Rs. in million)

<b>Account No.</b>	<b>Period of drawal</b>	<b>Amount</b>
4057343192 NBP	2019 to 2020	3.241

Audit is of the view that all government payments must be made through crossed cheque to ensure transparency. Further, chances of misuse cannot be ruled out.

The matter was reported to the management in October 2020. DAC in its meeting held on 16-01-2021 directed the management to produce record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#02)**

**CHAPTER – 9**  
**EXCISE, TAXATION & NORCOTICS CONTROL DEPARTMENT**

**9.1 Introduction**

Excise and Taxation Department is the main tax collecting organ of the Provincial Government. The core business of the department is to levy and collect Infrastructure Cess, Motor Vehicle Tax, Excise Duty, Professional Tax, Hotel Tax, Cotton Fee, Property Tax and Entertainment Duty.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	11	01	220.058	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

**9.2 Comments on Budget and Accounts (Variance analysis)**

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
3,373.521	-	400.875	(400.875)	(1,026.557)	2,346.964	2,125.049	(-) 221.915

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs221.915 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
85,202.895	74,820.795	68,671.905	(6,148.890)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs6,148.890 million was observed. Revenue estimate were

reduced upto 12% in revised estimate. Actual receipts were only 92.8% of revised estimate.

### 9.3 Classified Summary of Audit Observations

Audit observations amounting to Rs431.603 million were raised as a result of this audit. This amount also includes recoverables of Rs336.068 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	86.812
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	-
A	<i>HR/Employees related irregularities</i>	2.686
B	<i>Procurement related irregularities</i>	-
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	342.105

### 9.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	2	1	0	1	-	
2	1998-99	0	0	0	0	-	No audit para pertaining to this department was printed in this

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
							Audit Report
3	1999-2000	19	5	0	5	-	
4	2001-02	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
5	2004-05	0	0	0	0	-	
6	2005-06	0	0	0	0	-	
7	2006-07	7	7	0	7	-	
8	2007-08	11	8	0	8	-	
9	2008-09	7	6	0	6	-	
10	2009-10	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
11	2010-11	0	0	0	0	-	
12	2014-15	11	9	0	9	-	
13	2016-17	0	0	0	0		Audit Report not yet discussed
<b>Total</b>		<b>57</b>	<b>36</b>	<b>0</b>	<b>36</b>	<b>-</b>	

## 9.5 Audit Paras

### 9.5.1 Non-production of record - Rs.86.812 million

Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that "The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition." And "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 on the accounts of the following offices of Excise Taxation & Narcotics Control Department Government of Sindh, Karachi for the financial year 2018-19, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.86.812 million remained unaudited.

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Head of account	Amount
1	Director Taxes-II Karachi	2018-19	09	Record of various heads of accounts	44.648
			08	Arrears/adjustment of pay & allowances	0.820
2	ETO "P-1" Division Karachi	2018-19	01	<ul style="list-style-type: none"><li>Record of total number of assesses of all beats</li><li>Current year recovery status along with challans</li><li>Declaration Form PCT-III of all (13) beats along with financial statements, income tax returns, CNIC and NTN numbers of all assesses.</li><li>Verification of recovery and challans</li></ul>	41.344
<b>Total</b>					<b>86.812</b>

The matter was reported to the management during March, 2020, but no reply was received

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### 9.5.2 Irregular payment of inadmissible allowances - Rs.2.686 million

As laid down Rule 28 of General Financial Rules, Volume-I stats that no amount due to Government should be left outstanding without sufficient reasons and where any dues appear to be irrecoverable, the orders for their adjustment must be brought.

During audit on the accounts of the following offices of Excise Taxation & Narcotics Control Department Govt. of Sindh, Karachi for the year 2018-19, it was observed that an amount of Rs.2.686 million was paid to the officials on account of various inadmissible allowances. The details are as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Allowance	Amount
1	Dy. Director/Sr. ETO Professional Tax (P-III) Division Karachi	2018-19	07	Adhoc allowances- 2010, 2011,2012,2013, 2014,2015	1.416
			10	Utility allowance	0.067
2	Excise and Taxation officer "H-1" Division Karachi	2018-19	13	Adhoc allowance- 2013, 2015	0.574
3	Dy. Director/Sr. ETO Provincial Excise West Division Karachi	2018-19	08		0.483
4	Director Taxes-II, Karachi	2018-19	02		0.146
<b>Total</b>					<b>2.686</b>

Audit is of view that due to irregular payment of inadmissible allowances to officials, government sustained loss due to weak financial management.

The matter was reported to the management during March and June, 2020, but no reply was received

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires immediate stoppage of inadmissible allowances and recovery thereof, besides taking remedial measures.

### 9.5.3 Non-recovery of various taxes at applicable taxes - Rs.21.068 million

According to section 153 (1) of Income Tax Ordinance 2001, Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person, shall deduct income tax at source on supplies of goods and in case of rendering services at the rate of 4.5% and 10% respectively. And as per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011 states: “Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable service is listed.” And as per Second Schedule of The SST on Services Act, 2011, the rate of tax is 15% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.

According to Para-22-A of Stamp Act, “It was the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost”.

During audit on the accounts of the following offices of Excise Taxation & Narcotics Control Department, Government of Sindh, it was observed that an amount of Rs.20.162 million on account of government taxes were not deducted at applicable rates. Details are given as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
1	Secretary Excise Taxation & Narcotics Control Department	2019-20	07	Income Tax on internet services	3.895
				SST on internet services	5.064
			12	Income tax on various heads	4.351
2	Director Taxes-II Karachi	2018-19	10	Income tax on service charges	6.852
3	Director Taxes-II Karachi	2017-18 & 2018-19	07	Stamp duty against Contract “Service charges Rent of building”	0.740
4	Secretary Excise Taxation & Narcotics Control Department	2019-20	16	Stamp duty against Contract “Computerization of MRV tax”	0.166
<b>Total</b>					<b>21.068</b>

Audit is of the view that due to non-deduction of taxes, the government was deprived of its due revenue of Rs.21.068 million.

The matter was reported to the management during February & October, 2020, but no reply was received

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of government taxes/duties besides taking remedial measures to avoid such recurrence in future.

#### **9.5.4 Irregular award of work without obtaining performance security – Rs.8.723 million**

According to Section 39 of SPPRA “Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price”,

During audit on the accounts of the office of Secretary, Excise Taxation & Narcotics Control Department, Karachi for the year 2019-20, it was observed that various works of Rs.87.235 million were awarded to the contractors, but the Performance security @ 10% of contract value amounting to Rs.8.723 million was not obtained.

Audit is of the view that the execution of contract in the absence of performance security indicates extension of undue favour to the contractors at cost of Government interest.

The matter was reported to the management during October, 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.



Audit recommends justification of irregularity besides taking remedial measures.

(AIR#08)

### 9.5.5 Non-recovery of arrears of property tax - Rs.190.821 million

As per Section 16 of the Sindh Urban Immovable Property Tax Act, 1958 read with Rule 19 of the Sindh Urban Immovable Property Tax Rules 1958, “Any sum due on account of property tax, which remains unpaid after the due date allowed for its payment without sufficient cause to the satisfaction of the Collector is required to be recovered as arrears of land revenue”.

During audit on the accounts of following offices of Excise Taxation & Narcotics Control Department, Government of Sindh, for the financial year 2018-19, it was observed that arrears of property tax amounting to Rs.190.821 million were not recovered from various owners of property units up to the year 2017-18.

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Amount
1	Excise & Taxation officer “J-3” Division Karachi	02	116.702
2	Excise & Taxation officer “N” Division Karachi	05	45.658
3	Excise and Taxation officer “C” Division Karachi	02	4.538
4	Excise and Taxation officer “F” Division Karachi	02	4.222
5	Excise and Taxation officer “H-1” Division Karachi	01	4.128
6	Excise & Taxation Officer ‘K-I’ Division Karachi	03	2.584
7	Excise & Taxation Officer ‘D’ Division Karachi	03	2.507
8	Excise & Taxation Officer ‘K-II’ Division Karachi	03	2.377
9	Excise & Taxation Officer ‘H-II’ Division, Karachi	01	2.371
10	Excise & Taxation Officer ‘I-1’ Division Karachi	02	2.340
11	Excise and Taxation officer “A” Division Karachi	03	1.984
12	Excise & Taxation Officer ‘S-1’ Division Karachi	03	1.410
<b>Total</b>			<b>190.821</b>

Audit is of the view that due to non-recovery of outstanding receivables, government revenue is blocked, which could have been utilized for the welfare of province.

The matter was reported to the management during February to June 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of taxes along with penalty thereof.

### 9.5.6 Non-recovery of current dues of property tax-Rs.107.26 million

According to the provision of law contained in Section 16 and read with Rule 19 of Property Tax Rule 1958, “each Taluka and Town shall be rating area within the meaning of Section-3(2) of Sindh Urban Immoveable Property Tax Act. 1958, wherein it is stated that all the tax shall be charged, levied and collected at 25 % of the amount of value of lands and buildings”.

During audit on the accounts of following offices of Excise Taxation & Narcotics Control Department, Government of Sindh, for the financial year 2018-19, it was observed that the property tax amounting to Rs.107.260 million was not recovered from various property owners. The detail are as under;

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Amount
1	Excise and Taxation officer “I-1” Division Karachi	03&08	97.503
2	Excise and Taxation officer “N” Division Karachi	04	3.087
3	Excise and Taxation officer “H-1” Division Karachi	01&02	1.931
4	Excise and Taxation officer “F” Division Karachi	03	1.924
5	Excise & Taxation Officer ‘K-1’ Division Karachi	03	0.801
6	Excise & Taxation Officer ‘H-II’ Division Karachi	03	0.500
7	Excise and Taxation officer “C” Division Karachi	03	0.462
8	Excise & Taxation Officer ‘S-1’ Division Karachi	03	0.389
9	Excise & Taxation Officer ‘D’ Division Karachi	03	0.257
10	Excise & Taxation Officer ‘A’ Division Karachi	03	0.246
11	Excise & Taxation Officer ‘K-II’ Division Karachi	05	0.160
<b>Total</b>			<b>107.26</b>

Audit is of the view that due to non-recovery of property tax, the government was deprived of its revenue.

The matter was reported to the management during February to June 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of taxes along with penalty thereof.

#### 9.5.7 Non-imposition of surcharge on arrears of property tax – Rs.5.053 million

“Where a person fails to pay the tax by the date prescribed under section-12, he shall, in addition to the amount of the tax, be liable to pay a surcharge, not exceeding ten percent of the tax due, as may be prescribed, within a period of thirty days from the prescribed date”.

During audit on the accounts of following offices of Excise Taxation & Narcotics Control Department, Government of Sindh, for the financial year 2018-19, it was observed that an amount of Rs.50.539 million of property tax was outstanding as arrears, but the surcharge @10% amounting to Rs.5.053 million was not imposed and recovered.

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Arrears	Surcharge
1	Excise and Taxation officer “H-1” Division Karachi	06	44.511	4.451
2	Excise and Taxation officer “I-1” Division Karachi	04	4.481	0.448
3	Excise and Taxation officer “N” Division Karachi	03	1.547	0.154
<b>Total</b>				<b>5.053</b>

Audit is of the view that due to non-imposition of surcharge on tax defaulters, the government was deprived of revenue in the shape of surcharges.

The matter was pointed out to the management in the month of February & June 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends imposition and recovery of surcharge on arrears besides taking remedial measures to avoid recurrence in future.

### **9.5.8 Non-realization of Entertainment Duty - Rs.4.728 million**

According to Section 6A of Sindh Entertainment Duty Act.1958 read with Sindh Government Notification No.“1(64)80-Tax, dated 1<sup>st</sup> July 1980” In pursuance of the provision contained in the second provision to the sub-section (1) of section-3 of the Sindh Entertainment Duty Act.1958, the Government of Sindh is please to direct that the rate of entertainment duty for the class of entertainment mentioned in the column 2 of the table below shall be as specified there against in column3, provided that the gross rate of admission to any such entertainment which may be hold for a period of not less than 30 days shall be fixed the approval of the Government or any officer authorized by Government.

During audit on the accounts of Deputy Director Entertainment Wing, Excise and Taxation Karachi for the financial year 2018-19, it was observed that entertainment duty amounting to Rs.4.728 million was not realized from various establishments and cinemas.

Audit is of the view that due to non-recovery of entertainment duty, the government was deprived of its revenue.

The matter was pointed out to management in the month of February 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of taxes besides taking remedial measures.

**(AIR# 03&04)**

### **9.5.9 Non-recovery professional tax - Rs.4.452 million**

According to 7<sup>th</sup> schedule of section-II of Sindh Finance Ordinance 2000, Professional trade calling and employment tax is levied and collected from all persons engaged in activities as mentioned in the schedule.

During audit on the accounts of following offices of Excise Taxation & Narcotics Control Department, Government of Sindh, for the financial year 2018-19, it was observed that professional tax amounting to Rs.4.452 million was not recovered.

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
1	Dy. Director/Sr. ETO Professional Tax (P-III) Division Karachi	2018-19	01,02,05	3.766
2	Dy. Director/Sr. ETO Professional Tax (P-IV) Division Karachi	2018-19	01,02,03	0.686
			<b>Total</b>	<b>4.452</b>

Audit is of the view that due to non-recovery of professional tax, the government was deprived of its revenue.

The matter was reported to the management in June 2020, but no reply was received

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of taxes besides taking remedial measures.

## CHAPTER – 10 FINANCE DEPARTMENT

### 10.1 Introduction

The Finance Department is responsible for the overall financial discipline of the Province. Preparation of annual provincial budget, formulation of financial rules and maintenance of an effective and efficient financial reporting system are the major assignments of Finance Department.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	35	10	29,698.324	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	04	02	6,613.508	

### 10.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/(Savings)
245,026.174	2,638.625	116,051.115	(116,051.115)	(63,239.57)	184,425.232	179,358.855	(5,066.377)

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs5,066.377 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
947,958.207	694,078.223	686,406.288	(7,671.935)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs7,671.935 million was observed. Revenue estimate were

reduced upto 26.8% in revised estimate. Actual receipts were only 98.9% of revised estimate.

### 10.3 Classified Summary of Audit Observations

Audit observations amounting to Rs81,122.313 million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	15,914.367
2	Reported cases of fraud, embezzlement and misappropriation	0.398
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	1,143.264
B	<i>Procurement related irregularities</i>	2,451.849
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	61,612.435

### 10.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
2	1998-99	0	0	0	0	-	

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
3	1999-2000	11	1	0	1	-	
4	2001-02	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
5	2004-05	0	0	0	0	-	
6	2005-06	0	0	0	0	-	
7	2006-07	0	0	0	0	-	
8	2007-08	4	0	0	0	-	
9	2008-09	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
10	2009-10	19	13	0	13	-	
11	2010-11	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	0	-	
<b>Total</b>		<b>34</b>	<b>14</b>	<b>0</b>	<b>14</b>		



## **10.5 Audit Paras**

### **10.5.1 Non-production of record – Rs.15,914.367 million**

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of various offices of Finance Department, Government of Sindh, for the financial year 2018-19, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.15,914.367million remained unaudited. The details are given at **Annex-1** of Chapter-10.

The matter was reported to the management during March to October 2020. DAC in its meeting held on 25-01-2021 directed the management and all DAOs to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **10.5.2 Fraudulent Payment of salary on the basis of fake ID – Rs.0.398 million**

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order.

During audit on the accounts of District Accounts Officer, Hyderabad for the financial year 2019-20, it was observed that an amount of Rs.398,332 was paid to Mr. Muhammad Moosa, superintendent, office of the Provincial Coordinator, National Program for Family Planning and Primary Healthcare Sindh Hyderabad on the basis of fake ID which was opened in SAP system in April 2018 and was blocked in Feb-2020.

Audit is of the view that due to suspected blocking of ID the chances for double employment of the same person cannot be ruled out.

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides recovery and strengthening of internal controls to deter recurrence of such practice in future.

### **10.5.3 Irregular payment on account of commutation – Rs.633.851 million**

According to Annexure-II of Government of Sindh, Finance Department Notification O.M. No. FD (SR-I) 1-(51)/ 2001 dated 6<sup>th</sup> November, 2001, Commutation Table effective from 01-12-2001, the rate of commutation is admissible on the age of next birth day except the Government servant retired on attaining the age of 60 years (superannuation).

During audit on the accounts of following offices of Finance Department, Government of Sindh, for the financial year 2018-19, it was observed that the commutation value of pension amounting to Rs.633.851 million was allowed to various officers / officials on the basis of actual age instead of “age next birthday”. This resulted in excess payment.

(Rs. in million)

<b>Sr. #</b>	<b>Name of formation</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Description</b>	<b>Amount</b>
1	DAO, Tharparkar @ Mithi	2018-19	06	Payment of commutation value	409.450
2	DAO, Shikarpur	2018-19	03	Payment of commutation value	224.401
<b>Total</b>					<b>633.851</b>

The matter was reported to the management during March and May 2020. In its reply the management at Sr#01 stated that commutation was allowed on the basis of actual age as per verification from matriculation certificate.

DAC in its meeting held on 25-01-2021 directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **10.5.4 Un-authorized payment of inadmissible allowances – Rs.488.505 million**

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

During audit on the accounts of various offices of Finance Department, Government of Sindh, for the financial years 2018-19 and 2019-20, it was observed that an amount of Rs.488.505 million was paid to various officers/officials of different offices on account of various allowances for which they were not entitled. The details are given at **Annex-2** of Chapter-10.

Audit is of the view that payment of inadmissible allowances indicates prevalence of poor financial management practices within the department.

The matter was reported to the management during March to October 2020. DAC in its meeting held on 25-01-2021 directed the management to initiate recovery of payment of inadmissible allowances from the concerned individuals and get the same verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **10.5.5 Doubtful payment of G.P Fund through dual punch – Rs.20.908 million**

As per appendix 18-A of Sindh Financial Rules, Volume-I, “Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any

other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

During audit on the accounts of following offices of Finance Department, Government of Sindh, for the financial year 2018-19, it was observed from SAP data that an amount Rs.20.908 million was paid to various payees through dual punch in GP fund off cycle. The detail is as under;

(Rs. in million)

Sr.#	Name of Formation	Financial Year	AIR Para #	No.of cases	Amount
01	DAO, Sanghar	2018-19	13	12	11.146
02	DAO, Mirpurkhas	2018-19	16	10	9.762
<b>Total</b>					<b>20.908</b>

Audit is of the view that payment of GP Fund through dual punch in the GP Fund off cycle is doubtful as chances of duplicate payments cannot be ruled out.

The matter was reported to the management in May 2020. DAC in its meeting held on 25-01-2021 directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **10.5.6 Investment without competitive process – Rs.2.402 billion**

As per Rule 4 of SPPRA 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 on the accounts of Project Director, Enhancing Public Private Partnership in Pakistan – [Provincial Support] Project in Sindh executed by the Finance Department, Government of Sindh, for the financial years 2017-18 to 2019-20, it was observed that an amount of Rs.2,402.000 million was invested by the PSF in TDRs at Sindh Bank Limited without observing competitive process. No such rates

were obtained from the high-ranking banks or financial institutions so that the profits could be maximized and best rate of return could be obtained.

(Rs. in million)

Sr #	Financial Year	Period of investment	Amount invested
1	2018-19	1 Month TDR	225.000
		3 Month TDR	225.000
		3 Month TDR	468.000
		1 Month TDR	116.000
2	2019-20	1 Month TDR	150.000
		3 Month TDR	468.000
		3 Month TDR	150.000
		6 Month TDR	200.000
		1 Year TDR	400.000
<b>Total</b>			<b>2,402.000</b>

The audit is of the view that due to non-observance of competitive process the Government was deprived from obtaining due profit/revenue.

The matter was reported to the management in September 2020. DAC in its meeting held on 25-01-2021 directed the management to submit reply along with relevant documents to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#4.3.1)

#### **10.5.7 Excessive refund of security deposit to contractor under head PWD Deposit - Rs.26.204 million**

According to Clause-I of the Contract Agreement, “the security deposit lodged by a contractor (in cash or recovered in installments from his bills) shall be refunded to him after the expiry of three months from the date on which work is completed”

During audit on the accounts of District Accounts Office, Tharparkar @ Mithi for the financial year 2018-19, it was observed that security deposit deducted from the bills of contractor M/s Abdul Ghaffar was amounting to Rs.30.876 million during the year, whereas amount refunded was Rs.57.080 million. Thus, excess payment of Rs.26.204 million was made to the contractor. The details are as under:

(Rs. in million)

<b>C. Center</b>	<b>Vendor #</b>	<b>G/L</b>	<b>Cheque #</b>	<b>Amount</b>
5001	30728743	G10113	3195110	7.340
5001	30728743	G10113	3196104	3.011
5001	30728743	G10113	3196466	1.022
5001	30728743	G10113	3197371	2.198
5001	30728743	G10113	3197385	3.363
5001	30502963	G10113	3250511	3.992
5001	30728743	G10113	3251081	4.476
5001	30502963	G10113	3251368	1.002
5001	30502963	G10113	3251967	2.125
5001	30502963	G10113	3360577	1.077
5001	30502963	G10113	3360844	1.269
<b>Deducted</b>				30.876
<b>Less Refunded</b>				-57.080
<b>Excess paid</b>				<b>-26.204</b>

Audit is of the view that excess payment from the concerned head of account is irregular.

The matter was reported to the management in March 2020. DAC in its meeting held on 25-01-2021 directed the concerned DAOs to get the relevant details verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#14)**

### **10.5.8 Unjustified payment of income tax from G10113 – Rs.23.645 million**

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order.

During audit on the accounts of District Accounts Officer, Hyderabad for the financial year 2019-20, it was noticed that an amount of Rs.23.645 million was paid to Deputy Commissioner IR Unit-II from security deposit by debiting the improper head G10113 instead of debiting proper head of account G-12714. This blunder of booking

wrong head of account reduced the credit balances of contractors on account of security deposit.

(Rs. in million)

Cost Center	Doc No	Vendor Name	G/L	Cheque No	Payment Date	Amount
HB5015	1900125235	Deputy Commissioner -IR Unit-II	G10113	3570113	17.10.2019	<b>15.000</b>
HB5005	1900251117		G10113	3601089	12.12.2019	<b>4.358</b>
HB0201	1900319132		G10113	3661023	27.01.2020	<b>3.869</b>
HB5084	1900422445		G10113	3673325	25.03.2020	<b>0.419</b>
<b>Total</b>						<b>23.645</b>

Audit is of the view that such mistakes are of serious nature which cause extra burden on the public exchequer.

The matter was reported to the management in October 2020. DAC in its meeting held on 25-01-2021 directed the concerned DAOs to get the wrong booking rectified under intimation to audit. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#46)**

#### **10.5.9 Non-deposit of GP Fund contribution in Sindh General Provident Investment Fund – Rs.38.006 billion**

As per financing strategy approved by the Honorable Chief Minister, Sindh in May 2011, “in order to fund the provident liability on a self sustaining basis, the actual amount of the employee contribution shall be deposited in the Sindh General Provident Investment Fund being maintained by Sindh Fund Management House”.

During audit on the accounts of Secretary, Finance Department, Karachi for the financial year 2019-20, it was observed that an amount Rs38.006 billion on account of GPF contributions was not transferred to Sindh General Provident Investment Fund during the financial years 2017-18 to 2019-20 in violation of the approved strategy by Government of Sindh. Audit observed that the employees’ deductions on account of GPF subscriptions for the years were utilized by the Government for other purposes. Details are as under;

(Amount in Rupees)

Sr.#	Financial Year	Subscription of GP Fund	Payment of GP Fund	Balance
1	2017-18	22,836,491,264	10,944,124,376	11,892,366,888
2	2018-19	27,771,802,781	14,443,847,667	13,327,955,114
3	2019-20	26,491,673,067	13,705,955,024	12,785,718,043
	<b>Total</b>	<b>77,099,967,112</b>	<b>39,093,927,067</b>	<b>38,006,040,045</b>

Audit is of the view that due to non-investment of GPF contributions, government was deprived of profit on investment which indicates prevalence of poor financial management practices within the department.

The matter was reported to the management in July 2020. DAC in its meeting held on 25-01-2021 directed the management to inject funds as mentioned in approved investment policy of Fund Management House. However, no progress was reported.

Audit requires compliance with DAC directives.

(AIR#38)

#### **10.5.10 Non-investment of pension contribution in Sindh Province Pension Fund – Rs.56.004 billion**

As per financing strategy approved by the Honorable Chief Minister, Sindh in May 2011, “The contribution to the Sindh Pension Fund at 2% of gross revenue receipts shall be made each year and this contribution shall be continued for the foreseeable future.

During audit on the accounts of Secretary, Finance Department, Karachi for the year 2019-20, it was observed that no releases in the Sindh Pension Fund were made during the financial years 2017-18 to 2019-20 which was required to be allocated as per financing strategy approved by the Honorable Chief Minister, Sindh. Details are given as under;

(Rs. In billion)

Financial Year	Actual Budgetary Allocation made in SPPF	Allocation to be made as per the Financing Strategy*
2017-18	Nil	15.695
2018-19	Nil	17.730
2019-20	Nil	22.579
	<b>Total</b>	<b>56.004</b>
<i>* This is calculated by taking into account the Gross Revenue Receipt of the GoS multiplying with 2%</i>		



Audit is of the view that due to non-investment of pension contributions; government was deprived of hefty amounts of profits which indicates prevalence of poor financial management practices within the department.

The matter was reported to the management in July 2020. DAC in its meeting held on 25-01-2021 directed the management to inject funds as mentioned in approved investment policy of Fund Management House. However, no progress was reported.

Audit requires compliance with DAC directives.

(AIR#37)

### **10.5.11 Imprudent investment in the shape of equity injections – Rs.19.700 billion**

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

During audit on the accounts of Secretary, Finance Department, Government of Sindh, Karachi for the financial year 2019-20, it was observed that an amount Rs.19.700 billion was invested in Sindh Bank but no profit was availed till June 2020 except the one-time dividend payment in the month of October-2010. However as per consolidated statement of financial position as at 31-12-2019 total net assets of the bank were Rs17.216 billion and consolidated profit and loss account showed loss of Rs.8.207 billion.

<b>Sr.#</b>	<b>Name of Company</b>	<b>Equity by GoS</b>	<b>Percentage Owned by GoS</b>	<b>Date of Incorporation</b>	<b>Dividend One Time 2010-11</b>
1	Sindh Bank Limited	19,700,000,000	100%	Oct-10	506,368,000

Audit is of the view that the Fund Management House was created with the purpose of investing the fund amount in high return portfolios to gain the maximum

return on investment but here such a huge amount was invested without taking into account the profitability of investments.

The matter was reported to the management in July 2020. DAC was held on 25-01-2021. DAC directed the management to produce financial statement of the firms in which government of Sindh has made investment to ascertain its profitability. However, no progress was reported.

Audit recommends implementation of DAC directives.

(AIR#36)

#### **10.5.12 Overbooking/ Unjustified reflection of excess receipt of Rs.5.619 billion & expenditure – Rs.4.110 billion into IFMIS**

As per Generally-accepted Management Practices, the Management is required to produce the financial statements of the accounts with management assertions that the financial statements are valid, complete in all material respects, comply consistently with the principles and policies of the government and the same are not over- or under-stated and present proper and fair picture in all respects of presentation.

During audit of the office of District Accounts Officer, Hyderabad for the financial year 2019-20, it was noticed from integrated financial management information system report (IFMIS) that provincial receipt of Rs.15.630 billion was realized against which State Bank endorsed provincial receipt of Rs.10.010 billion leaving difference of Rs.5.619 billion. Furthermore, as per IFMIS for AG-HD, provincial payment of Rs.81.1944 billion was made by DAO office whereas the State Bank endorsed provincial payment of Rs.77.083 billion during the same year creating difference of Rs.4.110 billion

<b>Monthly reconciliation statement issued by State Bank of Pakistan Hyderabad</b>		
<b>Month</b>	<b>ReceiptRs.</b>	<b>PaymentRs.</b>
Jul-19	374,259,681	3,700,386,001
Aug-19	2,708,372,551	5,364,017,919
Sep-19	753,687,697	5,507,578,596
Oct-19	400,613,007	6,972,873,539
Nov-19	376,885,376	7,130,609,410
Dec-19	581,048,877	7,330,160,417

<b>Monthly reconciliation statement issued by State Bank of Pakistan Hyderabad</b>		
<b>Month</b>	<b>ReceiptRs.</b>	<b>PaymentRs.</b>
Jan-20	1,107,004,805	6,963,596,436
Feb-20	416,924,738	6,572,114,075
Mar-20	1,715,963,416	6,386,234,736
Apr-20	115,069,644	4,110,994,746
May-20	162,063,327	5,906,759,761
Jun-20	1,298,294,913	11,138,178,350
<b>Total</b>	<b>10,010,188,032</b>	<b>77,083,503,986</b>

The matter was reported to the management in October 2020. In DAC meeting held on 25-01-2021 management informed that the State Bank has been approached to rectify this. DAC directed DAO Hyderabad to give the rectification when received. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#48)**

### **10.5.13 Un-authorized expenditure without pre-audit – Rs.5.541 billion**

According to the Section-5 (b) of Controller General of Accounts (Appointment, Functions & Powers) Ordinance, 2001, one of the functions of the Controller General is to authorize payments and withdrawals from the Consolidated Fund and Public Accounts of the Federal and Provincial Governments against approved budgetary provisions after pre-audited checks as the Auditor-General may, from time to time, prescribe.

During audit on the accounts of Secretary, Finance Department, Government of Sindh Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.5,541.601 million was incurred from the Viability Gap Fund (VGF) by the Fund Management House and the payments were also made through cheques to the departments instead of placing the funds under the relevant budget head of the respective departments.

Consequently, the funds drawn and later placed, which were expended by various DDOs without mandatory pre-audit from the AG Sindh.

The matter was reported to the management in July 2020. In DAC meeting held on 25-01-2021 management informed that there is an approved mechanism under PPP Act 2018 for operation of VGF. DAC directed the management to produce copy of approved procedure by CGA to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#39)**

## CHAPTER – 11 FOOD DEPARTMENT

### 11.1 Introduction

The objective of the department is to run Wheat (Procurement and Sale) State Trading Scheme in a manner that food security is provided to common man. The Food Department's activities are mainly focused on:

- a) Procurement of wheat from growers during harvesting period at supporting price fixed by the Provincial Government,
- b) Opening of wheat procurement centres throughout the province at the provincial reserves centres/places with establishment of temporary bank booth to make payment to the growers on the spot,
- c) Handling and transportation of surplus wheat to the wheat deficit areas/non-procurement areas,
- d) Safe storage of wheat in covered godowns and to maintain revolving / strategic reserves of wheat in order to meet out shortage at the time of emergency,
- e) Release of wheat to flour mills and *chakkies* at the subsidized rate in order to trickle down the benefit to general public at an affordable/ reasonable price,
- f) Stabilise the wheat market price by directly intervening in the commercial market to mitigate the risk of hoarding by maintaining equilibrium.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	29	10	5,322.039	-
2	Assignment Accounts (excluding FAP)	1	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

## 11.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
85,153.291	13,200.000	676.534	(676.534)	(551.246)	97,802.045	74,219.157	(23,582.888)

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs16,301.647 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
44,784.000	47,445.317	33,255.976	(14,189.341)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs14,189.341 million was observed. Revenue estimate were increased upto 6% in revised estimate. Actual receipts were only 70% of revised estimate.

## 11.3 Classified Summary of Audit Observations

Audit observations amounting to Rs8,504.055 million were raised as a result of this audit. This amount also includes recoverable of Rs3,125.683 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	4,180.718
2	Reported cases of fraud, embezzlement and misappropriation	1,913.613
3	Irregularities	-
A	<i>HR/Employees related irregularities</i>	-
B	<i>Procurement related irregularities</i>	-
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	2,409.724

#### 11.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 9.8%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	9	7	7	0	100	
2	1998-99	8	3	0	3	-	
3	1999-2000	7	6	0	6	-	
4	2001-02	9	0	0	0	-	
5	2004-05	19	16	1	15	6.3	
6	2005-06	22	17	1	16	5.9	
7	2006-07	11	11	0	11	-	
8	2007-08	12	9	0	9	-	
9	2008-09	15	11	0	11	-	
10	2009-10	8	8	0	8	-	
11	2010-11	0	0	0	0	-	Audit Report not yet discussed
12	2014-15	22	14	1	14		
13	2016-17	0	0	0	0	-	Audit Report not yet discussed
<b>Total</b>		<b>142</b>	<b>102</b>	<b>10</b>	<b>92</b>	<b>9.8</b>	

## **11.5 Audit Paras**

### **11.5.1 Non-production of record – Rs.4,180.718 million**

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of various offices of Food Department, Government of Sindh for the financial year 2019-20, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.4,180.718 million remained unaudited. The details are given at **Annex-1** of Chapter-11.

Audit is of the view that management failed to produce record which indicates poor commitments on the part of management to get their accounts audited.

The non-production of record was reported to the management in the months of May, June, September and November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **11.5.2 Short achievement of wheat procurement target- Rs. 2,235.975 million**

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



During audit on the accounts of the following offices of the Food Department, Government of Sindh for the financial year 2019-20, it was observed that the target for the procurement of wheat fixed by the Food Department was not achieved by the following offices which resulted in short procurement of 638,850 M.Tons of wheat amounting to Rs.2,235.975 million. The detail is as under;

Sr. #	Name of the Office	Financial year	AIR Para #	Target (In Bags)	Achieved (In Bags)	Short (In Bags)	Rate	Amount
1	District Food Controller, Larkana	2017-18 to 2019-20	01	805,000	585,526	219,474	3500	768.159
2	District Food Controller Naushero Feroze	2019-20	01	1,340,000	1,178,864	161,136	3500	563.976
3	District Food Controller, Umerkot	2017-18 to 2019-20	03	240,000	233,184	6,816	3500	23.856
4	District Food Controller, Dadu	2019-20	06	850,000	737,272	112,728	3500	394.548
5	Secretary Food, Karachi	2019-20	16	12,500,000	12,361,304	138,696	3500	485.436
<b>Total</b>				<b>15,735,000</b>	<b>15,096,150</b>	<b>638,850</b>		<b>2,235.975</b>

Audit is of the view that no efforts were made to achieve the desired targets fixed by the Government, which indicates prevalence of poor management practices within the department.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of short achievement of procurement target besides taking remedial measures and strengthening of internal controls.

### **11.5.3 Non-recovery of mis-appropriated wheat – Rs.1,913.613 million**

Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, 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 on the accounts of following offices of Food Department, Government of Sindh for the financial years 2017-18 to 2019-20, it was observed that wheat amounting to Rs.1,913.613 million was misappropriated by the officers and godown in-charges. However, no effort was made by the department to recover the amount. Details are as under;

(Rs. in million)

Sr. #	Name of the Office	Financial Year	AIR Para #	No. of Bags				Amount
				Jute Bag	Rate	P.P Bags	Rate	
1	District Food Controller, Larkana	2017-18 to 2019-20	03	35735	3500	539750	1650	1015.660
2	District Food Controller, NausheroFeroze	2016-17 to 2019-20	02	243284.50	3500	-	-	851.496
3	District Food Controller, Umerkot	2017-18 to 2019-20	09	8304.46	2583.6	-	-	21.455
4	District Food Controller, NausheroFeroze	2017-18 to 2019-20	16	-	-	14600	1712.46	25.002
<b>Total</b>								<b>1,913.613</b>

Audit is of the view that due to mis-appropriation Government sustained huge financial loss.

The matter was pointed out to the management in the month of October and November 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter for fixation of responsibility against person(s) at fault.

#### **11.5.4 Non-recovery of cost of wheat issued on credit basis – Rs.1,193.400 million**

As per wheat release policy of Sindh Government, Wheat shall be released on credit basis for the period of 180 days against some valid guarantee.

During audit on the accounts of the District Food Controller NausheroFeroze, for the financial years 2016-17 to 2019-20, it was observed that 36,000 M.Tons of wheat stock of wheat crop 2016-17 amounting to Rs.1,193.400 was issued to following three flour mills on the credit basis for 180 days. The recovery on or before completion of 180 days period was not made, in violation of wheat release policy 2018-19, despite lapse of three years. Details are given as under;

(Rs. in million)

Sr. #	Name of flour mill	Date of Food Department letter	Allocation of wheat on credit basis (in M.Tons)	Issue price per M.Ton (FD letter date 11-10-2017)	Amount
1	M/s Mehmoodia Flour Mill, Nausheroferoze	12-Dec-17	20,000	33,150	663.000
		07-Mar-18	3,000	33,150	99.450
		12-Mar-18	5,000	33,150	165.750
2	M/s Noor Rice Mills	07-Mar-18	2,000	33,150	66.300
3	M/s Hinna Floor Mill Dadu	09-Jan-17	3,000	33,150	99.450
		15-Mar-18	3,000	33,150	99.450
<b>Total</b>			<b>36,000</b>	<b>33,150</b>	<b>1,193.400</b>

Audit is of the view that due to non-recovery of dues, government funds remained blocked.

The matter was pointed out to the management in the month of November 2020 but no reply was received

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of outstanding dues along with interest from the concerned flour mills.

(AIR # 14)

### 11.5.5 Non recovery of outstanding bardana - Rs.16.731 million

As per Notification No. SO (W)-7(24)/2017-Wh:Proc. Government of Sindh Food Department Karachi dated the 1st March, 2017, no bardana should remain outstanding to the growers for more than one week.

During audit on the accounts of the following offices of Food Department, Government of Sindh for the financial years 2016-17 to 2019-20, it was observed that

government sustained loss amounting Rs.16.731 million due to non-recovery of outstanding bardana from growers under various center incharges, as detailed below:

(Rs. in million)

Sr. #	Name of the office	Financial Year	AIR Para #	No. of Bags				Amount
				Jute Bags	Rate per bag	PP Bags	Rate per bag	
1	District Food Controller Naushero Feroze	2016-17 to 2019-20	09	52318	231	127626	36.4	16.731
2	District Food Controller Shaheed Benazir Abad	2019-20	05	17520	231	60564	36.4	6.252
<b>Total</b>								<b>22.983</b>

Audit is of the view that government sustained loss due to non-recovery of outstanding bardana.

The matter was reported to the management in November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides recovery of outstanding bardana / amount.

#### **11.5.6 Non-recovery of various taxes at applicable taxes – Rs.1.939 million**

Section-50 (4) of Income Tax Ordinance, 2001 as amended from time to time, states that “it is the duty of paying authority to deduct income tax from the suppliers / contractors at source and deposit the same into bank/treasury.”

As per notification # SRO/660(I)/2007 dated 30th June 2007, “purchases of taxable goods made by Government departments, public sector organizations and autonomous bodies whereby the organization/department making purchases of goods liable to sales tax shall withhold sales tax at the rate of 3 per cent (1/5<sup>th</sup> or 20% of total tax amount) of value of supply while remaining 13 per cent sales tax shall be paid to the supplier registered with sales tax department.

According to Para-22-A of Stamp Act, “it was the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost.”

During audit on the accounts of the following offices of Food Department, Government of Sindh, Karachi, for the financial years 2016-17 to 2019-20, it was observed that an amount of Rs.1.939 million was not deducted at applicable rates on account of income tax, Sindh sales tax, general sales tax & stamp duty while making payments to contractors.

(Rs. in million)

Sr. #	Name of the office	Financial year	Description	AIR Para #	Amount
1	Secretary, Food Department	2019-20	Various taxes	04	0.109
			Income tax on honorarium	05	0.078
2	District Food Controller Naushero Feroze	2016-17 to 2019-20	Income Tax	10	0.071
			G.S.T	11	0.244
3	District Food Controller, Umerkot	2017-18 to 2019-20	Income tax	06	0.984
4	District Food Controllers, Dadu	2019-20	Stamp Duty	10	0.453
				<b>Total</b>	<b>1.939</b>

Audit is of the view that due to non-recovery of the taxes, government sustained loss.

The matter was pointed out to the management in the month of October and November 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires recovery of taxes besides taking of remedial measures to stop recurrence of such practice in future.

### **11.5.7 Un-safe storage of wheat – Rs.721.283 million**

As per Para 07 of policy guideline for wheat procurement campaign 2011 issued by the section officer(Wheat), Government of Sindh, Food Department vide letter no SO(W)7(18) 2011 Dated:22-03-2011 states that “procured wheat shall be

stored properly keeping in view safety and security of wheat stocks, besides periodic fumigation.”

During audit on the accounts of the following offices of Food Department, Government of Sindh for the financial years 2017-18 to 2019-20, it was observed that the wheat valuing Rs.721.283million was lying in the open space at various wheat procurement centers without any precautionary measures. Detail is as under;

(Rs. in million)

Sr.#	Name of the office	Financial Year	AIR Para #	Amount
1	District Food Controller, Larkana	2017-18 to 2019-20	02	692.600
2	District Food Controller, Umerkot	2017-18 to 2019-20	01	18.333
3	District Food Controller, Jacobabad	2018-19	02	10.350
<b>Total</b>				<b>721.283</b>

Similarly, under the jurisdiction of District Food Controller, Dadu for the financial year 2019-20, it was observed that stock of 737,272 bags of wheat was not fumigated despite lapse of considerable time to save the stock from infestation.

(AIR # 07)

Audit is of the view that due to poor management practices; safety of the wheat was compromised.

The matter was reported to the management in June, October and November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification for non-adherence to safety protocols issued by the government.

#### **11.5.8 Loss due to shortage/missing of wheat stock – Rs.333.622 million**

As per Para 07 of policy guideline for wheat procurement campaign 2011 issued by the section officer (Wheat), Government of Sindh, Food Department vide letter no SO(W)7(18) 2011 Dated:22-03-2011 states that “procured wheat shall be stored properly keeping in view safety and security of wheat stocks, besides periodic fumigation.”

During audit on the accounts of the following offices of Food Department, Government of Sindh for the financial year 2017-18 to 2019-20, it was observed that wheat stock/bags were found missing/short, which resulted in loss to Government amounting to Rs.333.622 million. The details are as under;

(Rs. in million)

Sr. #	Name of office	Particulars	Financial Year	AIR Para #	No. of Bags	Rate	Amount
1	District Food Controller, Jacobabad	Shortage of wheat Bags	2018-19	01	87037	3450	300.277
2	District Food Controller, Shaheed Benazirabad	Weight Short of crop	2019-20	02	2719.12 PP Bags	2060.29	7.324
					409.59 Jute bags	4204.19	
3	District Food Controller, Dadu	Missing of wheat stock 669.381 M Tons	2019-20	01	6693	3500	23.425
4	District Food Controller, Larkana	Missing of 822 wheat bags	2017-18 to	06	822 PP	1750	1.438
		Missing of 33100 M. tons	2019-20	09	331	3500	1.158
<b>Total</b>							<b>333.622</b>

Audit is of the view that management failed to take precautionary measures and secure wheat which indicates prevalence of weak administrative and financial controls causing loss to the Government.

The matter was reported to the management in June, October and November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation of the matter, besides taking remedial measures.

### 11.5.9 Loss due to wheat damage - Rs.142.741 million

As per wheat policy guidelines (TOR # iii) circulated by Food Department, Government of Sindh vide letter No.SO(W)-7(24)/2017/Wheat. Proc. Dated 01-03-2017, "substandard quality/damaged weevilized wheat and the wheat containing dust etc shall not be accepted, failing which concerned centre Incharge and District Food Controller will be held responsible".

During audit on the accounts of District Food Controller Nausheroferoze, for the financial years 2016-2017 to 2019-20, on scrutiny of periodical physical verification report of stocks for the period ending 30-06-2020, it was observed that government sustained a loss of Rs.132.036 million due to damage of huge quantity of 4,049,30 M.Tons of wheat. The details are given as under:

(Rs. in million)

Sr. #	Name of PRC/WPC	Wheat Crop	Quantity		Amount	
			Bags	Tons	Rate per ton	Amount
<b>(AIR Para # 07)</b>						
1	Paddidan	2013-14	9,729.00	972.900	30,000	29.187
2	Paddidan	2014-15	19,297.00	1,929.700	32,500	62.715
3	Bhiria City	2017-18	9,961.00	996.100	35,000	34.863
4	PinialMemon	2017-18	427.00	42.700	35,000	1.494
5	Bhiria Road	2017-18	1,079.00	107.900	35,000	3.776
<b>Total</b>			<b>40,493.00</b>	<b>4,049.30</b>		<b>132.036</b>

Similarly, during audit on the accounts of District Food Controller Jacobabad, for the financial year 2018-19, it was observed that wheat bags were found damaged during the crop of 2012-13 and 2013-14 at PRC Thul. This resulted in loss to Government amounting to Rs.10.705 million.

(Rs. in million)

Sr. #	Year of crop	Wheat Bags	AIR Para#	Amount
01	2012-13	1805	03	5.866
02	2013-14	1489	04	4.839
<b>Total</b>				<b>10.705</b>

Due to the negligence of the management, the government sustained loss.

The matter was reported to the management in the month of November 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation into the matter besides taking remedial measures to stop recurrence of such practice in future.



## CHAPTER – 12 FOREST & WILDLIFE DEPARTMENT

### 12.1 Introduction

The Forest & Wildlife Department is responsible for preservation of existing forests of the province of Sindh and Afforestation of forest lands for climatic, commercial and local needs. It also carries out research to develop new and improved species of plants and trees, suitable to the local climate and soil. Moreover, the Department also works for preserving endangered species of wildlife and constructing sanctuaries for them.

The forests of Sindh are being managed on the universal recognized principle of multiple land use system. The Forest Department also contributes to income generation for the government. In order to fill the gap of forest cover and to increase the fuel wood/ timber, fodder and livestock, various development schemes are being implemented depending on the availability of the resources. Besides normal forestry, development operations also focus on diversified fields like coconut plantation, sericulture, apiculture etc.

Core functions of the department include:

1. To increase the forests' covered area,
2. To provide substitutes to firewood in the wooded mountains,
3. To reduce political interference in the Forestry and Wildlife Departments,
4. To provide adequate control against flooding in the riverine areas,
5. To develop Policies for fragile Eco-systems,
6. To retrieve lands under encroachment,
7. To renovate and invigorate the institutions of RNR.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	10	2	351.659	140.629
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

## 12.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
2,971.323	-	150.646	(150.646)	(496.220)	2,475.103	2,190.903	(-) 284.200

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs284.200 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
380.800	85.314	69.368	(15.946)

The department was unable to collect the estimated receipts in time, as a result shortfall of an amount Rs15.946 million was observed. Revenue estimate were reduced upto 77.6% in revised estimate. Actual receipts were only 81% of revised estimate.

## 12.3 Classified Summary of Audit Observations

Audit observations amounting to Rs306.886 million were raised as a result of this audit. This amount also includes recoverables of Rs3.058 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	46.101
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	1.118
B	<i>Procurement related irregularities</i>	-
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	259.667

## 12.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 17.30 %.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	6	1	0	1	-	
2	1998-99	12	2	0	2	-	
3	1999-2000	21	7	0	7	-	
4	2001-02	5	5	3	2	60	
5	2004-05	12	11	2	9	18.2	
6	2005-06	17	14	2	12	14.3	
7	2006-07	8	3	0	3	-	
8	2007-08	17	0	0	0	-	
9	2008-09	9	0	0	0	-	
10	2009-10	10	5	2	3	4.0	
11	2010-11	6	4	0	4	-	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	0	-	
<b>Total</b>		<b>123</b>	<b>52</b>	<b>9</b>	<b>43</b>	<b>17.30</b>	

## 12.5 Audit Paras

### 12.5.1 Non-production of auditable record – Rs.46.101 million

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provide that “the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition” And “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 on the accounts of following offices of Forest & Wildlife Department, Government of Sindh, for the financial year 2018-19 & 2019-20, it was observed that the auditable record of Rs.46.101 million was not produced to audit for scrutiny. Details are as under;

(Rs.in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
01	Divisional Forest Officer Coastal Karachi	2018-19	01	24.690
02	Conservative wildlife, Karachi	2018-19	09	17.114
03	Sindh Forest Department	2019-20	ML 4.1	2.054
04	Sindh Forest Department	2019-20	ML 4.2 & 4.3	1.907
05	Sindh Forest Department	2019-20	ML 4.6	0.336
<b>Total</b>				<b>46.101</b>

Audit is of the view that due to non-provision of record, authenticity of expenditure could not be ascertained by audit, which constitutes weak administrative and financial management.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

The matter was reported to the management in the months of February and March 2020, but no reply was received.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### 12.5.2 Irregular and doubtful payments by various offices – Rs.9.579 million

As per Forest Manual Volume-II Part-IV Accounts Chapter-V Rule#15.157(1) “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 negligence”.

During audit on the accounts of Sindh Forest Department, Government of Sindh for the financial year 2019-20, it was observed that an expenditure of Rs.9.579 million incurred by the following formations was doubtful due to the reasons mentioned against each.

(Rs in millions)

Sr. #	Name of office	Description	AIR Para #	Amount
01	Sindh Forest Department (DFO- Range Management Sub-division Umerkot)	Cash payments, splitting, MBs not recorded etc.	ML 3.1	3.037
02	Sindh Forest Department (DFO-Social Forestry Tando Muhammad Khan)	Cash payment made on procurement of plants from pvt nurseries,etc	ML 5.1	6.060
03	Sindh Forest Department (DFO-Director Hyderabad)	Identical quotations, Splitting etc.	ML 3.2	0.482
<b>Total</b>				<b>9.579</b>

The matter was reported to the department in August, 2020. The DAC meeting was held on 19<sup>th</sup> November, 2020. DAC directed the management to conduct inquiry into matter and same be provided to audit. However, no progress was communicated.

Audit recommends compliance of the DAC directives.

### 12.5.3 Unjustified payments of inadmissible allowances – Rs.1.118 million

According to the Office Memorandum of Ministry of Housing and Works vide No F2(3)/2003-policy Dated 31.07.2004 “the hiring of residential accommodation shall be available to the employee as per their rental ceiling specification, covered area of house. And “No house rent allowance will be admissible to such employees and those not entitled for house hiring shall draw only house rent allowance”.

During audit on account of office of the Secretary, Forest & Wildlife Department, Government of Sindh, Karachi, for the financial year 2019-20, it was observed that unjustified payment on account of house rent allowance amounting to Rs1.118 million was made to various employees who were already availing house hiring facility. The details are given as under:

(Rs.in million)

Sr. #	Name of office	Description	AIR Para#	Amount
1	Secretary, Forest & Wildlife	Drawing house rent allowance despite availing facility of self-hiring	15	0.918
		Unjustified payments of Governor house allowance	14	0.200
<b>Total</b>				<b>1.118</b>

The matter was reported to the management in the month of October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that unauthorized payment of house rent allowance & Governor House allowance may be recovered from the officers/ officials concerned and be deposited in the government treasury under intimation to audit.

#### **12.5.4 Loss due to non/less deduction of various taxes – Rs.1.940 million**

According to Taxable Services as per Second Schedule to the Sindh Sales Tax on Services Act, 2011, Part A, Sindh Revenue Board, Government of Sindh, vide Tariff Heading-9813.4990 - Services provided or rendered by banking companies, insurance companies, cooperative financing societies, modarabas, musharikas, leasing companies, foreign exchange dealers, non-banking financial institutions and other persons dealing in any such services - Other services not specified elsewhere, tax @ 13% is to be paid accordingly.

According to section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contract with Government or local authorities, etc.

According to Notification issued by Sales Tax Department for sales Tax Special procedure (withholding) rules, 2007 vide letter No S.R.O 77 (I) 2008 dated 23-01-2008, "Withholding agent shall deduct an amount equal to 1/5 of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him. If sales tax invoice is not provided then 17% tax would be deducted".

During audit on the accounts of following offices of Forest & Wildlife Department, Government of Sindh for the financial year 2018-2019 & 2019-20, it was observed that various taxes amounting to Rs.1.940 million were not deducted at applicable rates from contractors while making payments.

(Rs in million)

Sr. #	Name of Office	Particulars	AIR Para #	Financial Year	Amount
1	Conservator, Wildlife Sindh, Karachi	Less deduction of SST on repair of transport	10	2018-19	0.019
		Less deduction of income tax on various heads	11	2018-19	0.031
		Less deduction of GST on various supplies	12	2018-19	0.233
2	DFO Afforestation, Tando Muhammad Khan & DFO Direction, Hyderabad	Non-deduction of GST	ML 7.3	2019-20	0.164
3	Sindh Forest Department	Non-Recovery of Income Tax on lease money	MI 7.2	2019-20	1.493
<b>Total</b>					<b>1.940</b>

Audit is of the view that the government sustained loss of revenue due to non / less deduction of taxes at applicable rates.

The matter was reported to the management in February & August 2020, but no reply was received from office at Sr.No.1 whereas office mentioned above at Sr.No 2 & 3 management agreed that the tax was not deducted. The DAC held on 19<sup>th</sup> November, 2020 directed the department to produce proof of sale tax payment to audit. But no further progress was communicated.

Audit recommends recovery of various taxes under intimation to audit besides compliance of the DAC directives.

### 12.5.5 Variation between Appropriation Accounts of Forest Department & Finance Accounts of Sindh Government - Rs.175.194 million

According to the Para 2.3.2.2 of APPM, Accuracy: the information in the accounts and the supporting subsidiary records shall be accurate, representing the actual substance of past events, without undue errors or omission. This shall include correct and consistent classification of transactions and the recognition of revenues and expenditures in the correct time period.

During audit on the accounts of Sindh Forest Department for the financial year 2019-20, it was observed that variations amounting to Rs.175.194 million were observed under major heads of Receipts & Expenditures between appropriation accounts of Forest Department, Finance Accounts of Sindh Government and the expenditure as per SAP data. The details are given as under;

(Rs. in million)

Sr. #	Nature	AIR Para #	Description	Amount	Difference
1	Receipts	ML 2.2	Finance Accounts of Sindh Government	44.925	2.840
			Appropriation accounts of forest department	42.085	
2	Expenditure	ML 2.1	Appropriation accounts of Forest department	1,168.247	171.549
			June Final monthly accounts of Forest department	1,339.796	
3	Expenditure in Grant (SC21137)	ML 2.3	Appropriation accounts of Forest department	1,168.247	0.031
			Expenditure As per SAP Data	1,168.216	
4	Expenditure in Grant (SC12165)	ML 2.3	Appropriation accounts of Forest department	367.524	0.774
			Expenditure As per SAP Data	368.299	
<b>Total</b>					<b>175.194</b>

Audit was of the view that due to variation in receipts and expenditure figures, true and fair picture of the accounts was not depicted in financial statements of the department.

The matter was reported to the department in August, 2020. The DAC meeting was held on 19th November, 2020. The DAC directed the management to take up the



matter with Accountant General Sindh to reconcile the figures. However, no further progress was reported.

Audit recommends compliance of the DAC directives.

#### **12.5.6 Unauthorized retention of lease money into EMD account – Rs.72.954 million**

As per Rule 23 of GFR, every Government officer should realize fully and clearly that he will be personally responsible for any loss sustain by Government through fraud or negligence on his part and that he will also be responsible for any loss arisen by fraud or negligence on the part of any other Government official to the extent of which it may be shown that he contributes to the losses by his own action or negligence.

During audit on the accounts of Sindh Forest Department for the financial year 2019-20, it was observed during the scrutiny of record of DFO (Aff) Division Sukkur that an amount of Rs72.954 million of lease money & 10% security deposit were realized and kept in the forest remittance/EMD account i.e G-10402 and G-11218 which was not remitted into the government’s relevant head of account i.e C03323 as detailed below:

<b>Opening balance as on 01.07.2019</b>	<b>Amount Recovered during 2019-20</b>	<b>Amount Refunded during 2019-20</b>	<b>Balance as on 30.06.2020</b>
78,420,510	2,848,050	208,430	81,060,130
		<b>10% EMD</b>	<b>8,106,013</b>
		<b>90% Lease money</b>	<b>72,954,117</b>

Audit is of the opinion that chances of embezzlement cannot be ruled out if government receipts are not remitted into government account within stipulated time. Audit is also of the view that due to unauthorized and prolonged retention of government receipt as EMD, the government accounts did not present true picture of receipts which indicates prevalence of poor financial management practices within the department.

The matter was reported to the department in August, 2020. The DAC meeting was held on 19th November, 2020. The DAC directed to follow the EMD deposit procedure and collect / deposit revenue in government treasury as per law to avoid loss to government and record be produced to audit. However, no further progress was communicated.

Audit recommends compliance of the DAC directives.

(ML 6.1)

### 12.5.7 Irregular appointments against domicile of other provinces

As per Rule 15 and 16 of Sindh Civil Servants (Appointment, Promotion and Transfer) Rules 1974, Government of Sindh, “posts in grades 1 to 2 are to be filled in on local basis and those in grades 3 to 15, offices which serve only a particular region or district should be filled by appointment or persons domiciled in the region or district concerned.” It has to be ensured that recruitment to posts in grades 1 to 15 is to be made from amongst local people belonging to that area district or region only.

During audit on accounts of office of Conservator, Wildlife, Government of Sindh, Karachi for the financial year 2018-19, it was observed while reviewing the SAP data that CNICs of the employees mentioned below belong to other provinces (first digit of CNIC represents province such as 1 for KPK, 2 for FATA, 3 for Punjab, 4 for Sindh, 5 for Baluchistan & 6 for Islamabad). Furthermore, their service books and domiciles were also not available on record to verify if the employees permanently belong to Sindh Province or they were posted / appointed in violation of Recruitment Rules mentioned above.

Sr. #	Personal No	Name	Designation	Grade	C.N.I.C No
1	10040005	Ahmed Zaman Sayed	Assistant	17	51692235946
2	10045550	Jan Mohammad	In charge Hatchery	09	50266652070
3	10045634	Muhammad Sharif	Game Watcher	05	50287335728
4	10047928	Taj Mohammad	Game Watcher	05	51990219878
5	10048313	Sajan Gabool	Game Watcher	05	52287097578
6	10048323	Wilayat Ullah	Game Watcher	05	52290040118
7	10048325	Nangar	Game Watcher	05	52291041802
8	10047460	Nadeem Habib	Game Inspector	09	51693235444
9	10047489	Shahida Ilyas	Junior Clerk	11	51760011151

Audit is of the view that management failed to observe rules which indicates prevalence of poor management practices within the department.

The matter was reported to the management in February 2020, but no reply was received.

Audit recommends inquiry into the matter for fixing responsibility on the person(s) at fault, besides taking remedial measures to stop recurrence of such practice in future.

**(AIR #13)**

## CHAPTER - 13 HEALTH DEPARTMENT

### 13.1 Introduction

The main functions of the department under the Sindh Government Rules of Business, 1986 are:

1. To control medical drugs and dangerous drugs (Drugs Act & Rules),
2. To manage medical education, including medical schools, colleges, institutions for dentistry and medical social welfare projects,
3. Regulation of medical and other professional qualifications and standards; medical registration, including medical council; indigenous system of medicines; medical attendance on government servants; and levy of fee,
4. Pharmacy and nursing councils,
5. Prevention and control of infectious and contagious diseases; like tuberculosis, malaria, rabies, etc., Safety from adulteration of food stuffs and acquiring nutrition; vaccination and inoculation; and maternity and child welfare and primary health.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	106	73	77559.829	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	04	01	443.406	

### 13.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
133,986.355	8,599.284	32,388.165	(32,388.165)	(18,903.627)	123,682.012	121,184.410	(2,497.602)

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs2,497.602 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
392.000	225.059	166.675	(58.384)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs58.384 million was observed. Revenue estimate were reduced upto 42.6% in revised estimate. Actual receipts were only 74% of revised estimate.

### 13.3 Classified Summary of Audit Observations

Audit observations amounting to Rs17,453.693 million were raised as a result of this audit. This amount also includes recoverables of Rs1,666.110 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	7,863.821
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	1,570.669
B	<i>Procurement related irregularities</i>	5,811.690
C	<i>Management of Accounts with Commercial Banks</i>	317.782
4	Value for money and service delivery issues	-
5	Others	1,889.731

### 13.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 29.87%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	21	11	11	0	100	
2	1998-99	16	11	0	11	-	
3	1999-2000	23	3	0	3	-	
4	2001-02	13	11	7	4	-	
5	2004-05	36	36	19	17	52.8	
6	2005-06	25	19	5	14	26.3	
7	2006-07	8	5	0	5	-	
8	2007-08	14	3	0	3	-	
9	2008-09	13	7	0	7	-	
10	2009-10	11	9	4	5	44.4	
11	2010-11	20	20	0	20	-	
12	2014-15	21	19	0	19	-	
13	2016-17	0	0	0	0	-	Meeting was held but paras were not discussed
<b>Total</b>		<b>221</b>	<b>154</b>	<b>46</b>	<b>108</b>	<b>29.87</b>	

## **13.5 Audit Paras**

### **13.5.1 Non-production of auditable record – Rs.7,863.821 million**

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on accounts of various offices of Health Department, Government of Sind, for the financial years 2018-19 to 2019-20, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.7,863.821 million remained unaudited. Details are given at **Annex-1** of Chapter-13.

The matter was reported to the department in November 2019 to August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.2 Doubtful /Irregular expenditure of conveyance & travelling – Rs.50.130 million**

TA/DA advances are generally sanctioned according to Para 269 of General Financial Rules Vol-I, and under Rule 136 of Federal Treasury Rules to defray the journey expenses against the tour programme approved by the competent authority and adjustment of the same were required to be submitted immediately after return to the headquarter or on 30th June whichever is earlier, otherwise advances in lump sum are recoverable from the official / officer concerned. Read with as per Rule-88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial year 2019-20, it was observed that huge payment amounting to Rs.50.130 million were made to various travel agents on

account of conveyance of travelling without providing details of temporary duties, sanctions, payment vouchers, boarding passes and hotel bills of the officials. Audit also observed that air tickets were claimed during lockdown and period of suspension of air travel services in the wake of Covid-19. Details of payments made to various travel agents are given at **Annex-2** of Chapter-13.

Audit is of the opinions that the expenditure incurred without supporting detail and documents was irregular and doubtful which indicate prevalence of financial indiscipline within the formation.

The matter was reported to the management in the month of November 2020. DAC in its meeting held on 11-02-2021 directed the management to submit the reply alongwith relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR # 38)**

### **13.5.3 Irregular payment of inadmissible allowances – Rs.174.217 million**

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

During audit on accounts of various offices of Health Department, Government of Sindh, for the financial years 2018-19 to 2019-20, it was observed that an amount of Rs.174.217 million was paid to the officers & staff on account of inadmissible allowances. As a result, irregular payment was made which is required to be recovered from the concerned. Details are given at **Annex-3** of Chapter-13.

Audit is of the view that due to payment of inadmissible allowances the government sustained loss which indicates prevalence of weak internal controls within the department.



The matter was reported to the department in December 2019 to August 2020. DAC in its meeting held on 11-02-2021 directed the management to initiate recovery and get the same verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **13.5.4 Irregular and unauthorized payment of various allowances at exorbitant rate - Rs.1,138.980 million**

As per para 22 (1) of the National Institute of Cardiovascular Diseases (Sindh Administration) Act, 2014, “the officers and staff employed in the Institute before the commencement of this Act shall be entitled to the same terms and conditions to which they were entitled immediately before such commencement and such terms and conditions shall not be varied to their disadvantage. (2) The officers and staff employed by the Institute after the commencement of this Act shall be entitled to the same pay, allowances and other terms and conditions of service to which the officers and staff of Government of the corresponding grade may be entitled from time to time”.

As per Finance Department, Government of Sindh Notification No.FD(SR-III)5/40-2002I dated 20.07.2011, non-practicing allowance was increased from Rs.500/- per month to Rs.4000/- per month for Doctors in BPS-17 & BPS-18 and from Rs.700/- per month to Rs.6000/- per month for Doctors in BPS-19 & 20 wef 01.07.2011.

According to Clause 21 & 22 of N.I.C.V.D’s Service Regulations under Ministry of Health Authority Letter No.F.No.16-9/2005-E.II, dated 24th August, 2007, the basic pay scales prescribed by the Federal Government shall be applicable to the employees of the Institute and they shall be entitled to such allowances as are admissible from time to time to the corresponding categories of employees of the Federal Government subject to approval of the Finance Division.

During audit on the accounts of Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial year 2019-20, it was observed that payment amounting to Rs.1,138.980 million was made on account of various inadmissible allowance to the employees of the NICVD, at exorbitant rates and

without approval of the Finance Department in violation of the NICVD Act, 2014. The details are as under:

(Rs. in million)

Sr #	Detail of Inadmissible Allowance	AIR Para	Admissible	Drawn	Excess Amount
01	P.PCI allowance& other	03	-	130.346	130.346
02	Satellite Visit Allowance	04	-	52.800	52.800
03	Professional Fee	05	-	145.959	145.959
04	Rehabilitation Allowance	06	-	20.368	20.368
05	Non-Practicing Allowance	07	1.248	136.924	135.676
06	Moneting Allowance	08	-	353.118	353.118
07	Extended Hours Allowance	09	-	300.713	300.713
<b>Total</b>			<b>1.248</b>	<b>1,140.228</b>	<b>1,138.980</b>

Audit is of the view that government sustained huge financial loss due to payment of inadmissible allowances which indicate prevalence of financial indiscipline within the formation.

The matter was pointed out to the management in the month of November 2020. DAC in its meeting held on 11-02-2021 directed the management to submit the reply alongwith relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.5 Irregular appointments from other provinces – Rs.87.367 million**

As per Par-13, Part-III, INITIAL APPOINTMENT of the Sindh Civil Servants (Appointment, Promotion and Transfer) Rules, 1974, a candidate for appointment shall be a citizen of Pakistan and a domicile of the Province of Sindh.

According to Rule-88 of Sindh Financial Rules, Volume-I, every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on account of various offices of Health Department, Government of Sindh, for the financial year 2019-20, it was observed that an amount of Rs.87.367 million was paid to the employees who belong to other provinces as evident from their CNICs. The Department did not provide their domiciles and PRCs despite repeated requisitions. Details are given at **Annex-4** of the Chapter-14.

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the department in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.6 Irregular appointment of Consultants – Rs.30.596 million**

As per para (2)(iv) of the Act, 2012 that the power of Board was to create, suspend or abolish such posts of teaching and non-teaching staff of the Institute as may be necessary; and According to rule 72 (8) Selection process of individual consultant:

(a) this method shall be adopted only if all or any of the following conditions exist;

- i) the scope of work is such that teams of personnel are not required
- ii) no additional professional support is required
- iii) the experience and qualifications of individual are the paramount requirement.

(b) Individual consultant may not be required to submit proposals and may be selected on basis of evaluation of their curriculum vitae. Interviews may be set up for selection under this set up. Further process for publishing EOI shall be advertised or announced in accordance with rule 17 and 18 of the SPP Rules.

During audit on accounts of Director, Syed Abdullah Shah Institute of Medical Sciences, Sehwan for the financial year 2018-19, it was observed that consultants were appointed directly without following due process and were paid an amount of Rs.30.596 million. It was also noticed that no post of consultant existed in the budget of the Institute.

The lapse on the part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the management in May 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#03)**

### **13.5.7 Irregular appointment of Chief Financial Officer**

According to the National Institute of Cardiovascular Diseases (Administration) Ordinance, 1979. Clause 19: Terms and conditions of service of the employees of the Institute (2) The officers and staff employed by the Institute after the commencement of this Ordinance shall be entitled to the same pay, allowances and other terms and conditions of service to which the officers and staff of the Federal Government of the corresponding grade may be entitled from time to time.

According to sub rules 3, 4 & 5 defined in Rule 6 chapter II of NICVD Regulations;

3. (i) “for initial appointment to a post, a candidate must possess educational qualifications and experience and must be within the criteria mentioned against the post in the schedules to these regulations”.

4. Vacancies to be filled by direct recruitment in posts in BPS-17 and above shall be filled in on all Pakistan basis in accordance with merit and / or regional quotas prescribed by the Federal Government.

5. All appointments in the NICVD by initial recruitment shall be made by advertising the vacancy in the press.

As per para 22 (1) of the National Institute of Cardiovascular Diseases (Sindh Administration) Act, 2014, “the officers and staff employed in the Institute before the commencement of this Act shall be entitled to the same terms and conditions to which they were entitled immediately before such commencement and such terms and conditions shall not be varied to their disadvantage. (2) The officers and staff employed by the Institute after the commencement of this Act shall be entitled to the same pay, allowances and other terms and conditions of service to which the officers and staff of Government of the corresponding grade may be entitled from time to time”.

During audit on accounts of Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial year 2019-20, it was observed that two Chief Financial Officers BPS-20 namely Mr. Iqbal Lalani and Mr. Ameen Brohi were appointed during the year without advertisement of the post and selection process.

Audit is of the view that undue favor was extended to the incumbents through violation of rules which indicates prevalence of poor management practices within the formation.

The matter was reported to the department in November 2020. DAC in its meeting held on 11-02-2021 directed the management to submit the reply along with relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#11)

### **13.5.8 Irregular expenditure without inviting open tenders – Rs.5,680.077 million**

According to Rule 17(1) of SPPRA Rules 2010 “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 on accounts of various offices of Health Department, Government of Sindh, for the financial years 2018-19 to 2019-20, it was observed that an expenditure of Rs.5,680.077 million was incurred without inviting open tenders. Details are given at **Annex-5** of Chapter-13.

Audit is of the view that the government was deprived of the most economical rates due to non-adherence to SPPRA rules which indicates prevalence of weak internal controls within the department.

The matter was reported to the department in December 2019 to August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.9 Irregular and doubtful expenditure under various heads of account – Rs.969.145 million**

As per Rule-88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on accounts of Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.969.145 million was incurred under various heads of account without observance of relevant rules and fulfilling codal formalities. Details are given at **Annex-6** of Chapter-13.

Audit is of the view that unsubstantiated expenditure incurred in violation of rules was irregular and doubtful which indicates prevalence of financial indiscipline within the formation.

The matter was reported to the department in November 2020. DAC in its meeting held on 11-02-2021 directed the management to submit the reply alongwith relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.10 Irregular expenditure on repair of building – Rs.299.181 million**

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

During audit on accounts of Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial years 2017-18 & 2018-19, it was observed that an expenditure of Rs.299.181 million was incurred on account of repair and maintenance of building without inviting open tenders. Audit also observed that works were not carried through Building Department. The works were awarded to an unregistered contractor without obtaining of technical sanction and without execution of agreement.

Audit is of the view that works carried out in violation of rules were irregular and government sustained loss on account of non-deduction of Stamp Duty and SST on services.

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the management in December 2019. DAC in its meeting held on 11-02-2021 directed the management to submit the reply alongwith relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#15)

### 13.5.11 Un-authorized procurement of medicines through Firms/suppliers not approved by Central Contract of Health Department – Rs.57.899 million

According to Rule-23 of General Financial Rules, Volume-I states that “every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit on accounts of following offices of Health Department, Government of Sindh, for the financial year 2019-20, it was observed that purchases of Rs.57.899 million were made from various unregistered firms for supply of medicines instead of approved suppliers as per Central Contract List of Health Department. Details are given as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	District Health Officer, Tando Muhammad Khan	2019-20	10	Medicines	17.512
2	District Health Officer, TandoAllahyar	2019-20	13	Medicines	40.387
<b>Total</b>					<b>57.899</b>

The lapse on part of management indicates prevalence of weak internal controls within the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.12 Award of contract without open competition – Rs.30.000 million**

According to Rule 48 of Sindh Public Procurement (SPP) Rules, 2010, “Even when only one bid is submitted, the bidding process may be considered valid, if the bid was advertised in accordance with rules, and prices are comparable to the prices or rates of the last awarded contract or market prices”.

During audit on accounts of Assistant Medical Superintendent Shaheed Mohtarma Benazir Bhutto Institute, Karachi for the financial year 2018-19, it was observed that an expenditure of Rs.30.000 million was incurred on account of local purchase of medicines. The work/ supply was awarded to a single bidder i.e. M/s Civil Hospital Pharmacy Karachi without comparison of prices/rates of the last awarded contract or market prices.

The matter was reported to the management in February 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#11)**

### **13.5.13 Irregular purchase of laboratory items – Rs.22.540 million**

As per Rule-42(1) Sindh Public Procurement Rules,2010 read with Rule 2 (x) "All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents." and “Mis-procurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement.”

During audit on accounts of Executive Director, Jinnah Postgraduate Medical Centre (JPMC), Karachi for the financial year 2018-19, it was observed that lab-items of Rs.22.540 million were purchased from M/s Rawal Medical Services despite recommendation of Procurement Committee for re-tendering. The details are as under;



(Rs. in million)

Sr. #	Name of the Firm	Applied for supply of:	Work order No. & Date	Amount
1	M/s Rawal Biomedical Service	various kits for main lab:	9-305 dated 5.10.18	1.781
			9-304 dated 5.10.18	1.317
			9-303 dated 5.10.18	1.490
			9-302 dated 5.10.18	4.299
			9-414 dated 26.11.18	6.762
			9-412 dated 26.11.18	0.824
			9-410 dated 26.11.18	0.742
			9-409 dated 26.11.18	1.749
			9-649 dated 26.1.19	2.085
			9-653 dated 26.1.19	0.181
			9-652 dated 26.1.19	1.129
			9-918 dated 14.6.19	0.181
			<b>Total</b>	<b>22.540</b>

The lapse on part of management indicates prevalence of weak internal controls within the department.

The matter was reported to the management in June 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#18)

#### **13.5.14 Splitting up of expenditure to avoid open tenders – Rs.29.016 million**

According to Rule 17(1) of SPPRA Rules 2010 “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 on accounts of following offices of Health Department, Government of Sindh for the financial years 2018-19 to 2019-20, it was observed that an expenditure of Rs.29.016 million was incurred through splitting up of expenditure in order to avoid open tenders and obtaining sanction of the next higher authority.

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	MS Sindh Government Hospital Saudabad	2019-20	3	Drugs & Medicines	6.414
2	Civil Surgeon Civil Hospital Mithi	2019-20	6	Purchase of vaccines	5.825
3	District Health Officer, Sanghar	2019-20	2	Purchase of miscellaneous items	2.278
4	MS, RBUT Civil Hospital, Shikarpur	2019-20	6	Drugs & Medicines	1.144
5	District Health Officer, Badin	2019-20	2	Purchase of miscellaneous items	0.854
6	MS Taluka Hospital New Saeedabad	2018-19	4	Purchase of miscellaneous items	0.540
7	Director, PPP Node, Health Department, Karachi	2016-17 to 2019-20	61	Purchase of various items form Head of A/c "Others"	11.961
<b>Total</b>					<b>29.016</b>

Audit is of the view that due to non-invitation of tenders the government was deprived of the most competitive rates which indicates prevalence of weak internal controls in the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.15 Imprudent purchase of short expiry medicine – Rs.4.392 million**

As per para (3) terms & conditions of procurement of drugs/medicines under rate contract basis vide letter No.SO(M&I)2-1/2019-20 (Main)/CPC dated:12-12-2019, Government of Sindh Health Department, "The date of manufacturing of the Drugs and Medicines Expiry thereof batches numbers must be printed in Red on labels of bottles / containers / packages / vials / ampoules / bags etc. The shelf life for National Manufacturer's and imported Drugs / Medicines & allied items should not in any case be less than 70% at the time of supply / receipt.

During audit on the accounts of Medical Superintendent Civil Hospital, Dadu for the financial year 2019-20, it was observed that an expenditure of Rs.2.340 million was incurred on purchase of short expiry medicines as detailed below:

Shelf Life between MFG & Exp. Date----- 60 Month  
70% of shelf life-time----- 42 Month  
**Shelf Life between Delivery Date & Exp. Date-----28 Month (46%)**

Similarly, District Health Officer, Dadu, incurred an expenditure of Rs2.052 million on purchase of short expiry medicines having shelf life less than 70%.

The lapse on part of management indicates prevalence of weak internal controls within the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#07,16)**

### **13.5.16 Irregular award of contract to unqualified supplier in non-transparent way – Rs.1.892 million**

According to Para-88 of Sindh Financial Rules Volume-I, “Every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community”.

During audit on accounts of Director, PPP Node, Health Department, Karachi, while reviewing MERF regular grant for the financial year 2019-20, it was observed that various medicines amounting to Rs.1.892 million were purchased from M/s Hassan & Co by ignoring the lowest bidder as per comparative statement.

Audit is of the view that purchase of medicines in violation of SPPRA rules was irregular which indicates prevalence of weak internal controls within the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#35)

### **13.5.17 Purchase of medicine on excess rate than quoted rate – Rs.1.557 million**

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

During audit on accounts of Director, PPP Node, Health Department, Karachi, while reviewing MERF regular grant for the financial year 2019-20, it was observed that an excess payment of Rs.1.557 million was made to supplier on purchase of medicine due to allowing excess rate over & above the rate quoted by the supplier. Hence government sustained loss due to allowing of higher rates and undue financial benefit was extended to the supplier.

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#34)

### **13.5.18 Unjustified payment on purchase of medicine not included in comparative statement – Rs.1.230 million**

According to Para-88 of Sindh Financial Rules Volume-I, “Every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community”.

During audit on accounts of Director, PPP Node, Health Department, Karachi, while reviewing MERF regular grant for the financial year 2019-20, it was observed that medicine of Rs.1.230 million was purchased from M/s Hassan & Co but the said item was not found in comparative statement neither was demanded in purchase requisition and also rate was not quoted by any supplier. Hence the same medicine was purchased without requisition and tender.

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#37)

### **13.5.19 Doubtful transfer of funds from bank account – Rs.165.223 million**

According to Rule-290 of Central Treasury Rules, Volume-I, no money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand, or to prevent lapses of budget grant. Further, according to Para-25 of S.F.R. Vol.1, “Every voucher should also bear or have attached to it, an acknowledgement of the payment signed by the persons to or in whose behalf the claim is put forward. No. payment will be made in the absence of the necessary acknowledgement”.

During audit on accounts of Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial year 2019-20, it was observed that an amount of Rs.165.223 million was transferred from bank account # 4108086435 of National Bank of Pakistan, Shaheed-e-Millat Road Branch Karachi was found doubtful on the following grounds:

- i. A detail to whom the amount was transferred / disbursed was not provided to audit.
- ii. The amount was not reflected in the cash book which creates doubt about the authenticity of the payments made.
- iii. Management failed to explain details of the transfer of funds.

The lapse on part of department indicates prevalence of weak administrative and financial controls within the department.

The matter was reported to the management in November 2020. DAC in its meeting held on 11-02-2021 directed the management to submit the reply alongwith relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#25)

### **13.5.20 Irregular payment of salaries from security deposit account – Rs.75.000 million**

As per Section-133 of Sindh Budget Manual, “No government servant should, however, without previously obtaining an extra appropriation, incur expenditure in excess of the amounts provided under the heads concerned. When a government servant exceeds the annual appropriation he runs the risk of being held responsible for the excess”. Further as per Finance Department U.ONo.FD/B1/22 (3)/99-2000 Karachi dated 21-02-2000 “The principle Accounting Officer shall ensure that the expenditure falls within the limit of grant or an appropriation duly authenticated. Expenditure in excess of the amount of grant or appropriation as well as expenditure not falling within the scope or intention of any grant or appropriation shall be treated as “un-authorized expenditure”.

During audit on accounts Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial year 2019-20, it was observed that an amount of Rs.75.000 million was transferred from the security deposit account No.3099265252 / PLS-20468-9 for the purpose of disbursement of salary for the month of April 2020 on dated 19-05-2020.

Audit is of the view that payment of salaries from security deposit account was irregular.

The matter was reported to the management in November 2020. DAC in its meeting held on 11-02-2021 directed the management to submit the reply alongwith relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#24)

### 13.5.21 Non-crediting of revenue into government account – Rs.307.279 million

According to the Rule 26 of General Financial Rules Volume-I, states that, “It is the duty of controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to public account.”

During audit on accounts of following offices of Health Department, Government of Sindh, for the financial years 2018-19 to 2019-20, it was observed that tender fee/bid document fee amounting to Rs.307.279 million was collected, but the same was not crediting into government account. Thus government was deprived of its due revenue.

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Secretary, Health Department, Karachi	2019-20	24	Tender Fee	0.281
2	Director General, Health Services Sindh, Hyderabad	2019-20	5	Bid Document Fee	0.216
3	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2018-19	5	Withholding of income tax	260.691
4	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2018-19	20	Income tax deducted from Contractors	33.821
				Income tax deducted from Salaries	12.270
<b>Total</b>					<b>307.279</b>

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the department in December 2019 to August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### 13.5.22 Non-recovery of various taxes at applicable taxes – Rs.2,851.690 million

According to Notification issued by Sales Tax Department for sales Tax Special procedure (withholding) rules, 2007 vide letter No S.R.O 77 (I) 2008 dated 23-01-2008, “Withholding agent shall deduct an amount equal to 1/5th of the total sales

tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him.

According to Rule-3(3) of Sindh Sales Tax Special Procedure (Withholding) Rules, 2014 “A withholding agent, other than a person or a recipient of [the taxable] services covered by clause (f) of sub-rule (2) of rule 1, shall deduct an amount equal to one-fifth of the total amount of sales tax shown in the sales tax invoice issued by a registered person and shall make payment of the balance amount to service provider”. Further, according to Section 153 of income tax ordinance 2001 “Every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person.

(a) for the sale of goods;

(b) for the rendering of or providing of services;

(c) on the execution of a contract, other than a contract for the sale of goods or the rendering of or providing of services, shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division III of Part III of the First Schedule.

According to Para-22-A of Stamp Act, 1899, “It is the duty of the competent authority to recover the stamp duty and affix the- same, while execution of agreement at the rate of 0.35 paise per hundred rupees of the value of the agreement or against tender cost.”

During audit on accounts of various offices of Health Department, Government of Sindh, for the financial years 2018-19 to 2019-20, it was observed that an amount of Rs.2,851.690 million was not deducted at applicable rate on account of government taxes while making payment to the concerned. As a result, government sustained financial loss. Details are given at **Annex-7** of Chapter-13.

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the department in December 2019 to August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.



### 13.5.23 Un-authorized retention of government money in DDO account – Rs.168.301 million

According to Rule 290 of Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

As per APPM at 3.3.12.6, all anticipated savings must be surrendered to the Government immediately as they are foreseen but no later than 15th May each year. Savings from funds provided after 15th May must be surrendered no later than 30 June. Stringent controls should be exercised in the spending of all potential or actual savings.

During audit on accounts of following offices of Health Department, Government of Sindh, for the financial years 2018-19 to 2019-20, it was observed that an amount of Rs.168.301 million was retained in DDO accounts till close of the financial year. The same was neither disbursed to actual payees nor surrendered as savings.

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	District Health Officer, Shaheed Benazirabad	2019-20	20	Retention of government funds in DDO account	3.182
2	MS Sindh Govt. Hospital, New Karachi	2019-20	2	Retention of government funds in DDO account	2.361
3	Additional Medical Superintendent Shaheed Mohatarma Benazir Bhutto, Accident Emergency & Trauma Centre, Karachi	2018-19	01	Retention of government funds in DDO account	147.944
4	Director General Health Services Sindh, Hyderabad	2018-19	2	Retention of government funds in DDO account	13.811
5	MS Urban Health Centre 5C-3, North Karachi	2018-19	7	Retention of government funds in DDO account	0.552
6	Executive Director, Jinnah Postgraduate Medical Centre (JPMC), Karachi	2018-19	8	Retention of government funds in DDO account	0.451
<b>Total</b>					<b>168.301</b>

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.24 Loss due to payment in violation of agreement – Rs.89.376 million**

According to Article 9.1.1 of the Agreement, inter-alia states that: “HANDS Pakistan shall not charge any fee or remuneration for the management functions it performs for the GOVT.”

During audit on accounts of Director, PPP Node, Health Department, Karachi, while reviewing HANDS regular grant for the financial year 2019-20, it was observed that an amount of Rs.89.376 million was paid as remuneration for the management function in violation of the above clause of agreement. Due to non-compliance, an excess expenditure charged to the project. Details are as under:

(Amount in Rupees)

<b>Sr.#</b>	<b>Financial Year</b>	<b>Amount</b>
1	2019-20	29,113,247
2	2018-19	36,394,264
3	2017-18	18,361,569
4	2016-17	5,506,939
<b>Total</b>		<b>89,376,019</b>

Audit is of the view that government sustained loss due to payment in violation of the agreement.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#40)

### **13.5.25 Irregular payment through DDO account – Rs.74.481 million**

According to Rule-303 of Central Treasury Rules, “A contingent bill for payment to suppliers etc. which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of

firms concerned. This will avoid un-necessary delays and risk involved in the drawl and disbursement of cash”.

During audit on accounts of Health Department, Government of Sindh for the financial years 2018-19 to 2019-20, it was observed that an expenditure of Rs.74.481 million was incurred under various head of accounts, but the payments were made through DDO account instead of direct payment to relevant payees.

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	Medical Superintendent, Sindh Government Qatar Hospital, Orangi Town, Karachi	2019-20	1	30.817
2	MS Civil Hospital, Khairpur	2019-20	5	1.700
3	MS Sindh Government Qatar Hospital, Orangi Town, Karachi	2018-19	5	30.102
4	Principal, Nursing School, Jacobabad	2018-19	1	11.862
<b>Total</b>				<b>74.481</b>

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.26 Loss due to payment of GST on electricity bills – Rs.51.113 million**

As per Ministry of Law and Justice Notification No.28/2011-Law(FTO) dated 16th July 2012, “the President of Pakistan is pleased to allow FBR to exempt the sales tax on supply of goods, including electricity, to charitable hospitals of 50 beds or more, as provided in entry at Sr.No.52-A of the Sixth Schedule of the Sales Tax Act, 1990”. READ WITH Sixth Schedule, Section 13(1)-52A of Sales Tax Act, 1990, which allows exemption of sales tax on, “Goods supplied to hospitals run by the Federal or Provincial Governments or Charitable operating hospitals of fifty beds or more or the teaching hospitals of statutory universities of two hundred or more beds”.

During audit on accounts of following offices of Health Department, Government of Sindh for the financial years 2018-19 to 2019-20, it was observed that an amount of Rs.51.113 million was paid on account of General Sales Tax against

electricity bills, while hospitals were exempted from the GST. This resulted in an excess payment by the department which was recoverable from concerned electricity company. Details are given as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	MS Dr. Ruth K.M. PFAU Civil Hospital, Karachi	2019-20	6	22.838
2	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2019-20	6	20.640
3	Medical Superintendent, Sindh Government Qatar Hospital, Orangi Town, Karachi	2019-20	12	3.472
4	Medical Superintendent, Sindh Government Qatar Hospital, Orangi Town, Karachi	2018-19	14	2.331
5	Executive Director, Sindh Institute of Ophthalmology & Visual Sciences, Hyderabad	2018-19	3	1.832
			<b>Total</b>	<b>51.113</b>

Audit is of the view that government sustained loss due to payment of GST on electricity bills by the exempt entities.

The matter was reported to the management in August and October 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.27 Irregular engagement of private legal consultants – Rs.14.130 million**

As per “Rule 61; Selection of Consultancy Services”, the selection of consultants shall be guided by the following considerations:

- (1) Best quality of services available;
- (2) Need for economy and efficiency;
- (3) Need to give all qualified consultants an equal opportunity to compete;
- (4) Encouragement of local consultants without any unfair competitive advantage; and
- (5) Transparency in the selection process.

During audit on accounts of Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial years 2017-18 & 2018-19, it was observed that an expenditure of Rs.14.130 million was incurred on account of legal fee to legal consultants. Following observations were noticed:

- i. Tender/EOI documents for hiring of legal consultants in accordance with Rule 61 Selection of Consultancy Services were not produced.
- ii. Details of legal cases charges were not available with the bills.
- iii. Contract agreement between NICVD and consultant comprising agreed consultation charges was not available on record.
- iv. SST was not found deducted on bills of Rs1,836,900.
- v. Approval of the government was not obtained for engaging private lawyers.

(Amount in Rupees)

Sr.#	Cheque No	Date	Name Of Suppliers	Account Head	Amount
1	256997	09-04-18	Rabbani & Ansari Advocates	Legal & Professional Fee	4,500,000
2	261388	18-04-18	M.M. Associates	Legal & Professional Fee	900,000
3	260334	11-05-18	Rabbani & Ansari Advocates	Legal & Professional Fee	720,000
4	260337	17-05-18	Rabbani & Ansari Advocates	Legal & Professional Fee	3,150,000
5	260350	22-05-18	Rabbani & Ansari Advocates	Legal & Professional Fee	270,000
6	260352	22-05-18	Rabbani & Ansari Advocates	Legal & Professional Fee	270,000
7	236710	15-09-18	Rabbani & Ansari Advocates	Legal Fee	1,350,000
8	236711	15-09-18	Rabbani & Ansari Advocates	Legal Fee	1,350,000
9	244640	12-02-19	Rabbani & Ansari Advocates	Legal & Professional Fee	540,000
10	244642	12-02-19	Rabbani & Ansari Advocates	Legal & Professional Fee	1,080,000
<b>Total</b>					<b>14,130,000</b>

Audit is of the view that hiring of private legal consultants without government's approval was irregular as Advocate General Sindh is mandated to defend interest of provincial government in Constitutional or Civil matters before superior courts.

The matter was reported to the management in November 2019. DAC in its meeting held on 11-02-2021 directed the management to submit the reply alongwith relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#09)**

### **13.5.28 Irregular Cash payments – Rs.6.607 million**

As per Rule 303 of Central Treasury Rules, "Contingent bill for payment to suppliers etc. which cannot be met from the permanent Imprest may be endorsed for payment to the party concerned and the DDOs are suggested that payment to the suppliers may be issued through crossed cheques in the name of firms concerned".

During audit on accounts of following offices of Health Department, Government of Sindh, for the financial year 2018-19 & 2019-20, it was observed that as per bank statement of DDO bank account an amount of Rs.6.607 million was drawn in cash instead of direct crediting to payee's account. The misuse of public funds in the states cases can not be ruled out.

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	District Health Officer, Tando Muhammad Khan	2019-20	13	0.834
2	PD Benazir Shaheed anti-narcotics force model addiction treatment & rehabilitation center (ANF MATRC), Karachi	2018-19	6	3.963
3	Director General Health Services Sindh, Hyderabad	2018-19	1	0.920
4	Director, SIUT Karachi	2018-19	11	0.620
5	Project Director, Prevention & Control of Blindness Program in Sindh Karachi	2018-19	3	0.270
<b>Total</b>				<b>6.607</b>

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the management in February 2020 to August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.29 Non-recovery of government dues – Rs.2.231 million**

According to Para 28 of GFR Volume-I “No amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable, the orders of competent authority for their adjustment must be sought”.

During audit on accounts of various offices of Health Department, Government of Sindh, for the financial years 2018-19 to 2019-20, it was observed that an amount of Rs.2.231 million on account of various government dues was not recovered. As a result, government sustained financial loss. Details are given at **Annex-8** of Chapter-13.

Audit is of the view that non-recovery of government dues by management indicates prevalence of weak internal controls and poor financial management practices in the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **13.5.30 Unauthorized retention of rental income – Rs.1.600 million**

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit on accounts of Executive Director, Jinnah Postgraduate Medical Center (JPMC), Karachi for the financial year 2018-19, it was observed that an amount of Rs.1.600 million was realized on account of rent of building from HBL and retained in DDO account instead of depositing the same into Government treasury.

Audit is of the view that retention of government receipts in DDO account was irregular and unauthorized.

The matter was reported to the management in June 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#28)**

### **13.5.31 Double payment to supplier against the same invoice – Rs.1.275 million**

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

During audit on accounts of District Health Officer, TandoAllahyar for the financial year 2019-20, it was observed that double payment of same invoice for same

procurement was allowed to the same supplier/contractor. As a result, the government sustained loss of Rs1.275 million. Details are given as under;

(Amount in Rupees)

S.O # & Date	Supplier	Supply Order # & Date	Invoice # Date	Particulars	Qty	Rate	Drawn	Double Paid
5618/ 23-8-19	M/S Asaas Enterprises TandoAllah ayar	5545/ 008-2019	S183-17-18/ 11-10-18	Inj. Dexamethasone	1500	200	300000	300000
5622/ 23-8-19	-do-	5565/ 02-08-19	S183-17-18/ 11-10-18	Inj. Dexamethasone	1500	200	300000	
5636/ 23-8-19	-do-	5635/ 2-8-19	S183-17-18/ 11-10-18	Cap. Omerazole 20 mg	15000	20	300000	600000
5638/ 23-8-19	-do-	15645/ 2-8-19	S183-17-18/ 11-10-18	Cap. Omerazole 20 mg	15000	20	300000	
5637/ 23-8-19	-do-	5640/ 2-8-19	S183-17-18/ 11-10-18	Cap. Omerazole 20 mg	15000	20	300000	
5631/ 23-8-19	-do-	5610/ 02-08-19	S183-17-18/ 11-10-18	Tab. Cirpoflocin 250 mg	15000	25	375000	375000
5630/ 23-8-19	-do-	5605/ 02-08-19	S183-17-18/ 11-10-18	Tab. Ciproflocin 250 mg	15000	25	375000	
							<b>Total</b>	<b>1275000</b>

The lapse on part of management indicates prevalence of weak internal controls in the department.

The matter was reported to the management in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#12)

### 13.5.32 Loss due to non-recovery of receipts – Rs.1.260 million

According to Rule-88 of Sindh Financial Rules Volume-I, “Every Government officer is expected to exercise the same vigilance in respect of expenditure incurred from public money, as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on accounts of MS Sindh Government Lyari General Hospital Karachi for the financial year 2019-20, it was observed that an amount of Rs0.660 million approximately was not recovered from the owner of canteen, running his business in the premises of hospital on account of rent and utilities since long.



Furthermore, neither any agreement was executed nor produced to audit for verification.

(Amount in Rupees)

Details	Rent	Electricity, Gas, Water	Amount
Canteen	30,000 x 12 = 360,000	25,000 x 12 = 300,000	<b>660,000</b>

Similarly, MS Sindh Government Hospital Saudabad, Karachi did not recover an amount of Rs0.600 million approximately from tenants of medical store operated in Hospital premises along with electricity & gas charges. The medical store was operating since long but the recovery was worked out only for last two years. The recovery since start of operation may be worked out.

(Amount in Rupees)

Particulars	Per month Approx.	Total months	Total amount
Rent of medical store	25,000	24 months	<b>600,000</b>

In addition, during the audit of office of the MS Sindh Govt. Hospital, New Karachi for the financial year 2019-20, it was observed that space inside the government hospital was provided to private person (who is running private medical store in that space) without any authorization of competent authority and no rent was collected from him.

Audit is of the view that government sustained loss due to non-recovery of government receipts.

The matter was reported to the department in August 2020. DAC in its meeting held on 11-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#20, 07, 05)**

### **13.5.33 Wasteful expenditure on establishment of Satellite Centre at Tando Mohammad Khan**

According to Para 40-B Appendix 18-A (1) of SFR volume-I “Means should be advised to ensure that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government

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

During audit on accounts of Executive Director, National Institute of Cardiovascular Diseases, Karachi for the financial year 2019-20, it was observed that huge wasteful expenditure was incurred on wrong site selection at Tando Mohammad Khan for establishment of Satellite Centre of the NICVD Karachi. Audit observed that when fully equipped Centre was already established in Hyderabad which was hardly 40 km away from TM Khan, there was hardly any justification for establishment of the center.

Audit is of the opinion that due to establishment of Centre at TM Khan in the vicinity of Hyderabad, Government sustained huge financial loss due to its non-viability. Audit is of the view that wasteful expenditure was incurred from Government exchequer by the Executive Director NICVD for establishment of unnecessary facility at his native area.

The lapse on the part of department indicates prevalence of weak administrative and financial control.

The matter was reported to the management in November 2020. DAC in its meeting held on 11-02-2021 directed the management to submit the reply alongwith relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#92)**

## **CHAPTER – 14**

### **HOME DEPARTMENT**

#### **14.1 Introduction**

Home Department plays a pivotal role in devising the policy leading towards the maintenance of law and order and internal security of the province.

The departments attached with the Home Department are:

- (i). Police
- (ii). Civil Defence
- (iii). Prisons

Core functions of the department include:

1. All matters relating to eradication, prevention and control of crime,
2. Administration of justice, constitution and organization of courts, except the high courts, civil courts and special tribunals,
3. Procurement of arms, ammunition and military stores,
4. All matters of police establishment and administration,
5. Powers and functions as provided for in the Police Order-2002,
6. Civil Defence and air raid precaution,
7. Compensation for loss of property or life due to civil commotion or while on duty,
8. To collect fines,
9. Civil security schemes,
10. Liaison with civil armed forces, including Pakistan Rangers,
11. Provide evidence and oaths,
12. Extraditing and deportation,
13. Enforcement of provision of Provincial Motor Vehicles Ordinance, 1965, and the rules there under relating to control of traffic and inspection and checking of motor vehicles for the purpose of traffic control,
14. Liaison with defence authorities,
15. Matters related to public order and internal security,
16. Political intelligence and censorship,
17. Public amusement control over places, performances and exhibitions
18. Preventive detention and administration of press laws except regularity of publication of newspapers, periodicals and magazines,
19. Prosecution in respect of newspapers and other publications,

20. Registration of foreigners,
21. Recovery of missing persons,
22. Smuggling,
23. Daily situation report on crime, political and general situation.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	45	14	14,429.86	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

#### 14.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
111,413.519	0.000	13,060.698	(13,060.698)	(22,938.792)	88,474.727	88,314.666	(-) 160.060

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs160.060 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
3,258.100	2,601.807	1,958.949	(642.858)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs642.858 million was observed. Revenue estimate were reduced upto 20% in revised estimate. Actual receipts were only 75% of revised estimate.

### 14.3 Classified Summary of Audit Observations

Audit observations amounting to Rs2,467.769 million were raised as a result of this audit. This amount also includes recoverables of Rs679.951 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	289.625
2	Reported cases of fraud, embezzlement and misappropriation	262.138
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	262.428
B	<i>Procurement related irregularities</i>	396.291
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	1,257.287

### 14.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 11.0%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	34	12	6	6	-	-
2	1998-99	20	4	0	4	-	-
3	1999-2000	23	11	0	11	-	-
4	2001-02	7	7	2	5	28.6	-
5	2004-05	11	6	2	4	33.3	-
6	2005-06	0	0	0	0	-	No audit para pertaining to this department

<b>Sr. No</b>	<b>Audit Report</b>	<b>Total Paras discussed</b>	<b>No. of Paras requiring Compliance</b>	<b>Compliance of PAC directives made</b>	<b>Compliance of PAC directives not made</b>	<b>Percentage of Compliance</b>	<b>Remarks</b>
							was printed in this Audit Report
7	2006-07	12	8	0	8	-	-
8	2007-08	23	16	0	16	-	-
9	2008-09	24	14	0	14	-	-
10	2009-10	25	12	0	12	-	-
11	2010-11	02	0	0	0	-	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	0	0	Audit Report not yet discussed
<b>Total</b>		<b>181</b>	<b>90</b>	<b>10</b>	<b>80</b>	<b>11</b>	

## **14.5 Audit Paras**

### **14.5.1 Non-production of auditable record - Rs.389.625 million**

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

During audit on the accounts of various offices of Home Department, Government of Sindh, for the financial years 2018-19 & 2019-20, auditable record of Rs.389.625 million was not produced to audit for scrutiny. The details are given at **Annex-1** of Chapter-14.

In absence of provision of record, authenticity of expenditure could not be ascertained by audit.

The matter was pointed out to the management during November 2019 to September-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **14.5.2 Doubtful payment on account of various repairs - Rs.4.569 million**

According to Rule-88 of Sindh Financial Rules, Volume-I," every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as person of ordinary prudence would exercise in respect of expenditure of his own money".

During audit on the accounts of following offices of Home Department, Government of Sindh for the financial year 2018-19, it was observed that payments of Rs.4.569 million were made under various head of accounts, but the entire expenditure was doubtful on following grounds.

(Rs. in million)

Sr. #	Name of Office	Particulars	AIR Para #	Amount
1	SSP, Tando Muhammad Khan (2018-19)	Payment was made on old printed invoices by changing period and serial number	03	2.084
		Comparative statement was signed by DDO instead of committee and invoices were without serial number and invoice amounts repeated several times	02	0.849
		Invoices of repair of machinery were filled by changing year and work order and supply order not available	09	0.383
		Invoices of repair of furniture were filled by changing year and work order and supply order not available	10	0.286
2	SSP, Umerkot (2019-20)	16 tyres & 36 injectors were purchased on same date for same vehicle	14	0.564
		Payment on repair of transport was made on same work multiple times on same date	15	0.224
3	Superintendent District Jail Malir, Karachi (2018-19)	Engine overhauling of same ambulance was made twice in same month is doubtful	01	0.179
<b>Total</b>				<b>4.569</b>

Due to above irregularities the authenticity of expenditure incurred could not be ascertained and chances of misuse of funds could not be ruled out.

The matter was pointed out to the management during May to September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

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

### **14.5.3 Unauthorized payment of inadmissible allowances – Rs.237.837 million**

As per Para 6 (i) (a) mentioned in office memorandum of Government of Sindh Finance Department No. FD(SR-I) I I(32)201 1-15 dated 22" July 2016, " Adhoc Relief Allowance 2013 @ 15% of the basic pay of basic pay scales 2011 to the employees in BPS-I to 15 and 10% of the basic pay of Basic Pay Scales 2011 to the employees in BPS-I6 and above allowed vide Office Memorandum No.



FD(SR1)1(32)2008-II, dated 22nd July 2013 with effect from 01-07-2013 shall cease to exist with effect from I-07-2016.

During audit on the accounts of various offices of Home Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.237.837 million was paid to the officers/officials on account of various allowances which were not admissible to the officials, in violation of above rules. The details are given at **Annex-2** of Chapter-14.

Audit was of the view that payment of inadmissible allowances constitutes weak administrative and financial management which resulted into loss to government exchequer.

The matter was pointed out to the management during November 2019 to November-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of inadmissible allowance besides taking remedial measures.

#### **14.5.4 Appointment/posting of various employees belonging to other provinces – Rs.17.405 million**

As per Rule 15 and 16 of Sindh Civil Servants (Appointment, Promotion and Transfer) Rules 1974, Government of Sindh, “posts in grades 1 to 2 are to be filled in on local basis and those in grades 3 to 15 offices which serve only a particular region or district should be filled by appointment or persons domiciled in the region or district concerned.” It has to be ensured that recruitment to posts in grades 1 to 15 is to be made from amongst local people belonging to that area district or region only.

During audit on the accounts of following offices of Home Department, Government of Sindh for the financial year 2018-19, it was observed while reviewing the SAP data that CNICs of employees pertained to other provinces (first digit of C.N.I.C No. represents province, such as 1 for KPK, 2 for FATA, 3 for Punjab, 4 for Sindh, 5 for Baluchistan and 6 for Islamabad) but they were drawing salaries amounting to Rs17.405 million from the following offices of Sindh Province. Furthermore, their service books were not available on record, hence, it could not be

verified if these employees permanently belonged to Sindh or they were appointed / posted in violation of Recruitment Rules.

(Rs. in million)

Sr.#	Name of Offices	AIR Para #	Amount
1	DIGP, CIA Karachi	1	11.22
2	DIGP, West Zone Karachi	3	3.138
3	Assistant Inspector General of Police, Special Security Unit (SSU) Karachi	3 & 4	3.047
4	Senior Superintendent, Central Prison, Karachi	02	0
5	SSP Intelligence CTD, Karachi	2	0
6	SP Headquarter Saudabad, Karachi	03	0
<b>Total</b>			<b>17.405</b>

Audit is of the view that management failed to observe prescribed procedure, which depicts prevalence of poor management practices.

The matter was pointed out to the management during February to June-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification of appointing officials belonging to other provinces besides taking remedial measures.

#### **14.5.5 Non-deduction of Conveyance allowance - Rs.9.538 million**

According to Notification of Finance Department, Government of Sindh No FD (SR-IV) (12)/77 dated 13.05.1977 read with Para 7-(a) of Finance Division (Regulation wing) OM No.I (I)imp/2008 dated 30-6-2008. The office cum residence conveyance allowance is an allowance to facilitate Government officers/officials to reach the office and not admissible to those officer/officials who have been provided with government transport facility or residing within work premises.

During audit on the accounts of various offices of Home Department, Government of Sindh, for the financial year 2018-19, it was observed that conveyance allowance of Rs.9.538 million was paid to the officers having government vehicle, residing within work premises and who were on leave. The details are given at **Annex-3** of Chapter-14.

Audit is of the view that government sustained loss due to unauthorized payment of conveyance allowance.

The matter was pointed out to department during November 2019 to June-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires that recovery from the concerned besides taking remedial measures to avoid such lapses in future.

#### **14.5.6 Unjustified payment of allowances - Rs.7.186 million**

According to Rule-88 of Sindh Financial Rules, Volume-I, “every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of Senior Superintendent, Central Prison, Karachi for the year 2018-19, it was observed that payment of Rs.7.186 million was paid to various officers/officials on account of Special Additional Allowance (2007) and Special Additional Allowance simultaneously which appears to be double allowance. Furthermore, no notification was produced for entitlement of both allowances at the same time.

Audit is of the view that payment of inadmissible allowances constitutes weak administrative and financial management which caused loss to government exchequer.

The matter was pointed out to the management in May 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of notification showing admissibility of allowance or recovery from the concerned officers/officials

**(AIR#10)**

#### **14.5.7 Non recovery of salaries drawn against 238 fake employees IDs number**

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

During audit on the accounts of Senior Superintendent of Police, Kashmore @ Kandhkot, for the financial year 2018-19, it was observed that 238 fake employees took salaries which was then reported in an enquiry conducted by the AIGP/Establishment. It was found that 238 IDs could not be traced & verified in CPO or SSP office Kashmore. Hence such IDs were considered to be fake. The salaries on 238 fake IDs were stopped when reported but recovery from same could not be made/effectuated.

Audit is of the view that government sustained loss due to expenditure against fake IDs.

The matter was pointed out to the management during February-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation for fixing responsibility on the person(s) at fault and recovery from the concerned besides taking remedial measures to avoid recurrence.

**(AIR# 08 & 10)**

#### **14.5.8 Irregular expenditure incurred on account of Feeding Charges - Rs.1,124.023 million**

Rule-88 of Sindh Financial Rules, Volume-I provides that every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.

During audit on the accounts of various offices of Home Department, Government of Sindh for the years 2018-19 & 2019-20, it was observed that an amount expenditure of Rs.1,124.023 million was incurred on account of Feeding Charges. The details are given at **Annex-4** of Chapter-14.

In this regard following observations were noticed:

- i. The payment was made without obtaining Hygienic Food Assurance Certificate from Food & Drug department of Govt. of Sindh.
- ii. Agreement was not executed with the vendors.
- iii. The details of personnel/officials for whom the food items purchased were not available on the record.
- iv. Deployment order with CNIC & belt No. of persons who consumed diet was not produced.
- v. Number of personnel who were fed was not mentioned.
- vi. Menu of items listed for meals was not attached with the bills.
- vii. Delivery challan was not found attached.
- viii. Income Tax & SST was not deducted on source.
- ix. Acknowledgement was not obtained.

Audit is of the view that deviation from prescribed rules was result of prevalence of poor management practices within the department.

The matter was pointed out to the management during November 2019 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for deviation from the rules besides taking remedial measures.

#### **14.5.9 Irregular expenditure due to defective tendering process – Rs.313.484 million**

According to Rule 4 of Sindh Public Procurement (SPP) 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”. According to Rule 2(jj) of Sindh

Public Procurement (SPP) Rules 2010, “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 on the accounts of following offices of Home Department, Government of Sindh for the year 2018-19, it was observed that expenditure of Rs.313.484 million was incurred on various head of accounts without observing transparency in tendering process and contravention of several provisions of SPP Rules/Regulations mentioned against each office. The details are given at **Annex-5** of Chapter-14.

Audit is of the view that deviation from prescribed rules was result of prevalence of poor management practices within the department.

The matter was pointed out to the management during November 2019 to June 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter, besides taking remedial measures.

#### **14.5.10 Non-invitation of tenders - Rs.65.695 million**

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over one hundred thousand rupees and up to one million rupees shall be advertised by timely notification on the Authority’s websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit on the accounts of various offices of Home Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that expenditure of Rs.65.695 million was incurred on account of purchase of various items without inviting open tenders. The details are given at **Annex-6** of Chapter-14.

Audit is of the view that due to non-invitation of tenders; the government was deprived of competitive rates.

The matter was pointed out to the management during November 2019 to November-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter, besides taking remedial measures.

#### **14.5.11 Splitting of expenditure to avoid tenders - Rs.17.112 million**

Rule 12 (1) of SPPR 2010 provides that all proposed procurements for each financial year shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan. Rule 17 (1) *ibid* provides that procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in the rules.

During audit on the accounts of following offices of Home Department, Government of Sindh, for the years 2018-19 & 2019-20, it was observed that an expenditure of Rs.17.112 million was incurred on supply of various items through splitting of the sanction orders to avoid open tenders and obtaining sanction from the next higher authority.

(Rs. in million)

<b>Sr. #</b>	<b>Name of Offices</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
1	Frontier Constabulary Platoon Sindh Karachi	2019-20	13 & 18	6.053
2	SSP Mirpurkhas	2018-19	03	3.473
3	SSP Jamshoro	2018-19	23	1.896
4	SSP Sujawal	2018-19	14	1.730
5	DIGP Shaheed Benazirabad	2018-19	06	1.211
6	SSP Shikarpur	2018-19	03 & 10	1.179
7	SP Tharparkar	2018-19	08	0.819
8	DIGP East Karachi	2018-19	08	0.463
9	SP, Foreigner Security Cell Karachi	2018-19	10	0.288
<b>Total</b>				<b>17.112</b>

Audit is of the view that due to non-compliance of SPPRA Rules, the government was deprived of competitive rates.

The matter was reported to the management during November 2019 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter, besides taking remedial measures.

#### **14.5.12 Non-recovery of police guards charges – Rs.486.373 million**

As per inspector General of Police Sindh Letter No.30051/AIGP/OPS-1/(KAR-60)/2013 dated 12-12-2013, Police department mandated to provide security to certain individuals and offices in lieu of certain charges. Further, as per Rule 41 (a) of Sindh Financial Rules, “The Department Controlling Officers should see that all sums due to Government are regularly received and checked against demand and that they are paid into the Treasury.”

During audit on the accounts of following offices of Home Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that police guards were provided to various departments / individuals, but Police Guard charges amounting to Rs.486.373 million were not recovered. The details are as under;  
(Rs. in million)

<b>Sr. #</b>	<b>Name of Offices</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
01	DIGP South Zone, Karachi	2018-19	21	189.444
02	SSP, Hyderabad	2019-20	05	155.964
03	SSP, District Hyderabad	2018-19	02	121.696
04	DIG East Karachi	2018-19	13	9.718
05	SSP, Larkana	2019-20	02	7.004
06	SSP, NausheroFeroze	2019-20	01	1.730
		2018-19	06	0.817
<b>Total</b>				<b>486.373</b>

Audit is of the view that huge amount remained blocked due to non-recovery by the department.



The matter was pointed out to the management during February to November-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires that expeditious recovery be made under intimation to audit.

#### **14.5.13 Non-recovery of pending traffic fines - Rs.134.123 million**

“No amount due to government should be left outstanding without sufficient reasons and where any dues appear to be irrecoverable; the orders of the competent authority for their adjustment may be sought” according to rule-28 of General Financial Rules, Volume-I.

During audit on the accounts of Deputy Inspector General of Police (Traffic) Karachi, for the financial year 2018-19, it was observed that an amount of Rs.134.123 million was pending against the various persons on account of traffic fines since 2015 but the same was not recovered from the defaulters.

Audit is of the view that huge amount remained blocked due to non-recovery by the department.

The matter was pointed out to the management in February, 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that expeditious recovery under intimation to audit.

**(AIR#15)**

#### **14.5.14 Non-recovery of various taxes – Rs.38.644 million**

According to the section 153 (1) (a) of the Income Tax Ordinance 2001, 4.5 % income tax is required to be deducted at source while making payment to suppliers / contractors.

As per Section 3(1) of the Sales Tax Act, 1990, “There shall be charged, levied and paid a tax known as sales tax @ 16% of the value of taxable supplies made by a

registered person in the course a furtherance of any taxable activity carried on by him”. Further Section 3(1A) ibid “Taxable supplies are made by a person other than a registered person there shall be charged, levied and paid a further tax @ 3% of the value in addition to the rate specified in Section 3(1).

According to Para-22-A of Stamp Act, “It was the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost”.

During audit on the accounts of various offices of Home Department, Government of Sindh for the years 2017-18 to 2019-20, it was observed that an amount of Rs.38.644 million was not recovered on account of Income tax, GST, SST and stamp duty from the bills of contractors/suppliers at source. Thus government sustained loss of Rs.38.644 million due to non-recovery of taxes. The details are given at **Annex-7** of Chapter-14.

Due to non-deduction of sales tax undue financial benefit was given to the vendors which resulted into loss to government exchequer.

The matter was pointed out to the management during November 2019 to November-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that expeditious recovery of taxes under intimation to audit.

#### **14.5.15 Non-recovery of advance amount against rejected items – Rs.7.378 million**

Appendix 18 (a) Section-I of Sindh Financial Rules, Volume-II, 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 be also 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 of culpable negligence.

During audit on the accounts of Deputy Inspector General, Special Branch, Karachi for the financial year(s) 2017-18 to 2018-19, it was observed that 100%

advance payment of Rs.7.378 million was made against purchase of “I.E.D Portable Jammers”. Later, the items were rejected by the Inspection Committee on 22-11-2018, but after rejection the amount paid in advance was not recovered from the vendor till the end of financial year 2018-19.

Audit is of view that government sustained loss due to making 100% advance payment defeted items was irregular which is required to be recovered.

The matter was pointed out to the management during May 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of advance amount besides investigation of the matter and taking of remedial measures to deter recurrence of such practice in future.  
(AIR#21)

#### 14.5.16 Non-crediting of revenue into government account – Rs.2.769 million

According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit on the accounts of following offices of Home Department, Government of Sindh for the financial year 2018-19, it was observed that an amount of Rs.2.769 million was collected on account of income tax, fines and tender fees, but the amount was not deposited in the government treasury.

(Rs. in million)

Sr. #	Name of Offices	AIR Para #	Particulars	Amount
1	SP, Rapid Response Force-II, AI-Falah Base, Karachi	16	Fines & penalty was not deposited in treasury	1.560
2	Superintendent Engineer, Police Works, Hyderabad	07	Income tax	1.124
3	DIGP, Training Range Sindh Karachi	09	Tender fees	0.085
<b>Total</b>				<b>2.769</b>

Audit was of the view that due to non-deposit of government receipts; the government was deprived of revenue it earned.

The matter was reported to the management during March to June 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends deposit of taxes, fees and fines into government account under intimation to audit besides taking remedial measures to avoid such lapses in future.

#### **14.5.17 Non-recovery of penalty imposed by Inspection Committee - Rs.1.126 million**

As per Rule 88 of Sindh Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of Inspector General of Police, Sindh, Karachi for the year 2019-20, it was observed that management of the entity failed to recover the penalty amounting to Rs.1.126 million imposed by the Inspection Committee during inspection of uniform & liveries items on account of inferior quality items. Details are given below;

(Rs. in million)

<b>Name of Contractor</b>	<b>Particular</b>	<b>Bill Amount</b>	<b>5% Penalty</b>
Global Tax & Towel	Purchase of 7788 nos. of Safari Suits	22.530	1.126

Audit is of the view that non-recovery of penalty resulted in loss to the government.

The matter was pointed out to the management during August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires recovery of penalty from vendor besides taking of remedial measures.

#### **14.5.18 Irregular payment through DDO account – Rs.245.003 million**

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

During audit on the accounts of various offices of Home Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.245.003 million was paid to DDO account instead of actual payees in violation of the above rule. Audit could not authenticate the payments made to the concerned without verification of acknowledgements. No documentary evidence of payment through cross cheque to the concerned was available on the record. Due to irregular procedure, authenticity of expenditure could not be verified. The details are given at **Annex-8** of Chapter-14.

Audit is of the view that due to payment through DDO account was irregular and there were chances of misuse of Government funds.

The matter was pointed out to the management during November 2019 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for making payments through DDO account besides taking remedial measures.

#### **14.5.19 Discrepancies on purchase of POL - Rs.110.069 million**

According to Para-20 of Notification No.XV(CT)III/69 dated 9-10-1969 of Government of West Pakistan and Government of Sindh Services and General Administration Department circular No. CTC (S & GAD)-I(2)/90 dated 9-12-1991, and Finance Department letter # FD-BI/16(15)/99-2000(POL) dated 12-01-2000, the following record/books shall be maintained for each motor vehicle.

1. The Log Book of the vehicle in Form-A
2. History sheet of the vehicle in Form-B.

### 3. Petrol Consumption Account in Form C.

During audit on the accounts of Deputy Inspector General of Police (Traffic) Karachi, for the financial year 2018-19, audit observed discrepancies in payment of Rs.110.069 million was made for purchase of POL against 07 vehicles through multiple fleet cards. The following irregularities were also observed:

- i. As per expenditure statement Rs.85.251 million was incurred on POL but as per fleet card data an expenditure of Rs.110.069 million was incurred hence an amount of Rs.24.818 million was incurred in excess to the actual expenditure reported in the books of accounts.
- ii. An amount of Rs.8.422 million was charged in excess to the actual bill of PSO charged against various accounts.
- iii. Unjustified payment of Rs.0.075 million was charged on account of membership fees
- iv. An undue payment of Rs.0.842 million was allowed on account of service charge
- v. Agreement with PSO for supply of POL was not executed.
- vi. POL of Rs.1.118 million was drawn by issuing more than one fleet cards against seven vehicles specially one on the Vehicle Registration Number and other on Engine Number.
- vii. As per list of vehicles provided to audit fleet cards to various 53 vehicles was not issued.
- viii. POL of amounting to Rs.4.218 million was issued against the vehicle through fleet cards but the vehicles did not pertain to the local office as the same were not provided in the list of vehicles.
- ix. In various vehicles the POL of amounting to Rs.1.132 million was filled after passing of some time on the same day without maintaining the consumption account.
- x. POL amounting to Rs.4.285 million was drawn over and above the tank capacity of the vehicles. Even filling of 400 to 450 liters was made at a time for a vehicle.
- xi. An amount of Rs.36.266 million was incurred in excess of the approved ceiling of POL for vehicles.

Audit is of the view that discrepancies in purchase of POL reflects prevalence of poor internal controls and weak management practices within the department.

The matter was pointed out to the management in February, 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit investigation of the matter besides strengthening of internal controls to deter recurrence of such practices in future.

**(AIR#01 & 04)**

#### **14.5.20 Unjustified transaction in DDO bank account - Rs.38.385 million**

As per Rule 88 of Sindh Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of following offices of Home Department, Government of Sindh for the financial year 2018-19, it was observed that various transactions of Rs.38.385 million were made through DDO bank account but SAP data, did not reflect details of the transactions. Money trail, details of utilization, further disbursement of amount drawn was not available on record.

(Rs. in million)

<b>Sr.#</b>	<b>Name of Offices</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
01	DIGP Shaheed Benazirabad	2018-19	02	6.368
02	Commandant/ DIGP RRF Karachi	2018-19	11 & 13	6.278
03	DIGP, Training Range, Karachi	2018-19	14 & 16	5.655
04	DIGP South Zone, Karachi	2018-19	26 & 36	17.799
05	DIGP, CIA, Karachi	2018-19	14	2.285
<b>Total</b>				<b>38.385</b>

Audit is of the view that due to transactions through DDO account without relevant details chances of misuse of government funds cannot be ruled out.

The matter was pointed out to department during February to May-2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of details of utilization of funds and further disbursement besides taking remedial measures.

#### **14.5.21 Un-authorized retention of government money - Rs.32.498 million**

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

During audit on the accounts of various offices of Home Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.32.498 million was drawn from government treasury and kept into DDO bank account till close of the financial year, which resulted in blockage of government money. The details are given at **Annex-9** of Chapter-14.

Audit is of the view that retention of funds in DDO account reflects prevalence of weak financial and administrative practices.

The matter was pointed out to department during November 2019 to November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification for reteneing the savings in DDO account, besides taking remedial measures.



## **CHAPTER – 15**

### **HUMAN RIGHTS DEPARTMENT**

#### **15.1 Introduction**

Directorate of Human Rights was established in September 2008 with two divisional offices at Hyderabad and Sukkur. The aim is to address the issues related to human rights violations with full concentration. Composition of the Pakistani society especially in Sindh province is of heterogeneous nature where crime of different kinds takes place. During this period, the department has recorded about 22,202 registered complaints from overall Sindh which clearly show intensity of human right violations in Sindh. The case vary from the severity of cold blooded murder in the name of honor killing Karo Kari, Vani, Kidnapping, Sexual harassment, rape, children abuse, force marriage, acid thrown, burn cases, minority rights, child rights (child Labor, Domestic Labor, smuggling), human trafficking, property and family dispute, request for legal, financial and medical assistance. Mission The mission of the human rights department, government of Sindh is to endeavor to ensure that the human rights of all people in the province fully realize and protect, in law, in policy and in practice. The department pursues its objectives vigorously and independently. It does its best to ensure that law and practice is in line with the highest international standards, measuring our law and practice against the standards set out in the constitution and in international human rights agreements. Directorate of Human Rights has been performing its duties with zeal, enthusiasm and sense of responsibilities since the beginning to get better result to provide Human Rights to deserving persons. In this regard, all possible efforts have been made at its level best to resolve the matter/cases reports against violation of Human Rights, which have been collected from news papers, electronic media and persons who personally visited the office for resolving their problems. The office The Directorate of Human Rights along with two divisional offices in Sindh province at Hyderabad and Sukkur work smoothly and regularly on daily basis and the same reported/collected violation news/cases are forwarded by this office to concerned authorities for necessary action and asked for current position/action taken by them in the same connection.

#### **Vision & Mission**

The mission of the human rights department, government of Sindh is to endeavor to ensure that the human rights of all people in the province fully realize and protect, in law, in policy and in practice. The department pursues its objectives vigorously and independently. It does its best to ensure that law and practice is in line with the highest international standards, measuring our law and practice against the

standards set out in the constitution and in international human rights agreements. Directorate of Human Rights has been performing its duties with zeal, enthusiasm and sense of responsibilities since the beginning to get better result to provide Human Rights to deserving persons. In this regard, all possible efforts have been made at its level best to resolve the matter/cases reports against violation of Human Rights, which have been collected from news papers, electronic media and persons who personally visited the office for resolving their problems. The office The Directorate of Human Rights along with two divisional offices in Sindh province at Hyderabad and Sukkur work smoothly and regularly on daily basis and the same reported/collected violation news/cases are forwarded by this office to concerned authorities for necessary action and asked for current position/action taken by them in the same connection.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	2	1	171.756	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

## 15.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
493.214	0.001	6.397	(6.397)	(345.075)	148.140	107.020	(-)41.120

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs41.120 million was observed which was not surrendered in time.

### 15.3 Classified Summary of Audit Observations

Audit observations amounting to Rs54.130 million were raised as a result of this audit. This amount also includes recoverables of Rs7.806 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

<b>Sr. No.</b>	<b>Classification</b>	<b>Amount</b>
1	Non production of record	44.661
2	Reported cases of fraud, embezzlement and misappropriation	
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	0.358
B	<i>Procurement related irregularities</i>	
C	<i>Management of Accounts with Commercial Banks</i>	1.663
4	Value for money and service delivery issues	
5	Others	7.448

### 15.4 Comments on the Status of Compliance with PAC Directives

This department has been included in the Audit Report 2020-21 first time.

## 15.5 Audit Paras

### 15.5.1 Non-production of auditable record – Rs.44.661 million

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of following offices of Secretary Human Rights Department, Government of Sindh, Karachi for the financial years 2017-18 to 2019-20, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.44.661 million remained unaudited. Details are given as under:

(Rs. in million)

Sr. #	Name office	Financial Year	AIR Para#	Particulars	Total
1	Secretary Human Rights Department	2017-18	1	Record relating to various heads of pay & allowances	5.828
				Record relating to various heads of operating expenses	6.986
		2018-19		Various heads of pay & allowances	11.022
				Various heads of operating expenses	2.467
2	Director Human Rights, Karachi	2018-19	20	Cash book	16.24
3	Secretary Human Rights	2017-18 to 2019-20	06	Supporting invoices/vouchers against various heads	0.346
4	Secretary, Human Rights Department (Chairperson of Sindh Human Rights Commission)	2018-19 to 2019-20	10	Supporting invoices/vouchers against various heads	1.772
<b>Total</b>					<b>44.661</b>

The matter was reported to the management during October, 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

**(AIR#01)**

### **15.5.2 Un-authorized cash payments - Rs.1.663 million**

As per Rule 25 of Sindh Financial Rule Volume-I, “No payment will be made in the absence of the necessary acknowledgement”. And as per Rule 303 of Treasury Rules, “Contingent bill for payment to suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the suppliers may be issued through crossed cheques in the name of firms concerned. This will avoid unnecessary delays and risks involved in the drawl and disbursement of cash”.

During audit on the accounts of Chairperson of Sindh Human Rights Commission, Karachi for the financial years 2018-19 to 2019-20, it was observed that an amount of Rs.1.663 million was drawn through cash/open cheques instead of crossed cheques.

Audit is of the view that due to cash payments, chances of misappropriation can not be ruled out which indicates prevalence of financial indiscipline within the department.

The matter was reported to the management during October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation into the matter besides taking remedial measures to stop recurrence of such practice in future.

**(AIR#12)**

### 15.5.3 Loss due to non-deduction of income tax - Rs.7.448 million

As per Income Tax Ordinance 2001, Income Tax in respect of the salaried persons is required to be deducted at source as per prescribed rates during the financial year 2018-19 and 2019-20.

During audit on the accounts of Chairperson of Sindh Human Rights Commission, Karachi for the financial years 2018-19 to 2019-20, it was observed that income tax of Rs.7.448 million was not deducted from the salaries of various officials. Details are given as under;

(Amount in Rupees)

Financial Year	Name	Designation	Salary/month	Total Salary	I. Tax Deducted	I. Tax to be deducted
2018-19	Justice (R) Majida Rizvi	Chairperson	1,188,011	14,256,132	0	2,965,436
2018-19	Syed Hassan Shah Bukhari	Member	317,253	3,807,036	0	431,407
2018-19	M. Aslam Shaikh	Member	306,942	3,683,304	0	406,660
<b>Sub-Total</b>						<b>3,803,503</b>
2019-20	Justice (R) Majida Rizvi	Chairperson	1,188,011	14,256,132	0	2,965,436
2019-20	Syed Hassan Shah Bukhari	Member	281,302	3,375,624	0	348,234
2019-20	M. Aslam Shaikh	Member	273,054	3,276,648	0	330,913
<b>Sub-Total</b>						<b>3,644,583</b>
<b>Grand-Total</b>						<b>7,448,086</b>

Audit is of the view that due to non-deduction of income tax from salary, the government sustained loss which indicates prevalence of financial indiscipline within the formation.

The matter was reported to the management during October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery besides taking remedial measures to avoid recurrence of such practice in future.

(AIR#09)

#### 15.5.4 Un-authorized payment of inadmissible allowances - Rs.0.358 million

According to Notification of Finance Department, Government of Sindh No FD (SR-IV) (12)/77 dated 13.05.1977 read with Para 7-(a) of Finance Division (Regulation wing) OM No.I(D)imp/2008 dated 30-6-2008. The office cum residence conveyance allowance is an allowance to facilitate Government officers/officials to reach the office and not admissible to those officer/officials who have been provided with Government transport facility or residing within work premises”.

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

During audit on the accounts of Director Human Rights Karachi, for the financial year 2018-19, it was observed that the management paid an amount of Rs.0.358 million to various officials without entitlement on account of inadmissible allowances. Details are given as under;

(Amount in Rupees)

Sr.#	Name of office	Name of Allowance	AIR Para#	Amount
1	Director Human Rights Karachi	Secretariat Allowance	05	163,452
		Utility Allowance		21,000
		Special Allowance		12,000
		Conveyance Allowance	04	120,000
		Adhoc Relief Allowance-2015	03	76,854
		Adhoc Relief Allowance-2013		50,610
2	Secretary Human Rights	Conveyance Allowance	08	35,000
<b>Total</b>				<b>358,916</b>

The matter was reported to the management during March 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery besides taking remedial measures to avoid recurrence of such practice in future.



## **CHAPTER – 16**

### **KATCHI ABADIES / HUMAN SETTLEMENT, SPATIAL, DEVELOPMENT AND SOCIAL HOUSING DEPARTMENT**

#### **16.1 Introduction**

Sindh Katchi Abadis Authority (SKAA) was established in 1987 under Sindh Katchi Abadi Act 1987 for regularization and up-gradation of katchi abadis in the Province.

The Authority is a corporate body. Its' headquarter is at Karachi. The general direction and administration of the Authority and its affairs vests in a Governing Body headed by the Minister for katchi abadis as its Chairman. Director General is the chief executive of the Authority.

#### **Powers and Function of the Authority**

- Implement policies formulated by government for the development or improvement of the areas of the katchi abadis and regularization of such katchi abadis.
- Lay-down guidelines for the implementation of such policies by the concerned authorities.
- Identify the katchi abadis or areas thereof which may be developed, improved or regularized under this Act and also identify the katchi abadis or areas which cannot be regularized as katchi abadis.
- Arrange or carry out detailed physical surveys, census of occupants of the katchi abadis and prepare or cause to be prepared plans and amelioration plans and designs of infrastructure works in connection with the regularization and development of the katchi abadis.
- Formulate development and financial programmes in respect of the katchi abadis and determine implementation strategy of such programmes.
- Oversee the operation of the fund.
- Evict or cause to be evicted unauthorized person or remove or cause to be removed encroachments from a katchi abadi or any area which is not regularizable as katchi abadi in accordance with the law.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	1	1	152.89	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

## 16.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
601.356	-	161.372	(161.372)	(429.268)	172.088	166.050	(-) 6.038

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs6.038 million was observed, which was not surrendered in time.

## 16.3 Classified Summary of Audit Observations

Audit observations amounting to Rs0.647 million were raised as a result of this audit. This amount also includes recoverables of Rs0.647 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	0.647
B	<i>Procurement related irregularities</i>	-

(Rs. in million)

Sr. No.	Classification	Amount
C	Management of Accounts with Commercial Banks	-
4	Value for money and service delivery issues	-
5	Others	-

#### 16.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	0	
2	1998-99	0	0	0	0	0	
3	1999-2000	0	0	0	0	0	
4	2001-02	0	0	0	0	0	
5	2004-05	0	0	0	0	0	
6	2005-06	0	0	0	0	0	
7	2006-07	0	0	0	0	0	
8	2007-08	0	0	0	0	0	
9	2008-09	0	0	0	0	0	
10	2009-10	0	0	0	0	0	
11	2010-11	0	0	0	0	0	
12	2014-15	0	0	0	0	0	
13	2016-17	5	2	0	2	0	
<b>Total</b>		<b>5</b>	<b>2</b>	<b>0</b>	<b>2</b>	<b>0</b>	

## **16.5 Audit Paras**

### **16.5.1 Irregular payment of inadmissible allowances – Rs.0.647 million**

As per Notification of Finance Department, Government of Sindh No FD (SR-IV) (12)/77 dated 13.05.1997 read with Para-7(a) of Finance Division (Regulation wing) OM No.I(I)imp/2008 dated 30-6-2008, “The office cum residence conveyance allowance is an allowance to facilitate Government officers/officials to reach the office and not admissible to those officer/officials who have been provided with government transport facility or residing within work premises.”

As per Para 11 of General Financial Rules Volume–I, “each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.”

During audit on the accounts of Secretary, Katchi Abadi, Human Settlement, Spatial Development and Social Housing Department, Government of Sindh, Karachi for the financial year 2019-20, it was observed that Governor House allowance & conveyance allowances amounting to Rs.0.647 million were paid to the officers & staff without its admissibility.

Audit is of the view that undue favor was extended to the government employees due to payment of inadmissible allowances.

The matter was reported to the management in October 2020. The management informed the DAC in its meeting held on 21.01.2021 that Accountant General Sindh has been requested to stop payment of inadmissible allowances to the employees. The DAC directed to recover the amount and get the same verified from audit.

Audit requires compliance of DAC directives.

**(AIR#02&03)**

## CHAPTER – 17 INFORMATION & ARCHIVES DEPARTMENT

### 17.1 Introduction

The department of Information and Archives was created for projection of Sindh Government activities, public relation and relations with press. The department is also responsible for checking/monitoring the regularity of publication of newspapers, periodicals, magazines and building up working relationship with television/broadcasting networks, including PTV, Private TV Channels and Radio Pakistan for publicity of Government activities in different spheres of social uplift.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	5	1	2,700.038	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

### 17.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
6,001.000	0.002	42.987	(42.987)	(2,813.781)	3,187.221	3,165.542	(-) 21.679

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs21.679 million was observed, which was not surrendered in time.

### 17.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.1,568.297 million were raised as a result of this audit. This amount also includes recoverables of Rs5.933 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	465.485
2	Reported cases of fraud, embezzlement and misappropriation	
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	
B	<i>Procurement related irregularities</i>	5.933
C	<i>Management of Accounts with Commercial Banks</i>	
4	Value for money and service delivery issues	
5	Others	1,096.879

### 17.4 Comments on the Status of Compliance with PAC Directives

The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 33.3%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	1	1	1		-
2	1998-99	0	0	0	0	-
3	1999-2000	5	2	0	2	-
4	2001-02*	0	0	0	0	-
5	2004-05*	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	0	0	0	0	-
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-

<b>Sr. No</b>	<b>Audit Report</b>	<b>Total Paras discussed</b>	<b>No. of Paras requiring Compliance</b>	<b>Compliance of PAC directives made</b>	<b>Compliance of PAC directives not made</b>	<b>Percentage of Compliance</b>
11	2010-11	0	0	0	0	No Para included in the Audit Report
12	2014-15	0	0	0	0	-
13	2016-17	0	0	0	0	Audit Report not yet discussed -
<b>Total</b>		<b>6</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>33.3</b>

Note: Audit Reports of the years 2002-03 and 2003-04 were not discussed in PAC.

## 17.5 Audit Paras

### 17.5.1 Non-production of auditable record of receipts – Rs.465.485 million

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provide as under “The officer in charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition. And “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 (E&D) Rules”.

During audit on the accounts of office of the Secretary, Information and Archives Department, Government of Sindh, Karachi for the financial year 2018-19, it was observed that revenue amounting to Rs.465.485 million was realized and received through cheques in the name of Director, Information (Advertisement) Karachi from various offices but the management did not produce the auditable record to ascertain whether the cheques were deposited and properly reconciled. Details are given as under:

(Rs. in million)

Sr.#	Name of Formation	Financial Year	AIR Para #	Particulars	Amount
01	Secretary, Information & Archives Department Government. of Sindh, Karachi	2018-19	01	Details of bank statements	465.485
				Complete bills with invoices & cuttings of newspaper	
				Details of revenue collected from last audit to date	
				Details of Income Tax & SST deductions & deposit into government treasury	
				List of vendors/services providers and advertising agents on the penal of your office who are provided the advertising orders with summary of amount assigned to them.	
Details of the receipts deposited into government treasury					
<b>Total</b>					<b>465.485</b>

Audit is of the view that in the absence of relevant record, authenticity of receipts could not be ascertained by audit.



The non-production of record was reported to the management in November 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **17.5.2 Irregular clearance of previous years' liability – Rs.896.678 million**

According to Finance Department, Government of Sindh instructions conveyed by Board of Revenue Sindh, Hyderabad vide Para 5(p) of letter No.2/2312/15-16/Bud-III/786 dated 20-08-2015, "liability of previous financial years may not be allowed to be cleared unless concurrence is given by Finance Department. However, last financial year claims of Reimbursement of Medical Charges and TA are exempted this condition".

During audit on the accounts of office of the Secretary, Information and Archives Department, Government of Sindh, Karachi for the financial year 2019-20, it was observed that huge amount of Rs.896.678 on account of advertising and publicity was paid for clearance of previous years' liability without obtaining prior approval of the Finance Department. Audit also observed that detail and reconciliation of liabilities paid was also not available with the Department.

Audit is of the view that clearance of previous years' liability in violation of the government instructions was irregular.

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation into the matter besides taking remedial measures to avoid recurrence of such practice in future.

**(AIR#08)**

### **17.5.3 Irregular expenditure on account of advertisement – Rs.156.140 million**

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

During audit on the accounts of office of the Secretary Information & Archives Department Government of Sindh, Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.156.140 million was incurred on account of advertisement through print and electronic media to different advertising agencies but relevant record was not found attached with the contingent bills and it was not possible for audit to authenticate such payments in the stated scenario. Details are given as under;

- i. Approval from competent authority was not available.
- ii. Letter of advertisement of Department was not attached with the bills
- iii. Transmission Certificate was not available.
- iv. Proof of videos of advertisement of T.V channels was not produced.
- v. Release order was not attached with the bill.
- vi. Tear sheets were not attached with the bills.

Audit is of the view that the payment made in the absence of relevant approval/documents was irregular and unauthorized which indicates prevalence of weak internal controls within the department.

The matter was pointed out to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification for making unsubstantiated payments besides taking remedial measures to stop recurrence of such practice in future.

**(AIR#06)**

#### 17.5.4 Unauthorized payments and retention of funds in DDO account – Rs44.061 million

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

During audit on the accounts of office of the Secretary, Information & Archives Department, Government of Sindh, Karachi for the financial year 2018-19 & 2019-20, it was observed that an expenditure of Rs.30.100 million was incurred on account of various heads through DDO account instead of direct payment to vendor through crossed cheque. Audit also observed that balance of Rs.13.961 was unauthorizedly retained in DDO account at the close of financial year. Details are given as under:

(Rs in million)

Sr. #	Name of Formation	Financial Year	AIR Para #	Irregularity	Amount
01	Secretary, Information & Archives Department, Government of Sindh, Karachi	2018-19	04	The amount was drawn by DDO & placed the same in DDO account No. PK52SINDH0003031208201000, instead of issuing direct cheques from the A.G Sindh in the name of actual payee. Furthermore, record/details regarding debited amount of Rs0.400 million vide document ID No.0712048 dated 4 <sup>th</sup> September 2018 was also not communicated to audit	29.500
			05	Un-authorized retention in DDO Account	13.961
		2019-20	12	an expenditure of was incurred under the head of Financial Assistance but the payments were drawn in the name of Section officer information department, Karachi/ DDO; instead of direct payment to the heirs of beneficiary.	0.600
<b>Total</b>					<b>44.061</b>

Audit is of the view that due to the non-compliance of government rules, chances of non-transparent payments in the stated scenario cannot be ruled out which indicates prevalence of weak internal controls within the department.

The matter was reported to the management during November 2019 and October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation into the matter besides taking remedial measures.

**(AIR#04)**

### **17.5.5 Non-recovery of various taxes at applicable taxes – Rs5.933 million**

As per Chief Minister Instructions vide letter No. DS (Staff)/CMS/12/01/2012 dated 29.11.2012 wherein all Administrative Secretaries and their respective DDOs/Officers of all institutions/departments to comply with provision of SST Special Procedure (Withholding Rule, 2011) which states that ‘the accounting office responsible for making payment shall deduct and withhold the tax amount and shall transfer the same amount, so deducted at source during a month to Sindh Government’s head of account “B-02384”---Sindh Sales Tax on Services”.

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

During audit on the accounts of office of the Secretary, Information & Archives Department, Government of Sindh, Karachi for the financial year 2018-19 & 2019-20, it was observed that government taxes of Rs.5.933 million was not deducted at applicable rates while making payment to contractors. This resulted in loss to the government. The details are given at **Annex-1** of Chapter-17.

The matter was reported to the management during November 2019 and October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires expeditious recovery of the taxes besides taking remedial measures to avoid recurrence of such practice in future.

## CHAPTER – 18

### INVESTMENT DEPARTMENT

#### 18.1 Introduction

Investment Department Sindh is established with broad-based responsibility of promotion of investment in all sectors of the economy of the province.

Sindh Board of Investment (SBI) was established in March 2009 with broad based responsibility of promotion of investment in all sectors of economy; facilitation of local and foreign investors for speedy materialization of their projects and to enhance Sindh's international competitiveness and contribute to economic and social development.

SBI assists companies and investors who intend to invest in Sindh as well as facilitates the implementation and operation of their projects. The wide range of services provided by SBI includes providing information on the opportunities for investment and facilitating companies that are looking for joint venture partners. SBI acts as a focal point of contact for prospective investors, both domestic and foreign to provide all necessary information and assistance in coordinating with other Government Departments/Agencies.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	1	1	59.996	
2	Assignment Accounts (excluding FAP)	-	-		
3	Authorities/Autonomous Bodies etc under the PAO	-	-		
4	Foreign Aided Projects (FAP)	-	-		

## 18.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
2,888.000	-	23.736	(23.736)	(2,813.345)	74.654	66.875	(-) 7.779

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs7.779 million was observed, which was not surrendered in time.

## 18.3 Classified Summary of Audit Observations

Audit observations amounting to Rs562.349 million were raised as a result of this audit. This amount also includes recoverable of Rs9.094 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	548.557
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	8.168
B	<i>Procurement related irregularities</i>	4.698
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	0.926

## 18.4 Comments on the Status of Compliance with PAC Directives

This department has been included in the Audit Report 2020-21 first time.

## **18.5 Audit Paras**

### **18.5.1 Non-production of auditable record – Rs.548.557 million**

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of various offices of Investment Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.548.557 million remained unaudited. The details are given at **Annex-1** of Chapter-18.

Audit was of the view that non-production of record, hinders the auditorial function of AGP which indicates prevalence poor management practices.

The matter was reported to the management during March to December 2020. DAC in its meeting held on 21-01-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **18.5.2 Irregular payment of inadmissible allowances – Rs.8.168 million**

According to Finance department notification No.FD(SR-III)-5-145/2012 dated 02-03-2012, Government of Sindh granted utility allowance to the employees of Sindh Civil Secretariat and Provincial Assembly Sindh, w.e.f:01.01.2012, according to para-2 (a) It shall not be admissible to those secretariat employees/ project employees who are drawing project allowance (c) It shall not be admissible to the employees on their transfer from Sindh Civil Secretariat.

During audit on the accounts of Secretary, Board of Investment Karachi, for the financial year 2019-20, it was observed that an amount of Rs.7.868 million was paid to officers/officials on account of Utility & Secretariat allowances on monthly basis



who were not entitled as the officilas were not posted within the Sindh Civil Secretariat.

In addition, it was observed that conveyance allowance of Rs.0.300 million was not deducted from the pay of officers / officials to whom the government vehicles were allotted.

Audit is of the view that payment of inadmissible allowances was undue favour to employees. The lapse on part of the management constituted weak administrative and financial management.

The matter was reported to the management in December 2020. DAC in its meeting held on 21-01-2021 directed the management to provide record of recovery to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR # 3, 4)

### **18.5.3 Irregular expenditure by splitting up to avoid tender – Rs.4.698 million**

According to Rule 12 (1) of SPPRA 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.

During audit on the accounts of Secretary, Board of Investment Karachi, for the financial year 2019-20, it was observed that an expenditure amounting to Rs.4.698 million was incurred on account of various heads i.e conference, other services rendered and other miscellaneous through splitting the expenditure to avoid invitation of open tenders.

Audit was of the view that failure of the management to follow SPPRA Rules resulted into non-achievement of competitive rates.

The matter was reported to the management in December 2020. DAC in its meeting held on 21-01-2021 directed the management to investigate the matter and get the same regularized from competent authority. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR # 12)

#### **18.5.4 Non-recovery of various taxes at applicable taxes – Rs.0.926 million**

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011 states: “Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable service is listed.” Further section 9 (2) chapter II states: “Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service.” And as per Second Schedule of the Sindh Sales Tax on Services Act, 2011, under the tariff heading 98.15 the rate of tax is 13% on services provided or rendered by persons engaged in consultancy services.

As per Para 22-A of Stamps Act, “It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost before execution of the agreement.

During audit on the accounts of Project Director, Khairpur Special Economic Zone, Secretary Investment Department, for the financial year 2018-19, it was observed that an amount of Rs.5.712 million was paid to M/s E.A consulting (Pvt) Ltd on account of providing consultancy services for various development works, but the Sindh Sales Tax @ 13% amounting to Rs0.742 million was not deducted while making payment, which resulted in loss to the government. Details are given as under;

(Amount in Rupees)

Months	Cheque#	Amount
May to June 2018	234066	2,288,212
April to June 2019	243883	3,424,441
<b>Total</b>		<b>5,712,653</b>
<b>SST @ 13%</b>		<b>742,645</b>

Similarly, during audit on the accounts of Chairman / Secretary, Sindh Board of Investment, Karachi, for the financial years 2018-19, it was observed that contracts amounting to Rs.52.589 million were awarded to M/s Osmani & CO. and M/s SOC films, but stamp duty amounting to Rs.0.184 million was not realized.

Audit is of the view that government sustained financial loss due to non-recovery of SST on services and stamp duty.

The matter was reported to the management in September 2020. DAC in its meeting held on 21-01-2021 directed the management to approach contractor for recovery of Stamp Duty & SST under intimation to audit. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR # 02, 13)**

## CHAPTER – 19

### IRRIGATION DEPARTMENT

#### 19.1 Introduction

Irrigation Department came into being in 1970 with the dissolution of One Unit. Major tasks performed by the Irrigation Department are operation and maintenance of the irrigation and flood protection system, regulation of flows of River Indus and canal systems, covering Inter-Provincial and Intra-Provincial Systems. Execution of development schemes and mega projects is also one of the major responsibilities. Major objectives and functions of the department are:

- a) Operation and maintenance of the irrigation and flood protection system,
- b) Regulation of flows of River Indus and canal systems, covering Inter Provincial and Intra Provincial Systems,
- c) Execution of development schemes and mega projects,
- d) Dealing with the administrative matters, financial matters, Public Accounts Committee's issues irrigation cases, court cases and assembly business etc,
- e) Operation, maintenance, development and management of irrigation network,
- f) Operation, maintenance, development and management of surface drainage system and tube-wells,
- g) Flood control along River Indus and hill torrents.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	89	27	15,205.35	-
2	Assignment Accounts (excluding FAP)				
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	04	04	5,620.767	

#### 19.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
60,317.350	0.000	8,249.233	(8,249.233)	(23,507.544)	36,809.806	36,006.273	(-) 803.534

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs803.534 million was observed, which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
778.400	293.350	271.745	(21.605)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs21.605 million was observed. Revenue estimate were reduced upto 62% in revised estimate. Actual receipts were only 92.6% of revised estimate.

### 19.3 Classified Summary of Audit Observations

Audit observations amounting to Rs20,758.529 million were raised as a result of this audit. This amount also includes recoverables of Rs914.328 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	2,222.668
2	Reported cases of fraud, embezzlement and misappropriation	4,291.853
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	85.914
B	<i>Procurement related irregularities</i>	5,555.116
C	<i>Management of Accounts with Commercial Banks</i>	102.210
4	Value for money and service delivery issues	-
5	Others	8,500.768

#### 19.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 26%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	79	28	11	17		
2	1998-99	21	20	4	16		
3	1999-2000	43	20	0	20	-	
4	2001-02*	14	12	2	10	16.7	
5	2004-05*	40	22	19	3	79.2	
6	2005-06	22	14	0	14	-	
7	2006-07	14	4	0	4	-	
8	2007-08	17	5	0	5	-	
9	2008-09	27	0	0	0	-	
10	2009-10	19	13	7	6	54	
11	2010-11	32	22	0	22	-	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	0	-	
<b>Total</b>		<b>328</b>	<b>160</b>	<b>43</b>	<b>117</b>	<b>26</b>	

## **19.5 Audit Paras**

### **19.5.1 Non-production of record – Rs.2,222.668 million**

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition”. And “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 on the accounts of various offices of Irrigation Department, Government of Sindh for the financial years 2015-16 to 2019-20, the management did not produce the auditable record despite various reminders. Due to non-production, the record involving financial impact of Rs.2,222.668 million remained unaudited. The details are given at **Annex-1** of Chapter-19.

The matter was reported to the management during May 2019 to November 2020. DAC in its meeting held on 29-01-2021 management stated that record is available. DAC directed the management to produce record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **19.5.2 Embezzlement of funds on M&R works – Rs.3,527.214 million**

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

During audit on the accounts of Executive Engineer, Right Bank Out Fall Drain Project Division No-III, Thatta for the financial year 2018-2019, it was observed that an amount of Rs.3,527.214 million was paid to various contractors on account of maintenance and repair work against flood damages/flood emergency, but it was observed that original work was still in progress. Therefore, the expenditure on

maintenance and repair work carried out by the department during currency of original works was doubtful on the following grounds.

- i. There was no provision in PC-I for repair work against flood damages.
- ii. The consultant did not authenticate the payments.
- iii. The project supervisory and monitoring team (PSMT) of Army Engineers 5 Corps did not vet the works and payments.
- iv. There were no floods during the period for which the repair works were claimed to be carried out and the funds were drawn.

Audit is of the view that withdrawal of funds against the alleged M&R works without provision in PC-I, verification and approval of competent forums, during the execution period of original works amounts to embezzlement of government funds.

The matter was reported to the management in September 2019. In DAC meeting held on 29-01-2021 management did not reply to the para. DAC showed serious displeasure for non-submission of reply and directed to issue explanation to Project Director RBOD and directed to furnish reply and record for verification, furthermore management informed that the matter is already with the NAB for investigation. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#02)

### **19.5.3 Doubtful payment over the rehabilitation of flood work – Rs.665.600 million**

Appendix 18-A of Sindh Financial Rule Vol-I, every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.

During audit on the accounts of Executive Engineer, Right Bank Out Fall Drain Project Division No-III, Thatta for the financial year 2018-2019, it was observed that the payment of Rs.665.600 million was made to various contractors but the following documents were found stolen allegedly by the then Executive Engineer as pointed out in the letter No. A-I/2-3(99)2007/721 dated 16-08-2019 by the Secretary Irrigation, Government of Sindh.



- i. Details estimates.
- ii. Sanctioned estimates.
- iii. Tender
- iv. Bidding documents
- v. Comparative Statements
- vi. Measurement Books
- vii. Verification Reports/ Flood Reports
- viii. Payments Bills
- ix. Copies of cheques

In the absence of relevant documents expenditure incurred by the department can not be authenticated and chances of fraudulent payments in the stated scenario can not be ruled out.

The matter was reported to the management in September 2019. In DAC meeting held on 29-01-2021, management did not reply to the para. DAC showed serious displeasure for non-submission of reply and directed to issue explanation to Project Director RBOD and directed to furnish reply and record for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#25)

#### **19.5.4 Doubtful payment due to duplicate award of work – Rs.63.345 million**

According to Rule '1' Appendix 18-A of Sindh Financial Rule Vol-I, every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial year 2018-19, it was observed that the work "Engaging Hydraulic Excavator Machine with POL for de-silting work" was repeatedly awarded to various contractors amounting to Rs.63.345 million. Details of works are given as under;

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	Executive Engineer, Saifullah Magsi Branch Division, ShahdadKot	06, 08, 33 & 34	2018-19	43.619
2	Executive Engineer, Right Bank Out fall Drain Project Division-III, Thatta	15	2018-19	18.736
3	Executive Engineer, Sakro Division @ Mirpur Sakro (Irrigation), Thatta	09	2018-19	0.990
<b>Total</b>				<b>63.345</b>

Audit is of the view that possibility of embezzlement due to duplicate awarding of same work within same period can not be ruled out.

The matter was reported to the management during September & November 2019. In DAC meeting held on 29-01-2021, management informed that there is no duplication of work. DAC directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### 19.5.5 Doubtful and irregular payment of liability – Rs.35.694 million

As per Rule 134 of Sindh Budget Manual, “all charges must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the grants of another year”.

During audit on the accounts of Executive Engineer, Hala Irrigation Division, Hala @ Hyderabad for the financial year 2019-20, it was observed that the 08 years liabilities amounting to Rs.35.694 million were paid to M/S. Hassan & Hasnain Eng. & Construction Company from the current budget without approval of Finance Department. Details are given as under;

(Rs. in million)

Sr.#	W/O # & date	Cheque # & date	Date of measurement	Amount
01	1408/22-5-12	3650523/9-3-20	1-6-2012	7.995
02	1349/18-5-12	3650524/9-3-20 Rs21.55 (M)	27-5-2012	8.372
03	842/24-4-12	-do-	14-4-2012	9.955
04	843/24-3-12	-do-	25-3-2012	3.009
05	1379/21-5-12	-do-	25-5-2012	1.513
06	726/13-7-12	3650534/10-3-20	14-4-2012	2.227
07	499/21-2-12	3650536/10-3-20	15-3-2012	2.622
<b>Total</b>				<b>35.694</b>

The matter was reported to the management in November 2020. In DAC meeting held on 29-01-2021, management informed that expenditure is claimed with the concurrence of Finance Department after receipts of proper allocation of funds for subject scheme(s). DAC directed the management to produce details of payment of scheme(s) and concurrence of Finance Department to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#01)

### 19.5.6 Un-justified payment of “project allowance” to officers / officials - Rs.83.106 million

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

1. The appointment of full time Project Director was mandatory.
2. The program/project was required to process and approved through competent forum i.e. Planning & Development Department, Government of Sindh.
3. The officers posted on deputation would be entitled to deputation allowance @ 20% subject to maximum of Rs.6,000 per month or revised time to time.

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial years 2016-17 to 2018-19, it was observed that payment amounting to Rs.83.106 million was paid to various officers / official of local office on account of Project Allowance without any justification and legal entitlement.

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	Project Director, Sindh Water Sector Improvement Program, Hyderabad (FAP)	4.2.1	2018-19	42.772
2	Executive Engineer, RBOD-Division-I, Sann, Jamshoro	13	2018-19	16.310
3	Executive Engineer, RBOD-Division-II, Hyderabad @ Jamshoro	19	2018-19	16.251
4	MD, SIDA Hyderabad	6	2017-18	6.033
5	Project Director, Sindh Barrages Improvement Project (FAP)	4.2.4	2016-17	1.740
<b>Total</b>				<b>83.106</b>

The matter was reported to the management during November 2017 to June 2020. In DAC meeting held on 29-01-2021, management informed that project allowance is paid to the officers / officials as per entitlement. DAC directed the management to produce entitlement document alongwith record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **19.5.7 Un-authorized payment of inadmissible allowances – Rs.2.808 million**

As per Government of Sindh S& GAD Notification No. PA-DS (G)/41133/76 dated: 27-07-77 and No. SO (INSP) S& GAD VI (3) /79 dated: 20-07-1979, “the conveyance allowance is an allowance paid to employees to enable them to reach the office. The conveyance allowance is not required to be paid to those officers, who have been provided with government transport facilities and / or have gone on vacations.

During audit on the accounts of various offices of Irrigation Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that various allowances amounting to Rs.2.808 million were paid to the various officers/officials whereas same were inadmissible, due to which government sustained a loss. The details are given at **Annex-2** of Chapter-19.

The matter was reported to the department during October 2019 & September 2020. In DAC meeting held on 29-01-2021, management informed that allowances are paid to the officers / officials as per entitlement. DAC directed the management to produce entitlement document alongwith record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **19.5.8 Unauthorized excess payment of premium – Rs.991.697 million**

According to SPPRA works guideline 11.3.3, in case tenders are invited on the items of composite schedule of rates, where contractor has to quote the premium on schedule B, then its premium shall not to excess Engineer’s estimate by 20%. If the premium quoted by the bidder is not within allowable limit of 20% then approval may be obtained from the Finance Department or the tender be floated afresh.

During audit on the accounts of various offices of Irrigation Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that premium was allowed in excess of permissible limit upto 64.30% resulting in excess payment of Rs.991.697 million. The details are given at **Annex-3** of Chapter-19.

The matter was reported to the management in October 2019 to November 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **19.5.9 Irregular execution of earth works – Rs.888.181 million**

Earth works are to be carried out through Mechanical Divisions as per Finance Department Circular No. B-IV -8/131/85 dated 9th April, 1987 read with circular # DA/FD/ID-EX/10/87/698 dated 27-04-1998.

During audit on the accounts of various offices of Irrigation Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.888.181 million was paid to various contractors for earth work, engaging hydraulic excavators / heavy machinery at various sites without obtaining NOC from the concerned Mechanical Division of Irrigation Department. The details are given at **Annex-4** of Chapter-19.

Audit is of the view that earth works carried out through private contractors in violation of government instruction were irregular.

The matter was reported to the management in October 2019 to June 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **19.5.10 Irregular allowing excess rate against scheduled approved rates – Rs.730.915 million**

According to Rule ‘1’ Appendix 18-A of Sindh Financial Rule Vol-I, every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that

he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.

During audit on the accounts of various offices of Irrigation Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an excess payment of Rs.730.915 million was made by allowing higher rate against approved rate in estimates in violation of rules. The details are given at **Annex-5** of Chapter-19.

Audit is of the view that government sustained loss due to allowing of excess rate which indicate prevalence of poor financial management practices within the department.

The matter was reported to the management during November 2019 to November 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **19.5.11 Non-recovery of various taxes at applicable taxes – Rs.693.604 million**

According to Para 153 (1)(a),(b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/ contractors w-e-f 01-07-2015.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%.

According to Rule 2 (2) of S.R.O. 660(I)/2007 dated 30th June, 2007 issued by FBR, a withholding agent shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by the registered suppliers and make payment of the balance amount to him.

According to Para 22-A of Stamp Act, 1899. “It was the duty of the competent authority to recover the stamp duty and affix the same, while executed of agreement at the rate 0.35 paisa per hundred rupees of the value of the agreement or against tender cost”. Read with Para 2(2-A) of Stamp Act 2009 the stamp duty 35 paisa per hundred may got recovered and affixed on the agreement.

During audit on the accounts of various offices of Irrigation Department, Government of Sindh, for the financial years 2015-16 to 2019-20, it was observed that various taxes (i.e., Income Tax, Sindh Sales Tax on Services, Professional Tax and Tamp Duty) amounting to Rs.693.604 million were not recovered at applicable rates from the contractors. The details are given at **Annex-6** of Chapter-19.

The matter was reported to the management in November 2019 to November 2020. DAC in its meeting held on 29-01-2021, directed the management to effect the recovery and to get verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

### **19.5.12 Irregular execution of extra items of works – Rs.623.297 million**

As per Para 711 of P.W.D Manual Volume-II appendix-8, the estimate of extra item is required to be sanctioned by the competent authority, who have sanctioned the main estimate of the work.

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial year 2018-19, it was observed that an expenditure of Rs.623.297 million was incurred on extra items of works without sanction of competent authority. The management did not exercise due care while preparing original estimates resulting in undue benefit to contractors by allowing execution of extra items of works.

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Amount</b>
1	XEN, Gudu Barrage Division Kashmore	14	2018-19	620.695
2	XEN, BS Feeder Division Kashmore	05	2018-19	2.004
3	XEN, Water Carrier Works Division, Mirpurkhas	03	2018-19	0.598
<b>Total</b>				<b>623.297</b>

The matter was reported to the management during May & June 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### 19.5.13 Irregular expenditure on execution of excess quantity of item of work – Rs.303.431 million

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

During audit on the accounts of following offices of Irrigation Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.303.431 million was incurred on account of execution of excess quantity of item of work more than 30% of admissible limit.

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	As per estimate	As per bill	Excess amount	%
1	XEN, Drainage Division, Shikarpur	03	2019-20	30.314	305.314	274.773	906.422
2	PD, Sindh Water Sector Improvement Project (WSIP), Hyderabad	4.4.1	2019-20	44.126	60.621	16.495	37
3	XEN, Drainage Division, Sanghar	09	2018-19	17.229	21.464	4.235	24.580
4	XEN, Tube Well Division-II, Hala	05	2019-20	1.540	4.275	2.735	177
5	PD, Sindh Barrage Improvement Program, Karachi	4.4.4	2018-19	2.065	4.891	2.825	136.84
6	XEN, BS Feeder Division Kashmore	15	2018-19	18.441	18.384	1.398	37.5
7	XEN, Dad Division, Shaheed Benazirabad	09	2019-20	2.659	3.628	0.970	36.47
<b>Total</b>						<b>303.431</b>	

Audit is of the view that expenditure on excess items of works without justification and without sanction of competent authority is irregular.

The matter was reported to the management during September 2019 to November 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### 19.5.14 Non-invitation of open tender – Rs.847.460 million

As per Rule 17 of Sindh Public Procurement Rules, 2010, Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules.



During audit on the accounts of various offices of Irrigation Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.546.711 million was incurred on construction work, Maintenance & Repair and supplies without inviting open tenders. Similarly, an expenditure of Rs.300.950 million was incurred on works awarded to various contractors by way of splitting up sanction orders to avoid sanction of higher authority and open tenders. The details are given at **Annex-7** of Chapter-19

The matter was reported to the management during October 2019 to November 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **19.5.15 Irregular award of work – Rs.293.199 million**

As per Para-532 of Public Works Department Manual Vol-I, “A revised estimate must be submitted when a sanctioned estimate is likely to be exceeded by more than 5 per cent”. As per Rule-88 of Sindh Financial Rules, Volume-I “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”. Further as per Para 11 of the GFR volume-I “Each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations both by his own office and by subordinate disbursing officers”.

During audit on the accounts of Executive Engineer, Kandhkot Division Kashmore for the financial year 2018-19, it was observed that an expenditure of Rs.293.199 million was incurred upto June 2019 against ADP Scheme “Flood Protection Bund around Kashmore Cant: Mile 0/0 to 5/5+300 (Total 30,000 ft)”. The work of the scheme was awarded to the contractor in which following observation was noted.

- i. Initially the work of Rs.84.714 million was awarded dated:03-08-2016 to contractor M/s Abdul Qayum Mazari against flood protection bund around Kashmore cant: mile 0/0 to 5/5+3 (Total 30,000 ft).
- ii. Two new works (Stone Pitching and Metaled Road) were proposed in the said scheme and estimate of the scheme was revised for Rs.302.101 million which was 257 % more of the original PC-I

- iii. Instead of floating fresh tender the same contractor was allowed to execute work on previous terms and condition of the contract agreement and work order for Rs.299.039 million was awarded on 13-03-2017.
- iv. Stamp duty of Rs.0.750 million against the differential amount of Rs.214.324 million was not obtained.

The irregularity was reported in November 2019. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#12)

#### **19.5.16 Loss due to allowing higher exchange rate – Rs.110.575 million**

As per clause 2.32 of the Bidding Document being part of the Procurement Guideline Under IBRD Loan and IDA Credit, the Payment of the contract price shall be made in the currency or currencies in which the bid price is expressed in the bid of the successful bidder and; As per clause 2.33, When the bid price is required to be stated in the local currency but the bidder has requested payment in foreign currencies expressed as a percentage of the bid price, the exchange rates to be used for purposes of payments shall be those specified by the bidder in the bid, so as to ensure that the value of the foreign currency portions of the bid is maintained without any loss or gain.

During audit on the accounts of Project Director, Sindh Barrage Improvement Program (SBIP) for the year 2018-19, it was observed that payment of Rs462.559 million was made to the contractor against the 30% IDA share of gross IPC in foreign currency against the bill amount of Rs351.984 million 30% share due in Pak Rupees. Due to this payment after conversion in foreign currency the government sustained loss of Rs.110.575 million by allowing enhanced exchange rate of USD ranging between Rs.124.30 to Rs.141.90 per dollar instead of agreed exchange rate of Rs.104.50 per dollar.

Audit is of the view that the government sustained loss due to non-adherence to the clauses of the bidding documents.

The matter was reported to the management in October 2019. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#4.2.3)

**19.5.17 Un-authorized payment of 4 time re-handling of earth work charges instead of four time extra additional lead on excavated earth – Rs.101.586 million**

Appendix 18-A of Sindh financial Rule Vol-I, every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.

During audit on the accounts of Executive Engineer, Right Bank Out Fall Drain Project Division No-III, Thatta for the financial year 2018-19, it was observed that an undue item of work i.e “4 time re-handling of earth work” instead of four time extra additional lead was allowed to the contractors. This resulted in an excess payment of Rs.101.586 million and caused loss to Government exchequer as detailed in the enclosed statement.

The matter was reported to the management in September 2019. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#12)

**19.5.18 Excess expenditure for same item of work on different rates – Rs.85.910 million**

Rule 221 of Central Public Works Account Code states that, “before signing the bills, sub-divisional officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically”.

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial year 2019-20, it was observed that various

works were awarded to same contractor, but same (14) item of works were executed on different rates. Thus, excess expenditure of Rs.85.910 million was incurred. The details are given at **Annex-8** of Chapter-19.

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	Amount
1	XEN, DAD Division, Shaheed Benazirabad	03	2019-20	60.967
2	XEN, Drainage Division, Shaheed Benazirabad	03	2019-20	24.943
<b>Total</b>				<b>85.910</b>

Audit is of the view that government sustained loss due to allowing higher rate for the same work.

The matter was reported to the management in October 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **19.5.19 Unauthorized payment in excess of actual work done– Rs.75.491 million**

Appendix 18-A of Sindh Financial Rule Vol-I, every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.

During audit on the accounts of Executive Engineer, Right Bank Out Fall Drain Project Division No-III, Thatta for the financial year 2018-19, it was observed that a payment of Rs.75.491 million was made to the contractor for the execution of items of work but the payment was made in excess from the actual recorded measurement of M.B No.312 Page-06 to 09. This resulted is excess payment of Rs.75.491 million made by the department and undue favor was extended to the contractor.

(Rs. in million)

Name of Work & details	Item of Work	Quantity paid as per bill	Qty as per M.B	Excess Quantity paid	Rate	Amount
NW/R3-10-A RD-648+500, M/S Atta Muhammad & Company, W/O # 554/ 05-11-14	Excavation in hard rock blasting	3365484	1564860	1800624	31,058 P-%0	55.924
	Re-handling of gravel work	3365484	1564860	1800624	10,867 P-%0	19.567
						<b>75.491</b>

The matter was reported to the management during September & October 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#38)**

### 19.5.20 Recovery of excess payment due to wrong calculation – Rs.29.467 million

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

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial year 2019-20, it was observed that payment of contractor was due Rs.0.108 million, but amount was paid Rs.29.575 million by calculation per cft instead of 100cft. Therefore, the payment of Rs.29.467 million was excess payment and undue to favor to contractor. Therefore, chance of misappropriation could not be ruled out.

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount due	Amount paid	Excess
1	XEN, Nara Project Division, Sanghar	01	2019-20	Payment @ CFT instead of 0/00cft	0.020	20.702	20.682
2	XEN, Hala Irrigation Division, Hala @ Hyderabad	04	2019-20	Payment of De-silting work @ CFT instead of P% CFT	0.088	8.873	8.785
<b>Total</b>					<b>0.108</b>	<b>29.575</b>	<b>29.467</b>

The matter was reported to the management during September & November 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **19.5.21 Irregular expenditure on repair of transformers & tube wells through private contractor – Rs.23.579 million**

As per 2.20 of SPPRA Procurement Regulation Works “in case of electrical works, the license from Electrical Inspector of Sindh is mandatory.”

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial years 2015-16 & 2018-19, it was observed that an expenditure of Rs.23.579 million was incurred on repair of transformers and tube wells through private contractors. Details of under mentioned abstract are attached.

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Amount</b>
1	XEN, Tubewell Division Ghotki	20	2018-19	14.149
2	XEN, Ranipur Tubewell Division Khairpur Mir's	18	2018-19	5.369
3	XEN, Tubewell Division No.II Hala	07	2018-19	4.051
<b>Total</b>				<b>23.579</b>

Following irregularities were noticed:

- (i) The repair of transformers was not done from workshop of SEPCO and NOC was also not obtained before execution of work through private contractors
- (ii) The work repair of transformers was executed from non-technical contractors, who did not possess certificate in respect of repair of electric articles.
- (iii) The repairs of transformers were carried out without sanctioned technical estimates.
- (iv) Tender was not invited in both cases.
- (v) The consumption account of the procured items and disposal of scrap items were not produced to audit in case of repair of tube wells.
- (vi) Neither scrap material was disposed off nor was the whereabouts of the same shown to audit.

The matter was reported to the management in February, May 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### 19.5.22 Unjustified procurement of vehicles through contractor instead of dealers – Rs.20.700 million

Appendix 18-A of Sindh financial Rule Vol-I, every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.

During audit on the accounts of Executive Engineer, Right Bank Out Fall Drain Project Division No-III, Thatta for the financial year 2018-19, it was observed that an expenditure of Rs.20.700 million was made for the purchase of vehicles from the contractor. Audit holds the objection that being propriety item, the vehicles should be purchased from the authorized dealers to mitigate the risks of purchasing tempered or smuggled vehicles as well as saving considerable amount of profit charged by the contractors for the purchase of vehicles.

(Rs. in million)

Sr. #	C.V. # & Date	Name of Contractor	Vehicle Name	Make	Model	Reg #	Qty	Amount
01.	H-14 / 15-10-18	M/S Al-Raee Construction Co. (Pvt) Ltd.	New Jeep Jiminy	Suzuki	2013	GSB-726	01	2.500
			Hilux VIGO (2494 CC)	Toyota	2014	GSB-724	01	4.000
M/S Pritam Das		Hilux VIGO (2494 CC)	Toyota	2014	GSB-723	01	4.000	
		New Jeep Jiminy	Suzuki	2013	GSB-726	01	2.600	
03.		M/S Hafiz Rab Nawaz	Hilux VIGO (2494 CC)	Toyota	2014	GSB-725	01	4.600
			New Jeep Jiminy	Suzuki	2013	GSB-728	01	3.000
<b>Total</b>								<b>20.700</b>

Audit also observed that inclusion of such a provision in the work estimate was deliberate on the part of the RBOD management to hide the assets procured so that in event of closure of project no one would be aware of the whereabouts of the procured vehicles.

The matter was reported to the management in September 2019. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#20)**

### **19.5.23 Excess payment in favour of 08 tube wells – Rs.18.476 million**

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

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial year 2019-20, it was observed that the contract was awarded for work “Providing & Fixing Mechanical & Electrical Parts for 32 Tube wells under two packages”, but the payment was made against 40 tubewells. Thus, an excess payment of work for 08 Tube wells amounting to Rs.18.476 million was made. Details are given as under;

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	Actual qty per package	Payment	Excess Tube Well	Rate	Excess
1	XEN, DAD Division, Shaheed Benazirabad	04	2019-20	12	16	04	2.7915	11.166
2	XEN, Drainage Division, Shaheed Benazirabad	05	2019-20	20	24	04	1.827	7.31
<b>Total</b>				<b>32</b>	<b>40</b>	<b>08</b>		<b>18.476</b>

The matter was reported to the management in October 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.



#### **19.5.24 Un-justified claiming excess working hours – Rs.8.013 million**

Appendix 18 A, Section XIV, Rule 40 B of Sindh Financial Rules Vol. I, states “Means should be devised to ensure that every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part”.

During audit on the accounts of Executive Engineer, Irrigation Drainage Division Tando Muhammad Khan for the financial year 2018-19, it was noticed that illogical and un-justified hours of working of tractor trolley and quantity executed were claimed in bills/ vouchers against the normal working of hours of engaging tractor trolley like 08 hours per day. Even if it is assumed that the tractor trolley was engaged for 24 hours continuously the hiring amount should not be more than Rs.3.723 million. It is astonishing to witness that the local office paid an amount of Rs.11.806 million for the work. Hence, a doubtful excess payment amounting to Rs.8.013 million was paid without justification and proper calculation.

Further the basic record of works like numbers of Tractor Trolley engaged, the estimates and approval of such works and the copies of MB’s were not attached with case file. In the absence of important basic record, the authenticity of working hours claimed could not be ascertained.

The matter was reported to the management in November 2019. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#12)**

#### **19.5.25 Irregular and unjustified payment of arrears for the year 2015 – Rs.6.226 million**

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

During audit on the accounts of Executive Engineer (Irrigation), Kandhkot Division Garhi Hassan Sarki, @ Barrage Colony Sukkur for the financial year 2018-19, it was observed that payment Rs.6.226 million was made to contractor account for abklani material procurement during the year 2015. The following issues were highlighted:

- i. Delivery was not produced
- ii. Approval of Finance Department for previous years payment was not available or was not produced to audit
- iii. Reason for non-payment upto 5 years being a release every year for M&R was not produced, neither justification in previous record for non-payment was produced, therefore chance of double payment could not be ruled out.
- iv. Complete detail of RDs under flood was not produced
- v. Manjhandari Stick Panjars should have been purchased through Forest Department unless an NOC was given by them to purchase locally. Any NOC from the Forest Department was not available on record.
- vi. Open tenders/quotations were not invited.
- vii. Instead of preparing the consolidated purchase plan, expenditure was incurred by splitting up the work orders.
- viii. Consumption account was not maintained.

The matter was reported to the management in May 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#02)

#### **19.5.26 Irregular payment through DDO account – Rs.102.21 million**

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

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.102.21 million was transferred in DDO account instead of direct

payment to payee's account. Thus, the authentication of expenditure could not be checked.

(Rs. in million)

Sr. #	Name of formation	AIR Para #	Financial Year	Amount
1	XEN, Right Bank Out fall Drain Project Division-III, Thatta	5 & 35	2018-19	71.629
2	XEN, RBOD-Division-I, Sann, Jamshoro	15	2018-19	16.981
3	XEN, RBOD-Division-II, Hyderabad	21	2018-19	13.600
<b>Total</b>				<b>102.21</b>

The matter was reported to the management in May to September 2019 & November 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **19.5.27 Unjustified payment for jungle clearance to contractors – Rs.7,023.995 million**

According to para 1(E) of chapter 10 (Embankment Maintenance) Operation & Maintenance, Irrigation and Power Department, published in April 1993 “Any tree or brushwood growth on berms or on outer slopes should be removed by beldars. Sometime branches of trees or other trash are blown into the canals by wind storms. This debris can choke the bays of regulator or bridges and can result in damage. The beldars should use long-handled rakes or other tools to remove the debris as soon as possible”

During audit on the accounts of following offices of Irrigation Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.7,023.995 million was made against the repair work the item of “Removing Weed Growth/Pan Cutting from bed, berm, slopes & Banks i/c burring / jungle clearance” which was carried out through the contractors instead of beldars. Details are given as under;

(Rs in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
1	XEN, Gudu Barrage Division, Kashmore	01	2018-19	7,018.300
2	XEN, Chotiari Division Reservoir, Sanghar	09	2019-20	3.108
3	XEN, Drainage Division, Tando Muhammad Khan	03	2019-20	2.587
<b>Total</b>				<b>7,023.995</b>

Audit is of the opinion that works were required to be carried through beldars and huge payment of the same to contractors was unjustified which caused loss to the government exchequer.

The matter was reported to the management in September 2019, November 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **19.5.28 Non-crediting of government revenue – Rs.863.102 million**

According to Rule 41(a) of Sindh Financial Rules, Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury. Read with Para 399 (iii) of CPWA Code, ‘‘the unclaimed balance of Public Works Deposits for more than three complete account years should be credited to Government as lapsed deposit,’’

As per Rule-26 of General Financial Rule Volume-I, ‘‘It is duly controlling to see that all sums due to Government are regularity and promptly assessed, realized and credit in public account.’’

During audit on the accounts of various offices of Irrigation Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.863.102 million was realized on account of Government revenue, taxes and deposits but the same was not deposited into the government treasury. The details are given at **Annex-9** of Chapter-19

This resulted in undue retention of government money by the offices concerned.

The matter was reported to the management in November 2019 to June 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **19.5.29 Non-adjustment of advances –Rs.350.319 million**

According to Para-668 of Federal Treasury Rules, advances granted under special orders of the competent authority to officers/officials for Departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary.

During audit on the accounts of various offices of Irrigation Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an advance of Rs.350.319 million was made to various contractors/organizations for various works. However, subsequent adjustment accounts were not obtained. The details are given at **Annex-12** of Chapter-19.

The matter was reported to the management during May to December 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **19.5.30 Non-recovery of Misc: PW advances – Rs.210.244 million**

As per para 360 of Central Publics Works Accounts Code, “Items in the Miscellaneous PW Advances account are cleared either by actual recovery or by transfer, under proper sanction or authority, to some other head of account. Items or balances which may become irrecoverable should not be so transferred until ordered to be written off”.

During audit on the accounts of following offices of Irrigation Department, Government of Sindh for the financial year 2018-19, it was observed that Misc PW advances of Rs.210.244 million was outstanding and no sincere efforts for recovery under Part-III of Misc PW advances was made. This resulted into non-recovery of Misc PW advances of Rs.293.069 million.

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	Amount
1	XEN, Lower Sindh Mechanical Division Jamshoro	08	2018-19	164.971
2	XEN, Mechanical Division Guddu Barrage, Sukkur	03	2018-19	30.243
3	XEN, Mechanical Division Guddu Barrage, Sukkur	06	2018-19	14.211
4	XEN, West Division, Khairpur	06	2018-19	0.693
5	XEN, East Division, Khairpur	05	2018-19	0.126
<b>Total</b>				<b>210.244</b>

The matter was reported to the management in October 2019 to May 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

#### **19.5.31 Variation of expenditure incurred between Form-64 & SAP Data de-silting programme – Rs.33.081 million**

According to Para 34 (d) of Sindh Financial Rules Vol-I, the Head of office should compare the payment made into Treasury of the Bank with the treasury office or the bank receipt on the challan or his pass book with the entry in the cash book before attesting it and satisfy himself that the amount has actually been credited into Government Treasury.

During audit on the accounts of Executive Engineer, Johi Division Dadu for the financial year 2018-19, it was observed that expenditure Rs.42.831 million incurred on de-silting work. Following observations were noticed:

- i. As per SAP and form-64 expenditure incurred on de-silting was Rs.42.831 while as per de-silting programme expenditure was Rs.9.750 million. Thus, difference of Rs.33.081 million needs to be clarified.
- ii. Length of programme was mentioned in mile while the achievement length was given in RD this complexity needs to be clarified.

(Rs. in million)

Name of the payee	Doc #	Cheque #	Doc date	Amount
M/S Daniyal Photocopy & Photostate	1900490054	3457533	5/6/2019	0.196
M/S Ghulam Shabir Birmani	1900595882	3459213	6/18/2019	0.194
M/S Ghulam Shabir Birmani	1900595920	3459213	6/18/2019	0.189
M/S Muhammad Uris Memon	5100099399	3295660	12/14/2018	0.868
M/S Ghulam Shabir Birmani	5100099400	3295661	12/14/2018	0.987
M/S Ghulam Shabir Birmani	5100099402	3295662	12/14/2018	0.693

(Rs. in million)

Name of the payee	Doc #	Cheque #	Doc date	Amount
M/S Deedar Ali Memon	5100099731	3295809	12/19/2018	0.690
M/S Aamir Channa	5100106909	3374035	4/12/2019	1.494
M/S Muhammad Uris Memon	5100106910	3374031	4/12/2019	1.472
M/S Ghulam Shabir Birmani	5100106913	3374033	4/12/2019	1.683
M/S Deedar Ali Memon	5100106914	3374032	4/12/2019	1.476
M/S Eid Mohammad Brohi & Co	5100109163	3374992	5/13/2019	17.000
M/S Eid Mohammad Brohi & Co	5100109853	3458018	5/22/2019	4.134
M/S Eid Mohammad Brohi & Co	5100110553	3458351	5/30/2019	7.670
Mechanical Eng:Rbm Div: Larkana	5100111283	3458589	6/11/2019	4.085
<b>Total</b>				<b>42.831</b>

The matter was reported to the management in June 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#06)**

### **19.5.32 Variation in figures of Letter of acceptance and Letter of award – Rs.15.745 million**

As per rule ‘1’ Appendix 18-A of Sindh Financial Rules, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit on the accounts of Executive Engineer, Treatment Division Mirpurkhas @ Hyderabad, it was observed that a variation of Rs.15.745 million was observed variation in letter of acceptance vide letter dated 02.3.2017 @ Rs.1,159.600 million and cost mentioned letter of award vide letter dated 05.06.2017 which was Rs.1,171.345 million. The details are as under:

(Rs. in million)

Name of work	Name of contractors	Cost of bid accepted	Cost of work awarded	Difference / Excess
Supplying and installation of HFO@ Nabisar for pre-treatment system	M/s Thadani Enterprise	1,159.600	1,171.345	<b>15.745</b>

Audit is of the view that variation required clarification as loss was sustained by the government.

The matter was reported to the management in June 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#04)**

### **19.5.33 Unauthorized refund of unclaimed security deposit - Rs4.282 million**

According to the Para-399 (III) Central Publics Works Accounts Code states that “balances unclaimed for more than three complete accounts years should be credited to government as lapsed deposit”.

During the scrutiny of record of Executive Engineer Drainage Division, Larkana for the year 2019-20, it was observed that unclaimed security deposit of Rs4.282 million was refunded to contractor after lapse of three years in violation of rules. Details are given as under;

Sr.#	CV# &dt	WO# & date	Contractor	Name of Work	Work completion date	Amount of security
1	115/ 27.08.19	../..	M/S Mumtaz & Company	Rehabilitation of Ghaibdero channel from RD-5 to 11 & allied structure works	23.12.15	3,457,131
2	06/ 23.08.19	../...	M/S Madni Engineering Const: Co	Rehabilitation of Naudero pumping station & Generator Room	21.09.15	825,779
<b>Total</b>						<b>4,282,910</b>



Audit is of the view that the government sustained loss due to release of security deposit after lapse of three years

The matter was reported to the management in November 2020. DAC in its meeting held on 29-01-2021, directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR # 05)**

**CHAPTER – 20**  
**LABOUR & HUMAN RESOURCES DEPARTMENT**

**20.1 Introduction**

The Labour & Human Resources Department consists of following attached departments:

- i. Labour Department headed by Secretary Labour,
- ii. Labour Appellate Tribunal headed by Chairman,
- iii. Minimum Wages Board headed by Chairman,
- iv. Manpower & Training Department headed by Director,
- v. Sindh Employees Social Security Institutions headed by Commissioner,
- vi. Inspectorate of Mines headed by Chief Inspector

The main role of the Department is:

1. All matters relating to labour in general, including
  - a. Welfare and conditions of labour (including mine labour)
  - b. Labour Laws;
  - c. Labour Courts; and
  - d. Social Security.
2. Employment Exchanges (Provincial Liabilities only),
3. Minimum Wages Board,
4. Rehabilitation and employment of demobilized personnel.

(Rs. in million)

<b>Sr No.</b>	<b>Description</b>	<b>Total Nos</b>	<b>Audited</b>	<b>Expenditure audited FY 2019-20</b>	<b>Revenue / Receipts audited FY 2019-20</b>
1	Formations	2	2	3,271.82	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

## 20.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/(Savings)
944.414	-	166.998	(166.998)	(137.034)	807.380	664.069	(143.311)

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs143.311 million was observed, which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
11.200	3.562	1.677	(1.885)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs1.885 million was observed. Revenue estimate were reduced upto 68% in revised estimate. Actual receipts were only 47% of revised estimate.

## 20.3 Classified Summary of Audit Observations

Audit observations amounting to Rs436.293 million were raised as a result of this audit. This amount also includes recoverables of Rs110.476 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	265.284
B	<i>Procurement related irregularities</i>	171.009
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	-

## 20.4 Comments on the Status of Compliance with PAC Directives

The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance
1	1992-93	0	0	0	0	-
2	1998-99	0	0	0	0	-
3	1999-2000	6	0	0	0	-
4	2001-02*	0	0	0	0	-
5	2004-05*	0	0	0	0	-
6	2005-06	0	0	0	0	-
7	2006-07	2	1	0	1	-
8	2007-08	0	0	0	0	-
9	2008-09	0	0	0	0	-
10	2009-10	0	0	0	0	-
11	2010-11	0	0	0	0	Audit Report not yet discussed
12	2014-15	0	0	0	0	Audit Report not yet discussed -
13	2016-17	0	0	0	0	Audit Report not yet discussed
<b>Total</b>		<b>8</b>	<b>1</b>	<b>0</b>	<b>1</b>	<b>-</b>

Note: Audit Reports of the years 2002-03 and 2003-04 were not discussed in PAC.

## 20.5 Audit Paras

### 20.5.1 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 that "the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition". And "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 on the accounts of following offices of Labour Welfare and Human Resources Department, Government of Sindh for the financial years 2017-18 & 2019-20, the management did not produce the auditable record despite various reminders. Due to non-production, the record involving financial impact remained unaudited.

Sr. #	Name of office	Financial Year	AIR Para #	Particulars
1	Secretary, Workers Welfare Board Karachi	2019-20	01 & 10	Details of Loans raised/borrowed from the financial institution, grants/funds from Federal government, Local Government, Corporations, Investment securities, charity/donation receipts not provided

In absence of the relevant record, authenticity of expenditure could not be ascertained by audit.

The matter was pointed out to the department during September 2018 and December 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **20.5.2 Unauthorized payment on account of House Rent Allowance – Rs.183.136 million**

As per office Memorandum No:FD (SR-III)5/20-2008-18 of Finance Department Government of Sindh dated 9th July 2018 existing rate of house rate allowance ( i-e, 45% and 30% of the minimum basic pay scale 2008) was increased by 50% w.e.f 01-07-2018.

During audit on the accounts of Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2018-19 & 2019-20, it was observed that payment on account of house rent allowance amounting to Rs.183.136 million was allowed through salary of the employees working in SWWBS, Karachi on higher rates (equal to 50% of the salary) without approval of the Finance Department, Government of Sindh.

Audit is of the opinion that payment made in violation of the above memorandum without approval of the FD was unauthorized and irregular.

The matter was reported to the management during November 2019 & September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for allowing HRA at higher rates besides taking remedial measures.

**(AIR#02 & 05)**

### **20.5.3 Recovery of excess payment of allowances – Rs.80.220 million**

According to Finance Division (Regulation Wing) office memo No.F.3(1)-R.5/2010 dated 03-07-2017 the rates of conveyance allowance admissible to Civil Servants are under BPS-16 to BPS-19 Rs5,000 per month.

According to Notification of Finance Department Government of Sindh NO.FD(SRIII)5/22(Provl) Karachi dated 3rd September2009 Grant of orderly allowance to BPS 20 and above officers .”

During audit on the accounts of Secretary, Workers Welfare Board Sindh, Karachi for the financial years 2018-19 & 2019-20, it was observed that an amount of

Rs.80.220 million was paid in excess under the head conveyance allowance @ Rs.8,000 per month to employees in BPS 16 and above without approval of Finance Department.

(Rs. in million)

Sr. #	Name of office	Description	AIR Para #	No of employees	Amount
1	Secretary, Workers Welfare Board Sindh, Karachi	Conveyance Allowance	02 20	Employees (BPS-16-19) for the year 2018-19	4.356
				Employees for the year 2019-20	75.864
<b>Total</b>					<b>80.240</b>

Audit is of the view that government sustained financial loss due to unauthorized payments on account of conveyance allowance.

The matter was pointed out to the management during September & October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of excess amount besides taking remedial measures.

#### **20.5.4 Unauthorized payment of inadmissible allowances – Rs.1.928 million**

According to Subject-8 of Government of Sindh, Finance Department notification No.FD(SR-IV)1(12)/77 dated 13.5.1977, Similarly Government of Sindh S&GAD Notification No.PA-DS(G)/51133/76 dated 27.7.1977 and S.O.(INSP) S&GAD/VI(s)/79 dated 29.7.1979, the conveyance allowance is an allowance paid to employees to enable them to reach the office.

As per Para 6 (i) (a) mentioned in office memorandum of Government of Sindh Finance Department No. FD(SR-I) I I(32)201 1-15 dated 22" July 2016, " Adhoc Relief Allowance 2013 @ 15% of the basic pay of basic pay scales 2011 to the employees in BPS-I to 15 and 10% of the basic pay of Basic Pay Scales 2011 to the employees in BPS-I6 and above allowed vide Office Memorandum No. FD(SR-1)1(32)2008-II, dated 22<sup>nd</sup> July 2013 with effect from 01-07-2013 shall cease to exist with effect from UI-07-2016. However, the Adhoc Relief Allowance 2013 @ 5% of

the basic pay of Basic Pay 2011 shall continue to stand frozen at the level of its admissibility/ drawn as on 30.06.2016 to the existing employees in BPS-1 to 15.

During audit on the accounts of following offices of Labour and Human Resources Department, Government of Sindh for the financial years 2017-18 & 2019-20, it was observed that an amount of Rs.1.928 million was paid to the officers & staff on account of inadmissible allowances. The details are given as under:

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Secretary, Workers Welfare Board Sindh, Karachi	2019-20	05	Conveyance allowance	1.440
2	Mines Labour Welfare Commissioner Karachi	2018-19	07	Adhoc relief allowance 2010-11 & 12	0.371
3	Director Workers Education Karachi	2018-19	2	Adhoc relief allowance 2014 & 15	0.064
4	Mines Labour Welfare Hospital Karachi	2018-19	10	Adhoc relief allowance 2014 & 15	0.053
<b>Total</b>					<b>1.928</b>

Audit is of the view that payment of inadmissible allowances reflects prevalence of weak administrative and financial management practices within the department.

The matter was pointed out to the management during February & September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of inadmissible allowances, besides taking remedial measures.

### **20.5.5 Non-adjustment of advances – Rs.111.000 million**

Para 668 of Central Treasury Rules, “Advances granted under special orders of competent authority to government officers for departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned



subject to adjustment by submission of detailed accounts supported by vouchers or by refund, as may be necessary”.

During audit on the accounts of Secretary, Workers Welfare Board Sindh, Karachi for the financial year 2019-20, it was observed that advances of Rs.111.000 million were granted for House Building Advance, Motor Car Advances, Motorcycle Advance but the monthly deductions during the financial year 2019-20 were not made.

(Rs. in million)

Name of Office	Head of Account	Advance Granted	Adjustment	Un-adjusted Amount
Main Office	House Building advance	30.000	Nil	30.000
	Motor Car advance	6.000	Nil	6.000
	Motorcycle advance	4.000	Nil	4.000
Education Section	House Building advance	62.800	Nil	62.800
	Motor Car advance	6.000	Nil	6.000
	Motorcycle advance	2.200	Nil	2.200
<b>Total</b>		<b>111.000</b>		<b>111.000</b>

Audit is of view that due to non-deduction of monthly installments government sustained loss.

The matter was pointed out to the management in September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of advances besides taking remedial measures.

**(AIR#07)**

#### **20.5.6 Short deposit of government receipts – Rs.29.753 million**

According to Rule-5.3 of General Financial Rules read with Rule-7 of Treasury Rules regarding revenues and other receipts of the Government, "it is the primary duty of the officers concerned to see that dues of Government correctly and promptly assessed, quickly realized and immediately deposited into Government treasury". According to Rule-77 (V) of Central Treasury Rules Volume-I, read with the order of Finance Department No. FD-510 (FD) 759/59 dated 05/12/59 it was the responsibility of the Drawing & Disbursing officer, to obtain a consolidated list of all cheques, issued by the A.G. Sindh / DAO (Payment for each month) in order to verify the correctness

of the amount drawn from Bank and posting of each transaction of cheques made in the Government Cash Book, and also to ensure that all such cheques were not omitted and have been properly recorded, in Cash Book.

During audit on the accounts of Commissioner, Mines Labour Welfare, Karachi for the financial year 2018-19, it was observed that the formation collected an amount of Rs353.965 million on account of excise duty @ Rs.5 per ton and deposited only Rs.324.212 million. Thus an amount of Rs29.753 million was less deposited.

Audit is of the view that short deposit of government receipt indicates prevalence of internal controls and complete absence of reconciliation practice.

The matter was reported to the management in February 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides expeditious deposit of the amount due.

**(AIR #04 & 01)**

### **20.5.7 Non deduction of stamp duty from various contractors – Rs.23.731 million**

According to Sub: 22-A of Stamp Act, it is the duty of the Competent Authority to recover the Stamp Duty and affix the same, while execution of agreement @ 0.30 (Currently 0.35) paisa per hundred rupees of the value of the agreement or against tender cost.

During audit on the accounts of Secretary, Workers Welfare Board Sindh, Karachi for the financial year 2018-19, it was observed that contract amounting to Rs.6,780.338 million was awarded to various contractors but Stamp Duty @ 0.35%, was not deducted. Hence, due to non-deduction of stamp duty Government sustained loss of Rs.23.731 million. Details are given as under;

(Rs. in million)		
<b>Sr. #</b>	<b>Name of Contractor</b>	<b>Amount</b>
1	Construction of workers Colony (3008) Flats at Karachi	3531.019
2	Construction of workers Colony (1504) Flats at Hyderabad	1453.937
3	Construction of workers Colony (512) Flats at Kotri	563.228

(Rs. in million)

<b>Sr. #</b>	<b>Name of Contractor</b>	<b>Amount</b>
4	Construction of workers Colony (192) Flats at Nooriabad	178.352
5	Construction of workers Colony (96) Flats at Larkana	90.902
6	Construction of workers Colony (256) Flats at Tando M. Khan	962.90
<b>Total</b>		<b>6,780.338</b>
<b>0.35% Stamp duty</b>		<b>23.731</b>

Audit is of view that due to non-deduction stamp duty government was deprived of its revenue.

The matter was pointed out to the department in November 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of matter besides recovery of stamp duty from the contractors.

(AIR#09)

#### **20.5.8 Non-recovery of dues from residents of labor colonies – Rs.6.525 million**

As per Rule-23 of General Financial Rules Volume-I “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”

During audit on the accounts of Secretary, Workers Welfare Board Sindh, Karachi for the financial year 2019-20, it was noticed that management of the entity had failed to collect complete / dues from residents of flats/ houses at Labor Colonies of Landhi & Korangi Karachi, due to this government had sustained loss amounting to Rs.6.525 million

(Rs. in million)

<b>Sr. #</b>	<b>Description</b>	<b>Due</b>	<b>Collected</b>	<b>Outstanding</b>
1	Labour square Landhi Karachi (600 flats)	5.400	0.468	4.932
2	New Labour Square Site Korangi Karachi (352 Flats)	1.871	0.272	1.593
<b>Total</b>				<b>6.525</b>

Audit is view of that due to negligence of management government had sustained heavy loss.

The matter was pointed out to the management in September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of dues from residents of colony, besides taking remedial measures.

**(AIR#03)**

## CHAPTER – 21 LAW, PARLIAMENTARY AFFAIRS DEPARTMENT

### 21.1 Introduction

The Law Department is an advisory department for all the Departments of Government of Sindh. The main functions of the Law Department are to defend Government functionaries of the Province of Sindh in the cases filed for and against them before the Lower as well as Superior Courts.

Ministry of Law is the oldest limb of the Government of Pakistan dating back to 1833 when the Charter Act 1833 enacted by the British Parliament. The said Act vested for the first time legislative power in a single authority, namely the Governor General in Council. By virtue of this authority and the authority vested under him under section 22 of the Pakistan Councils Act 1861 the Governor General in Council enacted laws for the country from 1834 to 1920.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	6	3	1,195.649	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

### 21.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
15,555.000	562.631	4,914.095	(4,914.095)	(1,093.021)	15,024.610	13,850.243	(1,174.367)

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs1,174.367 million was observed, which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
308.000	276.800	249.688	(27.112)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs27.112 million was observed. Revenue estimate were reduced upto 10% in revised estimate. Actual receipts were only 90% of revised estimate.

### 21.3 Classified Summary of Audit Observations

Audit observations amounting to Rs88.358 million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	-
B	<i>Procurement related irregularities</i>	-
C	<i>Management of Accounts with Commercial Banks</i>	88.358
4	Value for money and service delivery issues	-
5	Others	-

### 21.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion on Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 11.1%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	1	1	1	0	100	
2	1998-99	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
3	1999-2000	10	4	0	4	-	
4	2001-02	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
5	2004-05	0	0	0	0	-	
6	2005-06	0	0	0	0	-	
7	2006-07	1	1	0	1	-	
8	2007-08	3	3	0	3	-	
9	2008-09	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
10	2009-10	0	0	0	0	-	
11	2010-11	0	0	0	0	-	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	0	-	
<b>Total</b>		<b>15</b>	<b>9</b>	<b>1</b>	<b>8</b>	<b>11.1</b>	

## **21.5 Audit Paras**

### **21.5.1 Non-production of auditable record**

Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that "The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition." And "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 on the accounts of Registrar, Sindh Labour Appellate Tribunal, Karachi, Law & Parliamentary Affairs Department, Government of Sindh, for the financial years up to 2018-19, the following record was not produced to audit;

- i. Cash book
- ii. Bank Statements
- iii. Paid vouchers/bills
- iv. Evidence of deposit of security in banks

The audit is of the view that in absence of provision of record, authenticity of expenditure could not be ascertained by audit.

The matter was reported to the management in February 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

**(AIR#23)**

### **21.5.2 Unauthorized retention of money in DDO account– Rs.36.997 million**

According to Rule-290 of Central Treasury Rules, Volume-I, "No money shall be drawn from the treasury unless it is not required for immediate disbursement. Further, it is not permissible to draw money from the treasury in anticipation of demand or to prevent lapses of budget grant".



During audit on the accounts of Secretary, Law & Parliamentary Affairs Karachi, Government of Sindh, for the financial year 2019-20, it was observed that an amount of Rs.36.997 million was retained by the DDO concerned in a DDO account. The unauthorized retention was made to avoid lapse of funds.

(Rs. in million)

Bank	Account No.	Account Title	Balance as on 30.06.2020
HBL	0606-7000120103	Sindh Judicial Academy	36.541
HBL	0606-79000276-01	Sindh Judicial Academy	0.456
<b>Total</b>			<b>36.997</b>

The audit is of the view that government was deprived of the funds in shape of non-surrendering in time. These funds could have been spent somewhere else for useful purposes.

The matter was reported to the management in October 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends immediate surrender of the funds along with profits earned thereof besides taking remedial measures.

**(AIR#02)**

### **21.5.3 Irregular payments through DDO account – Rs.49.672 million**

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

During audit on the accounts of following offices of Law & Parliamentary Affairs Department, Government of Sindh, for the financial years 2013-14 to 2019-20, it was observed that an expenditure of Rs.49.672 million were made through DDO

account instead of direct payment to the concerned payee in violation of prescribed procedure.

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
01	Solicitor Karachi	2018-19	02	11.597
02	Appellate Tribunal Sindh Revenue Board Karachi	2015-16 to 2018-19	02	11.092
			13	2.561
03	Criminal Prosecution Services, Karachi	2013-14 to 2018-19	05	8.536
			09	0.294
			11	0.224
04	Advocate General of Sindh, Karachi	2018-19	08	7.116
			05	1.068
		2019-20	06	1.026
05	Prosecutor General, C.P.S.D Karachi	2018-19 to 2019-20	05	2.476
			09	1.600
06	Registrar Appellate Tribunal Karachi	2018-19	04	0.803
			13	0.657
07	District Public Prosecutor, Malir Karachi	2018-19	02	0.300
08	District Public Prosecutor, west Karachi	2018-19	02	0.206
			04	0.061
			05	0.055
<b>Total</b>				<b>49.672</b>

Audit is of the view that due to making payment through DDO in violation of rules, possibility of non-transparent payment cannot be ruled out

The matter was reported to the management during February to April 2020, June 2020 & November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification for making payment through DDO besides taking remedial measures.

#### **21.5.4 Doubtful payments through open cheques – Rs.1.689 million**

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to Suppliers etc., which cannot be met from the permanent imprest may be endorsed for payment to the party concerned and the DDOs are suggested that in case of payments to the Suppliers may be issued through crossed cheques in the name of firms

concerned. This will avoid un-necessary delays and risk involved in the drawal and disbursement of cash”.

During audit on the accounts of Secretary, Law & Parliamentary Affairs Karachi, Government of Sindh, for the financial year 2019-20, it was observed that various payments amounting to Rs.1.689 million were made to various suppliers/persons by issuing open cheque instead of crossed cheque in violation of above rule.

Audit is of the view that due to withdrawal of cash from the government exchequers possibility of non-transparent payments can not be ruled out.

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation besides taking of remedial measures.

**(AIR#01)**

## CHAPTER – 22 LIVESTOCK AND FISHERIES DEPARTMENT

### 22.1 Introduction

The main role of the Livestock & Fisheries Department is:

1. Collection and compilation of Livestock statistics,
2. Improvement of the livestock including poultry and introduction of new breeds,
3. Livestock farms,
4. Prevention of animal diseases,
5. Prevention of cruelty to animals,
6. Veterinary,
7. Fisheries.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	15	06	538.484	-
2	Assignment Accounts (excluding FAP)	2	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	01	01	399.687	

### 22.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
8,732.014	0.000	1,056.179	(1,056.179)	(3,628.427)	5,103.587	5,047.652	(-) 55.935

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs55.935 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
56.000	76.024	13.766	(62.258)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs62.258 million was observed. Revenue estimate were increased upto 35.8% in revised estimate. Actual receipts were only 18% of revised estimate.

### 22.3 Classified Summary of Audit Observations

Audit observations amounting to Rs525.593 million were raised as a result of this audit. This amount also includes recoverables of Rs3.639 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	58.222
2	Reported cases of fraud, embezzlement and misappropriation	31.317
3	Irregularities	-
<i>A</i>	<i>HR/Employees related irregularities</i>	3.639
<i>B</i>	<i>Procurement related irregularities</i>	425.426
<i>C</i>	<i>Management of Accounts with Commercial Banks</i>	6.989
4	Value for money and service delivery issues	-
5	Others	-

### 22.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 5 %.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	20	1	0	1	-	
2	1998-99	11	4	0	4	-	
3	1999-2000	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
4	2001-02	0	0	0	0	-	
5	2004-05	6	6	2	4	33.3	
6	2005-06	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
7	2006-07	3	3	0	3	-	
8	2007-08	8	4	0	4	-	
9	2008-09	3	3	0	3	-	
10	2009-10	4	2	0	2		
11	2010-11	8	5	0	5		
12	2014-15	14	6	0	6	-	
13	2016-17	0	0	0	0		Audit report not yet discussed
<b>Total</b>		<b>77</b>	<b>39</b>	<b>2</b>	<b>32</b>	<b>5</b>	

## 22.5 Audit Paras

### 22.5.1 Non-production of auditable record – Rs.58.222 million

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of following offices of Livestock & Fisheries Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.58.222 million was incurred on account of various head of accounts. However, the record pertaining to the same expenditure was not produced for audit scrutiny.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Director, Poultry Production Sindh, Karachi	2018-19	01	Pay & Allowances	39.230
		2018-19	01	Contingent Vouchers under various heads	3.527
		2019-20	10	Cash book for the period of July 2019 to November 2020	0
2	Director, Fisheries Sindh (Inland) Hyderabad	2018-19	22	Record of plant & machinery, cost of other store, printing and others	8.116
3	Director, Central Veterinary Diagnostic Laboratory (CVDL), Tandojam	2018-19	1 & 2	Progress report, security / call deposit / revenue register and physical verification report	2.540
4	Deputy Director, Livestock, Tharparkar	2018-19	04	Cost of other store	2.400
5	DG, Livestock Sindh, Hyderabad	2018-19	11	Supporting vouchers	1.085
6	Director, Fisheries Sindh (Inland), Hyderabad	2018-19	20	POL vouchers	0.672
7	Additional Director, Poultry Production & Research, Hyderabad	2018-19	09	Supporting vouchers	0.652
8	Deputy Director, Livestock, Umerkot	2018-19	01	List of vehicles, bank statement, cash book etc	0
<b>Total</b>					<b>58.222</b>

Audit is of the view that due to non-provision of record, authenticity of expenditure could not be ascertained by audit, which constitutes weak administrative and financial management.

The non-production of record was reported to the management during November 2019 to September 2020. The management at Sr. # 4 stated that cost of other store is the part of medicines/vaccines which were purchased after completing all codal formalities and the vouchers are available which will be shown at the time of next audit. Reply of the management is not tenable as no supporting voucher was produced to audit. Reply from other offices are still awaited.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

#### **22.5.2 Doubtful expenditure on animal feed – Rs.20.000 million**

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

During audit on the accounts of Project Director, Vaccine Production Unit, Tandojam, Livestock & Fisheries Department, Government of Sindh, for the financial year 2018-19, it was observed that an expenditure of Rs.20.000 million was incurred on feeding of 96 animals. Audit worked out the expenditure incurred on each animal was Rs.0.208 million per year which was abnormally exorbitant.

<b>Sr #</b>	<b>List of animals</b>	<b>No. of Animal</b>
1	Buffalo	07
2	Cattle/ Cow	13
3	Sheep	45
4	Goat	30
5	Horse	01
<b>Total</b>		<b>96</b>



The audit is of the view that due to abnormally exorbitant expenditure on feeding of animals the government sustained huge financial loss.

The matter was reported to the management in March 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR#05)**

### **22.5.3 Irregular purchase of drugs without calling tender – Rs.11.317 million**

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit on the accounts of Director, Poultry Production Sindh, Karachi, Livestock & Fisheries Department, Government of Sindh, for the financial year 2018-19, it was observed that an amount of Rs.11.317 million was incurred for the procurement of drugs and medicines without calling open tender and delivery was doubtful on following grounds:

- i. Suspected supply of drugs and medicines as no documentary evidence (i.e. delivery challan) was attached with bills.
- ii. In most cases drugs and medicines were purchased through General order Suppliers instead of directly from manufacturer or their authorized distributors.
- iii. Original / verified “Notice for Invitation of tender” was not published.
- iv. Entries in stock register was not found.

Audit is of the view that authenticity of procurement cannot be ascertained in the stated scenario and purchases made in violation of rules were irregular.

The matter was reported to the department in November 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

(AIR#03)

#### 22.5.4 Unauthorized payment of inadmissible allowances – Rs.3.639 million

As per Para 6(i) (a) mentioned in office memorandum of Government of Sindh Finance Department No. FD(SR-I) I I(32)201 1-15 dated 22<sup>nd</sup> July 2016, " Adhoc Relief Allowance 2013 @ 15% of the basic pay of basic pay scales 2011 to the employees in BPS-I to 15 and 10% of the basic pay of Basic Pay Scales 2011 to the employees in BPS-I6 and above allowed vide Office Memorandum No. FD(SR-1)1(32)2008-II, dated 22<sup>nd</sup> July 2013 with effect from 01-07-2013 shall cease to exist with effect from UI-07-2016. However, the Adhoc Relief Allowance 2013 @ 5% of the basic pay of Basic Pay 2011 shall continue to stand frozen at the level of its admissibility/ drawn as on 30.06.2016 to the existing employees in BPS-1 to 15 who were in service on 30-06-2016.

During audit on the accounts of following offices of Livestock & Fisheries Department, Government of Sindh, Karachi, for the year financial years 2018-19 & 2019-20, it was observed an amount of Rs.3.639 million was paid to the officers & staff on account of inadmissible allowances.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Director, Poultry Production Sindh, Karachi	2018-19	07	Conveyance allowance	0.772
			04	House maintenance charges	0.215
			05 & 06	Conveyance & Orderly allowance	0.264
		2019-20	09	Adhoc allowance	0.270
2	Executive Director, Animal Husbandry Sindh, Hyderabad	2018-19	03	Conveyance allowance	0.420
			06 & 07	Orderly & Computer allowance	0.111
3	Deputy Director, Poultry Production, Karachi	2018-19 2019-20	04 & 10	Adhoc relief & Conveyance allowance	0.360

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
4	Deputy Director, Livestock Dadu	2018-19	01 & 02	Adhoc relief & House rent allowance	0.308
5	Deputy Director, Livestock, Umerkot	2018-19	03	Conveyance allowance	0.260
6	Director, Fisheries Sindh (Inland), Hyderabad	2018-19	03	Conveyance allowance	0.235
			02	Addl. Charge allowance	0.155
7	Deputy Director, Poultry Production, Dadu	2018-19	04	Adhoc relief allowance	0.169
8	Deputy Director, Livestock, Ghotki @ MirpurMathelo	2018-19	02	Conveyance & house rent allowance	0.100
<b>Total</b>					<b>3.639</b>

Audit is of the view that payment of inadmissible allowances caused loss to Government exchequer.

The matter was reported to the management during November 2019 to November 2020. The management at Sr. # 7 stated that Government of Sindh, Finance Department increase the Adhoc Relief Allowances every year and the same are mentioned in budget clearly. Reply of the management is not tenable as the same were discontinued on introduction/implementation of new pay scale. Reply from remaining offices are still awaited.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of inadmissible allowances besides taking remedial measures.

#### **22.5.5 Mis-procurement of various items – Rs.248.996 million**

As per rule-42(1) Sindh Public Procurement Rules,2010 read with Rule 2 (x) "All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents." and "Mis-procurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement."

During audit on the accounts of following offices Livestock and Fisheries Department, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that procurement amounting to Rs.248.996 million was made in violation of rules. Details are given as under;

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	PD Sindh Agriculture Growth Project (Livestock Component)	2019-20	4.3.1	International consultant firm was hired through direct contracting instead of open competition	192.018
			4.3.2	Vaccine was purchased through shopping method from general order supplier instead of direct from manufacturer or authorized dealer	9.894
2	Director, Poultry Production Sindh, Karachi	2018-19	02	Redressal committee was not constituted, bidding documents not provided, prices not compared with market price etc..	14.514
		2019-20	03	Purchase of drug from single bid basis without comparison market price	2.455
3	Director, Animal Breeding, Hyderabad	2019-20	03	Date of bid was not extended despite single bid	11.455
4	Addl. Director/Incharge, Government Farms, Karachi	2018-19	04	Evaluation criteria was not set&supply orders were split up ....	10.700
5	DD, Livestock Development Kacho @ Johi	2018-19	05	Single stage two envelop system was not adopted	4.840
			03	Award of work on single bid basis	0.791
6	DD, Livestock, Ghotki @ MirpurMathelo	2018-19	01	Bid evaluation report was not hoisted, committee was not constituted etc.	2.329
<b>Total</b>					<b>248.996</b>

Audit is of the view that lapse on the part of management indicates prevalence of financial discipline.

The matter was reported to the management during November 2019 to September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation besides taking remedial measures.

### **22.5.6 Excess expenditure on construction of chiller rooms – Rs.163.946 million**

Para-532 of Public Works Department Manual Volume-I states, “a revised estimate must be submitted when a sanctioned estimate is likely to be exceeded by more than 5% either from the rate being found insufficient or from any cause whatever”.

During audit on the accounts of Project Director, Sindh Agriculture Growth Project (Livestock Component), Hyderabad, for the financial year 2018-19, it was observed that as per PC-I provision the approved cost for chiller rooms construction was Rs.48.600 million but the expenditure incurred was Rs.212.546 million. Hence an amount of Rs.163.946 million was expended in excess of approved cost of the PC-I without revising the component cost in PC-I. Details are given as under;

(Rs. in million)

<b>Cheque # date</b>	<b>Name of work &amp; contractor</b>	<b>Expenditure</b>	<b>PC-I provision</b>	<b>Excess expenditure</b>
113053733-34 dt 4/2/2019	Construction of chiller rooms, M/S. Saeed Khan Construction Co.	212.546	48.600	<b>163.946</b>

The audit is of the view that expenditure incurred in excess of approved cost was unauthorized.

The matter was reported to the management in September 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter, besides taking remedial measures.

**(AIR#4.2.2)**

## 22.5.7 Non-imposition of penalty on delayed completion of work– Rs.12.484 million

According to Clause 7.4 of Conditions of Contract, if the contractor fails to complete the works within the time for completion, the contractor's only liability to the employer for such failure shall be to pay the amount stated in the Contract Data for each day for which he fails to complete the Works.

As per Clause of the Purchase order the contractor was bound to supply within specified period i.e. 90 days, late delivery charges @ 0.5% per delayed week would be charged.

During audit on the accounts of Project Director, Sindh Agriculture Growth Project (Livestock Component), Hyderabad for the financial year 2018-19, it was observed that works/supply orders were awarded to various contractors/suppliers, but the same were not completed within the stipulated period. Thus, penalty of Rs.12.484 million was required to be imposed upon the contractors.

(Rs. in million)

Name of work & details	AIR Para #	Stipulated date of completion	Actual date of delivery	Tender amount	10% penalty
Establishment of artificial instrumentation training centre, Tandojam, M/S. National Engineering Works	4.3.4	27-05-2018	10-01-2019	112.479	11.248
Goods equipment and chemicals for establishment, M/S. The Expert	4.3.2	06-06-2018	14-05-2019	12.362	1.236
<b>Total</b>				<b>124.841</b>	<b>12.484</b>

Audit is of the view that the management extended undue favour to various contractors and deprived the Government from revenue.

The matter was reported to the management in September 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation beside taking remedial measures.

### 22.5.8 Irregular payment through DDO account – Rs.3.626 million

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

During audit on the accounts of following offices of Livestock and Fisheries Department, Government of Sindh, for the financial year 2018-19, it was observed that an amount of Rs.3.626 million was incurred on various items but the payments were made through DDO account instead of direct to concerned payees in violation of above rule.

(Rs. in million)

Sr. #	Name of office	AIR Para #	Particulars	Amount
1	Deputy Director, Livestock, ShaheedBenazirabad	02	Purchase of medicines and other store	1.505
2	Deputy Director, Livestock, Jamshoro	18	Various head of accounts	1.201
3	PD, Vaccine Production Unit, Tandojam	08	Contingent paid staff	0.618
4	Executive Director, Animal Husbandry Sindh, Hyderabad	10	Exhibition and fair expenditure	0.302
<b>Total</b>				<b>3.626</b>

Audit is of the view that due to payment through DDO account, the chances of misuse of Government funds cannot be ruled out.

The matter was reported to the management during October 2019 to October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation besides taking remedial measures.

### **22.5.9 Irregular retention of government money into DDO account – Rs.2.776 million**

According to rule 290 of CTR Volume-I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent laps of budget.” Read with Para-289 of C.T.R. Volume-I that "All charges actually incurred must be paid and drawn at once, and under no circumstances may they be allowed to stand over to be paid from the grant of another year".

During audit on the accounts of Executive Director, Animal Husbandry Sindh, Hyderabad, for the financial year 2018-19, it was observed that an amount of Rs.2.776 million was drawn from Government treasury and kept into DDO’s bank account till the close of financial year.

Audit is of the view that retention of funds in DDO account resulted into blockage of Government money besides, chances of misappropriation of public funds cannot be ruled out.

The irregularity was reported to the management in October 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation besides taking remedial measures.

**(AIR#08)**

### **22.5.10 Cash payment through DDO account – Rs.0.587 million**

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

During audit on the accounts of Deputy Director, Livestock Shaheed Benazirabad, for the financial year 2018-19, it was observed that funds of Rs.0.587 million were drawn in Cash and through open cheques instead of cross cheques.



Audit is of the view that due to payment through cash, the chances of misuse of Government funds cannot be ruled out.

The matter was reported to the management in October 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation besides taking remedial measures.

**(AIR#03)**

**CHAPTER – 23**  
**MINES & MINERALS DEVELOPMENT DEPARTMENT**

**23.1 Introduction**

The Mines and Minerals Department, Government of the Sindh aims for the development of mineral resources to enhance the exploration, exploitation of mines and mineral resources in a safe and environmentally sound manner in order to support a more productive economy in the province.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	3	2	109.583	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

**23.2 Comments on Budget and Accounts (Variance analysis)**

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
342.707	-	40.159	(40.159)	(99.925)	242.782	219.147	(-) 23.635

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs23.635 million was observed, which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
1,905.612	725.347	478.350	(246.997)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs246.997 million was observed. Revenue estimate were

reduced upto 61.9% in revised estimate. Actual receipts were only 65.9% of revised estimate.

### 23.3 Classified Summary of Audit Observations

Audit observations amounting to Rs227.652 million were raised as a result of this audit. This amount also includes recoverables of Rs227.652 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	-
B	<i>Procurement related irregularities</i>	-
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	227.652

### 23.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 7.69% Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	0	
2	1998-99	0	0	0	0	0	
3	1999-2000	0	0	0	0	0	
4	2001-02	0	0	0	0	0	
5	2004-05	0	0	0	0	0	
6	2005-06	0	0	0	0	0	
7	2006-07	0	0	0	0	0	

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
8	2007-08	0	0	0	0	0	
9	2008-09	0	0	0	0	0	
10	2009-10	0	0	0	0	0	
11	2010-11	3	2	0	2	0	
12	2014-15	0	0	0	0	0	Audit Report not yet discussed
13	2016-17	12	11	1	10	9	
<b>Total</b>		<b>15</b>	<b>13</b>	<b>1</b>	<b>12</b>	<b>7.69</b>	

## 23.5 Audit Paras

### 23.5.1 Loss to government due to short recovery – Rs.226.687 million

As per Rule 41 (a) of Sindh Financial Rules, “The Department Controlling Officers should see that all sums due to Government are regularly received and checked against demand and that they are paid into the Treasury.”

During audit on the accounts of Director General, Mines & Mineral Development Sindh, Karachi, Mines & Minerals Development Department, Government of Sindh, for the year 2019-20, it was observed that reserved price of auction was fixed for Rs.333.936 million on account of collection of royalty rights on surface minerals, Silica Sand in certain Districts. Audit further observed that only an amount of Rs.107.249 million was realized against the target which resulted in loss to government amounting to Rs.226.687 million. Details are given as under;

(Rs. in million)

Sr.#	Name of District	Reserved Price Fixed 2019-20	Total Collection 2019-20	Short recovery
1	Dadu& Jamshoro	93.720	14.627	79.093
2	Sukkur	68.100	5.509	62.591
3	Karachi	52.800	10.034	42.765
4	Khairpur	43.680	4.910	38.770
5	Thatta	74.412	71.016	3.396
6	Kamber Shahdadkot	1.224	1.153	0.072
<b>Total</b>		<b>333.936</b>	<b>107.249</b>	<b>226.687</b>

Audit is of the view that due to less recovery, the government sustained huge financial loss which indicates prevalence of poor financial management practices within the department.

The matter was reported to the management in October 2020. The DAC in its meeting held on 22-01-2021 directed the management to effect recoveries and get the same verified from audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

(AIR#01)

### 23.5.2 Non-recovery of outstanding dues – Rs.0.965 million

Appendix 18-A of Sindh Financial Rule Vol-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss

sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit on the accounts of Director General, Mines & Mineral Development, Sindh, Karachi, Mines & Minerals Development Department, Government of Sindh, for the financial year 2019-20, it was observed that contract of Rs.9.819 million was awarded to contractor M/s Haji Muhammad Abassi on account of royalty rights on surface minerals. But the contractor did not deposit an amount of Rs.0.965 million into treasury which resulted in loss to the government.

Audit is of the view that due to non-recovery of government dues, the government was deprived of its due receipts.

The matter was reported to the management in October 2020. The DAC in its meeting held on 22-01-2021 directed the management to effect recovery and get the same verified from audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

**(AIR#05)**

## CHAPTER – 24 ORGANS OF STATE

### 24.1 Introduction

This is a consortium of Governor House Secretariat, Provincial Assembly and Provincial Ombudsman Department. Each one among these is separate public entity performing its own functions as defined in Sindh Rules of Business, 1986. Typically, organs of state include following departments/wings (Excluding Law Department);

1. Governor House/Secretariat including Military Secretary Wing.
2. Provincial Assembly of Sindh.
3. Provincial Ombudsman.

Each department as mentioned above is allocated with separate budget and most of the activities of the departments are related to general administration and monitoring on the part of the government.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	9	3	2,962.549	-
2	Assignment Accounts (excluding FAP)	-	-		
3	Authorities/Autonomous Bodies etc under the PAO	-	-		
4	Foreign Aided Projects (FAP)	-	-		

### 24.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
4,514.800	1,131.738	2,428.302	(2,428.302)	(1,286.799)	4,359.739	3,801.856	(557.883)

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs557.883 million was observed, which was not surrendered in time.

### 24.3 Classified Summary of Audit Observations

Audit observations amounting to Rs68.733 million were raised as a result of this audit. This amount also includes recoverables of Rs5.283 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	24.523
B	<i>Procurement related irregularities</i>	6.491
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	37.719

### 24.4 Comments on the Status of Compliance with PAC Directives

This department was not included in the audit reports (1992-93 to 2010-11) discussed by the PAC. However, the department has been included in Audit Reports 2014-15 and 2016-17. The Reports have not yet been discussed in PAC.



## **24.5 Audit Paras**

### **Military Secretary to Governor of Sindh**

#### **24.5.1 Irregular appointment of Protocol Officer (BPS-17)**

According to SGA&CD's Circular Letter No. SOIX- Reg (SGA&CD) 1/D/1-73(4), dated 28-02-1974, and in according to contents of Para 3 thereof, the Administrative Department was required to lay down the method of appointment, qualification & other under sub-rule (2) of 3 of Sindh Civil Servants (Appointment, Promotion and Transfer) rules, 1974 in consultation with this department only. However, after coming into force of the Sindh Public Service Commission Ordinance 1978, the commission is also required to be consulted in the matter of qualification and Method of Recruitment as provided in Section 7 (ii) *ibid.* in the case of posts belonging to Grade-16 and above”

Further, SGA&CD's letter No: SOI (SGA&CD) 23/1/71/75-77, dated 16th January 1971, states that “I am directed to say that with a view to fair representation in public service to persons residing in big cities as well as those residing in small towns and rural areas of the province it would be advisable to keep the following guideline in view while filling up the vacancies reserved for direct recruitments:- (1) 40% of the vacancies for candidates residing in the cities of Karachi, Hyderabad and Sukkur, (2) the remaining 60% from candidates residing in other cities and rural areas of the province. 2. While filling up the vacancies in the manner indicated above, the requirements of the public service should be fully kept in view and in conforming to these guidelines, any lowering of the standards of selection should be avoided.”

During audit on the accounts of Military Secretary to Governor, Karachi for the financial year 2018-19, it was noticed that management of the entity appointed Muhammad Danish Khan as Protocol officer in BPS-17 on contract basis without due process; whereas it was the mandate of the Sindh Public Service Commission to fill the posts of BPS-16 and above through competitive exam and interview. Moreover, in addition to his own duties he was also assigned the look after the charge of the post the Deputy Director BPS-18 in Provincial Ombudsman without any justification as it was entirely a different department. Later on his services were absorbed in the office of the Ombudsman on regular basis in BPS-18 without legal justification.

Audit is of the view that transfer/deputation of contract employee from local office to Sindh Ombudsman is not authorized as per Sindh Servants Act 1973, terms and conditions of appointment, discharge and retirement rules of the Governor House

Hold, Garden and Garage an office of static post cannot be sent / allowed for deputation. Furthermore, this is against the decision/judgment of Honourable Supreme Court of Pakistan judgment dated 02-07-2013 in original criminal petition No.89/2011.

The matter was reported to the management during March, 2020. In DAC meeting held on 14-01-2021, management informed that an inquiry is under process on the matter. DAC directed to share inquiry report with the Audit, as soon as it is completed. However, no progress was reported.

Audit recommends compliance of DAC directives.

**(AIR # 01)**

#### **24.5.2 Unauthorized re-appointment and promotion of a retired person**

According to Rule-7 (1) of Sindh Civil Servants (Appointment, Promotion & Transfer) Rules, 1974 “Appointments by promotion or transfer to posts in BPS 1 & 2 shall be made by the appointing authority on merit. (2) Appointments by promotion or transfer to posts in BPS 3 to BPS 18 without special pay other than the posts for which Provincial Selection Board has been constituted under Rule-6A shall be made on recommendations of the appropriate Departmental Promotion Committee.”

Further, SGA&CD’s letter No. SOI (SGA&CD) 23/1/71/75-77, dated 16th January 1971, states that “I am directed to say that with a view to fair representation in public service to persons residing in big cities as well as those residing in small towns and rural areas of the province it would be advisable to keep the following guideline in view while filling up the vacancies reserved for direct recruitments:- (1) 40% of the vacancies for candidates residing in the cities of Karachi, Hyderabad and Sukkur, (2) the remaining 60% from candidates residing in other cities and rural areas of the province. 2. While filling up the vacancies in the manner indicated above, the requirements of the public service should be fully kept in view and in conforming with these guidelines, any lowering of the standards of selection should be avoided.”

During audit on the accounts of Military Secretary to Governor House, Karachi, for the financial year 2018-19, it transpired from the personnel files of staff, that Mr. Muhammad Yusuf, was re-appointed as Mali without observing Establishment and recruitment Rules as well as Sindh Civil Servant Rules 1974. Following observations were noticed:

Name	Date of Birth	Date of Appointment/ Designation/ Grade	promotion-I	promotion-II
Mr. Muhammad Yousif	06.04.1965	22.08.2006, Malhi BPS-1	1.9.2007 Head Mali BPS-5	2.11.2007 Garden Supervisor, BPS-8

- i. Mr. Muhammad Yusuf was appointed as Mali without scrutinizing his credentials as his personal file reflected that he was also drawing Pension from Controller Military Pension Lahore.
- ii. Promotion was awarded without observing rules, seniority, qualification, experience, ACRs and job description of the post.
- iii. Promotion was awarded through selection committee instead of constituting a departmental promotion committee.
- iv. Rapid promotions were awarded to Mr. Yusuf within one year of his appointment.

Audit is of the view that appointment & promotion given to employee without observing the procedure of promotion is against the decision / judgment of Honourable Supreme Court of Pakistan judgment dated 02-07-2013 in original criminal petition No.89/2011

The matter was reported to the management during March, 2020. In DAC meeting held on 14-01-2021, management informed that an inquiry is under process on the matter. DAC directed to share inquiry report with the Audit, as soon as it is completed. However, no progress was reported.

Audit recommends compliance of DAC directives.

**(AIR# 02)**

### **24.5.3 Non-compliance of Government directives for verification of qualification degrees / credentials of employees**

According to Rule 17 of Sindh Civil Servants (Appointment, Promotion and Transfer) Rules, 1974, no candidate shall be appointed unless he is medically examined and found fit. Further according to Rule-6, directly appointed civil servant shall not be deemed to have completed his period of probation satisfactorily until his character and antecedent have been verified as satisfactory in the opinion of the appointing authority. AND as per the direction of the Prime Minister, conveyed through Establishment

Division that all public offices in the provinces shall initiate the mandatory process of verification of Educational Degrees / Testimonials of Government employees to ascertain their genuineness.

During audit on the accounts of Military Secretary to Governor House, Karachi, for the financial year 2018-19, it was observed from the personal files of employees that the management has not conducted verification of qualification degrees, Domicile certificates, PRC Form-D, character antecedents, etc. of its employees as no documentary evidence was found enclosed in the personal files. Moreover, audit could not authenticate whether 60% Sindh Rural & 40% Sindh Urban induction quotas was followed.

Audit is of the view that due to aforementioned deficiencies the appointment process would not be considered as transparent.

The matter was reported to the management during March, 2020. In DAC meeting held on 14-01-2021, management informed that an inquiry is under process on the matter. DAC directed to share inquiry report with the Audit, as soon as it is completed. However, no progress was reported.

Audit recommends compliance of DAC directives.

**(AIR # 03)**

#### **24.5.4 Undue favour extended to Comptroller on his appointment and promotion**

According to Rule 7 Para 1 of Government of Sindh (Appointment, Promotion & Transfer) Rule 1974, “appointment by promotion or transfer to post in BPS-01 to 02 shall be made by the appointing authority on the merit and seniority basis with the recommendation of the Departmental Selection Promotion Committee”.

Further, according to SGA&CD’s Circular Letter No: SOIX- Reg (SGA&CD) 1/D/1-73(4), dated 28-02-1974, and in accordance to contents of Para 3 thereof, the Administrative Department were required to lay down the method of appointment, qualification & other under sub-rule (2) of 3 of Sindh Civil Servants (Appointment, Promotion and Transfer) rules, 1974 in consultation with this department only. However, after coming into force of the Sindh Public Service Commission Ordinance 1978, the commission is also required to be consulted in the matter of qualification and Method of Recruitment as provided in Section 7 (ii) *ibid.* in the case of posts belonging to Grade-16 and above” **AND**

According to Sl. No. 117 Rule # 3 of Esta code, “The exercise of the powers as delegated shall be Para # to the observance of the following conditions:-

(i) The arrangement should not be made for a period of less than one month and should not exceed three months. However, it may be extended by another three months with the approval of next higher authority; (ii) As soon as the current charge is given, a proposal for regular appointment should be initiated and referred to DPC/CSB within a month.

During audit on the accounts of Military Secretary to Governor House, Karachi, for the financial year 2018-19, it was observed from the personnel files of staff that initially Mr. Jahanzaib was appointed as Protocol Assistant and then reappointed as Assistant Protocol Officer and was given additional charge of Comptroller which is against the Recruitment & Promotion Rules. Following observations were noticed:

Name	Date of Birth	Date of Appointment/ Designation/ Grade / 1st Appointment	2nd Appointment	Promotion-I	Addl. Charge
Mr. Jahanzaib	16.03.1978	28.06.2006, Protocol Assistant BPS-11	02.12.2006 Asst: Protocol Officer BPS-16	7.01.2013 Protocol Officer, BPS-17	Addl: Charge of (Comptroller BPS-19) 04.07.2013 to date

- i. Initial appointment was made in June 2006 as protocol assistant BPS-11 and just after lapse of 06 months re-appointed in December 2006 as Assistant Protocol Officer BPS-16 but the post was neither advertised nor filled through Sindh Public Service Commission.
- ii. Domicile and PRC Form-D for recruitment in Govt. job was not got verified with concerned department.
- iii. Promotions were awarded without observing rules, seniority, qualification, experience, ACRs and job description of the post. Moreover, Promotion was awarded through selection committee instead of constituting a departmental promotion committee.
- iv. Additional charge of Comptroller was given w.e.f 04.07.2013 up to date without any justification and in violation of decision/judgment of Honorable Supreme Court of Pakistan judgment dated: 02-07-2013 in original criminal petition No.89/2011

The matter was reported to the management during March, 2020. In DAC meeting held on 14-01-2021, management informed that an inquiry is under process on the matter. DAC directed to share inquiry report with the Audit, as soon as it is completed. However, no progress was reported.

Audit recommends compliance of DAC directives.

**(AIR # 04)**

#### **24.5.5 Undue favour extended to Transport Officer (BPS-17) on his appointment and non-conclusion of inquiry against him**

According to SGA&CD's letter No. SOI (SGA&CD) 23/1/71/75-77, dated 16th January 1971, "I am directed to say that with a view to fair representation in public service to persons residing in big cities as well as those residing in small towns and rural areas of the province it would be advisable to keep the following guideline in view while filling up the vacancies reserved for direct recruitments:- (1) 40% of the vacancies for candidates residing in the cities of Karachi, Hyderabad and Sukkur, (2) the remaining 60% from candidates residing in other cities and rural areas of the province. 2. While filling up the vacancies in the manner indicated above, the requirements of the public service should be fully kept in view and in conforming with these guidelines, any lowering of the standards of selection should be avoided."

Further, according to SGA&CD's Circular Letter No: SOIX- Reg (SGA&CD) 1/D/1-73(4), dated 28-02-1974, and in according to contents of Para 3 thereof, the Administrative Department were required to lay down the method of appointment, qualification & other under sub-rule (2) of 3 of Sindh Civil Servants (Appointment, Promotion and Transfer) rules, 1974 in consultation with this department only. However, after coming into force of the Sindh Public Service Commission Ordinance 1978, the commission is also required to be consulted in the matter of qualification and Method of Recruitment as provided in Section 7 (ii) *ibid*. In the case of posts belonging to Grade-16 and above" **AND**

According to Sl. No. 117 Rule # 3 of Esta code, "The exercise of the powers as delegated shall be Para # to the observance of the following conditions:-

(i) The arrangement should not be made for a period of less than one month and should not exceed three months. However, it may be extended by another three months with the approval of next higher authority; (ii) As soon as the current charge is given, a proposal for regular appointment should be initiated and referred to DPC/CSB within a month.

During audit on the accounts of Military Secretary to Governor House, Karachi, for the financial year 2018-19, it transpired from the personnel files of staff, that management of the entity extended undue favour to Mr. Saqib Aftab Transport Officer (BPS-17) by appointing and promoting him against Recruitment and promotion rules and not finalizing inquiry initiated against him. Following observations were noticed:

- i. According to the findings of Inquiry Officer Mr. Saqib Aftab was found guilty for missing documents in his Service file and he may be awarded major penalty, under Terms and Conditions of Appointment, Confirmation, Discharge, Discipline, Retirement etc of Governors Households, Gardens and Garage Establishments, Orders, 1970.
- ii. Appointment procedure was bypassed and post was not advertised. Mr. Saqib was appointed as Protocol Assistant BS-11 in Nov 2007 just on basis of CV.
- iii. Mr. Saqib Aftab was appointed on the basis of Intermediate from BISE Karachi whereas he has completed his Bachelor's Degree in 2010.
- iv. He was again posted as AEN against rules. Later on he was appointed as Transport Officer BS-17
- v. He was sent on deputation to BISE Karachi dated 4th April 2011 for 2 years which is unjustified.
- vi. Domicile and PRC Form-D for recruitment in Govt. job were not verified from concerned departments.

Promotions were awarded without observing rules, seniority, qualification, experience, ACRs and job description of the post. Moreover, promotion was awarded through selection committee instead of constituting a departmental promotion committee.

His appointment and promotions were made in violation of decision/judgment of Honourable Supreme Court of Pakistan judgment dated 02-07-2013 in original criminal petition No.89/2011

The matter was reported to the management during March, 2020. In DAC meeting held on 14-01-2021, management informed that an inquiry is under process on the matter. DAC directed to share inquiry report with the Audit, as soon as it is completed. However, no progress was reported.

Audit recommends compliance of DAC directives.

**(AIR#05)**

#### **24.5.6 Non-invitation of open tender - Rs.6.491 million**

Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over one hundred thousand rupees and up to one million rupees shall be advertised by timely notification on the Authority's websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit on the accounts of Military Secretary to Governor Sindh, Karachi for the financial year 2018-19, it was observed that expenditure of Rs.6.491 million was incurred on account of purchase of various items without inviting open tenders. The details are given at **Annex-1** of Chapter-24.

The matter was reported to the management during March 2020. DAC in its meeting held on 14-01-2021, directed the management to produce record / vouchers for verification to Audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

**(AIR#08)**

#### **24.5.7 Irregular payments through DDO account – Rs.25.395 million**

As per Rule 303 of Central Treasury Rules, "Contingent bill for payment to suppliers etc. which cannot be met from the permanent Imprest may be endorsed for payment to the party concerned and the DDOs are suggested that payment to the suppliers may be issued through crossed cheques in the name of firms concerned".

During audit on the accounts of Military Secretary to Governor House, Karachi, for the financial year 2018-19, it was observed that an amount of Rs.25.395 million was paid through DDO account instead of direct payment to payees in violation of the above rule. Details are as under:



(Rs. in million)

<b>Year</b>	<b>G/L Descp</b>	<b>Vendor #</b>	<b>Vendor Name</b>	<b>Cheque #</b>	<b>Date</b>	<b>Amount</b>
2018	Various head of A/cs.	30009967	DDO Military Secy. to Governor	Various cheques	Various dates	24.495
2018	Fin. Assis. to the families of G. Serv. who expire	30009967	DDO Military Secy. to Governor	3306658	13.12.2018	0.900
<b>Total</b>						<b>25.395</b>

The matter was reported to the management during March 2020. DAC in its meeting held on 14-01-2021, directed the management to produce record for verification to Audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

**(AIR#12 & 14)**

## Provincial Assembly of Sindh

### 24.5.8 Un-justified payment of inadmissible allowances to officers & staff - Rs.19.970 million

As per O.M. No:FD(SR-1)1(32)2011-2015 dated: 22nd July, 2016, ad hoc relief allowance 2013@ 10% of pay scale 2011 to the employees of BPS 16 and above shall be ceased to exist with effect from 01.07.2016.

According to Finance Department, Govt. of Sindh office memorandum, No.F.No.FD(SR-III)5-105/2012, Karachi dated the 7th August, 2012 (iv) orderly allowance for BPS-20 to BPS-22, from existing rate @ Rs.3000/- to revised rate @ Rs.7,000/- (current Rate @ Rs.14000/-) "Subject to furnishing a certificate that the officer is not using the services of any official employee at his residence".

According to Finance Department, Govt. of Sindh office letter No. FD(SR-III)5/17-89 dated: 18th March, 1987, that the computer allowance may be allowed to the prescribed qualification of computer personnel who are actually employed on whole time basis on computer working the Government department

According to Rule-88 of Sindh Financial Rules, Volume-I, "Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money".

During audit on the accounts of Secretary, Provincial Assembly of Sindh Karachi, for the financial year 2019-20, it was observed that various allowances amounting to Rs.19.970 million were paid to the officers/officials which were not admissible. This resulted into loss to Govt. exchequer. The details are given at **Annex-2** of Chapter-24.

(Rs. in million)

Sr. #	Name of Office	AIRPara #	Particulars		Amount
1.	Secretary, Provincial Assembly of Sindh Karachi	02	Adhoc Allowance 2013 @ 15%		0.238
		03	Orderly Allowance		0.840
		04	Other Allowance to MPAs		18.766
		08	Computer Allowance		0.054
<b>Sub-total</b>					<b>19.898</b>
Sr. #	Description	AIR Para #	Additional charge Allowance	Total Months	Amount
1	DAO Salary	03	12,000	06	0.072
<b>Sub-total</b>					<b>0.072</b>
<b>G. total</b>					<b>19.970</b>

The matter was reported to the management during October 2020. DAC in its meeting held on 28-01-2021, directed the management to initiate recovery of inadmissible allowances and get the same verified by the Audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

#### **24.5.9 Non/Less recovery of Government taxes/duties - Rs.5.283 million**

According to Para 22-A of Stamp duty Act, “it is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.35 paise per hundred rupees of the value of the agreement or against tender cost.”

According to section 153 (1) of Income Tax Ordinance 2001, Every prescribed person, making payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person, shall deduct income tax at source on supplies of goods and in case of rendering services at the rate of 4.5% and 10% respectively.

As per Chief Minister Instructions vide letter No. DS (Staff)/CMS/12/01/2012 dated 29.11.2012 wherein all Administrative Secretaries and their respective DDOs/Officers of all institutions/departments to comply with provision of SST Special Procedure (Withholding Rule, 2011) which states that ‘the accounting office responsible for making payment shall deduct and withhold the tax amount and shall transfer the same amount, so deducted at source during a month to Sindh Government’s head of account “B-02384”---Sindh Sales Tax on Services”.

During audit on the accounts of Secretary, Provincial Assembly of Sindh Karachi, for the financial year 2019-20, it was observed that an amount of Rs.5.283 million on account of Income Tax/Sindh Sales tax stamp duty was not or less deducted at applicable rates while making payments to vendors which resulted in loss to the government. The details are given at **Annex-3** of Chapter-24.

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
1.	Secretary, Provincial Assembly of Sindh Karachi	05	Short recovery of Stamp duty	0.022
		06	Non-deduction of Income tax	0.234
2.	Project Director, Sindh Parliamentarians Residencies, Karachi	04	Non-deduction of SST from Consultant	1.919
		06	Less-deduction of Stamp duty	2.482
		09	Less-deduction of Income tax	0.626
<b>Total</b>				<b>5.283</b>

The matter was reported to the management during October, 2020. DAC in its meeting held on 28-01-2021, directed the management to deposit the recoverable amount and recover the stamp duty from contractors and get the same verified by the Audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

## Provincial Ombudsman Sindh, Karachi

### 24.5.10 Irregular payment through DDO account – Rs.12.324 million

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

During audit on the accounts of Provincial Ombudsman Sindh, Karachi, for the Financial years 2016-17 to 2018-19, it was observed that various payments of Rs.12.324 million were drawn under various heads of accounts and payment was made to the suppliers through DDO account instead of direct payment to vendors.

(Rs. in million)

Head of A/c	Period			Total
	2016-17	2017-18	2018-19	
Hon: to staff	3.472	4.425	1.295	9.192
Mobile Charges	0.451	0.537	0.794	1.782
Fee	0.247	0.270	0.333	0.850
Financial Assistance	0	0	0.500	0.500
<b>Total</b>	<b>4.170</b>	<b>5.232</b>	<b>2.922</b>	<b>12.324</b>

The matter was reported to the management in April, 2020. DAC in its meeting held on 20-01-2021, directed the management to produce relevant record to Audit for verification. However, no progress was reported.

Audit recommends compliance of DAC directives.

(AIR # 05)

### 24.5.11 Un-justified payment of inadmissible allowances to officers - Rs.0.438 million

As per Notification of Finance Department, Government of Sindh No FD (SR-III) 5-54/2016 dated 14.07.2017, (2) (b) Sindh Civil Secretariat Allowance will not be admissible to officers/officials of Sindh civil secretariat department on deputation or posted by transfer outside the Sindh civil secretariat including attached department/subordinate offices and autonomous bodies

As per Notification of Finance Department, Government of Sindh No FD (SR-I) 2(3)/2013 dated 01.02.2017, Governor House Allowance in respect of employees working in Governor House/secretariat.

During audit on the accounts of Provincial Ombudsman Sindh, Karachi, for the Financial years 2016-17 to 2018-19, it was observed that various allowances amounting to Rs.0.438 million were paid to the officers which were not admissible. This resulted in loss to government exchequer.

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1.	Provincial Ombudsman Sindh Karachi	2016-17 to 2018-19	06	Payment of Secretariat Allowance to Dr. Muhammad Usman Chachar, Secretary @ Rs. 68,360 per month	0.068
			07	Payment of Governor House Allowance to Mr. Danish Khan, Protocol Officer	0.370
<b>Total</b>					<b>0.438</b>

The matter was reported to the management in April, 2020. DAC in its meeting held on 20-01-2021, directed the management to effect recovery and get the same verified from Audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

## **Provincial Ombudsman (Protection against Harassment of Women)**

### **24.5.12 Irregular expenditure incurred on hiring of contingent paid staff - Rs.4.115 million**

As per finance department, Karachi letter No. FD(Exp:IX)/767/91(B)/Prov dated 23rd April 1996, “No appointment of work charge establishment / contingent paid staff be made without prior approval of Finance Department”.

During audit on the accounts of Provincial Ombudsman (Protection against Harassment of Women at the Work Place), Government of Sindh, Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.4.115 million was incurred on fixed salary given to contingent paid staff & charged to the head “Payment to others for services rendered”. However, following observations were noticed:

- i. Need/justification of hiring contingent paid staff was neither recorded nor NOC from Finance department was obtained
- ii. Computer operator was appointed at fixed salary of Rs.17,000/-whereas Naib qasid was appointed at Rs.18,000/-, Sindhi translator was appointed against fixed pay of Rs.19,000/- whereas driver was appointed for fixed salary P.M Rs.20,000/- & Data entry operator was also appointed @ Rs.20,000 fixed per month salary
- iii. Any criteria against which the contingent staff was hired & their salaries were fixed were not known to audit
- iv. Daily attendance, work performance reports of the staff duly signed by authorized incharge were not communicated to audit
- v. Variation in monthly salary was also noticed for almost all the staff

Audit is of the view that payment to contingent paid staff was unjustified as it was already restricted by Finance Department and it had increased government expenditure unnecessarily.

The matter was reported to the management during October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

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

**(AIR # 01)**

## CHAPTER – 25 PLANNING AND DEVELOPMENT DEPARTMENT

### 25.1 Introduction

The Planning and Development Department, Government of Sindh is the principal planning organization at the provincial level. It coordinates and monitors development programs and activities of various departments of the provincial government.

The mandate of the planning & development department includes provision of technical support and coordination to various Government departments in their planning activities. The Planning & Development Department is also the main government agency working with foreign donors in the province.

The main objectives of the Planning and Development Department are:

- Assessment of the material and human resources of the province,
- Formulation of long and short term plans,
- Recommendations concerning prevailing economic conditions, economic policies or measures,
- Examination of such economic problems as may be referred to it for advice,
- Coordination of all economic activities in the provincial government.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	10	2	690.054	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	03	02	6,212.715	



## 25.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
4,352.997	-	180.041	(180.041)	(1,899.256)	2,453.741	2,389.639	(-) 64.102

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs64.102 million was observed which was not surrendered in time.

## 25.3 Classified Summary of Audit Observations

Audit observations amounting to Rs.23,963.355 million were raised as a result of this audit. This amount also includes recoverables of Rs.487.166 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	1,457.228
2	Reported cases of fraud, embezzlement and misappropriation	12.300
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	40.948
B	<i>Procurement related irregularities</i>	12,774.917
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	9,677.962

## 25.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 5.3%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
2	1998-99	5	1	0	1	-	
3	1999-2000	17	8	0	8	-	
4	2001-02	19	8	0	8	-	
5	2004-05	2	2	1	1	-	
6	2005-06	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
7	2006-07	0	0	0	0	-	
8	2007-08	0	0	0	0	-	
9	2008-09	0	0	0	0	-	
10	2009-10	0	0	0	0	-	
11	2010-11	0	0	0	0	-	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	0	0	0	0	-	
<b>Total</b>		<b>43</b>	<b>19</b>	<b>1</b>	<b>18</b>	<b>5.3</b>	

## **25.5 Audit Paras**

### **25.5.1 Non-production of auditable record - Rs.1,457.228 million**

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

During audit on the accounts of various offices of Planning & Development Department, Government of Sindh for the financial years 2018-19 and 2019-20, the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.1,457.228 million remained unaudited. The details are given at **Annex-1** of Chapter-25.

The matter was reported to the management during November 2019, February, March, September and October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **25.5.2 Irregular payment of inadmissible allowances - Rs.19.946 million**

According to Section-133 of Sindh Budget Manual, “No government servant should, however, without previously obtaining an extra appropriation, incur expenditure in excess of the amounts provided under the heads concerned. When a government servant exceeds the annual appropriation he runs the risk of being held responsible for the excess”. **AND** as per Rule-28 of General Financial Rules, Volume-I, “No amount due to Government should be left outstanding without sufficient reason and where any dues appear to be irrecoverable the order of the competent authority for their adjustments must be sought.”

During audit on the accounts of various offices of Planning & Development Department for the financial years 2018-19 and 2019-20, it was observed that an amount of Rs.19.946 million was incurred on account of payment for in admissible allowances to the various employees. The details are given at **Annex-2** of Chapter-25.

Audit is of the view that due to payment of inadmissible allowances the government sustained loss as undue favor was extended to certain employees. Audit is also of the opinion that payment in violation of rules was irregular which indicates prevalence of poor financial management practices within the department.

The matter was reported to the management during February, March, September and October 2020, but no reply was received.

Despite repeated written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery besides taking remedial measures to avoid recurrence of such practice in future.

### **25.5.3 Irregular appointment of human resources - Rs.9.704 million**

According to Services, General Administration & Coordination Department, Government of Sindh, Karachi Circular No.E&A(S&GAD)34(1157)/74 dated 19-08-1974, "In accordance with the policy of People's Government to find out "Talent" and to utilize it for people's good and welfare and also to give equal opportunities to all without discrimination, the Chief Minister has been pleased to decide that henceforth all posts in various grades should be filled-in after these are advertised in Press etc,.....".According to Sub-Rule (1) of Rule-12 of Sindh Civil Servants (Appointment, Promotion and Transfer) Rules, 1974, "A candidate for appointment by initial recruitment must possess the educational qualifications and experience and be within the age limit laid down for that appointment".

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU, PPRP Karachi) Planning & Development Department, Government of Sindh for the financial year 2018-19, it was

observed that an expenditure amounting to Rs.9.704 million was incurred for the payment of salaries of officers/officials/internees which were appointed without having provision in PC-I and without having relevant qualification and experience. The details are given at **Annex-3** of Chapter-25.

Audit is of the view that appointment without adherence of rules and regulations was found irregular and unjustified.

The matter was reported to the management in August & November 2019 and February, March, October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter for fixing of responsibility against the persons at fault.

#### **25.5.4 Irregular grant of Study Leave and payment of undue pay and allowances - Rs.1.656 million**

According to Finance Department, Government of Sindh Circular No.FD (SR-II) 15-47/78(8) dated 19-02-1986, extra leave on half average pay for the purpose of study will be sanctioned by Finance Department, Government of Sindh.

During audit on the accounts of office of the Directorate of Urban Policy & Strategic Planning, P&D Department Sindh Karachi for the financial year 2018-19, it was observed that Mr. Nabesh Akhtar Memon, Deputy Director Municipal was shown on Study Leave without mentioning period of leave. Following discrepancies and undue payments of Rs1.656 million were noticed;

1. Notification of Study leave was not produced to audit to determine exact period of leave.
2. During Study Leave, the officer availed facility of POL (1,349.21 liters) amounting to Rs123,379 during 2018-19, which was not admissible during leave and needs to be recovered. The details are given as under:

(Amount in Rupees)

Sr. #	Month	Card No.	Card Detail	Vehicle No.	Monthly Limit (Ltr.)	Utilized (Ltr.)	Rate	Amount
1	May-19	3619 4	Dy. Director (MS)	Without Vehicle	150	150	104.41	15,662
2	Apr-19				150	150	99.36	14,904
3	Feb-19				150	150	90.91	13,637
4	Mar-19				150	0.00	0.00	0.00
5	Jan-19				150	150	91.44	13,716
6	Dec-18				150	150	96.26	14,439
7	Nov-18				150	150	98.24	14,736
8	Oct-18				150	150	93.26	13,989
9	Sep-18				150	149.21	93.33	13,926
10	Aug-18				150	150	95.80	14,370
<b>Total</b>					<b>1,349.21</b>			<b>129,379</b>

3. The officer was not entitled to draw full salary and project allowance during the study leave period as per details provided below;

Description	Basic Pay	Project Allowance	Other Allowances	Gross Salary
Amount for a month	55,570	100,000	29,013	184,583
Amount for 12 months	666,840	1,200,000	348,156	2,214,996
Amount admissible during Study leave	333,420	0	348,156	681,576
<b>Amount paid in excess needs to be recovered</b>	<b>333,420</b>	<b>1,200,000</b>	<b>0</b>	<b>1,533,420</b>

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures to avoid recurrence of such practice in future.

(AIR#08)

### 25.5.5 Irregular regularization of contract employees

According to Section 3 of Sindh (Regularization of Adhoc and Contract Employees) Act, 2013, "... an employee appointed on adhoc and contract basis or otherwise ....against the post in BS-1 to BS-18 or equivalent basis scales, who is otherwise eligible for appointment on such post and is in service in the Government department and it's project in connection with the affairs of the Province, immediately

before the commencement of this Act, shall be deemed to have been validly appointed on regular basis”.

As per notification No.SO(ADMN-I)(P&D)12(131)/2014 dated 07-03-2017 issued by Planning & Development Department, Government of Sindh, Karachi regarding regularization of employees Urban Policy and Strategic Planning, “on regularization of services, their salaries shall be fixed in accordance with the Basic Pay Scale for all government employees as reflected in Volume-III (Budget Book)...”.

During audit on the accounts of office of the Directorate of Urban Policy & Strategic Planning, P&D Department, Government of Sindh Karachi for the financial year 2018-19, it was observed that services of 34 employees of Urban Policy and Strategic Planning were regularized vide notification No.SO(ADMIN)(P&D)12(131)/2014 dated 07-03-2017 issued by Planning & Development Department, Government of Sindh, Karachi. Following discrepancies were noticed.

1. Evidence of eligibility for appointment against the post where their services were regularized was not available.
2. The posts against which the services of contract employees regularized were not reflected in Volume-III of Budget Book.
3. The salary of regularized employees needs to be drawn from AG Sindh after opening of IDs but in this case, the salary was being released from scheme funds due to the reasons that the posts (against which regularization was made) were not available in Volume-III of Budget Book.
4. It was also observed that Benevolent Fund, GP Fund, Group Insurance and House Rent Charges of employees were being deducted but evidence of deposit of the same in government treasury was not available.
5. The basic requirement of qualification and experience and length of service required for appointment against each post was not taken as basis for regularization as per existing criteria for appointment in any government department.

Audit is of the view that possibility of irregular appointments due to non-approval of SNE cannot be ruled out which indicates prevalence of poor management practices within the department.

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that matter may be thoroughly investigated besides taking remedial measures to deter recurrence of such practice in future.

**(AIR#10)**

### **25.5.6 Unjustified direct contracting with CSO - Rs.6,351.087 million**

As per rule 15(1) of SPP Rules the open competitive bidding shall be the principal method of procurement, save as otherwise provided read with rule 72 that the selection system shall be determined by the procuring agency prior to issuance of the Request for Proposals from interested consultants. A procuring agency may adopt one of the following methods for selection of consultants, keeping in view nature of the assignment: (4) This method shall be used only if all or any of the condition exists: (d) Where only one consultant is qualified or has experience of exceptional worth. Also as per rule 16(b), direct contracting could only be made from single source without competition in 8 conditions i.e. sr. nos. (i to viii).

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development Department, Government of Sindh for the financial year 2018-19 while reviewing record of Peoples Poverty Reduction Program, it was observed that M/s SRSO was hired directly for a project amounting to Rs.6,351.087 million in violation of rule 16 (b) of SPP Rules. Audit further observed that credentials of Team Leader were not reliable as he was alleged to have involved in misappropriation in community investment funds of Rs.1000.00 million during Phase-I. Besides, the SRSO un-authorizedly retained unspent amount along with interest earned amounting to Rs.206.522 million and did not return assets of Rs.100.431 at the end of phase-I since June 2013.

The matter was reported to the management in February 2020 but no reply was received.

Despite repeated written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that an inquiry be conducted besides taking remedial measures to deter recurrence of such practice in future.

**(AIR#09)**



### 25.5.7 Irregular procurement – Rs.1,672.285 million

According to clause (e) read with sub-clause (i) of sub-para (1) of Para 16 of Sindh Public Procurement (SPP) Rules, 2010, “A procuring agency may utilize Repeat Orders as alternative methods of procurement of goods, services and works, which 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 on the accounts of office of the Project Director Karachi Neighborhood Improvement Project, Planning & Development Department, Government of Sindh for the financial year 2018-19, it was observed that procurement against the development work “Re-development of Cultural and Educational Area in Saddar Downtown” was made and the contract of civil works was awarded to a contractor valuing Rs.1,445.460 million on 23-02-2018. However, as per bid evaluation report it was noticed that the work consisted of 5 components and there was an abnormal difference between engineering estimate and revised BOQ in each component with overall variation of 15.61%. Audit also observed the revised estimates were also not got approved nor concurrence was accorded by the higher forums i.e. Karachi Transformation Steering Committee and Project Coordination Committee. Details are given as under;

(Rs. in million)

Sr.#	Component	Engineering estimate	Revised BOQ	Difference	Diff %
1	Civil Works	944.549	1,342.814	398.265	42.16
2	Electrical Works	172.043	128.056	-43.987	-25.57
3	Mechanical & Plumbing Works	308.828	182.015	-126.813	-41.06
4	Ventilation	5.374	7.850	2.476	46.07
5	ESMP	15.744	11.550	-4.194	-26.64
	<b>Total</b>	<b>1,446.538</b>	<b>1,672.285</b>	<b>225.747</b>	<b>15.61</b>

Audit is of the view that, either engineering estimates were defective, or the revised BOQ was not rational which indicates prevalence of weak internal controls within the formation.

The matter was reported to the management in the month of October 2020, but no reply was received.

Despite repeated written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for abnormal increase in rates besides taking remedial measures to deter recurrence of such practice in future.

**(AIR#4.3.3)**

### **25.5.8 Doubtful purchase of fish seeds - Rs.115.141 million**

Rule-23 of Sindh Financial Rules vol.-I, states that, “every voucher should also bear or have attached to it, an acknowledgement of the payment signed by the person by whom or in whose behalf the claim is put forward. No payment will be made in absence of the necessary acknowledgement.

During audit on the accounts of office of the Provincial Program Coordinator Accelerated Action Plan for Reduction of Stunting and Malnutrition Sindh (Fisheries sector), Planning & Development Department, Government of Sindh for the financial year 2018-19, it was observed that an expenditure of Rs.115.141 million was incurred on purchase of fish seeds of different kinds and distributed at various locations but detailed documents showing distribution, acknowledgement and consultant’s reports in support of procurement were not provided. The details of procurement are given as under;

(Amount in Rupees)

<b>Sr.#</b>	<b>Location</b>	<b>Quantity</b>	<b>Amount</b>
1	Manchar Lake	3701060	42,421,660
2	Chotiari	3260000	37,769,000
3	Keenjhar Lake	3030000	34,951,000
<b>Total</b>			<b>115,141,660</b>

Due to non-transparent procurement and non-availability of evidence of distribution of fish seed, chances of embezzlement cannot be ruled out in the stated scenario.

The matter was reported to the management in November 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation of the matter besides taking remedial measures to deter recurrence of such practice in future.

(AIR#4.3.5)

#### **25.5.9 Irregular expenditure without inviting open tenders – Rs.369.349 million**

Rule 12 (1) of SPPR 2010 provides that all proposed procurements for each financial year shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan; Rule 17 (1) *ibid* provides that procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in the rules.

During audit on the accounts of various offices of Planning & Development Department for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.369.349 million was incurred without inviting open tenders. The details are given at **Annex-4** of Chapter-25.

Audit is of the view that due to non-invitation of tenders, the government was deprived of competitive rates which indicates prevalence of poor management practices within the department.

The matter was reported to the management in November 2019, February, March, November & December 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **25.5.10 Wasteful expenditure on account of purchase of vehicles - Rs.10.692 million**

According to Article-84 of the Audit Code, it is an essential function of the audit to bring to light not only cases of clear irregularities but every matter which in its judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order. It is thus not sufficient to see that sundry rules or orders have been observed but it is of equal importance to see that the

broad principles of propriety are borne in mind not only by the DDO but by the sanctioning authority.

During audit on the accounts of office of Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development, Government of Sindh, for the financial year 2018-19, it was observed while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO that 07 car and 06 motorbikes amounting to Rs10.692 million were purchased for 6 districts. Audit also observed that SRSO had already 83 vehicles including 43 motorbikes valuing Rs.65.097 million of closed phase at its disposal, which could have been utilized for the program activities. Hence, wasteful expenditure was incurred by the implementing partner on account of purchase of vehicles. Moreover, vehicles were not purchased after approval by Chief Minister Sindh. Details are as under:

Sr. No.	Type of vehicle	Date of Acquisition	Vehicle No.	Cost of Vehicle including reg: fee
1	Suzuki Cultus	24.1.2018	BMX-19	1.271
2	-do-	-do-	BMX-010	1.271
3	-do-	-do-	BMX-013	1.271
4	-do-	-do-	BMX-017	1.271
5	-do-	-do-	BMX-016	1.271
6	Toyota Corrolla	27.6.18	BNC-391	1.988
7	-do-	-do-	BNC-387	2.059
8	Motorbikes	30.4.19	6 bikes @48,250	0.290
<b>Total</b>				<b>10.692</b>

The matter was reported to the management in February 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **25.5.11 Irregular expenditure on account of purchase of furniture – Rs.5.994 million**

According to Para 40-B Appendix 18-A (1) SFR volume-I “Means should be advised to ensure that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through

fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit on the accounts of office of the Project Director Karachi Neighborhood Improvement Project, Planning & Development Department, Government of Sindh for the financial year 2018-19, it was observed that an expenditure of Rs5,994,537 was incurred on procurement of furniture in which following observation were noticed:

- i. 1/5 of GST of Rs174,200 was not withheld.
- ii. As per invoice 29 items of furniture were charged for payment. However, as per inspection report of Inspection Committee dated 19 Dec-2018, 21 items were available for inspection instead of 29 items as shown in contractor invoice/bill
- iii. Delivery challan of furniture items to the respective offices did not match with inspection report.

The above lapse on part of management indicates prevalence of weak internal controls.

The matter was reported to the management in the month of October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of GST and investigation into the missing items.

**(AIR#4.2.4)**

#### **25.5.12 Irregular payment through DDO account – Rs.5.124 million**

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

During audit on the accounts of office of the Director General, Bureau of Statistics, Planning & Development, Government of Sindh for the financial year 2018-19, it was observed that an amount of Rs.5.124 million was paid through DDO account instead of direct payment to vendor. The details are given at **Annex-5** of Chapter-25.

Audit is of the view that due to payment through DDO accounts, the chances for misuse of government funds cannot be ruled out.

The matter was reported to the management in March 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation of the matter besides taking remedial measures to stop recurrence of such practice in future.

### **25.5.13 Irregular advance withdrawal from assignment account to avoid lapse – Rs.1.200 million**

As per Para 2(vi) of Controller General of Accounts Islamabad letter No. No.AC-II/1-39/08-Vol-V/632 dated September 24, 2008, “The officers holding Assignment Accounts will ensure that no money is drawn from these accounts unless it is required for immediate disbursement. Moneys will not be drawn for deposit into chest or any bank account. A certificate to this effect will be recorded on the Schedule of Payment mentioned in Para 2(i) above. The cheques for payments on account of purchases/supplies will be drawn in the name of contractor/supplier.

During audit on the accounts of office of the Directorate of Urban Policy & Strategic Planning, P&D Department, Government of Sindh for the financial year 2018-19, it was observed that an amount of Rs.1.200 million was drawn on account of POL vide cheque # 286477 dated 26-06-2019 which was not required for immediate disbursement and to avoid the lapse of money.

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of the matter besides taking remedial measures.

(AIR#02)

#### **25.5.14 Unjustified allocation & payment of stamp duty and SRB tax on account of SRSO – Rs.691.683 million**

As per Annexure (Annex-M/I) of re-revised PC-I of Peoples Poverty Reduction Program (PPRP) that Rs18.134 on account of stamp charges and Rs673.549 million on account of SST was allocated and accordingly tranche wise released in the subject heads of account.

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Programme, Planning & Development Department, Government of Sindh for the financial year 2018-19, it was observed that an expenditure of Rs.691.683 million was incurred on account of payment of Sales Tax and Stamp Duty by PMU instead of deduction from payment to the client/CSO namely “Sindh Rural Support Organization” (SRSO).

The matter was reported to the management in February 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures to avoid recurrence of such practice in future.

(AIR#12)

#### **25.5.15 Non deposit of un-utilised funds with interest - Rs.206.522 million**

As per para 3.5 of contract agreement pertaining to three districts that SRSO shall return un-utilized funds to the Client along with interest earned for the period. The said amount shall be deposited in the account opened for operating the program at PMU and shall be subsequently surrendered to Finance Department through Planning & Development Department as per guideline. On the other hand, according to para 3.03 of maintenance contract, P&D department released Rs100 million for 2 districts

whereas Rs50.00 million was to be managed from unspent balances or otherwise SRSO from its own sources for third district.

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development, Government of Sindh, for the financial year 2018-19, it was observed while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO, that as per annexure E of maintenance agreement un-utilized funds along with interest earned during the project period amounting to Rs.206.522 million with respect to closed project of three districts was not returned to the PC, PMU. Moreover, the record of unspent fund balances against District Jacobabad of Rs17.06 million was also not produced to audit. The details are given as under:

(Rs. in million)

Sr.#	Description of un-utilized funds	Amount
1	Unspent amount of UCB of Shikarpur and Kashmore at Kandhkot	115.00
2	SRSO share from interest earned Shikarpur and Kashmore	82.503
3	SRSO share from interest earned on Jacobabad funds	41.959
4	Savings of District Jacobabad as shown in P.C.IV	17.06
<b>Total</b>		<b>256.522</b>
<b>Less amount to be arranged from unspent balances for third district</b>		<b>50.00</b>
<b>Net Balance to be recovered from SRSO</b>		<b>206.522</b>

Audit is of the view that government sustained loss due to non-surrendering of the unspent funds for the five years (2013-2018).

The matter was reported to the management in February 2020. The management replied that unspent funds were utilized on program activities as per decision by the government.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires provision of government decision for utilization of unspent funds with interest.

(AIR#53)



### 25.5.16 Non-deduction of retention money from the releases of SRSO – Rs.77.200 million

According to para Modes of billing & payment (d) that five percent (5%) of the total program cost shall be retained with PMU, SGRRP / PPRP and shall be released after the acceptance and approval of final report by SRSO, and P.C.IV completion by the client also read with 4th PSC decision dated 26.9.17 " It was unanimously decided that retention clause of 5% of program cost shall be relaxed after getting approval from SPPRA.

During audit on the accounts of office of Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development, Government of Sindh, for the financial year 2018-19, it was observed while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO that total funds of Rs1,544.00 million were released to M/s SRSO but 5% retention money of Rs.77.200 million was not deducted. Details are given as under;

(Rs. in million)

Sr. #	Description	Cheque No.	Date	Amount Released	5% Retention Amount
1	Released up to June, 2018			772.00	38.6
2	Funds released in December	235092	18.12.2018	286.00	14.3
3	Funds released in April 2019	244587	18.4.2019	100.00	5
4	-do-	249022	07.05.2019	130.00	6.5
5	-do-	268350	18.6.2019	256.00	12.8
<b>Total</b>				<b>1,544.00</b>	<b>77.200</b>

The matter was reported to the management in February 2020. The management replied that matter was already taken up with SPPRA.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for non-deduction of retention money besides taking remedial measures.

(AIR#47)

### 25.5.17 Non-recovery of various taxes at applicable taxes – Rs.75.777 million

As per Section 8 (1) chapter II of the Sindh Sales Tax on Services Act, 2011, "Subject to the provisions of this Act, there shall be charged, levied and collected a tax

known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable service is listed.” Further according to Section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time “any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

According to para-22-A of Stamp Act, "It is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.35 paisa per hundred rupees of the value of the agreement or against tender cost".

During audit on accounts of various offices of Planning & Development Department, Government of Sindh, Karachi for the financial years 2018-19 & 2019-20, it was observed that payments were made to various suppliers / contractors / consultants but various government taxes amounting to Rs.75.777 million were not deducted from the bills, due to which government sustained loss of revenue. The details are given at **Annex-6** of Chapter-25.

The matter was reported to the management during February, March and October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires expeditious recovery of taxes besides taking remedial measures to deter recurrence of such practice in future.

#### **25.5.18 Irregular advance payment to UNICEF - Rs.1,748.208 million**

Para 23 of GFR Volume-I “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that contribution to the loss by his own action or negligence”.

During audit on the accounts of office of the Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Health

sector) Karachi, for the financial year 2018-19 & 2019-20, it was observed that an amount of Rs.1,748.208 million was paid to UNICEF for supply of micro-nutrients. The following irregularities were noticed;

(Rs. in million)

Name of office	Financial Year	AIR Para #	Irregularity	Amount
Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Health sector) Karachi	2018-19 & 2019-20	4.3.2	<ul style="list-style-type: none"> <li>• Payment was made in advance.</li> <li>• Delivery report was not attached.</li> <li>• Items purchased were not recorded in relevant stock register.</li> <li>• Distribution of items was not available.</li> <li>• Inspection reports were not available.</li> </ul>	634.459 & 1,113.749
<b>Total</b>				<b>1,748.208</b>

Audit is of the view that payment made in advance without obtaining delivery was irregular and loss to the government.

The matter was reported to the management in November 2019 and November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **25.5.19 Irregular/Excess execution of items of work – Rs.1,030.677 million**

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

During audit on the accounts of various offices of Planning & Development Department, Government of Sindh for the financial year 2018-19, it was observed that an expenditure of Rs1,030.677 million was incurred on account of execution of excess items of work. The details are given at **Annex-7** of Chapter-25.

Audit is of the view that expenditure on excess items of works without justification and without sanction of competent authority is irregular.

With respect to office mentioned at S. No-01 at annex mentioned above management replied that the quantities of the items increased due to change in location of the Pump House. USAID hired M/s AAA-TCI Consultant who prepared the revised construction drawing of the Pump House (Revision-II). All the payments were made as per actual measurement of the quantities after physical verification of the works jointly and with the approval of competent authority. The management in support of their reply did not produce evidence/documents.

Audit recommends that sanction for excess execution of items of work may be obtained from the competent authority for verification by Audit.

#### **25.5.20 Unauthorized utilization of funds without validation from Finance Department - Rs.698.710 million**

As per para vi of AG office letter vide No. AGS/AAC/Assign-Account/CS/2011-12 that the balance in the existing non-lapsable Assignment Accounts, if any remaining un-spent on June 30, will not be available without its revival through fresh budgetary ceiling.

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development, Government of Sindh, for the period 2018-19, it was observed while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO that funds of Rs.698.710 million was shown unspent as closing balances on June, 30 2018/2019 but the same were not validated from Finance Department, Govt of Sindh as the funds were transferred from Assignment Account to M/s SRSO bank / DDO account. Thus expenditure so incurred was un-authorized. The details are given as under:

(Rs. in million)

<b>Sr.#</b>	<b>Description of Reconciliation Items</b>	<b>Amount</b>	<b>Amount to be validated</b>
1	Opening Balance as 1-7-2018/Closing Balance on 30.6.2018	302.011	302.011
2	Total receipts during 2018-19	772.000	
3	Total Funds available for expenditure	1,074.011	
4	Less closing balance as per consolidated Trial Balance / bank balances as on 30.6.2019	333.954	333.954
		<b>Total</b>	<b>698.710</b>

The matter was reported to the management in February 2020. The management replied that no such condition was enlisted in Draft Release Order (DRO). Reply was not tenable as violation of conditions governing assignment Accounts.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation of the matter besides taking remedial measures to avoid recurrence of such practice in future.

(AIR#50)

### **25.5.21 Irregular procurement of various medicines - Rs.671.819 million**

According to Rule-113 and 114 of Sindh Financial Rules, Volume-I, “All materials received should be examined, counted, measured or weighed, as the case may be, when delivery is taken and when materials are issued from stock, the in charge of the store should see that proper indent has been made by authorized person and record under his dated initial, the description and quantity of material issued.”

During audit on the accounts of various offices of Planning & Development Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.671.819 million was incurred on purchase of various medicines. However, procurement of medicines was made through general order suppliers instead of pharmaceutical company (drug license holder), besides inspection were not carried out etc. The details are given at **Annex-8** of Chapter-25.

Audit is of the view that expenditure incurred in violation of rule was irregular.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

The matter was reported to the management in November 2020, but no reply was received.

Audit recommends investigation besides taken remedial measures to stop recurrence of such practice in future.

### 25.5.22 Payment on account of extra item of work – Rs.213.191 million

According to Appendix-18-A, Section-I of Sindh Financial Rules, Volume-II, “means should be devised to ensure that every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by 449 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 on the accounts of following offices of Planning & Development Department, Government of Sindh for the year 2018-19 & 2019-20, it was observed that payments amounting to Rs.213.191 million were made to contractors on account of execution of extra items of works without rate analysis approved by the competent authority. The details are given as under;

(Rs.in million)

Sr.#	Name of Formation	Year	AIR #	Irregularity	Amount
1	Karachi Neighborhood Improvement Project	2018-19	4.4.7	Execution of extra items of works not included in BOQ (Civil Work: Mechanical & Plumbing Works)	47.054
	Karachi Neighborhood Improvement Project	2019-20	4.4.2	extra item of work	165.153
2	Sindh Municipal Services Delivery Program	2018-19	4.4.5	Irregular execution of extra item of works	0.984
<b>Total</b>					<b>213.191</b>

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification of payment on account of extra item of work.

### 25.5.23 Expenditure without technical sanctions - Rs.123.912 million

According to Para-56 of CPWD code “expenditure may not be incurred on a work until it is technically sanctioned from the competent authority”.

During audit on the accounts of office of the Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Fisheries

sector) Karachi, for the financial year 2018-19, it was observed that an expenditure of Rs.123.914 million was incurred without technical sanctions from the competent authority. The local office is responsible to ensure that technical sanctions were obtained before commencement of work.

The matter was reported to the management in November 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures to stop recurrence of such practice in future.

**(AIR#4.2.1)**

#### **25.5.24 Loss to Govt. due to unauthorized retention of assets of closed projects - Rs.100.431 million**

As per para 5.5 (a) of contract agreement pertaining to closed phase project that the equipment and vehicles shall be allowed to be in the possession of the SRSO after completion of the program only in case of continuity of the activities in Program Districts for any specific period with the approval of the Program Steering Committee / competent authority. However, all the assets shall be returned to the Client on completion or termination of the program as the case may be. (c) All machinery, vehicles and equipment shall be maintained in good operational condition by SRSO.

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development Department, Government of Sindh for the period 2018-19 it was observed while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO, that total assets amounting to Rs.100.431 million were not returned after the close of project i.e. 30.6.2013 by SRSO to the PC, PMU, which has resulted in loss to the govt. The same number of assets purchased during project life were retained for further five year of maintenance phase up to June 2018 besides decreased scope of assignment. Due to non-returning of assets even after the close of maintenance phase till audit period, government sustained loss of Rs100.431 million besides depreciation of their value during last 6 year. The details are given as under:

(Rs. in million)

<b>Sr. #</b>	<b>Description of un-utilized funds</b>	<b>Amount</b>
1	Total assets cost	100.431
2	Average depreciation rate for assets @10% p.a against 10 years usage since 2009 to 2019 includes 6 years usage after close of project	<b>100.431</b>
	<b>Net value</b>	<b>000.00</b>

The matter was reported to the management in February 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures to stop recurrence of such practice in future.

#### **25.5.25 Less-deduction of retention money and security deposit – Rs.77.818 million**

As per Para 89(e) of CPWD Code, “security for the fulfillment of the contract should invariably be taken. The security may be taken in the form of cash deposit, deposit of interest-bearing securities, and deduction of 10% from the payment to be made on the work done or personal bond of two persons of known probity and wealth.”

During audit on the accounts of office of the Project Director Karachi Neighborhood Improvement for the financial year 2019-20, it was observed that the retention money was not deducted from the contractor bills amounting Rs.66.477 million. The details are given as under;

(Amount in Rupees)

<b>Name of Work</b>	<b>Bill#</b>	<b>M/s</b>	<b>Amount</b>	<b>Non-deduction of Security deposit 10%</b>
Re-development of culture and education area Saddar	IPC#10	M/s Haji Syed Ameer & Brothers	115,752,202	11,575,220
Re-development of culture and education area Saddar	IPC#11	M/s Haji Syed Ameer & Brothers	117,738,400	11,773,840
Re-development of culture and education area Saddar	IPC#12	M/s Haji Syed Ameer & Brothers	111,192,411	11,119,241
Re-development of culture and education area Saddar	IPC#13	M/s Haji Syed Ameer & Brothers	110,840,546	11,084,055



(Amount in Rupees)

Name of Work	Bill#	M/s	Amount	Non-deduction of Security deposit 10%
Re-development of culture and education area Saddar	IPC#14	M/s Haji Syed Ameer & Brothers	84,898,968	8,489,897
Re-development of culture and education area Saddar	IPC#15	M/s Haji Syed Ameer & Brothers	124,356,359	12,435,636
<b>Total</b>			<b>664,778,886</b>	<b>66,477,889</b>

It was further observed that contract amounting to Rs.1,672.285 million was executed on above mentioned work. Security deposit @ 5% amounting to Rs83.614 million was to be deducted from the contractor's IPCs (Bills). But the actual deduction of security deposit amounts to Rs72.273 million up to IPC-9. Further deduction of security deposits was not carried out for the IPC-10 to IPC-15.

Non deduction of Security deposit on payments to contractor against IPC.10 to IPC-15 needs justification.

The matter was reported to the management in the month of October 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of retention money and security deposit from the contractors besides taking remedial measures to stop recurrence of such practice in future.

**(AIR#4.4.6)**

#### **25.5.26 Wasteful expenditure on private schools - Rs.33.812 million**

According to Para-88 of Sindh Financial Rules Volume-I "every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community".

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development, Government of

Sindh, Karachi for the period 2018-19, it was observed while reviewing record Community Development Project, that capacity building (i.e. provision of school bus, furniture & fixture, solar system, computers, fire alarm system & library) to provide schools i.e Fakhre Imdad Foundation & Saadique Foundation of Rs.33.812 million run by NGOs was carried out from government funds. The schools are operated as commercial basis. Details are as under;

(Rs. in million)

Sr.#	Name of the CSO	Description of Project awarded	Cost of project	Total payment made till date
1	Fakhre Imdad Foundation	Capacity building(as mentioned above) of FIF school of Madranwala & Mirwah gorchani	11.878	11.714
2	Saadique Foundation	Capacity building of Saadique Foundation schools	22.098	22.098
<b>Total</b>			<b>33.976</b>	<b>33.812</b>

Audit is of the view that expenditure from public funds on private schools was irregular.

The matter was reported to the management in February 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR#24)**

#### **25.5.27 Unauthorized payment on account of gratuity and medical insurance of employees to SRSO – Rs.9.642 million**

According to Appendix-N of Contract Agreement pertaining to Cost Estimates of the project that there was no any allocation for payment of gratuity & medical insurance of employees read with para 5.5(d) of contract agreement that "the Client shall not undertake any responsibility in respect of any life, health, accidental, travel and other insurance which may be necessary or desirable for the personnel or sub contractors and specialists associated with the SRSO for the purpose of the services, nor for any members of the family of any such person".

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development Department, Government of Sindh, while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO, for the financial year 2018-19, it was observed that payment of Rs.9.642 million was made to SRSO on account of gratuity and medical insurance of employees in violation of ToR of contract agreement as the life of the project was four years and employees were appointed purely on contract basis. The details are given at **Annex-9** of Chapter-25.

The matter was reported to the management in February 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation of the matter, besides taking remedial measures.

**(AIR#66)**

#### **25.5.28 Irregular payment of mobilization advance without obtaining of bank guarantee– Rs.8.389 million**

According to Para 40-B Appendix 18-A (1) SFR volume-I “Means should be advised to ensure that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will be also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit on the accounts of office of the Karachi Neighborhood Improvement Project for the financial year 2018-19, it was observed that payment of Rs7.219 million was allowed as mobilization advance to M/s SI Global Pvt Ltd against the contract to provide Computer Hardware. Similarly, payment of Rs1.170 million was allowed as mobilization advance to M/s Sapphire Consulting Pvt Ltd against the contract to provide software without obtaining of bank guarantee.

Audit is of the view that payment of unsecure advance to supplier was irregular.

The matter was reported to the management in the month of October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures to stop recurrence of such practice in future.

(AIR#4.2.5)

### 25.5.29 Irregular payment on difference of cost – Rs.8.228 million

According to Para 6 Schedule of Rates, Volume-III (Part-II) 5th Edition, 04, if any National Building / Agency want to allow the difference in cost of materials such as cements, steel or brick, they have to refer the matter to the Standing Rates Committee, Sindh for consideration / approval.

During audit on the accounts of office of the Program Director, Sindh Municipal Services Delivery Program for financial year 2018-19, it was observed that the difference of cost of steel work amounting to Rs.8.228 million was paid to the contractor without provision in estimate and making necessary escalation charts. Further, the payment of difference in cost was made without approval of the competent authority. The details are given as under:

(Rupees in million)

IPC No.	Contract Package	Contract Amount	Name of contractor	Date	IPC amount	Amount due	Paid escalation
4	WS-04 R(Water Distribution Network Zones 1 & 2)	206.727	M/S Max Rite Global Technologies Pvt. Ltd	26th July 2018	28.098	19.870	8.228

Audit is of the view that expenditure on cost escalation of steel without justification and without sanction of competent authority was irregular.

The matter was reported to the management on 2<sup>nd</sup> March, 2020. The management replied that all the payments were made as per C-I (Appendix-C to Bid) against price adjustment under clause 13.8 of Condition of Contract. Addition /Deduction of the amounts were determined by the formula prescribed in this sub-clause 13.8. Therefore, no extra payment was made to the contractor in violation of

contract. The management in support of the reply did not produce any evidence and approval of the competent forum was also not provided.

Audit requires provision of supporting documents and sanction of competent authority for payment of difference of cost of steel.

(AIR#4.4.3)

### 25.5.30 Clearance of previous years' liabilities – Rs.7.504 million

As per Rule 134 of Sindh Budget Manual, “all charges must be paid and drawn at once and under no circumstances they may be allowed to stand over to be paid from the grants of another year”.

During audit on the accounts of following offices of Planning and Development Department, Government of Sindh for financial years 2018-19, it was observed that previous years liabilities amounting Rs7.504 million were cleared without approval of Finance Department, Government of Sindh.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR #	Irregularity	Amount
1	Program Director, Sindh Municipal Services Delivery Program	2018-19	4.2.3	The previous years' liabilities of “Publicity & Advertisement” amounting to Rs1.229 million was met out from the budget grant of current year.	1.229
2	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Health sector) Karachi		4.2.8	An expenditure of Rs6.275 million was incurred on account of stipend Incentive awards to various CMWs for the period January, 2018 to June, 2018 which was previous year liability, but the payment was made from the current financial year 2018-19.	6.275
<b>Total</b>					<b>7.504</b>

With respect to office mentioned at S.No-01 management replied that Information Department, Government of Sindh had sent a letter dated 7-01-2019 that an amount of Rs.2.449 million was outstanding against the project; hence no advertisement will be issued. The amount was scrutinized/reconciled with the Information Department, Government of Sindh and agreed that only Rs.1.229 million were outstanding against the Sindh MSDP. The management added that they may

request the FD for post facto approval. The reply of the management was not tenable as no evidence/supporting documents was produced to audit.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that ex-post facto approval may be obtained from Finance Department to clear liabilities of previous years from current year's budget.

### **25.5.31 Unauthorized charging of depreciation expense to PPRP Account – Rs.7.260 million**

According to Appendix-N of Contract Agreement pertaining to Cost Estimates of the project that there was no any allocation made to depreciation cost of assets and creating Reserve funds for purchase of fixed assets.

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development Department, Government of Sindh, while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO, for the period 2018-19, it was observed that expenditure of Rs.7.260 was charged as depreciation expense in Statement of Expenditure in violation of Term of Reference of agreement. The details are given as under:

(Rs.in million)

<b>Sr.#</b>	<b>Description of Reconciliation Items</b>	<b>Amount</b>
1	Total Expenditure as per Audited Financial Statement (AFS)	<b>847.294</b>
2	Less Depreciation Expense charged in AFS	11.366
3	Total Expenditure to be booked / recorded in SoE 2018-19	835.928
4	Less Expenditure charged in SoE submitted to PC PMU	843.183
5	<b>Depreciation Expenditure charged in SoE 2018-19</b>	<b>7.260</b>

The matter was reported to the management in February 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for charging of depreciation in violation of TORs of agreement.

(AIR#87)

**25.5.32 Non-forfeiture of performance security & non-imposition of penalty – Rs.4.847 million**

According to agenda item No.11 of 5th Executive Committee decision dated 14.9.2018 that "intervention should be completed in only 2 schools and M/s HANDS should be issued a show cause notice for having changed the schools without prior approval of the department" read with clause 9-b of contract agreement "in case of dissatisfaction of services or non-completion of services or non-completion of work within stipulated time or any short coming in the services deemed so, the client shall forfeit the amount of performance security or / and 2% of the total cost of services shall be recovered.

According to the Clause-2 Liquidated Damages of agreement, the contractor shall pay liquidated damages to the Agency at the rate per day stated in the bidding data for each day that the completion date is later than the intended completion date; the amount of liquidated damage paid by the contractor to the agency shall not exceed 10 per cent of the contract price. Agency may deduct liquidated damages from payments due to the contractor. Payment of liquidated damages does not affect the contractor's liabilities.

During audit on the accounts of office of the Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU,PPRP), Planning & Development Department, Government of Sindh, Karachi for the financial year 2018-19, it was observed that M/s HANDS had violated clause 9-b of contract agreement as decided in meeting of Executive Committee mentioned above and progress report submitted by management. However, non-forfeiture of performance security @ 5% of cost & non-imposition of 2% penalty amounting Rs.4.847 million was not made by the department in case of violation or unsatisfactory performance. The details are given as under:

(Rs.in million)

Name of CSO	Cost of contract	Description	5% Performance security	2% Penalty	Total recovery
M/s HANDS (Edu)	27.733	Location of 8 schools changed and non-operation of activities in remaining 02 schools	1.387	0.555	<b>1.942</b>
		Funds released for project-funds expended=unspent balance		5.547-4.672=0.875	<b>0.875</b>
M/s HANDS (Skill)	9.258	Fund released Rs.3.703 m against which only 25 women were trained out 100 i.e. 25% progress & project closed due to slow pace of progress. Hence excess funds to be recovered (due=9.258*25%=2.315-3.703=1.389)	0.46	0.19	<b>2.03</b>
<b>Total</b>					<b>4.847</b>

Audit is of the view that the government interests were not safeguarded as the CSO was not penalized in the light of terms of contract agreement.

The matter was reported to the management in February 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for non-execution of terms of contract agreement.

**(AIR#05)**

### **25.5.33 Unjustified excess payments on various grants - Rs.156.478 million**

According to Appendix O of contract agreement that approved rates of Community Investment Fund (CIF), Income Generating Grants (IGG) & Low Cost Housing (LCH) were Rs14,000, Rs15,000 and Rs110,000 accordingly and also the same rates were approved in re-revised P.C.I at annexure B.

According to Rule-88 of Sindh Financial Rules Volume-I, every government officer is expected to exercise the same vigilance in respect of expenditure incurred from public money, as a person of ordinary prudence would exercise in respect of expenditure of his own money.



During audit on the accounts of following offices of Planning & Development Department, Government of Sindh for the financial year 2018-19, it was observed that an amount of Rs.156.478 million was paid in excess to the contractors and employees due to reasons mentioned below in violation of the rules.

(Rs in million)

Sr. #	Name of office	Financial Year	AIR Para #	Nature of irregularity	Amount
1	Directorate of Urban Policy & Strategic Planning, P&D Department Sindh Karachi	2018-19	11	Excess payment of TA/DA	0.233
2	Program Coordinator, Sindh Growth & Rural Revitalization Program (PMU, PPRP), Karachi	2018-19	08	Unjustified addition of SST into rental payments	0.297
			60	Excess rate on account of CIF, IGG & LCH	153.008
3	Provincial Program Coordinator Accelerated Action Plan for reduction of stunting and malnutrition Sindh (Livestock sector), Karachi	2018-19	4.2.2	Excess payment on procurement of cold chain freezers	2.940
<b>Total</b>					<b>156.478</b>

The matter was reported to the management in November 2019, February & October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires expeditious recovery and justification of the matter besides taking remedial measures to stop recurrence of such practice in future.

#### **25.5.34 Variations in the figures of expenditure - Rs.208.146 million**

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

During audit on the accounts of following offices of Planning & Development Department, for the financial year 2018-19 & 2019-20 it was observed that the variation amounting to Rs.208.146 million in the figures of expenditures was noticed. The details are given as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description		Amount
01	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU, PPRP Karachi), Planning & Development	2018-19	42	<b>Rent of office building</b>		0.800
				Amount as per audit	Amount as per SOE	
			5.248	4.448		
02	Director General Monitoring & Evaluation Cell, Karachi	2019-20	02	Expenditure to be charged in SOE	Expenditure Charged in SOE	103.126
				740.057	843.183	
02	Director General Monitoring & Evaluation Cell, Karachi	2019-20	02	Expenditure as per SAP Data	Expenditure produced by management	104.220
				161.866	57.645	
<b>Total</b>						<b>208.146</b>

The matter was reported to the management during February, September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires reconciliation and rectification where required besides taking remedial measures.

### **25.5.35 Doubtful excess expenditure on training – Rs.44.579 million**

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

During audit on the accounts of the accounts of Provincial Coordinator, Sindh Growth Revitalization Program under P&D Department, while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO, for the period 2018-19, it was observed that an expenditure of Rs174.384 million was made against the trainings of 72,798 trainees as per SoE. Audit found from the monthly progress report for the month of June-2019 that actual no. of trainees was 58,965 at the training cost of Rs.129.806 million, resulting in excess drawal of Rs.44.579 million. The details are given at **Annex-10** of Chapter-25.

Audit is of the view that due to doubtful excess expenditure, chances of misappropriation of funds cannot be ruled out.

The matter was reported to the management in February 2020. Management replied that data shown in MIS and statement of expenditure will never be symmetrical indication the time lag, however overall cumulative figures of the MIS and SoE almost symmetrical at end of year. Reply was not tenable as the management has incurred excess expenditure.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of matter besides taking remedial measures.  
(AIR # 48)

#### **25.5.36 Unauthorized payment on account of Provident Fund & Leave encashment to SRSO without provision in contract agreement/P.C.I – Rs.5.086 million**

According to Appendix-N of Contract Agreement pertaining to Cost Estimates of the project that there was no any allocation against the head Leave encashment of employees.

During audit of office of Programme Coordinator, Sindh Growth & Rural Revitalization Program, Planning & Development, Government of Sindh, while reviewing record of Peoples Poverty Reduction Program implemented by M/s SRSO, for the period 2018-19, it was observed that payment of Rs.5.086 million was made on account of provident fund (employer side) and Leave encashment of employees to SRSO in violation of ToR of contract agreement as the life of the project was four year

and employees were to appointed purely on contract basis. The details are given at **Annex-11** of Chapter-25.

The matter was reported to the management in February 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of the amount besides investigation into the matter.

**(AIR#59)**

## (Defunct) Special Initiative Department, Government of Sindh

### 25.5.37 Feasibility studies on PC-II form not conducted – Rs.2,786.16 million

According to Paragraph 1.53 of Chapter 1 of the Manual of Development Projects, issued by Planning Commission of Pakistan, “PC-II is required for conducting surveys and feasibility studies, in respect of larger projects, intended to get full justification for undertaking the project before large resources are tied up with them”. Further, as per Paragraph 3.3 of Chapter 1 of the Manual of Development Projects “PC-II is prepared for undertaking a feasibility study in respect of a major projects estimated to cost Rs300.0 million or more. This is mandatory”.

During audit on accounts of PMU, Mobile Health Care Units, it was observed that feasibility study was not prepared, though it was a mandatory requirement at the planning stage of the scheme. Details are given as under;

(Rs. in million)		
Sr.	Name of Scheme	PC-I cost
1	Pilot project for Mobile Emergency Health Care Units	1,537.00
2	Mobile Diagnostic Services for Breast Cancer in Sindh	1,249.16
<b>Total</b>		<b>2,786.16</b>

The matter was reported to the management in November 2018. The management replied that this scheme was a first of its kind initiated to cope up with emergencies, and the project based on mitigation of natural disasters & emergencies does not require feasibility study. The reply was not tenable, as the feasibility study was mandatory requirement to safeguard government assets and to minimize the risk involved in execution of the scheme/project.

Audit requires justification in the light of P&DD guidelines.

(AIR# 4.2.1.1)

### 25.5.38 Non-appointment of full time Project Director

As per Para (i) of FD letter/corrigendum No.FD(SR-III)5-85/86 dated 11th November 2013, for projects costing Rs1.0 billion (both New & on-going ), appointment of Project Director on full time basis is mandatory.

During audit on accounts of PMU, Mobile Health Care Units, it was observed that a Project Director was appointed on additional charge basis instead of hiring on full time basis which was a mandatory requirement for project costing above Rs1.0

billion. Mr. Abdul Nabi Thaheem, Senior Chief (T&C) of Planning & Development Department, was holding additional charge of Project Director since start of the project till date.

(Rs. in million)

Sr.#	Name of Scheme	PC-I cost
1	Pilot project for Mobile Emergency Health Care Units	1,537.00
2	Mobile Diagnostic Services for Breast Cancer in Sindh	1,249.16
<b>Total</b>		<b>2,786.16</b>

The matter was reported to the management in November 2018, but no reply was received.

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

**(AIR# 4.2.1.2)**

### **25.5.39 Defective planning for procurement of Mobile Units – Rs.983.05 million**

As per revised PC-I of the scheme “Pilot Project for Mobile Emergency Health Care Units”, there was a provision of purchase of five Mobile Emergency Health Care Units. Further, as per Rule 2 L(i) of Sindh Public Procurement Rules 2010 defines Conflict of Interest as “where a contractor, supplier or consultant provides, or could provide, or could be perceived as providing biased professional advice to a procuring agency to obtain an undue benefit for himself or those affiliated with him”.

During audit on the accounts of Pilot Project for Mobile Emergency Health Care Units, it was observed that there was a provision for purchase of five (05) Mobile Emergency Health Care Units in PC-I with the clause that “the department can increase the quantity according to the available budget for this project”. It was noticed that the management procured eleven (11) additional units from M/s NeoTec Pvt. Ltd at the cost of Rs 819.50 million. The payment for procurement of 11 units was made without provision in PC-I and approval of the same from the competent forum. The management procured additional units on the advice of the consultant i.e. M/s EA Consultant, who prepared & revised the PC-I of the scheme in February 2015 by adding favourable clauses, in violation of the above defining clause. The following irregularities were noticed:

- i. PC-I estimated costing was not fixed rationally, as proper planning & market surveys were not conducted. The provision for single Mobile Health Care Unit in PC-I was Rs240.00 million, whereas the same was actually procured for Rs74.50 million.

- ii. The management invited tenders for five (05) units but awarded work for sixteen (16) units, which tantamount to mis-procurement. Audit is of the view that procurement was not conducted in fair and transparent manner and the objective of procurement i.e. bringing value for money was compromised.
- iii. Due to procurement of additional units, the cost of the consultancy was also increased by Rs.16.500 million without invitation of fresh tenders and revision of the agreement. Details are given as under;

(Rs. in million)

Sr.#	Name of party	Nature of payment	Expenditure
1	M/s NeoTec (Pvt.) Ltd Lahore	Purchase of 11 additional Mobile Health Units @ Rs74.5 million per unit	819.500
		O&M charges (one year cost for 11 additional units)	147.048
2	M/s EA Consulting Pvt. Ltd Lahore	Consultancy charges on 11 additional units @ Rs1.5 per unit	16.500
<b>Total</b>			<b>983.048</b>

The matter was reported to the management in November, 2018. The management replied that there was approval of 5 units in original PC-1, and in revised PC-1, it has been clearly mentioned that the quantity of units can be increased subject to availability of budget. The reply was not tenable, as the revised PC-I was prepared by the consultant keeping in view his own benefits and that of contractor (the consultant would get Rs1.5 million on each additional unit procured). Inclusion of clause like increase in quantity subject to availability of budget did not allow management to procure additional units without approval of the competent forum.

Audit recommends investigation of the matter for fixing of responsibility against person(s) at fault.

**(AIR# 4.2.1.3)**

#### **25.5.40 Irregular award of work – Rs.2,515.46 million**

Rule 48 of the SPPRA Rules 2010 states that “even when only one bid is submitted, the bidding process may be considered valid, if the bid was advertised in accordance with rules, and prices are comparable to the prices or rates of the last awarded contract or the market prices.” Further, Rule 27(1)(c) of the SPPRA Rules 2010 states that “in case of expensive and technically complex equipment and works with a view to ensuring that invitations to bid are extended only to those who have adequate capabilities, competence and resources”.

During audit on accounts of PMU, Mobile Health Care Units, it was observed that M/s NeoTec (Pvt) Ltd Lahore was awarded the contract of Rs 2,515.46 million for procurement of Mobile Health Care Units and operational cost under both schemes. The following observations were made:

(Rs. in million)

Sr.#	Name of Scheme	Observations	Amount
1	Pilot project for Mobile Emergency Health Care Units (MEHCU)	<ol style="list-style-type: none"> <li>1. The financially unsound party was awarded the tender. M/s Neotec, possessed the worth of Rs8.0 million as per its audited Balance Sheet for the year 2014.</li> <li>2. M/s NeoTec was the business partner of M/s Medi Urge as transpired from the letter dated 05-01-2015 of M/s Medi Urge (Pvt.) Ltd. Hence, transparent bidding process was not observed by the management. The bidding documents were purchased by both parties through collusive practice. The tender documents, fee, payorders of both firms related to same bank and numbered in the same sequence.</li> <li>3. The management did not verify the credentials of technical staff submitted with bid documents by the contractor.</li> <li>4. The management deliberately accepted bid security of Rs39,500 against the required bid security of Rs4.847 million (1% of bid cost). The same was required to be rejected and tender should have been treated as single bid, for which Rule 48 of SPPRA 2010 was to be invoked.</li> </ol>	1,405.888
2	Mobile Diagnostic Services for Breast Cancer in Sindh (MDSBC)	<ol style="list-style-type: none"> <li>1. M/s NeoTec was the business partner of M/s Medi Urge as stated above.</li> <li>2. M/s Medi Urge submitted the earnest money in shape of bank guarantees on stamp paper for Rs9.950 million &amp; Rs.0.330 million instead of pay orders, just to get themselves disqualified and provide benefit to the other contractor from the process of market survey.</li> <li>3. The same bidder was selected as already working with the management of project in MEHCU scheme.</li> </ol>	1,109.575
<b>Total</b>			<b>2,515.463</b>

The matter was reported to the management in November 2018. The management stated that complete transparency was observed during evaluation of bids and since only two bids were received out of twelve (12) firms, the second lowest bid



was considered for market rate comparison. The reply was not tenable, as background of lowest two contractors, being business partners, was clear indication of collusive practices. The consideration of second lowest bid for cost comparison purposes further indicated partiality of management towards the successful bidder.

Audit recommends investigation of the matter for fixing of responsibility against person(s) at fault.

(AIR# 4.2.2.1)

#### **25.5.41 Irregular award of consultancy services – Rs.37.93 million**

Rule 74 (2) of SPPRA Rule 2010 states that the procuring agency while engaged in short listing of consultants shall take into consideration the following factors: (a) qualification; (b) experience; (c) financial capability; and (d) any other factor that a procuring agency may deem relevant not inconsistent with these Rules. Further, as per Rule 8 of the SPPRA Rules 2010, “Procurement committee(s) shall be responsible for (1) Preparing bidding documents (2) Carrying out technical as well as financial evaluation of the bids (3) Preparing evaluation report as provided in Rule 45 (4) Making recommendations for the award of contract to the competent authority and (5) Perform any other function ancillary and incidental to the above.”

During audit on accounts of PMU, Mobile Health Care Units, it was observed that an amount of Rs.37.93 million was paid to M/s EA Consulting Pvt. Ltd for consultancy services. Following observations were made:

- i. The consultancy contract of Rs.15.50 million was executed for scheme MEHCU; however, it was observed that management had paid excess amount of Rs.16.50 million. The revised contract agreement was not executed, as cost was increased from original contract amount of Rs 15.50 million to Rs 32.00 million.
- ii. The criterion for selection was not appropriate as ‘financial capabilities’ were not questioned as required under Rule 74(2) of SPPRA Rules 2010.
- iii. The management did not verify the credentials of technical staff of the consultant.
- iv. The management hired the consultancy services against the instructions of the approved summary of Chief Minister. The management was required to procure Mobile Health Care Units through Procurement Committee notified by Government but contrary to that, consultant was hired for preparation of bidding documents etc. which was the basic function of the Procurement Committee as per Rule 8 of SPPRA Rules 2010.

- v. The management paid an amount of Rs.12.529 million to consultant by inserting favourable clause in the agreement viz. preparation of tender documents and issuance of work order in both schemes (Rs 6.60 million in MEHCU and Rs.5.93 million in MDSBC scheme). The consultant had already done those deliverables for original contract of procurement of five Mobile Health Care Units and its repetitions was not necessary for procurement of eleven additional units.

(Rs. in million)

Sr.#	Name of Scheme	Expenditure incurred
1	Pilot project for Mobile Emergency Health Care Units	32.000
2	Mobile Diagnostic Services for Breast Cancer in Sindh	5.929
<b>Total</b>		<b>37.929</b>

The matter was reported to the management in November 2018. The management stated that the contract was executed for Rs 3.10 million per unit for first 5 units and Rs 1.50 million per additional unit at reduced rates after evaluating qualification, experience & financial capability by the procurement committee. Moreover, hiring of consultants was necessary because the Local Government Department / Special Initiative Department did not have required expertise and the hiring of consultants was also approved in PC-1.

The reply was not tenable, as defective agreement was executed by inserting favourable clauses for which no specific justification was provided. It was noticed that the consultant had already worked on similar project in Punjab with business partner of M/s NeoTec and was well aware of the market price/estimated cost of the mobile health care units and in consideration of that the consultant included favourable clauses in the agreement to get maximum benefit. The omission of analysis of financial worth from evaluation criteria also raised questions on the transparency of hiring process.

Audit recommends thorough probe into the matter for fixing of responsibility against person(s) at fault.

**(AIR# 4.2.2.2)**

#### **25.5.42 Fraudulent issuance of inspection report by the consultant – Rs.12.30 million**

As per letter No. EA/848/0734/18 dated 27th March 2018 issued by the consultant M/s EA Consulting Pvt. Ltd on the subject “Inspection of Truck Head, Mobile Hospital and Medical Equipment”, the consultant confirmed delivery of

machinery as per specifications and advised released of remaining funds to the contractor.

During audit on accounts of Mobile Diagnostic Services for Breast Cancer scheme, it was observed that the consultant M/s EA Consulting Pvt. Ltd. had extended undue favour to the contractor M/s NeoTec by issuing fraudulent inspection report. The consultant issued inspection verifying installation of all machinery, whereas the main machinery viz. Mammography and X-Rays machines were not delivered by the contractor. The inspection report was submitted on 27-03-2018, whereas the actual installation of said machinery was verified by the consultant on 24-09-2018 vide document No.NTP-498-MDBSC dated 24-09-2018. Moreover, an amount of Rs12.30 million was paid on account of operational charges in June 2018 without providing basic facility of diagnostic of Breast Cancer as Mammography and X-Rays machines were not installed.

The matter was reported to the management in November 2018. The management stated that the consultant M/s EA Consulting Pvt. Ltd had reported inspection inadvertently which was regretted next day vide letter No. E.A/848/0741/18 dated 28-03-2018. The reply was not tenable, as the basic concept of procurement of mobile health care units was provision of diagnostic facilities of breast cancer and without having such facility, the operations carried out were meaningless.

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

(AIR# 4.2.2.3)

#### **25.5.43 Insurance of project assets from private company – Rs.35.76 million**

As per Section 03 of the Sindh Insurance of Public Property Act, 2015 “Subject to the provisions of Section 4, all insurance business related to any public property, or to any risk or liability with respect to any public property, shall be placed with and procured from the company (Sindh Insurance Limited) only and shall not be placed with or procured from any other insurer further Section 6 states that any person who insures public property contravenes the provisions of section 3, shall be punishable with fine which may extend to one percent of the sum assured or an amount not exceeding two million rupees, whichever is lower.

During audit on the accounts of Pilot Project for Mobile Emergency Health Care Units, it was observed that an expenditure of Rs35.76 million was incurred on account of insurance cover for the Mobile Emergency Health Care Units from M/s

United Insurance Co. Pakistan Ltd. instead of Sindh Insurance Limited as required under above Act. Moreover, the management did not obtain competitive market rates through open tenders, thus, undue favour was extended to the private firm.

(Rs. in million)

Year	Document Date	Amount
2017	14.02.2018	21.687
2016	14.06.2017	8.940
2016	12.06.2017	5.133
<b>Total</b>		<b>35.760</b>

The matter was reported to the management in November 2018, but no reply was received.

Audit recommends investigation of the matter for fixing of responsibility against person(s) at fault.

(AIR# 4.2.2.4)

#### 25.5.44 Unjustified procurement of vehicles – Rs.6.35 million

Rule-290 of Central Treasury Rules Volume-I, states that “no money shall be drawn from Government treasury until and unless it is required for immediate disbursement or need. It is not permissible to draw money from the treasury in anticipation of demands or to prevent lapse of budget grant.”

During audit on accounts of Mobile Diagnostic Services for Breast Cancer scheme, it was observed that an expenditure of Rs.6.35 million was incurred on purchase of additional two vehicles but the same were still not received by the project. Moreover, the Project office already had four vehicles, which were purchased from MEHCU scheme for three officers; hence, purchasing of additional vehicles from this scheme indicates misuse of Government funds.

(Rs. in million)

Year	Document Date	Vendor Name	Amount
2017	07.06.2018	Indus Motor Company Limited	4.956
2017	07.06.2018	Pak Suzuki Motor Company Limited	1.391
<b>Total</b>			<b>6.347</b>

The matter was reported to the management in November 2018, but no reply was received.

Audit requires justification for procurement of vehicles without requirement.  
(AIR# 4.2.2.5)

#### **25.5.45 Un-authorized expenditure after judgment of Honorable Supreme Court – Rs.1,323.76 million**

As per para No. 21 (e) of judgement of the Suo Moto Case No. 19 of 2016 dated 24-03-2017 of Honourable Supreme Court of Pakistan “the projects and schemes which have been implemented / executed or those which are being implemented by the Special Initiative Department be immediately transferred to the concerned Government department in terms of Schedule II of the Sindh Government Rules of Business”.

During audit on accounts of PMU, Mobile Health Care Units, it was observed that an expenditure of Rs.1,323.76 million was incurred on execution of the said scheme in contravention to the orders of the Honourable Supreme Court of Pakistan. The Honourable Court had directed to wound up the business of Special Initiative Department since the date of decision i.e. 24-03-2017. However, the management continued to incur expenditure till 19-02-2018 in violation of Honourable Court orders. Details are as under;

(Rs. in million)		
Sr.#	Name of Scheme	Amount
1	Mobile Diagnostic Services for Breast Cancer in Sindh	967.342
2	Pilot project for Mobile Emergency Health Care Units	356.421
<b>Total</b>		<b>1,323.763</b>

The matter was reported to the management in November 2018. The management replied that the Government of Sindh had issued order for de-notification of Special Initiative Department on 19-02-2018; whereas the functioning of Projects was never stopped by any authority even after de-notification of the Department. The reply was not tenable, as Honourable Court’s decision was not implemented in letter and spirit.

Audit recommends fixing of responsibility against person(s) at fault.  
(AIR# 4.2.3.1)

#### **25.5.46 Non-recovery of income tax from the contractor – Rs.31.68 million**

As per Section 153 (1) (c) (iii) of Income Tax Ordinance 2001, every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person- (a)

for the sale of goods; (b) for the rendering of services; (c) on the execution of the contract, other than a contract for the sale of goods or the rendering service, shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in division III of part III of the first schedule.

During audit on accounts of Pilot Project for Mobile Emergency Health Care Units, it was observed that an amount of Rs.452.60 million was paid to contractor on account of procurement of Mobile Emergency Health Care Units & Operational Service charges but income tax of Rs.31.68 million @ 7% was not recovered at source from the contractor. This resulted in loss to public exchequer.

(Rs. in million)

Year	Document Date	Amount
2017	07.12.2017	114.048
2016	06.01.2017	110.592
2015	28.06.2016	55.296
2016	12.06.2017	48.000
2017	22.11.2017	38.016
2016	25.04.2017	86.647
<b>Total</b>		<b>452.599</b>

The matter was reported to the management in November 2018, but no reply was received.

Audit recommends expeditious recovery of government dues besides fixing of responsibility against person(s) at fault.

(AIR# 4.2.3.2)

#### **25.5.47 Irregular expenditure without supporting documents – Rs.1.58 million**

According to Rule 23 of Sindh Financial Rules, Volume-I, “Every payment including repayment of money previously lodged with government for whatever purpose, must be supported by voucher setting forth full and clear particulars of the claim”.

During audit on accounts of Pilot Project for Mobile Emergency Health Care Units, it was observed that an expenditure of Rs.1.583 million was incurred on account of seminar & conferences without availability of supporting documents as mentioned under:

- i. Schedule (time, venue & date) and office orders (agenda) of organizing conference & seminars.

- ii. Invitation letters sent to guests/stakeholders.
- iii. Record of competitive process (Tenders/ Quotations for arrangement of events, advertisement as well as food served.
- iv. Purpose of organizing seminar.
- v. Details of Service/arrangement charges of advertisement/ printing items
- vi. Consumption account.

(Rs. in million)

<b>Year</b>	<b>Vendor Name</b>	<b>Amount</b>
2016	Sashun International	0.890
		0.593
2015	Star Enterprises	0.050
		0.050
<b>Total</b>		<b>1.583</b>

The matter was reported to the management in November 2018, but no reply was received.

Audit requires production of relevant documents/record for necessary scrutiny.  
(AIR# 4.2.3.3)

## CHAPTER – 26 POPULATION WELFARE DEPARTMENT

### 26.1 Introduction

This department is basically meant for the socio-economic development by emphasizing on:

- Small family norms
- Reducing population growth rate
- Reducing infant mortality
- Maternal mortality and;
- Fertility level

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	21	08	1,292.545	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

### 26.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
5,335.120	-	739.174	(739.174)	(317.222)	5,017.898	4,045.760	(-) 972.138

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs972.138 million was observed which was not surrendered in time.



### 26.3 Classified Summary of Audit Observations

Audit observations amounting to Rs227.862 million were raised as a result of this audit. This amount also includes recoverables of Rs29.670 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	11.825
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	2.984
B	<i>Procurement related irregularities</i>	213.053
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	-

### 26.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	5	5	0	5	0	No audit para pertaining to this department was printed in these Audit Reports
2	1998-99	9	1	0	1	0	
3	1999-2000	0	0	0	0	0	
4	2001-02	0	0	0	0	0	
5	2004-05	0	0	0	0	0	

6	2005-06	3	0	0	0	0	
7	2006-07	6	0	0	0	0	
8	2007-08	6	0	0	0	0	
9	2008-09	6	2	0	2	0	
10	2009-10	10	2	0	2	-	
11	2010-11	6	3	0	3	-	
12	2014-15	2	0	0	0	-	
13	2016-17	0	0	0	0	-	Audit report not yet discussed
<b>Total</b>		<b>53</b>	<b>13</b>	<b>0</b>	<b>13</b>	<b>0</b>	

## 26.5 Audit Paras

### 26.5.1 Non-production of record – Rs.11.825 million

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition”. And “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 on the accounts of following offices of Population Welfare Department, Government of Sindh for the financial years 2018-19 & 2019-20, the management did not produce the auditable record despite various reminders. Due to non-production, the record involving financial impact of Rs.11.825 million remained unaudited. The details are as under:

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	DPWO, Ghotki	2018-19	02	Pay Allowances & Contingency	5.318
			19	Record of Contract Employees	0.500
2	DPWO, Ghotki	2018-19	09	Purchase of Medicines	1.600
3	Secretary Population Welfare Department, Karachi	2019-20	05	Supporting vouchers of Entertainment & Gifts	1.286
4	DPWO, (including RHS ‘A’ Centers) Nausheroferoze	2018-19	04	Medicine Consumption Account	1.159
5	DPWO, West, Karachi	2018-19	3 & 5	Record of newly appointed officials and supporting record of arrears/difference bills	0.928
6	DPWO, Tando Allahyar	2018-19	02	Supporting vouchers of POL	0.348
7	Incharge RHS-A Center, Taluka Chambar	2018-19	02	Supporting vouchers of POL	0.318
8	DPWO, Hyderabad	2019-20	20	Supporting record of arrears/difference bills	0.152
9	DPWO, Umerkot	2019-20	05	Repair of Transport	0.135
10	Incharge RHS-A Center, Taluka Tando Allahayar	2018-19	02	Gas charges	0.081
<b>Total</b>					<b>11.825</b>

The matter was pointed out to the management during October 2019 to November 2020. In DAC meeting held on 12-01-2021, management was directed to produce record to audit for verification. However, no progress was reported.

Audit recommends compliance of DAC directives.

### **26.5.2 Irregular payment of various allowance without entitlement – Rs.2.984 million**

As per Government of Sindh, Finance Department Notification No. FD(SR-III)5-40/2012 dated 12-07-2017, Special Incentive Allowance @ Rs.4,000 per month was allowed to the Vaccinators (BP-6), EPI, Health Department performance based. As per pay scale 2005, Instruction Allowance is admissible to those Instructors imparting I service training.

As per Government of Sindh, Finance Department's Notification vide No.FD(SR-III)5/40-2002(C), dated 20.07.2011, Hard Work Allowance was allowed to Medical Doctors treating patients of notified infectious diseases such as TB, Swine Flu etc.

As per Government of Sindh S & GAD Notification No. PA-DS (G)/41133/76 dated: 27-07-77 and No. SO (INSP) S& GAD VI (3) /79 dated: 20-07-1979, "the conveyance allowance is an allowance paid to employees to enable them to reach the office. The conveyance allowance is not required to be paid to those officers, who have been provided with government transport facilities and / or have gone on vacations.

During audit on the accounts of following offices of Population Welfare Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an amount of Rs.1.550 million was paid to various officers / officials on account of various allowance without their entitlement and departmental notification.

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
1	Principal, Regional Population Training Institute, Karachi	2018-19	2	Various Allowances	0.593
2	District Population Welfare Officer, West Karachi	2018-19	14	Various Allowances	0.180
3	Secretary Population Welfare Department, Karachi	2019-20	2	Various Allowances	0.675
4	District Population Welfare Officer, Sanghar	2019-20	2	Various Allowances	0.102

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
5	Secretary Population Welfare Department, Karachi	2019-20	1	Hard work allowance	1.080
6	District Population Officer, Hyderabad	2019-20	1	Hard work allowance	0.114
7	DPWO, West Karachi	2018-19 & 2019-20	2	Conveyance allowance	0.060
8	RHSA Center Khalifa Bin Hamid	2018-19 & 2019-20	2	Conveyance allowance	0.060
9	DPWO, Hyderabad	2018-19 & 2019-20	5	Conveyance allowance	0.120
<b>Total</b>					<b>2.984</b>

The matter was pointed out to the management in November 2020. In DAC meeting held on 12-01-2021, management was directed to effect recovery of inadmissible allowances under intimation to audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

### **26.5.3 Irregular purchase of medicines – Rs.173.461 million**

As per instructions of Government, “Drug Testing Laboratory report of each item / medicine is required to be obtained”. As per notification issued by Health Department, Government of Sindh vide # S.O (PM&I) 2-1/2011 (Main) dated 21<sup>st</sup> April 2012, “a representative from PM&I Cell, Health Department must be included as a member of Joint Inspection Committee for physical verification / joint inspection of receipt of stores before forwarding the bills to the accounts office for payment. All the payments will be made on production of Joint Inspection report duly signed.”

During audit on the accounts of following offices of Population Welfare Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that payment of Rs.173.461 million was made for purchase of medicines in violation of rules. Details are given as under;

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	District Population Welfare Officer, Larkana	2018-19	03	3.140
2	Secretary Population Welfare Department, Karachi	2019-20	03	169.907
3	District Population Welfare Officer, Hyderabad	2019-20	12	0.414
<b>Total</b>				<b>173.461</b>

Following irregularities were noticed:

- i. Technical evaluation before opening of financial bid was not carried out.
- ii. Agreement with the supplier was not executed.
- iii. Performance Guarantee was not obtained.
- iv. Integrity Pact was not executed
- v. Minutes of procurement committee were not available.
- vi. Authorized Distributor certificate / country of origin etc were not found attached.
- vii. The drug testing laboratory report was not obtained which was required to authenticate the quality and efficacy of medicines. In absence of said reports, quality and potency of drugs could not be authenticated.
- viii. The joint inspection was not conducted as the report was not produced to audit.
- ix. The delivery was not acknowledged by the storekeeper nor the same were accounted for.
- x. The utilization report was not produced to audit.
- xi. The registration certificates of drugs were not produced.

The matter was pointed out to the management in November 2020. In DAC meeting held on 12-01-2021, management was directed to produce record to audit for verification. However, no progress was reported.

Audit recommends compliance of DAC directives.

#### **26.5.4 Non-deduction of Sindh Sales Tax on services – Rs.29.670 million**

The Services provided or rendered by person engaged in contractual execution of work or furnishing supplies is taxable within the meaning of Section 3(1) of the Sindh Sales Tax Act. The rate of services provided or rendered by persons engaged in contractual execution of work or furnishing supplies mentioned at Tariff No. 9809.00 during the financial year 2017 is 13%.

During audit on the accounts of following offices of Population Welfare Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an amount Rs.6.834 million and Rs.169.907 million respectively was expended under the various heads of accounts but Sales Tax on services amounting to Rs.0.786 million and Rs.28.884 totalling Rs.29.670 million was not deducted from the contractors. Audit is of the opinion that Government sustained loss due to non-deduction of Sales Tax on services.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	District Population Welfare Officer, Ghotki	2018-19	16	0.786
2	Secretary Population Welfare Department, Karachi	2019-20	06	28.884
			<b>Total</b>	<b>29.670</b>

The matter was pointed out to the management during October 2019 & November 2020. In DAC meeting held on 12-01-2021, management was directed to effect recovery of taxes at applicable rates under intimation to audit. However, no progress was reported.

Audit recommends compliance of DAC directives.

#### **26.5.5 Irregular expenditure on account of “Conference & Seminar” – Rs.9.922million**

According to Rule-88 of SFR Volume-I, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from Government revenues, as a person of ordinary prudence would exercise in spending his own money and public money should be utilized for the benefit of a particular person or community.”

During audit on the accounts of following offices of Population Welfare Department, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.9.922 million was incurred under the head of account “Conference and Seminar”, however, following irregularities were noticed:

- i. Copy of approved plan for trainings, seminars and workshops was not provided.
- ii. Activity report showing details of event, purpose, list of participants and photographs were not provided.
- iii. Tenders/quotations were not called.

- iv. Payment was not made direct to vender but through DDO's in violation of rules.
- v. Government taxes at the applicable rates were not deducted.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	District Population Welfare Officer, Naushero Feroze	2018-19	02	0.754
2	District Population Welfare Officer, UmerKot	2018-19	12	0.392
3	District Population Officer, Tharparker @ Mithi	2018-19	05	1.146
4	District Population Welfare Officer, Ghotki	2018-19	06	2.211
5	District Population Welfare Officer, Larkana	2018-19	1, 5 & 9	3.436
		2019-20	04	0.314
6	District Population Welfare Officer, Sanghar	2019-20	07 & 08	0.194
7	District Population Welfare Officer, UmerKot	2019-20	09	0.102
8	District Population Welfare Officer, Larkana	2019-20	04	0.314
9	District Population Officer, Hyderabad	2019-20	09	0.470
10	District Population Welfare Officer, West Karachi	2018-19	10	0.589
			<b>Total</b>	<b>9.922</b>

The matter was pointed out to the management in November 2019. In DAC meeting held on 12-01-2021, management was directed to produce record to audit for verification. However, no progress was reported.

Audit recommends compliance of DAC directives.



## **CHAPTER – 27**

### **SERVICES GENERAL ADMINISTRATION & COORDINATION DEPARTMENT**

#### **27.1 Introduction**

##### **Services Wing**

Services Wing of SGA & CD deals with the establishment matters of the officials of the Government of Sindh including the federal government officials who are on deputation with the Government of Sindh.

The service areas taken up by the Services Wing include: transfer and posting of the government officials, promotion cases of the officials, matters relating to retirement, pension GP Fund, Ex-Pakistan leave, absorption of the employees of the surplus pool, study leave, capacity building of the officers, etc. The cases of the recruitment on son quota are scrutinized in the Services Wing of the SGA&CD. Hiring consultants for various technical assignments and framing their terms of hiring is the clear jurisdiction of the Services Wing. This wing ascertain the vacancy position against which the recruitment has to be made by sending requisition to the Sindh Public Service Commission (SPSC).

##### **General Administration & Coordination Wing**

General Administration and Coordination (GA&C) Wing of the Government of Sindh is responsible for the general administration and coordinating with the administrative departments of the Government of Sindh. As a regulatory wing, it deals with the framing of rules, regulation and offering opinion in various service matters of critical nature. Financial management of Government Employees Benevolent Fund is the eminent function of the GA&C Wing. Coordination function of Government of Sindh deals with the execution of directives relating to the office of the President, Prime Minister, Governor, Chief Minister and Secretaries Committees meeting, etc.

Development schemes of SGA&CD including housing, foundations and authorities are taken up in the general administration wing of the Government of Sindh. Estate Office is pivotal in matters of Government accommodations to the government

employees. Issues like self-hiring, allotment and vacation of Government accommodations, recovery of rent, dues and utility liabilities and court matters are the domain of the estate office.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	48	41	10,219.49	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	1	1	128.001	
4	Foreign Aided Projects (FAP)	0	0		

## 27.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
13,236.337	780.214	5,302.392	(5,302.392)	(3,997.000)	10,019.551	9,735.189	(-) 284.362

The department was unable to spend the allocated budget in time. As a result, savings of an amount Rs284.362million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
193.200	114.307	94.892	(19.415)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs19.415 million was observed. Revenue estimate were reduced upto 40.8% in revised estimate. Actual receipts were only 83% of revised estimate.

### 27.3 Classified Summary of Audit Observations

Audit observations amounting to Rs2,224.549 million were raised as a result of this audit. This amount also includes recoverable of Rs99.941 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	1,062.920
2	Reported cases of fraud, embezzlement and misappropriation	81.490
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	93.301
B	<i>Procurement related irregularities</i>	457.778
C	<i>Management of Accounts with Commercial Banks</i>	384.122
4	Value for money and service delivery issues	-
5	Others	144.938

### 27.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	4	0	0	0	-	
2	1998-99	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
3	1999-2000	16	0	0	0	-	

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
4	2001-02	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
5	2004-05	5	2	0	2	-	
6	2005-06	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
7	2006-07	10	8	0	8	-	
8	2007-08	8	1	0	1	-	
9	2008-09	3	0	0	0	-	
10	2009-10	0	0	0	0	-	No audit para pertaining to this department was printed in this Audit Report
11	2010-11	1	1	0	1	-	Audit Report not yet discussed
12	2014-15	0	0	0	0	-	
13	2016-17	0	0	0	0	-	
<b>Total</b>		<b>47</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>-</b>	

## **27.5 Audit Paras**

### **27.5.1 Non-production of record - Rs.940.979 million**

Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that "The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition." And "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 on the accounts of various offices of Services, General Administration & Coordination Department, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.940.979 million remained unaudited. Details are given at **Annex-1** of Chapter-27.

Audit is of the view that in absence of provision of record, authenticity of expenditure could not be ascertained by audit.

The matter was pointed out to the management during November 2019 to August 2020. The management of the office of Deputy Commissioner, Khairpur at Sr. # 05 of the attached Annex, stated that production of record was not denied at all and the required record of Deputy Commissioner office and Assistant Commissioners were available during audit. Some record of Assistant Commissioner's office such as; Cash Books, Vouchers etc. were delayed. However, that record is now produced for audit purpose. The department produced record of sanctioned and working strength of DC office and certificate that they did not receive any donation in cash or kind and about the infrastructure owned (only for Sajjad Hotel) and survey page of identification of beneficiaries pertaining to DC office, which was verified. However, remaining record of DC office and record of AC Sobhodero as well as record of Mukhtairkar was not produced. No reply was received from other offices.

The matter was pointed out to the management during November 2019 to July 2020. The DAC meeting was held on 26-10-2020 for discussion of Audit Paras of Secretary S&GACD. The management of office at serial no.01 stated that the payment was made in favor of deceased after completing all codal formalities and with approval of competent authority. The A.G. Sindh issued cheque after scrutinizing all the necessary documents.

The DAC directed the management that the required documents may be shared with the office of the D.G. Audit Sindh for verification. However, no progress was made till finalization of this report. DAC meeting of remaining offices was not convened by the PAO till finalization of this report

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **27.5.2 Irregular / doubtful expenditure due to non-invitation of tender – Rs.29.471 million**

Rule 12 (1) of SPPR 2010 provides that 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.

As per Rule 17 “Methods of Notification and Advertisement” of Sindh Public Procurement Rules, 2010, provides that:

- (1) Procurements over three hundred thousand rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules.
- (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages”.

During audit on the accounts of the following offices of Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an expenditure of Rs.29.471 million was incurred on account of purchase of various articles of different nature from single supplier and the same supplier was also providing the repair & maintenance facility for vehicles/machinery/furniture as well as execution of civil work. Audit observed that tenders were not called and registration certificate from PEC and licence for electric work of the supplier / contractor were not produced. Details are given as under;

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Amount</b>
1	Deputy Commissioner, T.M. Khan	52	25.553
2	Deputy Commissioner, Malir, Karachi	46	2.398
		04	1.520
<b>Total</b>			<b>29.471</b>

The audit is of the view that due to purchase of various items and obtaining of different services from single supplier possibility of misappropriation cannot be ruled out.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### **27.5.3 Irregular purchase on doubtful quotations – Rs.28.685 million**

As per Rule-4 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 on the accounts of the following offices of Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that quotations were obtained from different vendors for purchase of various articles amounting to Rs.28.685 million. Details are given as under:

(Rs. in million)

<b>Sr #</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Amount</b>
1	Deputy Commissioner, Jamshoro	32	27.649
2	Deputy Commissioner, Sukkur	04	0.466
		01	0.108
3	Deputy Commissioner, Khairpur	21	0.462
<b>Total</b>			<b>28.685</b>

The following observations were noticed:

- i. Same writing pattern/font/style was observed on the quotations of different vendors.
- ii. Quotations were without serial number and date of issue.
- iii. The actual date of event and date of procurement was different for feeding articles of Rs0.108 million.

The audit is of the view that due to purchase of items on the basis of doubtful quotations, possibility of misappropriation cannot be ruled out.

The matter was pointed out to the management in the month of July 2020. The management of the office of Deputy Commissioner, Khairpur at Sr. # 03 above stated that the quotations have been invited from different workshops for repairing of vehicles. The lowest rates were approved. The question of fake quotations does not arise here though writing/font/style, etc. depends upon the vendors. The reply of the management was not found satisfactory as the contents of the quotations reflected similarity which creates doubt that the same were prepared by single vendor. No reply was received from other offices.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **27.5.4 Irregular / doubtful expenditure on cleaning of drains & garbage – Rs.21.929 million**

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

During audit on the accounts of the following offices of Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an amount of Rs.21.929 million was paid to suppliers on account of cleaning of drains, Nalas, garbage and payment was charged to head “Other service rendered” without calling tenders. Details are given as under;

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>AIR Para#</b>	<b>Amount</b>
1	Deputy Commissioner, Korangi, Karachi	01	19.929
2	Deputy Commissioner, West, Karachi	01	2.000
<b>Total</b>			<b>21.929</b>



The following observations were noticed:

- i. Location of cleaning of Nalas, drains & garbage was not mentioned in the documents.
- ii. The sanction orders were split up to avoid tendering process.
- iii. Quotations were found defective as same pattern and same mistakes were found on different vendors quotations which gave expression that those quotations were not invited but managed just to complete codal formalities.
- iv. This type of expenditure of cleaning of Nalas, drains & garbage is responsibility of Local Government.
- v. Rate of same item was different in different invoices.
- vi. Vehicles details engaged in works were not attached with the bills.
- vii. Work completion certificates were also not obtained from Local Government authorities.
- viii. Expenditure was misclassified and charged to irrelevant head of account.
- ix. Whole payment was made on hourly basis for dumper and tractor trolley to dump the garbage but evidence for payment to excavator for cleaning of Nalas was not available.

The audit is of the view that the department exceeded its jurisdiction and incurred doubtful expenditure which indicates prevalence of weak management practices within the department.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **27.5.5 Irregular expenditure on hiring of Container and lifter – Rs.8.193 million**

According to Appendix 18-A of Sindh Financial Rules, Volume-I, states that “every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and

negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence”.

During audit on the accounts of office of the Deputy Commissioner East, Karachi, for the year 2019-20, it was observed that an expenditure of Rs.8.193 million was incurred on hiring of containers & lifter for sealing the Parking grounds during Muharam and Cricket events without calling tenders in violation of SPPRA rules.

The audit is of the view that non-compliance of rules indicates prevalence of weak financial controls within the departments.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR#03)**

#### **27.5.6 Doubtful payment on account of container charges – Rs.1.405 million**

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

During audit on the accounts of the Deputy Commissioner, West, Karachi, Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an amount of Rs.1.405 million was paid to M/s Royal Crown Enterprises for installation of containers. The following shortcomings were noted:

- i. The tenders were not invited.
- ii. The expenditure was misclassified and charges to irrelevant head of account.
- iii. The expenditure was incurred for the container charges at American Embassy and Native Jetty Bridge but reasons/purpose of that was not produced to audit.

- Moreover, American Embassy and Native Jetty Bridge are in South Zone jurisdiction but expenditure by local office creates doubts.
- iv. Details of occasions/events were not mentioned for which containers hired.
  - v. Evidence for hired containers and satisfactory work completion report from police department was also not found attached.

The audit is of the view that non-compliance of rules resulted in weak financial control prevalent in the departments.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR# 07)**

#### **27.5.7 Irregular payment of inadmissible allowances – Rs.86.041 million**

As per Notification of Finance Department, Government of Sindh No FD (SR-IV) (12)/77 dated 13.05.1997 read with Para-7(a) of Finance Division (Regulation wing) OM No.I(I)imp/2008 dated 30-6-2008, “The office cum residence conveyance allowance is an allowance to facilitate Government officers/officials to reach the office and not admissible to those officer/officials who have been provided with government transport facility or residing within work premises.”

As per Para 11 of General Financial Rules Volume–I, “each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.”

During audit on the accounts of the various offices of Services, General Administration & Coordination Department, it was observed that various inadmissible allowances amounting to Rs.86.041 million were paid to the officers & staff. Details are given at **Annex-2** of Chapter-27.

Audit is of the view that undue favor was extended to the government employees due to payment of inadmissible allowances.

The matter was pointed out to the management during October 2019 to July 2020. The management of the office of Deputy Commissioner, Khairpur at Sr. # 12 (Para # 24 & 25) of attached Annex stated that the amount of Conveyance Allowance pointed out have not deducted / recovered from the officers. As at that time the government vehicles were not in their possession. In response to AIR# 25, the management stated that the record of the concerned employees from whom the deduction was to be recovered is not being traced. As soon as the same is traced the compliance will be made for the observation. The reply of the management was not satisfactory as the recovery was not affected and justification provided were not supported with the relevant evidence. No reply was received from other offices.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends expeditious recovery of allowances besides fixing of responsibility on person (s) at fault.

**27.5.8 Irregular drawl of pay & allowances in excess of sanctioned strength – Rs.7.260 million**

Section-133 of Sindh Budget Manual, states that, “no government servant should, however, without previously obtaining an extra appropriation, incur expenditure in excess of the amounts provided under the heads concerned. When a government servant exceeds the annual appropriation, he runs the risk of being held responsible for the excess”.

During audit on the accounts of the following offices of Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an amount of Rs.7.260 million was paid to employees who were posted in excess over & above sanctioned posts without approval from Finance Department.

(Rs in million)

Sr. #	Name of Office	AIR Para #	Excess strength	Amount
1	Deputy Commissioner, Korangi, Karachi	23	04 excess employees	2.498
2	Deputy Commissioner, Tando Allahyar	01	06 excess employees	2.492
3	Deputy Commissioner, West, Karachi	25	05 excess employees	1.432

(Rs in million)

Sr. #	Name of Office	AIR Para #	Excess strength	Amount
4	Deputy Commissioner, Ghotki	09	01 excess employee	0.838
5	Deputy Commissioner, Matiari	04	33 excess employees	0
6	Deputy Commissioner, Jamshoro	37	--	0
7	Deputy Commissioner, Khairpur	40	42 excess employees	0
<b>Total</b>				<b>7.260</b>

The audit is of the view that the undue financial benefit was provided to employees in absence of sanctioned strength and without approvals of the competent authority.

The matter was pointed out to the management during July to August 2020. The management of the office of Deputy Commissioner, Khairpur at Sr. # 07 above stated that there were no excess employees in the offices. The observation was issued on the basis of sap data which might contains excess working strength. However, this office has not made any payment in excess of the sanctioned strength approved by the Government of Sindh. The reconciliation with District Accounts Office is attached for verification by audit. The management in support of its contention produced the scale audit register. The audit observed that there were no sanctioned posts in the budget book; hence, payments made without sanctioned posts was irregular. No reply was received from other offices.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification besides taking remedial measures.

#### **27.5.9 Irregular expenditure on purchase of various articles & repair work – Rs.118.339 million**

According to Rule 23 of Sindh Financial Rules Volume-1, as a general rule every payment including repayment of money previously logged with Government for whatever purpose must be supported by the voucher setting forth full and clear particulars of the claim.

During audit on the accounts of the various offices of Services, General Administration & Coordination Department, it was observed that an amount of

Rs.118.339 million was incurred on purchase of various articles and repair work. Details are given at **Annex-3** of Chapter-27.

The following irregularities were noticed:

- i. The procurement was made from general order supplier instead of specific vendors.
- ii. The expenditure was incurred through split up to avoid invitation of tender.
- iii. The indent was not obtained before incurrence of expenditure.
- iv. The quotations obtained were doubtful as have same pattern of writing/style for different vendors.
- v. The invoices were without serial number and date.
- vi. The consumption account/stock register was not maintained.
- vii. The delivery challan of the articles purchased were not available.
- viii. Satisfactory completion certificate was not available on record.

The audit is of the view that undue financial benefits were provided to the suppliers due to non-consideration of specific trade of vendors and tender formalities.

The matter was pointed out to the management during October 2019 to August 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **27.5.10 Non-invitation of tender – Rs.204.278 million**

Rule 17(1) & (2) of Sindh Public Procurement Rules, 2010 as amended in March 2019 states that procurement over three hundred thousand rupees shall be advertised by timely notification on the Authority's websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

Rule 12(1) of SPPR 2010 provides that all proposed procurements for each financial year shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan.

During audit on the accounts of various offices of Services, General Administration & Coordination Department, it was observed that an expenditure of Rs.204.278 million was incurred without calling open tender / through splitting of the sanction orders to avoid open tenders in violation of above-mentioned rule. Details are given at **Annex-4** of Chapter-27.

Audit is of the view that due to non-invitation of tenders; the government was deprived of competitive rates.

The matter was pointed out to the management during November 2019 to July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **27.5.11 Irregular expenditure on non-schedule items – Rs.62.274 million**

According to Sr. # 4 of Schedule of Rates (Composite) for finished items of works, 1996, “Non-schedule item costing up to Rs 1,000 should be got sanctioned by the concerned Superintendent Engineer and exceeding Rs 1,000 must be got approved and sanctioned by the Chief Engineer.”

During audit on the accounts of the Commissioner, Karachi, Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an expenditure of Rs.62.274 million was incurred on non-scheduled items without obtaining approval and sanction of competent authority. The rate analysis duly sanctioned by the competent authority was also not provided.

The audit is of the view that the execution of items of works without approval was irregular.

The matter was pointed out to the management in the month of August 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking of remedial measures.

(AIR#17)

**27.5.12 Irregular expenditure on account of cost of other service rendered–  
Rs.56.348 million**

According to Rule-23 of General Financial Rule Volume-1, “Every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud and negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”. Rule 17 (1) & (2) of Sindh Public Procurement Rules, 2010 states that procurement over three hundred thousand rupees and up to two million rupees shall be advertised by timely notification on the Authority’s websites and in print media in the manner and format prescribed in these rules. The advertisement shall appear in at least three widely circulated and leading daily newspapers of English, Urdu and Sindhi language.

During audit on the accounts of the Deputy Commissioner, West, Karachi, Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an expenditure of Rs.56.348 million was incurred on hiring of machinery for Lifting of Garbage. The following irregularities were noticed:

- i. Tender was not invited to achieve most competitive rates.
- ii. The expenditure was incurred by splitting up to avoid obtaining of sanction of higher authority.
- iii. The details of the machinery engaged along with their registration number and Logbook for operating hours were not obtained.
- iv. Work pertained to Municipal Corporation but was done by local office without availability of work plan.
- v. The Quantity of the actual lifting of garbage was required to be calculated on the basis of quantity reached at landfill station but the evidence of actual quantity lifted was neither provided nor available on record.
- vi. The payment of Rs13.170 million was made in excess by engaging various capacity loaders as compared to the rate of Rs13.82 per cft provided for dumper of 1100 /cft per trip.



- vii. The exact location of the work was not available.
- viii. The details of the engaged sweepers along-with name, CNIC, duty timings attendance etc were not obtained.
- ix. An amount of Rs1.899 million was incurred through misclassification for payment to containers.
- x. Rates of all the supplies / services are on the higher side.

Audit is of the view that non-compliance of rules reflects prevalence of weak financial controls within the department.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

The audit recommends investigation besides fixing of responsibility against the person(s) at fault.

**(AIR# 02)**

### **27.5.13 Irregular expenditure on hiring of machinery – Rs.46.717 million**

Rule 10 (i) and (iv) of General Financial Rules Volume-I, states that, “every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money. Public moneys should not be utilized for the benefit of a particular person or section of the community”.

During audit on the accounts of the Deputy Commissioner, East, Karachi, Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an amount of Rs.46.717 million was paid on account of hiring of machinery. The following observations were noticed:

- i. The expenditure was incurred without invitation of tenders.
- ii. Work completion certificate was not obtained
- iii. The repair & maintenance work was done without observing scheduled rates
- iv. The bills pertaining to hiring of machinery were concerned with cleaning of Nala’s and disposing off the waste material but the work actually pertains to DMC. There were chance of duplication of execution of same work by DMC & DC Office.

- v. Quantity of the actual lifting of garbage was required to be calculated on the filled area was not available on the record.

The audit is of the view that the basic requirement of the competitive and transparent process was not observed resulting in non-economical and non-transparent procurement.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR# 01)**

#### **27.5.14 Irregular expenditure on organizing events – Rs.31.079 million**

According to Rule 23 of Sindh Financial Rules Volume-1, as a general rule every payment including repayment of money previously logged with Government for whatever purpose must be supported by the voucher setting forth full and clear particulars of the claim.

During audit on the accounts of the various offices of Services, General Administration & Coordination Department, it was observed that an amount of Rs.31.079 million was incurred on organizing various events by the management Details are given at **Annex-5** of Chapter-27.

The following irregularities were noticed:

- i. Office orders for organizing the events were not available on record.
- ii. The expenditure was incurred by split up to avoid from invitation of tender.
- iii. Details of event along with details of participants and venue were not available on record.
- iv. Details of payments made to employees and attendants were not available on record.
- v. The articles were purchased on higher rates, which put loss to Government.
- vi. The pictorial evidence of events organized were not available on record.
- vii. The procurement was made from single supplier.

- viii. The expenditure was incurred by DC on event of mango & flower show at Mirpurkhas, which was official function of Director Horticulture Research Institute.
- ix. Acknowledgment receipts of payments were not available on record.

Audit is of the view that due to non-availability of record the authenticity of expenditure could not be ascertained by audit.

The matter was pointed out to the management during November 2019 to July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **27.5.15 Irregular expenditure on feeding charges – Rs.21.188 million**

According to Rule 23 of Sindh Financial Rules Volume-1, as a general rule every payment including repayment of money previously logged with Government for whatever purpose must be supported by the voucher setting forth full and clear particulars of the claim.

During audit on the accounts of the various offices of Services, General Administration & Coordination Department, it was observed that an amount of Rs.21.188 million was incurred on account of feeding charges. Details are given at **Annex-6** of Chapter-27.

Following irregularities were noticed:

- i. The expenditure was incurred by way of split up to avoid from invitation of tenders.
- ii. List of personnel, to whom food was provided, was not available on record.
- iii. The procurement was made without rate contract.
- iv. Expenditure was incurred without obtaining quotations.
- v. Menu of food items was not prepared.
- vi. Delivery challan were not available.

Audit is of the view that expenditure was incurred without fulfilling formalities of the rules.

The matter was pointed out to the management during March 2020 to August 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **27.5.16 Non/less-recovery of various taxes – Rs.13.900 million**

According to Section 153 & 233 of Income Tax Ordinance 2001, as amended from time to time “any person responsible for making any payment in full or in part on account of supply of goods or services sanctioned to the auction of contract with government or local authorities, etc., shall deduct advance tax at the time of making payments at the rate of 4.5% for filers & 6.5% for non-filers on supply/purchases and at the rate of 10% for filers & 15% for non-filers on services rendered of gross amount”.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 13%

According to Rule 2(2) of S.R.O. 660(I)/2007 dated 30<sup>th</sup> June, 2007 issued by FBR, a withholding agent shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by the registered suppliers and make payment of the balance amount to him.

During audit on the accounts of the various offices of Services, General Administration & Coordination Department, it was observed that an amount of Rs.13.90 million of income tax, Sindh sales tax & general sales tax was not or less deducted while making payments to vendors which results in a loss to the government. Details are given at **Annex-7** of Chapter-27.

Audit is of the view that non-recovery of taxes caused loss to Government exchequer.

The matter was pointed out to the management during November 2019 to July 2020. The DAC meeting was held on 26-10-2020 for discussion of Audit Paras of Secretary S&GACD. The management of office at serial no. 15 stated that Sindh Sale Tax was not deducted at source and noted for future compliance. As per clause 4 of agreement, SCSH Foundation has to pay increased SST. The SCSHF undertakes that it will be deposited after release of budget by the Finance Department. The DAC decided that the relevant record will be provided to the office of the DG Audit Sindh for scrutiny and verification. However, no progress was made till finalization of this report. DAC meeting of remaining offices was not convened by the PAO till finalization of this report

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

#### **27.5.17 Irregular hiring of CCTV Cameras on rental basis – Rs.8.721 million**

Rule 12 (1) of SPPR 2010 provides that 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) *ibid* provides that procurement over three hundred thousand rupees and up to two million rupees shall be advertised by timely notification on the Authority's websites and may in print media in the manner and format prescribed in the rules.

During audit on the accounts of the Deputy Commissioner, East, Karachi, Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an expenditure of Rs.8.721 million was incurred on hiring of CCTV Cameras for General Elections. The following observations were noticed:

- i. Huge number of Cameras was hired on rental basis without calling tender.
- ii. Need assessment was not made through already installed cameras of Police Department & control room of Civic Centre.
- iii. Detail of location for installation not available on record
- iv. Rates were found to be on higher side.
- v. Submission Certificate of data recorded was unavailable due to which it could not be ascertained that Cameras were actually installed for the purpose they were rented.

The audit is of the view that expenditure in duplication on already installed cameras cannot be ruled out.

The matter was pointed out to the management in the month of July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

(AIR # 02)

### 27.5.18 Irregular expenditure on repair & maintenance of buildings – Rs.7.864 million

As per rule 88 of Sindh Financial Rules, Volume-I, "Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money".

During audit on the accounts of the following offices of Services, General Administration & Coordination Department, it was observed that an amount of Rs.7.864 million was paid to various contractors on account of repair & maintenance of buildings.

(Rs.in million)

Sr.#	Name of Office	AIR Para #	Financial year	Amount
1	Deputy Commissioner, Dadu	15	2019-20	2.486
		02	2018-19	1.802
2	Commissioner, Sukkur	02	2019-20	1.242
3	Deputy Commissioner, Sajawal	12	2019-20	1.030
4	Deputy Commissioner, Jamshoro	48	2019-20	0.750
5	Deputy Commissioner, Sukkur	24	2019-20	0.293
6	Managing Director, Sindh Public Procurement Regulatory Authority, Karachi	05	2019-20	0.261
<b>Total</b>				<b>7.864</b>

The following irregularities were noticed:

- i. The repair work was carried out by local office instead of from Building Department concerned.
- ii. The estimates were not prepared and approved from competent authority.
- iii. The expenditure was incurred through splitting up.
- iv. The measurement books were not produced.

- v. Agreement of works executed was not provided.
- vi. Specific place of work was not mentioned in the bill.
- vii. Work completion certificate was not attached with the claim.

The audit is of the view that due to non-observance of rules, the authenticity of expenditure could not be ascertained.

The matter was pointed out to the management during October 2019 to July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends justification for irregularity besides taking remedial measures.

#### **27.5.19 Unjustified expenditure on hiring of vehicles/machinery – Rs.6.467 million**

According to Rule 88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of the following offices of Services, General Administration & Coordination Department, it was observed that an expenditure of Rs.6.467 million was incurred on account of hiring of vehicles/machinery.

(Rs. in million)

Sr.#	Name of Office	AIR Para #	Financial year	Amount
1	Deputy Commissioner, South Karachi	12	2019-20	2.644
2	Deputy Commissioner, Dadu	16	2019-20	2.048
		04	2018-19	0.168
3	Deputy Commissioner, T.M. Khan	27	2019-20	0.311
4	Commissioner, Hyderabad	11	2019-20	0.307
5	Deputy Commissioner, Jamshoro	22	2019-20	0.306
6	Deputy Commissioner, Naushehro Feroze	16	2019-20	0.271
7	Deputy Commissioner, Badin	09	2019-20	0.166
8	Deputy Commissioner, Shikarpur	05	2019-20	0.154
9	Deputy Commissioner, Kashmore @ Kandhkot	07	2019-20	0.092
<b>Total</b>				<b>6.467</b>

In this regard, following irregularities were noticed:

- i. The reasons & purpose of hire of transport were not shown to audit.
- ii. The available office transport resources were not utilized by DCs concerned.
- iii. Acknowledgment receipts of payments were not obtained.
- iv. Detail of tours supported by orders was not provided.
- v. List of officers/officials/VVIPs was not shown.
- vi. Payment was made to general order supplier.
- vii. Separate budget for hiring of vehicles for various duties was not available.

The audit is of the view that in absence of required record the authenticity of the expenditure could not be ascertained.

The matter was pointed out to the management during October 2019 to July 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

#### **27.5.20 Un-authorized retention of government money in DDO account – Rs.196.557 million**

As per Rule 209 of Central Treasury Rules, Volume-I, stated that “No money shall be drawn from government treasury until and unless it is required for immediate disbursement or need. It is not permissible to draw money from the treasury in anticipation of demands or to prevent lapse of budget grant”.

During audit on the accounts of the following offices of Services, General Administration & Coordination Department, it was observed that an amount of Rs.196.557 million was retained in DDO accounts till the close of financial year.



(Rs. in million)

Sr.#	Name of Office	AIR Para #	Financial year	Amount
1	Deputy Commissioner, Thatta	07	2019-20	77.345
2	Commissioner, Karachi	09	2018-19	61.653
		13		5.888
3	Deputy Commissioner, South, Karachi	15	2019-20	27.029
4	Deputy Commissioner, Malir Karachi	26	2019-20	7.984
5	Deputy Commissioner, Mirpurkhas	13	2019-20	4.024
6	Deputy Commissioner, Badin	14	2019-20	3.690
7	Deputy Commissioner, Sajawal	04	2019-20	2.600
8	Deputy Commissioner, Matiari	09	2019-20	2.344
9	Deputy Commissioner, Khairpur	29	2019-20	2.065
10	Deputy Commissioner, Tando Allahyar	07	2019-20	1.594
11	Deputy Commissioner, Ghotki	07	2019-20	0.341
<b>Total</b>				<b>196.557</b>

Audit is of the view that retention of Government funds in DDO account blocked the Government fund to be used somewhere else for useful purpose

The matter was pointed out to the management November 2019 to August 2020. The management of the office of Deputy Commissioner, Khairpur at Sr. # 09 above stated that the amount at the closing balance depicted the amount transferred from the NBP account to Sindh Bank. These are the liabilities of various persons/parties which will be paid off in the coming month and if amount remains in the account, the said will be refunded to the Government. The reply was not tenable as no action was initiated as required under rules. The reasons for retention for such longer period was also not produced. No reply was received from other offices.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends immediate surrender of funds besides taking remedial measures.

#### **27.5.21 Irregular payment to the DDO instead of payees – Rs.187.565 million**

As per Rule 303 of Central Treasury Rules, “Contingent bill for payment to suppliers etc. which cannot be met from the permanent Imprest may be endorsed for payment to the party concerned and the DDOs are suggested that payment to the suppliers may be issued through crossed cheques in the name of firms concerned. This

will avoid unnecessary delays and risk involved in the drawl and disbursement of cash.”

During audit on the accounts of the following offices of Services, General Administration & Coordination Department, it was observed that an amount of Rs.187.565 million was drawn from treasury into DDO account instead direct crediting in payees account in violation of above rule.

(Rs. in million)

Sr.#	Name of Office	AIR Para #	Financial Year	Amount
1	Deputy Commissioner, Hyderabad	27	2019-20	90.459
2	Commissioner, Karachi	01	2019-20	37.913
3	Deputy Commissioner, Shaheed Benazirabad	24	2019-20	36.838
		14	2018-19	3.300
4	Commissioner, Hyderabad	01	2019-20	8.477
5	Deputy Commissioner, Central Karachi	09	2019-20	4.847
6	Commissioner, Karachi	19	2018-19	2.400
7	Deputy Commissioner, Khairpur	06	2018-19	0.800
		23	2019-20	0.200
8	Deputy Commissioner, Sukkur	05	2019-20	0.636
9	Deputy Commissioner, Badin	04	2019-20	0.555
10	Chief Pilot, Chief Minister Helicopter Flight, Karachi	04	2019-20	0.550
11	Commissioner, Sukkur	01	2019-20	0.309
12	Deputy Commissioner, Naushehro Feroze	26	2019-20	0.192
13	Deputy Commissioner, Tharparkar	08	2018-19	0.089
<b>Total</b>				<b>187.565</b>

Audit is of the view that due to payment through DDO account there were chances of misuse of Government funds.

The matter was pointed out to the management during November 2019 to August 2020. The management of the office of Deputy Commissioner, Khairpur, at serial No.07 (Para # 23) above stated that the amount pointed out for payment through DDO account is fact that it is done as per policy of the office of Accountant General Sindh/District Accounts Office concerned. Accordingly, the payment was made to the legal heirs of the deceased employee through cross cheque. The reply was not satisfactory as the acknowledgement of payee as well as reasons for not paying direct to the payee was not produced. No reply was received from other offices.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends irregular withdrawal of government funds in the name of drawing & disbursing officer may be justified, besides taking remedial measures.

#### **27.5.22 Irregular expenditure on foreign trainings – Rs.16.497 million**

As per Rule-28 (2) of Central Treasury Rules Volume-I, “A Government officer supplied with funds for expenditure shall also be responsible for seeing that payments are made to persons entitled to receive them”.

During audit on the accounts of the Chief Minister’s Helicopter Flight, Karachi, Services, General Administration & Coordination Department, for the financial year 2019-20, it was observed that an expenditure of Rs.16.497 million was incurred on account of foreign trainings without observing following codal formalities:

- i. The sanction/approval was obtained for the office of Chief Pilot Office (VIP Flight), CM Secretariat, Karachi; however, the local office was Chief Pilot Office (Helicopter Flight Karachi) having separate DDO/Cost center;
- ii. The payment was made on abstract bill but no accounts were rendered/adjustment shown;
- iii. Out of total amount spent for Rs16.497 million, the sanction of Rs.2.510 million only was obtained from Finance Division, Government of Pakistan vide No.F.2(2)/EF.B-IV/2019 on 28<sup>th</sup> October, 2019; thus, the expenditure of Rs 13.987 million was without approval.
- iv. Justification for foreign training when the same facility was available in Pakistan was not provided.

The audit is of the view that non-compliance of rules reflects prevalence of weak financial controls within the departments.

The matter was pointed out to the management in the month of September 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR#03)**

## **CHAPTER – 28**

### **SINDH REVENUE BOARD**

#### **28.1 Introduction**

Consequent upon the 18th Constitutional Amendment (specifically in relation to item No. 49 of Part A of the Fourth Schedule thereof) and pursuant to Articles 8 and 9(2) of the 7th NFC Award, notified in 2010, the Government of Sindh (GOS) enacted the Sindh Revenue Board Act, 2010 (Sindh Act No.XI of 2010), to regulate the matters relating to the fiscal and related economic policies; administration, management; imposition, levy and collection of taxes, duties, cess and other levies, by creating an organization (SRB) capable of enforcing the tax system through application of modern techniques of information and developing automated system of collection and assessment of tax and the matters ancillary thereto in the Province of Sindh.

GoS enacted the Sindh Sales Tax on Service Act, 2011 (Sindh Act No.XII of 2011), for the levy and collection of Sindh Sales Tax (SST) on the services provided or rendered. This Act became effective from July 01, 2011, and SRB was made responsible for the administration, collection and enforcement levied of SST under the said Act. SRB is also responsible for the overall tax policy, taxpayers' education, taxpayers' facilitation and tax administration. SRB is headed by Chairman who is assisted by 4 Members, one each for Taxation (previously known as 'Operations'), Tax Policy, Audit and Support Services

The Board meeting of SRB is held every month which is attended by the Chairman and the Members. The Secretary, SRB, acts as the Secretary of the Board. SRB is also assisted by a strong IT team and a state of the art Data Centre, capable enough to absorb, assimilate and store the data of all the provincial taxes in Sindh, is also operational in SRB. All registration, enrolment, tax payment and return-filing are on-line and done electronically. The database is used for assessment, audit, tax monitoring, tax coordination, and verifications.

SRB is envisaged to be the primary source and resource for provision of assistance and monitoring of all the tax revenue functions in Sindh.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	1	1	916.655	106,000.000
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

## 28.2 Comments on Budget and Accounts (Variance analysis)

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
1,345.500	-	118.868	(118.868)	(276.941)	1,068.559	1,009.798	(-) 58.761

The department was unable to spend the allocated budget in time. As a result, savings of Rs58.761 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
145,000.000	135,000.000	106,000.000	29,000.000

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs29,000.000 million was observed. Revenue estimate were reduced upto 6.9% in revised estimate. Actual receipts were only 78.5% of revised estimate.

## 28.3 Classified Summary of Audit Observations

Audit observations amounting to Rs4,286.904 million were raised as a result of this audit. This amount also includes recoverables of Rs2,659.163 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

<b>Sr. No.</b>	<b>Classification</b>	<b>Amount</b>
1	Non production of record	48.923
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	509.362
B	<i>Procurement related irregularities</i>	2,263.674
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	1,464.945

#### **28.4 Comments on the Status of Compliance with PAC Directives**

The SRB came into existence through SRB Act, 2010. Therefore, it was not included in the audit reports (1992-93 to 2010-11) discussed by the PAC. However, the department has been included in Audit Report 2016-17. The Report has not yet been discussed in PAC.

## 28.5 Audit Para

### 28.5.1 Non-production of tender documents – Rs.48.923 million

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “the officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition”. And “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 on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, the management did not produce the auditable record despite various reminders. Due to non-production, the record involving financial impact of Rs.48.923 million remained unaudited. The details are as under

- i. NIT & Agreement;
- ii. Estimates of works executed;
- iii. The M&R work was executed by private agency instead of Executive Engineer Building Division Karachi;
- iv. The Contractor’s Ledger, Measurement Books, Administrative Approval, Bid Evaluation Report and sanction of estimates of works were not produced.

(Rs. in million)

Sr. #	Head of Account	Amount
01	Repair of Office Building	46.462
02	Other Consultancy	2.461
<b>Total</b>		<b>48.923</b>

The matter was reported to the management in April 2020. DAC in its meeting held on 26-01-2021 directed the management to produce record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#21)

### 28.5.2 Un-justified expenditure on pay and honorarium – Rs.504.549 million

According to the Government of Sindh Finance Department (Regulation Wing) vide his letter No.FD(SR-VII) 20/37/95 dated 15-05-1995, the following decisions

regarding grant of honorarium to Government servants have been taken by the Government: Not more than one honorarium shall be granted to any official and shall not exceed one month's pay. Recommendations by the Ministers/Departments etc shall be examined strictly in accordance with the rules by the Finance Department and approval will be given in cases which fulfil all conditions laid down for grant of honoraria. This condition shall also apply to the personal staff of Ministers/Advisors/Special Assistants and Secretaries. Honorarium shall be admissible upto the level of Section Officers and equivalent.

According to rule FR-9(9), "Honorarium means recurring or non-recurring payment to the Government Servant from general revenue as remuneration for special task." Honorarium is to be allowed when the work is occasional in character and also laborious or of special merit. Honorarium is granted when conditions are fulfilled; that the work is occasional in nature and work is so laborious or of such merit as to justify special award. Further the amount must not exceed employees one month pay concerned on each occasion."

During audit on the accounts of Chairman, Sindh Revenue Board, Karachi for the financial year 2019-20, it was observed that Rs.364.645 million was incurred on account of pay & allowances. Similarly, an expenditure of Rs.139.904 million was incurred on account of honorarium. However, employee-wise breakup against the same and relevant rules and notifications with regard to admissible pay and allowances, other pay benefit and award of honorarium were not found available / produced to audit.

Audit is of the view that in the absence of relevant rules and notifications it could not be ascertained that the payment was made in accordance with prevailing rules and similarly income tax due against each employee's salary could not be verified.

The matter was reported to the management in October 2020. In DAC meeting held on 26-01-2021, management stated that there is provision in law. DAC directed to produce relevant rule position and justification of honorarium granted. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#20)**



### 28.5.3 Appointments in BS-17 & 18 without advertisement – Rs.4.813 million

According to SGA& CD's Circular Letter No. SOIX- Reg (SGA&CD) 1/D/1-73(4), dated 28-02-1974, the Administrative Department was required to lay down the method of appointment, qualification & other under sub-rule (2) of 3 of Sindh Civil Servants (Appointment, Promotion and Transfer) rules, 1974. Furthermore, as per Sindh Public Service Commission Ordinance 1978, the commission is required to be consulted in the matter of qualification and Method of Recruitment as provided in Section 7 (ii) in the case of posts belonging to Grade-16 and above”.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that three officers drew salaries of Rs.4.813 million and appointed in Grade 17 & 18 without any advertisement, degree/character verification and Medical Fitness from Civil Surgeon. Furthermore, no test conducted by testing authority whereas on the other hand appointments in Grade 16 was made through testing authorities of IBA Sukkur and Karachi. Detail as under:

(Rs. in million)

Sr. #	Name of Employee	Date of Appointment	Per Month Salary	Total Salary
01	Miss Sadaf Fatima Siddiqui, Deputy Director (HR) BPS-18	15-08-2018	198800x10	1.988
02	Miss Uzma Hussain, Assistant Director Curriculum Development BPS-17	15-08-2018	141250x10	1.412
03	Mr.Shoaib Qayoom, Assistant Director Finance & Accounts BPS-17	15-08-2018	141250x10	1.412
<b>Total</b>				<b>4.812</b>

The matter was reported to the management in April 2020. DAC in its meeting held on 26-01-2021 directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#20)**

### 28.5.4 Non-recovery of Sindh Sales Tax pointed out in the Printed Audit Paras - Rs1,464.945 million

According to Sub Section (1) of Section-8 of Sindh Sales Tax on Services Act, 2011, there shall be charged, levied and collected a tax known as sales tax on the value

of taxable service at the rate specified in the 2<sup>nd</sup> schedule in which the taxable service is listed”.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that the Sindh Revenue Board used third-party data for detecting leakages, evasions or unpaid Sindh Sales Tax. However, no progress regarding short comings/recoveries pointed out in the Audit Reports of the Auditor General of Pakistan worth Rs.1,464.945 million under the head “Sindh Sales Tax”, detail as under in respect of various departments of Government of Sindh.

(Rs. in million)

Sr. #	Name of Department	Audit report	Para #	Audit report year	O.M #	Amount
1	09 Departments of Sindh Govt.	Printed Audit Report	12.4.24	2015-16 to 2016-17	60	1,321.078
2	Irrigation Department	A.G Sindh SAP data	09	2017-18 & 2018-19	09	143.867
					<b>Total</b>	<b>1,464.945</b>

The matter was reported to the management in April 2020. In DAC meeting held on 26-01-2021, management stated that on pointation of audit they have recovered the amount from Finance Department. DAC directed the management to produce relevant record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#09)**

### **28.5.5 Short/less deposit of Sindh Sales Tax (withholding) – Rs.756.210 million**

According to sub-rule (3) of rule 3 of the Sindh Sales Tax Special Procedure (Withholding) Rules, 2014, on receipt of taxable services (other than those specified under clause f of sub-rule 2 of rule 1 of the Rules, 2014 ibid) withholding agents are required to deduct an amount equal to one-fifth of the total amount of sales tax shown in the sale tax invoice issued by a registered person and are required to make payment of the balance amount to services provider. Furthermore, in case, the sales tax amount is not indicated on the invoices, they are required to deduct the amount of sales tax at the applicable rate of tax, under the tax fraction formula, from the payment made or to be made to the services provider.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that various withholding agents / registered persons have short/less deposited withholding tax amounting to Rs.756.210 million as required under the Sindh Sales Tax Special Procedures (withholding) Rules, 2014. Details are given as under;

(Rs. in million)

Sr. #	Name of Agency/Service Receiver	OM. #	Financial Year	Amount
01	UEP BETA GMBH	47	2018-19	18.047
02	ENI Pakistan Limited	48	2018-19	53.850
03	Pak-Matiari Lahore Transmission Company (Pvt) Ltd	50	2018-19	23.499
04	United Energy Limited	51	2018-19	465.531
05	Shell Pakistan Ltd	01	2019-20	159.160
06	M/s TPL Tracker; M/s Askar Service & M/s ENI Pakistan	10	2019-20	1.367
07	Coronet Foods Pvt Ltd	11	2019-20	4.656
08	RB Hygiene Home Pakistan Ltd	12	2019-20	30.100
<b>Total</b>				<b>756.210</b>

The matter was reported to the management during April & October 2020. In DAC meeting held on 26-01-2021 the management agreed with the audit stance and informed the forum that recovery will be initiated. DAC directed the management to recover the short deposited amount and get the same verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#02,01,10,11&12)**

### **28.5.6 Unauthorized retention of funds – Rs.406.140 million**

As the source of fund of SRB is from Public fund of the Sindh Government, hence all the rules & regulations applicable pertaining to financial & administrative matters shall be governed by the rules & regulations of Sindh Government. According to revised procedure 2008 for operation of assignment accounts, the policy (2) (iv) states that, “The officers holding Assignment Accounts will ensure that no money is drawn from these accounts unless, it is required for immediate disbursement. Moneys will not be drawn for deposit into chest or any bank account. A certificate to this effect will be recorded on the Schedule of Payment mentioned in Para-2 (i) above”.

During audit on the accounts of Chairman, Sindh Revenue Board, Karachi for the financial year 2019-20, it was observed that fund of Rs.406.140 million was laying in the bank account in the name of “Sindh Revenue Board Employees Welfare

Foundation” drawn from the lapsable assignment account. However, approval of Finance Department to withdraw funds from assignment account to “Sindh Revenue Board Employees Welfare Foundation”, for opening bank account and approved TORs for maintenance/operation of said bank account/Funds were not found available / produced to audit for further comments.

The matter was reported to the management in October 2020. DAC in its meeting held on 26-01-2021 directed the management to produce permission of Finance Department to transfer funds from assignment account otherwise surrender funds. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#18)**

### **28.5.7 Un-justified payment on account of Bonus – Rs.226.455 million**

According to the Government of Sindh Finance Department (Regulation Wing) vide his letter No.FD (SR-VII) 20/37/95 dated 15-05-1995, the following decisions regarding grant of honorarium to Government servants have been taken by the Government:

- (i) Not more than one honorarium shall be granted to any official and shall not exceed one month’s pay.
- (ii) Recommendations by the Ministers/Departments etc shall be examined strictly in accordance with the rules by the Finance Department and approval will be given in cases which fulfil all conditions laid down for grant of honoraria. This condition shall also apply to the personal staff of Ministers/Advisors/Special Assistants and Secretaries.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that Rs.226.455 million were paid to the officials from BPS-01 to 22 @ 03 to 36 basic pays on account of bonus in violation of government instructions without performance appraisal.

Audit is of the view payment of huge bonus was unjustified at the time when the Board had requested finance department for additional financial support of Rs160.288 million to pay refunds in compliance of honorable High Court of Sindh orders.

The matter was reported to the management in April 2020. In DAC meeting held on 26-01-2021 the management stated that there is a provision to grant bonuses in SRB Act without limit and SRB awarded bonus accordingly. DAC directed the management to provide the rule position and justification while incurring expenditure from government exchequer without due diligence. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#13)

### **28.5.8 Recovery of Sindh Sales Tax from defaulters – Rs.223.341 million**

According to Section (8) (1) of Sindh Sales Tax on services Act, 2011, “There shall be charged, levied and collected a tax known as sales tax on the value of a taxable service at the rate specified in the Schedule in which the taxable service is listed and under section (23)(1) Where on the basis of any information acquired during an audit, inquiry, inspection or otherwise, an officer of the SRB, not below the rank of Assistant Commissioner SRB is of the opinion that a registered person has not paid the tax due on taxable services provided by him or has made short payment, the officer shall make an assessment of sales tax actually payable by that person and shall impose a penalty and charge default surcharge in accordance with sections 43 and 44.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that registered persons of SRB did not file monthly Sales Tax returns at applicable rates resulting in short recovery of Rs.223.341 million. The details are given at **Annex-1** of Chapter-28.

The matter was reported to the management during April & October 2020. In DAC meeting held on 26-01-2021 the management agreed with the audit stance and informed the forum that recovery will be initiated. DAC directed the management to recover the amount due and get the same verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#01,06&13)

### **28.5.9 Unauthorized retention of funds – Rs.134.798 million**

According to revised procedure 2008 for operation of assignment accounts, the policy (2) (iv) states that, “The officers holding Assignment Accounts will ensure that no money is drawn from these accounts unless, it is required for immediate disbursement. Moneys will not be drawn for deposit into chest or any bank account. A certificate to this effect will be recorded on the Schedule of Payment mentioned in Para-2 (i) above”

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that funds of Rs.134.798 million were drawn from assignment account and placed into a separate bank account, which shows retention of funds instead of surrender of same, which was not done. Detail as under:

(Rs. in million)

<b>Summary of transaction</b>	<b>Amount</b>
Latest balance of Bank including Profit Earned as on 29-04-2020	397.818
Less Amount already pointed out in Audit Para No.2 of F.Y 2015-16	(263.020)
Total balance not pointed out so far	134.798

The matter was reported to the management in April 2020. DAC in its meeting held on 26-01-2021 directed the management to workout amount and surrender funds otherwise permission of Finance Department may be produced. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#25)**

### **28.5.10 Non-deposit of tax-deducted & profit earned in appropriate bank account – Rs.105.997 million**

As the source of fund of SRB is from Public fund of the Sindh Government, hence all the rules & regulations applicable pertaining to financial & administrative matters shall be governed by the rules & regulations of Sindh Govt.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that Rs.16.895 million were deducted by bank authorities as tax deposits from bank account of Sindh Revenue Board Employees Welfare Fund & profit earned on bank deposits of Rs.89.102 million,

which comes to Rs.105.997 million but the same were not deposited into appropriate bank account. The details are given at **Annex-2** of Chapter-28.

The matter was reported to the management in April 2020. DAC in its meeting held on 26-01-2021 directed the management to take up matter and recover deducted tax. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#24)

### **28.5.11 Non-payment of SST on Services by non-resident person – Rs.82.322 million**

According to Section 3(2) i.e. Taxable services and 9(2) i.e. person liable to pay tax of the Sindh Sales Tax on Services Act, 2011 (the Act, 2011), the liability to pay the tax shall be on the service recipient in the cases where the service is taxable and service provider is non-resident person. For ready reference relevant sections are reproduced as below:

*“3(2) A services that is not provided by a registered person shall be treated as taxable service if the service is listed in the Second Schedule to this Act and is provided to a resident person by a non-resident person in the course of an economic activity*

*9(2) Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service.”*

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that various service recipients having different STN numbers received services from companies’ non-residents in Pakistan involving SST of Rs.82.322 million from its parent companies. The service recipients did not deposit SST amount during the tax year July, 2018 to June, 2019.

(Rs. in million)

Sr. #	Name of Agency	OM #	Amount
01	M/s Atlas Battery	49	24.234
02	Pak Refinery Ltd	52	10.930
03	Pak Suzuki Motor Co.Ltd	53	6.483
04	Auvitornics Ltd	55	3.952
05	Oxford University Press	56	36.713
<b>Total</b>			<b>82.312</b>

The matter was reported to the management in April 2020. DAC in its meeting held on 26-01-2021 directed the management to recover amount and get the same verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#04)

### **28.5.12 Input tax claimed without assessment of admissibility – Rs.77.980 million**

As per Sub-rule (2) Rule 22 of the Sindh Sales Tax on Services Rules, 2011 (hereinafter referred to as "the Rules-2011"), "The Input tax paid on goods and services used in providing or rendering non-taxable or exempt services or the services liable to reduced rate of tax of specific rate of tax and all on the services provided or rendered outside Sindh shall not be admissible."

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that various registered persons/firms claimed input tax of Rs.77.980 million whereas declared Nil output tax. The said input tax is not admissible in terms of above Rule which resulted into loss of Rs.77.980 million due to non-assessment. Detail are as under:

(Rs. in million)			
Sr.#	Name of Agency	OM.#	Amount
01	TPL Life Insurance Limited	04	2.184
02	IJARA Capital Partners Limited	21	0.001
03	Qasim International Container Terminals Limited	36	75.795
<b>Total</b>			<b>77.980</b>

The matter was reported to the management in April 2020. DAC in its meeting held on 26-01-2021 directed the management to workout input tax admissibility and recover excess / inadmissible amount. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#07)

### **28.5.13 Irregular expenditure incurred on Law Charges – Rs.23.529 million**

According to appendix 18-A of Sindh Financial Rules, Volume-I, "Every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he



will also be responsible for any loss arising from fraud and negligence on the part of any other government office to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.”

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that expenditure of Rs.23.529 million was incurred on payment of Legal Fees to lawyers/law firms without Approval/Concurrence of Ministry of Law & Justice and hence payment stands irregular.

The matter was reported to the management in April 2020. In DAC meeting held on 26-01-2021, management stated that matter is in court of law. DAC directed to take action as per decision of honorable court. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#22)

#### **28.5.14 Unjustified adjustment of input tax by Service Provider in Returns – Rs.22.622 million**

As per rule 22 of Sindh Sales Tax on services rules, 2011 “Where the registered person did not deduct or adjust the input tax in the relevant period, he may claim such input tax deductions or adjustments in the tax returns for any of the six succeeding tax periods.

During audit on the accounts of Chairman, Sindh Revenue Board, Karachi for the financial year 2019-20, it was observed during scrutiny of sales tax returns filed by M/s Pakistan International Bulk Terminal Limited for the period August 2019 that the registered person has written “No” in the column No-14 i.e. “Balance of the input tax credit still available in relation to purchase or imports of capital goods, Plants & Machinery and Fixed assets, as per annexure-E”.

However, while review of the return for the month of September 2019 for the same registered person showing the input credit adjustment in the Column No-3 i.e. “Monthly creditable input on purchase or import of capital goods, plants and machinery and fixed assets falling under PCT Chapter 84 and 85” of Rs.22.622 million without clarification.

Audit observed that when the registered person himself stated in the return filed for the month of August 2019 that no any balance is available for input credit adjustment then how & why in the next month i.e. September 2019 an input adjustment of Rs.22.622 million was made by him.

The matter was reported to the management in October 2020. DAC in its meeting held on 26-01-2021 directed the management to workout admissibility of input tax and recover inadmissible amount. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#04)

### **28.5.15 Non-imposition of penalty due to late submission of returns – Rs.21.694 million**

According to Section 30(1) of the Sindh Sales Tax on Services Act, 2011, every registered person shall furnish, not later than the due date, a true and correct return in the prescribed form to a designated bank or any other office specified by the Board, indicating the tax due and paid during a tax period, and such other information, as may be prescribed. And Section 43(2), of the Act ibid, where any person fails to furnish a return within the due date, such person shall be liable to a penalty of ten thousand rupee per month or a fraction thereof; Provided that if a return is filed within ten days of the due date, a penalty of three hundred rupees for each day of default shall be paid.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial years 2018-19 & 2019-20, while scrutiny of soft data of various registered persons/firms, it revealed that registered persons e-filed the monthly Sindh Sales Tax returns late during various months of the tax periods, which resulted into loss to the government amounting to Rs.21.694 million, detail as under:

(Rs. in million)

<b>Sr.#</b>	<b>Name of Agency</b>	<b>OM. #</b>	<b>Financial Year</b>	<b>Amount</b>
01	Optiserve (Pvt) Limited	03	2018-19	0.060
02	Trans World Associates (Pvt.) Limited	05	2018-19	9.913
03	Trans World Enterprise Services (Pvt) Limited	06	2018-19	1.958
04	HSE Services	11	2018-19	0.081
05	Karimi Contracting	15	2018-19	0.030
06	Pak Oman Investment Company	17	2018-19	0.050
07	Mobilink Microfinance Bank Limited	18	2018-19	0.450
08	NBP Exchange Company Limited	19	2018-19	0.070
09	Global Securities Pakistan Limited	22	2018-19	0.390
10	Technico Inspection Services (Pvt.) Limited	40	2018-19	0.392

(Rs. in million)

Sr.#	Name of Agency	OM. #	Financial Year	Amount
11	Various registered persons	45	2018-19	6.900
12	Various registered persons	07	2019-20	0.590
13	Various registered persons	09	2019-20	0.810
<b>Total</b>				<b>21.694</b>

The matter was reported to the management during April & October 2020. DAC in its meeting held on 26-01-2021 directed the management to initiate the action against defaulter as per law. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#05,07&09)**

#### **28.5.16 Unjustified payment as remuneration for attending Board meetings – Rs.8.960 million**

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every Government servant realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence”.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs8.960 million was incurred for remuneration on attending board meetings but without supporting rules and regulations for entitlement of payment to the officials of the board on account of attending meetings.

The matter was reported to the management in April & October 2020. DAC in its meeting held on 26-01-2021 directed the management to refer matter to law for conflict of interest as member of board can not fix his/her remuneration. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#16&27)**

### **28.5.17 Appointment of Interns as Sindh Sales Tax Officers & Auditors without referring to Sindh Public Service Commission – Rs.7.040 million**

According to SGA& CD’s Circular Letter No. SOIX- Reg (SGA&CD) 1/D/1-73(4), dated 28-02-1974, the Administrative Department was required to lay down the method of appointment, qualification & other under sub-rule (2) of 3 of Sindh Civil Servants (Appointment, Promotion and Transfer) rules, 1974. Furthermore, as per Sindh Public Service Commission Ordinance 1978, the commission is required to be consulted in the matter of qualification and Method of Recruitment as provided in Section 7 (ii) in the case of posts belonging to Grade-16 and above”.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that 28 Interns were appointed through advertisement and subsequently regularized as Sindh Sales Tax Officer in BPS-16 and similarly 11 Auditors were also appointed without referring to Sindh Public Service Commission for recruitment as per procedure of appointments on merit after competition in Grade-16. Furthermore, degree/character verification and Medical Fitness from Civil Surgeon of the appointees was also not followed. Audit also observed that the formation indulged in lateral appointments of interns through getting their services regularized after a period of one year.

(Rs. in million)

<b>Sr. #</b>	<b>Name of Employee</b>	<b>Designation &amp; BPS</b>	<b>Date of Appointment</b>	<b>Per Month Salary</b>	<b>Total 10 Months’ Salary</b>
1	28 No Interns	Intern BPS-16	Various dates of Feb-2019	35200x4x28	3.942
2	11 Nos Auditor	Auditor BPS-16	Various dates of Nov-2018	35200x8x11	3.098
<b>Total</b>					<b>7.040</b>

The matter was reported to the management in April 2020. In DAC meeting held on 26-01-2021, management stated that there is provision in SRB Act for such appointment. DAC directed to produce record for verification along rule position. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR#15)**

### **28.5.18 Non-imposition of penalty on late deposit of Sales Tax – Rs.4.654 million**

According to Section 17(1) of the Sindh Sales Tax on Services Act, 2011, “The tax in respect of a taxable services provided and rendered during a tax period shall be paid by the person by the due date prescribed for the payment of tax made & according

to subsection 36 of section 2 of the Act ibid “in relation to the furnishing of a return or a statement or for payment of tax under the Act, means the 15th day of the month following the end of the tax period to which it relates, or such other dates as the Board may, by notification in the official Gazette specify And subsection 3(a) of section 43 of the Act ibid “Where any person fails to deposit the amount of the tax due or any part thereof in the time or manner laid down under this Act or the rules made there under such person shall be liable to pay a penalty of 10,000 rupees per month or a fraction thereof or five percent of the total tax payable for that period if default is more than 3 days whichever is higher”.

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial years 2018-19 & 2019-20, it was observed from the soft data pertaining to the Commissioner-I that M/s. MCB-Arif Habib Savings and Investments Limited (SNTN:1183370-0) and other registered persons failed to deposit the sales tax within due date during the tax periods 2018-19 & 2019-20 and thus penalty of Rs.4.654 million was not imposed thereupon. The detail is as under:

(Amount in Rupees)

Sr. #	Payment made vide CPR # No's.	Tax Period	Payment Date	Amount Paid	Penalty
1	S12019061801581154106	May-19	6/18/2019	7,762,727	388,136
2	S12019051623041168156	Apr-19	5/16/2019	6,208,566	310,428
3	S12019041601581162662	Mar-19	4/16/2019	4,857,441	242,872
4	S12019031801581182380	Feb-19	3/18/2019	5,124,013	256,201
5	S12019021800091207340	Jan-19	2/18/2019	5,129,000	256,450
6	S12019011600091162437	Dec-18	1/16/2019	6,517,333	325,867
7	S12018121701581177313	Nov-18	12/17/2018	7,954,599	397,730
8	S12018111601581179632	Oct-18	11/16/2018	7,119,188	355,959
9	S12018101601581172041	Sep-18	10/16/2018	6,975,708	348,785
10	S12018091800091187990	Aug-18	9/18/2018	6,115,680	305,784
11	S12018071700091159293	Jul-18	7/17/2018	6,967,614	348,381
12	S12018081600091150981	Jul-18	8/16/2018	6,546,428	327,321
13	Various registered persons	Jul-19 to June 2020	-	-	790,000
<b>Total</b>					<b>4,654,000</b>

The matter was reported to the management during April & October 2020. DAC in its meeting held on 26-01-2021 directed the management to initiate action as per law and recover penalty. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#06&05)

**28.5.19 Double payment to Director Information (Advertisement) – Rs.1.644 million**

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

During audit on the accounts of Sindh Revenue Board, Karachi, Government of Sindh, for the financial year 2018-19, it was observed that two bills with numbers PM-000014 dated 30-05-2018 & bill No.PM-000015 dated 30-05-2018 were passed for payment two times of Rs.2.459 million on 03-09-2018 and again for Rs.1.644 million (two bills of Rs.885,966 & Rs.815,681); detail as under:

(Amount in Rupees)

Sr. #	Payments Made	Name of Payee	On account Payment	Bill No	Date	Amount	Remarks
1	Cheque No.235232 dated 03-09-2018	Director Information Advertisement	Publication & advertisement charges	PM-0000014 & PM-0000015	30-05-2018	2,459,322	Including two bills Rs885,966 & Rs815,681
2	Cheque No.234318 Dated 21-06-2018	Director Information Advertisement	Publication & advertisement charges	DO	DO	1,644,026	two bills Rs885,966 & Rs815,681
<b>Total</b>						<b>4,103,348</b>	

The matter was reported to the management in April 2020. DAC in its meeting held on 26-01-2021 directed the management to checkout double payment and recover if found double payment has been made. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#17)

## **28.5.20 Loss due to payment of refund through obtaining additional funds from FD – Rs.160.288 million**

According to Section-15 of Sindh Sales Tax Act 2011 “the Board may, by notification in the Official Gazette, and subject to such conditions and restrictions as it may prescribe allow registered persons to claim adjustments or deductions, including refunds arising as a result thereof, in respect of the sale tax paid on or in respect of any taxable services or class of taxable services provided by them.

During audit on the accounts of Sindh Revenue Board during the financial year 2018-19, it was observed that payment of Rs.160.588 million was paid to the Nazir of High Court Sindh on the orders of the Honorable High Court of Sindh in litigation case against M/s Karachi International Container Terminal (Pvt) Ltd. The amount had been recovered from the petitioner through attachment of their bank account for recovery of SST. Although, the Sindh Sales Tax on Services Act 2011 provides procedure to deal with the cases of refunds (which reduces the collection received), but the payment was made by obtaining additional funds from Finance Department and the clauses covering refund were not invoked. Thus, the burden of payment was shifted to the Government exchequer.

(Amount in Rupees)

<b>CPR # &amp; Date</b>	<b>Cheque # &amp; Date</b>	<b>P.O # &amp; Date</b>	<b>Payee</b>	<b>Amount</b>
S1-20170802-0271-1012591 02-08-17	285287 03.01.2018	1868366 04-01-2018	Nazir of Sindh High Court Karachi	160,288,416

Audit is of the view that payment of refunds by seeking additional funds from the Finance Department indicates prevalence of poor management practices resulting in loss to the government.

The matter was reported to the management during April 2020. DAC in its meeting held on 26.01.2021 directed the management to produce record to audit for verification.

Audit requires justification for obtaining additional funds instead of processing refund.

## CHAPTER – 29 SPORTS & YOUTH AFFAIRS DEPARTMENT

### 29.1 Introduction

The major functions of the department are:

- To deal with Physical Culture
- To deal with Youth Affairs including Scouts
- To maintain/protect buildings under Heritage Act

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	5	4	466.413	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

### 29.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
2,186.326	0.000	90.859	(90.859)	(1,358.686)	827.640	799.691	(-) 27.949

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs27.949 million was observed which was not surrendered in time.



### 29.3 Classified Summary of Audit Observations

Audit observations amounting to Rs247.864 million were raised as a result of this audit. This amount also includes recoverables of Rs0.776 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	150.875
2	Reported cases of fraud, embezzlement and misappropriation	85.000
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	-
B	<i>Procurement related irregularities</i>	-
C	<i>Management of Accounts with Commercial Banks</i>	-
4	Value for money and service delivery issues	-
5	Others	11.989

### 29.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 6.25%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
2	1998-99	0	0	0	0	-	
3	1999-2000	0	0	0	0	-	
4	2001-02	0	0	0	0	-	
5	2004-05	2	2	0	2	-	
6	2005-06	0	0	0	0	-	

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
7	2006-07	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
8	2007-08	0	0	0	0	-	
9	2008-09	5	5	0	5	-	No audit para pertaining to this department was printed in this Audit Report
10	2009-10	0	0	0	0	-	
11	2010-11	0	0	0	0	-	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	10	9	1	8	11.11	
<b>Total</b>		<b>17</b>	<b>16</b>	<b>1</b>	<b>15</b>	<b>6.25</b>	

## **29.5 Audit Paras**

### **29.5.1 Non-production of record – Rs.150.875 million**

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

During audit on the accounts of the various offices of Sports & Youth Affairs Department, Government of Sindh for the financial years 2019-20, it was observed that the management did not produce the auditable record. Due to non-production, the record of Rs.150.875 million remained unaudited. The details are given at **Annex-1** Chapter-29.

The matter was reported to the management during August & October 2020. DAC in its meeting held on 03-02-2021 directed the management to provide record to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

### **29.5.2 Irregular investment of Endowment Funds – Rs.10.000 million**

As per Rule 88 of Sindh Financial Rules, Volume-I, “Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of Secretary, Sports & Youth Affairs Department, Government of Sindh, Karachi for the financial years 2019-20, it was observed that an amount of Rs.10.000 million was released by Finance Department on account of “Endowment Funds for Sportspersons / Ex-Sportspersons suffering from diseases / suffering family members of deceased sportspersons” but the management did not utilize the fund for said purpose. Moreover, the investment was made in Sindh Bank which was kept under following observations:

- i. Investment was made without executing financial analysis as well as no any investment committee (comprising of financial experts) was constituted nor was evidence of financial analysis found.
- ii. Letter of interest was not communicated to maximum no of banks for sound competition.
- iii. The letters inviting financial institutions to quote their ROI were not responded by all recipients, which need to be justified as the financial institutions promptly respond to such lucrative business development opportunities.
- iv. The Government schemes such as Treasury Bills, Pakistan Investment Bonds and National Savings of Pakistan were not taken into consideration.

(Rs. in million)

Cost Center	Financial Year	Paid to	Particular	Amount
KQ-0710	2019-20	M/s Sindh Bank	Endowment Fund deposited for 01 year fixed deposit	10.000
<b>Total</b>				<b>10.000</b>

The matter was reported to the management during August 2020. DAC in its meeting held on 03-02-2021 directed the management to provide quotations of banks to audit for verification. However, no progress was reported.

Audit requires compliance of DAC directives.

**(AIR #08)**

### **29.5.3 Irregular payment through DDO account – Rs.85.00 million**

As per Finance department, Government of Sindh, Krachi letter No.FD(1II)1(10)2006 dated 12-9-2006 “Claims on account of purchases of material supplied and services rendered exceeding Rs.10,000 are payable through cheques to the suppliers in order to ascertain the transparency and accuracy”.

During audit on the accounts of Secretary, Sports & Youth Affairs Department, Government of Sindh, Karachi for the financial years 2019-20, it was observed that an expenditure of Rs.85.00 million was incurred as per SAP data on account of “Others”. Audit also observed that cash payments were made through DDO account instead of direct payment to relevant payees.

The matter was reported to the department during August 2020. In DAC meeting held on 03-02-2021 management stated that bill in the name of vendor was

forwarded to AG Sindh. But AG office paid in DDO account. DAC directed to produce bill and vendor Number created at AG office. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#02)

#### **29.5.4 Un-authorized retention income tax into Deposit account– Rs.1.989 million**

As per rule 41 & 41(a) of Sindh Financial Rules, “It is the duty of the controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to public account and the amount collected into the treasury or otherwise accounted for and compare them with the statement of recovery furnished by the Accountant General to see that the amount reported as collected have been duly credited in the public account”. According to Rule 41(a) of Sindh Financial Rules Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit on the accounts of Executive Engineer, Engineering Wing, Sports & Youth Affairs Department, Karachi, for the financial year 2019-20, it was observed that income tax amounting to Rs.1.999 million was deducted from various contractors in the month of June (detail below) and was irregularly kept in Deposit Account (Form-78) at the close of financial year instead of crediting the same into Government account:

(Rs. in million)

<b>Sr.#</b>	<b>Month</b>	<b>Head of A/c</b>	<b>Amount</b>
1.	June-2020	Income tax	1.990
<b>Total</b>			<b>1.990</b>

The matter was reported to the management during October 2020. DAC in its meeting held on 03-02-2021 directed the management to deposit income tax in government account and get the same verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

(AIR#08)

### 29.5.5 Non recovery of stamp duty and income tax– Rs.0.776 million

According to letter No.ACIR/unit-05/WHT Zone/RTO-III/KHI/2014/178 dated 31/07/2015 regarding changes in rates of deduction under various sections of Income Tax Ordinance 2001 for the tax year 2015 for “Filers” & “Non-Filers” are payable against the rules as follows:

Description		Tax Rate from 01-07-2015 on ward	
		Filers of Tax	Non-Filers
<b>Sales of Goods-Section 153(1)(a)</b>			
1	Companies	4%	6%
2	Other than Companies	4.5%	6.5%
<b>Supply of Services-Section 153 (1)(b)</b>			
1	Companies	8%	12%
2	Other than Companies	10%	15%
<b>Contract payments to residents section 153 (1)(c)</b>			
1	Companies	7%	10%
2	Other than Companies	7.5%	10%
<b>Brokerage &amp; Commission Section 233</b>			
1	Advertisement agencies	10%	15%
2	Other cases	12%	15%

As per Sr. No.22-A of Schedule-I of Stamps Act-1899, "It is the duty of the competent authority to recover the stamp duty and affix the same, while execution of agreement @ 0.30 paise per hundred rupees of the value of the agreement or against tender cost". The rate was revised to thirty-five paise (0.35 paise) as per section 02 of The Sindh Finance Act, 2015, dt: 13th July, 2015.

During audit on the accounts of Executive Engineer, Engineering Wing, Sports & Youth Affairs Department, Karachi, for the financial year 2019-20, it was observed that recoveries of stamp duty and income tax worth Rs.0.776 million were not made while making of payments of Rs.62.357 million. Details are as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Executive Engineer, Engineering Wing, Sports & Youth Affairs Department, Karachi	2019-20	10	Income Tax	0.605
			3	Stamp Duty	0.171
<b>Total</b>					<b>0.776</b>

Audit is of the view that Government sustained loss of revenue due to non-deduction stamp duty and income tax which indicates prevalence of weak financial management practices within the Department.

The matter was reported to the management during October2020. DAC in its meeting held on 03-02-2021 directed the management to effect recoveries and get the same verified from audit. However, no progress was reported.

Audit requires compliance of DAC directives.

## CHAPTER – 30 TRANSPORT AND MASS TRANSIT DEPARTMENT

### 30.1 Introduction

The Transport and Mass Transit Department is responsible for the overall discipline of the transport and mass transit services of the Province. Preparation of annual provincial budget, formulation of plans and maintenance of an effective and efficient transport system are the major assignments of this Department.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	2	1	112.817	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	1	1	76.277	
4	Foreign Aided Projects (FAP)	1	1	514.708	

### 30.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
5,684.871	-	143.038	(143.038)	(4,917.719)	767.152	564.960	(202.192)

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs202.192 million was observed which was not surrendered in time.

(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
327.116	303.777	238.499	(65.278)



The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs65.278 million was observed. Revenue estimate were reduced upto 7% in revised estimate. Actual receipts were only 78.5% of revised estimate.

### 30.3 Classified Summary of Audit Observations

Audit observations amounting to Rs1,059.390 million were raised as a result of this audit. This amount also includes recoverables of Rs195.316 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	237.948
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	-
B	<i>Procurement related irregularities</i>	227.444
C	<i>Management of Accounts with Commercial Banks</i>	
4	Value for money and service delivery issues	
5	Others	593.998

### 30.4 Comments on the Status of Compliance with PAC Directives

This department was not included in the audit reports (1992-93 to 2010-11 and 2016-17) discussed by the PAC. However, the department has been included in Audit Report 2014-15 and yet to be discussed in PAC.

## 30.5 Audit Paras

### 30.5.1 Non-production of auditable record – Rs.237.948 million

Section 14(2) & (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provide that “The officer incharge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition” and “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 on the accounts of the following offices of Transport & Mass Transit Department, Government of Sindh, Karachi, for the financial year 2019-20, the auditable record of Rs.237.948 million was not produced to audit for scrutiny.

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
1	Managing Director, Sindh Mass Transit Authority, Karachi	03	2019-20	Record of expenditure against the scheme of const. of BRTS orange line....	170.240
		02		Physical progress report	67.626
2	Secretary, Transport & Mass Transit Department Karachi	06		Supporting vouchers of repair of transport	0.082
<b>Total</b>					<b>237.948</b>

Audit is of the view that due to non-provision of record; authenticity of expenditure could not be ascertained by audit.

The matter was pointed out to the management during August 2020 to September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### 30.5.2 Loss to government due to excess payment – Rs.34.459 million

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

During audit on the accounts of the Managing Director, Sindh Mass Transit Authority, Transport & Mass Transit Department, Government of Sindh, Karachi, for the financial year 2019-20, it was observed that initial contract was signed between the management and the consultant with payment schedule in Phase-II at monthly payments of Rs.1,075,000 (for 8 months) and in May 2016, the payment schedule in Phase-II was amended with 25% increase in monthly payments to Rs.1,345,246 per month. If we take 25% increase as base rate (which was also at inflated rate) still further increase in cost and by extension in period of the contract favor was allowed to the contractor. Details of excess payment made amounting to Rs.34.459 million are given as under;

Sr. #	Phase-II cost per month	value per month if increase had been made at initial rate of 25%	Payment due at 25% increase	Actual payment made	Excess payment made	% increase from original cost
1	1,075,000.00	-	-	-	-	-
2	1,345,246.00	1,345,246.00	10,761,968.00	10,761,968.00	-	25.14%
3	4,823,589.00	1,683,430.00	6,733,720.00	19,294,356.00	12,560,636.00	349%
4	3,931,496.00	2,106,630.00	25,279,560.00	47,177,952.00	21,898,392.00	266%
<b>Total</b>	<b>11,175,331.00</b>	<b>5,135,306.00</b>	<b>42,775,248.00</b>	<b>77,234,276.00</b>	<b>34,459,028.00</b>	

The audit is of the view that undue favour was extended to contractor at the cost of public exchequer and resultantly the government sustained financial loss which indicates prevalence of poor financial management practices within the department.

The matter was pointed out to the management in September 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification for excess payment besides recovery under intimation to audit.

**(AIR # 06)**

### **30.5.3 Loss to the government due to negligence of the management – Rs.35.103 million**

As per clause-54 of SPPRA “all procuring agencies shall make payments to suppliers, consultants and contractors against their invoices or running bills within the time given in the conditions of the contract”.

During audit on the accounts of the Project Director, Project Implementation Unit (PIU), Bus Rapid Transit Red Line Project, Transport & Mass Transit Department, Government of Sindh, Karachi, for the financial year 2019-20, it was observed that government sustained loss amounting to Rs.35.103 million due to various reasons as mentioned below:

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Financial year</b>	<b>Particulars</b>	<b>Amount</b>
1	Project Director, Project Implementation Unit (PIU) Bus Rapid Transit Red line Project, Karachi	4.2.1	2019-20	Loss due to delayed payments in foreign currency	30.495
		4.2.4		Loss due to training of irrelevant employees	4.608
<b>Total</b>					<b>35.103</b>

The audit is of the view that the government sustained loss due to delay in disbursement of foreign currency payments and training of irrelevant personnel which indicates prevalence of poor management practices within the department.

The matter was pointed out to the management in September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation of the matter besides taking remedial measures to stop recurrence of such practice in future.

(AIR # 4.2.1)

### 30.5.4 Non-deduction of Government Taxes – Rs.71.055 million

According to Notification issued by Sales Tax Department for sales Tax Special procedure (withholding) rules, 2007 vide letter No. S.R.O 77 (I) 2008 dated 23-01-2008, that withholding agent shall deduct an amount equal to 1/5 of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him. If sales tax invoice is not provided then 17% tax would be deducted and according to Section- (1) (a) of Sales Tax Act, 1990 amended from time to time, “It is the duty of paying authority to deduct sales tax from the suppliers / contractors at source and deposit the same into bank/treasury”. According to Section 153(a) & (b) of the Income Tax ordinance, 2001, as amended from time to time, “Income Tax @ 10% for rendering professional Services is required to be deducted at source and deposited into government account”.

During audit on the accounts of the following offices of Transport & Mass Transit Department, Government of Sindh, Karachi, it was observed that an amount of Rs.71.055 million was not deducted at source on account of government taxes while making payment to various suppliers. Details are given as under;

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
1	Project Director, Project Implementation Unit, Bus Rapid Transit Red Line Project, Karachi	4.2.3	2019-20	Sindh Sales Tax	63.419
2	Secretary, Transport & Mass Transit Department, Karachi	15	2019-20	Sindh Sales Tax	6.561
3	Managing Director, Sindh Mass Transit Authority, Karachi	04	2019-20	Income tax	1.041
4	Secretary, Regional Transport Authority, Karachi	12 & 13	2018-19	GST & Income tax	0.034
<b>Total</b>					<b>71.055</b>

Audit is of the view that due to non-deduction of taxes at source at applicable rates, the government sustained financial loss.

The matter was pointed out to the management during February 2020 to September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires expeditious recovery of the due taxes under intimation to audit besides taking remedial measures to stop recurrence of such practice in future.

### 30.5.5 Non-recovery of outstanding dues – Rs.5.626 million

According to Section 34 (i) (b) 60 of the Motor Vehicle Ordinance 1964 read with Rules 649(2)85 and 91 of the Sindh Motor Vehicle Rules 1969, route permit issued for a specific period, on expiry of the period it should be renewed on payment of prescribed rate is to be recovered.

During audit on the accounts of the following offices of Transport & Mass Transit Department, Government of Sindh, Karachi, it was observed that the outstanding dues of Rs.5.626 million was not recovered from the various persons/parties on account of application fees, route permit fees, etc as per details given below;

(Rs. in million)

Sr.#	Name of Office	AIR Para #	Financial year	Particulars	Amount
1	Secretary, Transport & Mass Transit Department, Karachi	01	2019-20	Recovery from defaulting Tenant at dist. Jacobabad	3.939
		16		Stamp duty	0.657
		13		Telephone & trunk call charges	0.080
		01	2018-19	application fee, route permit fee and progressive fee	0.792
2	Motor vehicle inspector, Karachi	04	2018-19	Non-realization of renewal fees	0.158
<b>Total</b>					<b>5.626</b>

The audit is of the view that due to non-realization of receipts, the Government sustained financial loss which indicates prevalence of poor internal controls.

The matter was pointed out to the management during February 2020 to August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires expeditious recovery of outstanding dues under intimation to audit besides taking remedial measures to stop recurrence of such practice in future.

### **30.5.6 Irregular payment of consultancy charges – Rs.487.840 million**

As per Rule 17 “Methods of Notification and Advertisement” of Sindh Public Procurement Rules, 2010, provides that:

- (1) Procurements over three hundred thousand rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules.
- (2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages”.

As per Rule 159 (a) Sindh Financial Rules, in case of work a contract should be made on written agreement, duly stamped & registered, so that it can be maintained in a court of law in the event of dispute.

During audit on the accounts of the Project Director, Project Implementation Unit (PIU), Bus Rapid Transit Red Line Project, Transport & Mass Transit Department, Government of Sindh, Karachi, for the financial year 2019-20, it was observed that an amount of Rs.487.840 million was paid to various consultants on contracts for the consultancy services for the “Project Management, Coordination and Capacity Building, (PMCCB)”. The contracts for “Engineering Design Procurement & Construction Management (EPCM)” & “Operational Design and Business Model (ODBM)” were awarded to consultant firms M/s Integrated Transport Planning Ltd, Mott MacDonald Limited in Association with MMP (Pvt.) Ltd, & joint Venture consisting of Logit Consulting Inc., the Rebel Group International, BV & Exponents Engineers (Pvt.) Limited respectively. The following observations were noticed:

- i. The contract was awarded without observance of competitive process. It is worth mentioning that payments to the consultants covers 95% of the total expenditure of the projects and hiring of such important consultants without tendering process makes payment irregular.
- ii. The contract agreements executed were found faulty as no clause of penalty to the contractor/consultant was included in the agreement in case of delay of work caused by the consultant. It is worth mentioning that the targeted milestones for consultant services were actually

delayed for year but due to non-inclusion of any penalty clause the consultant could not be penalized.

The audit is of the view that undue favor was extended to the consultants due to non-observance of competitive process and non-inclusion of penalty clause.

The matter was pointed out to the management in September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires investigation into the matter besides taking remedial measures to stop recurrence of such practice in future.

(AIR # 4.3.1 & 4.3.4)

### **30.5.7 Irregular payment of mobilization advances – Rs.68.724 million**

As per clause 14.2 of SPPR Standard Form of Bidding Documents (Civil Works-Large Works) (i) mobilization advance up to 10 % of the contract price may be paid by the procuring agency to the contractor on the works costing Rs 2.5 million or above on following conditions:

- a. on submission by the contractor of a mobilization advance guarantee for the full amount of the advance in the specified form, from a Scheduled Bank in Pakistan, acceptable to the procuring agency;
- b. contractor shall pay interest on the mobilization advance at the rate of 10% per annum of the advance; and

(ii) This advance including the interest shall be recovered in 5 equal installments from 5 R.A bills and in case the number of bills is less than 5 then 1/5 of the advance inclusive of the interest thereon shall be recovered from each bill and the balance together with interest be recovered from the final bill. It may be insured that there is sufficient amount in the final bill to enable recovery of the Mobilization Advance.

During audit on the accounts of the Project Director, Project Implementation Unit (PIU), Bus Rapid Transit Red Line Project, Transport & Mass Transit Department, Government of Sindh, Karachi, for the financial year 2018-19, it was observed that mobilization advance amounting to Rs.68.724 million was paid to contractors as detailed below:



Name of Contractor	Contract Amount	Amount of Mobilization Advance	% of Mobilization Advance Allowed
M/s Mott MacDonald Ltd	204,170,448	40,389,652	20%
M/s MM Pakistan (Pvt) Ltd	173,678,552	28,334,738	16.31%
<b>Total</b>	<b>377,849,000</b>	<b>68,724,390</b>	

The following irregularities were noticed:

- i. The interest @ 10% per annum and bank guarantee before payment of the advance were not obtained.
- ii. The contractors were allowed mobilization advance more than 10% of the contract price in contravention of prevalent government rules.
- iii. The advance was paid by the third withdrawal application, but it was required to be allowed for mobilization of the contractor's machinery & other resources at the initial stage of work.
- iv. Various installments were recovered less than 1/5th of the total advance in running bills.

Audit is of the view that management extended undue favor to the contractors and failed to safeguard government interest which indicates prevalence of weak internal controls within the department.

The matter was pointed out to the management in October 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation into the matter, besides taking remedial measures to stop recurrence of such practice in future.

**(AIR # 4.3.2)**

### **30.5.8 Non-imposition of penalty – Rs.118.635 million**

According to clause-2 of the contract agreement, "The quantity of the work is to be done within particular time as specified within the proportionate limit of time, such as 1/4th work in 1/4th of time. In the event of contractor failing to comply with this condition, he shall be liable to pay as compensation an amount equal to one percent, or such smallest amount as the Superintending Engineer (whose decision in

writing shall be final) may decide of the said estimated cost of the work remains incomplete; provided that the total amount of compensation to be paid under the provisions of this clause shall not exceed 10% of the estimated cost of the work as shown in the tender”.

During audit on the accounts of the following offices of Transport & Mass Transit Department, Government of Sindh, Karachi, for the financial year 2019-20, it was observed that various works were awarded to different contractors who failed to complete the works within the stipulated time period. Audit observed that penalty amounting to Rs.118.635 million was not imposed against the contractors. Details are given as under;

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
1	Managing Director, Sindh Mass Transit Authority	5	2019-20	Non-imposition of penalty	64.335
2	Secretary, regional transport authority	05	2018-19		54.300
<b>Total</b>					<b>118.635</b>

The audit is of the view that undue favor was extended to the contractors due to non-imposition of penalty.

The matter was pointed out to the management in September 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires recovery of penalty from the contractors at default besides investigation of the matter.

**(AIR # 05)**

## CHAPTER – 31 UNIVERSITIES & BOARDS

### 31.1 Introduction

The Universities & Boards under administrative control of Chief Minister's Secretariat are financially autonomous entities; however, these are financially supported with specific grants by the Provincial Government as well as Higher Education Commission (HEC).

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	10	3	2,087.322	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	20	6	2,454.386	-
4	Foreign Aided Projects (FAP)	0	0		

### 31.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
8,357.041	0.000	953.791	(953.791)	(3,456.971)	4,900.070	4,602.563	(-) 297.507

N.B Universities and boards are self financed entities, therefore, generate revenue and make spendings therefrom.

The department was unable to spend the allocated budget in time. As a result, saving of an amount Rs297.507 million was observed which was not surrendered in time.

### 31.3 Classified Summary of Audit Observations

Audit observations amounting to Rs20,556.359 million were raised as a result of this audit. This amount also includes recoverables of Rs1,464.336 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	9,111.654
2	Reported cases of fraud, embezzlement and misappropriation	242.250
3	Irregularities	-
A	<i>HR/Employees related irregularities</i>	976.017
B	<i>Procurement related irregularities</i>	1,415.042
C	<i>Management of Accounts with Commercial Banks</i>	460.115
4	Value for money and service delivery issues	-
5	Others	8,351.281

### 31.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 7.40%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	14	10	0	10	-	
2	1998-99	37	11	8	3	72.72	
3	1999-2000	40	0	0	0	-	
4	2001-02*	12	5	0	5	-	
5	2004-05*	33	27	0	27	-	
6	2005-06	23	6	0	6	-	
7	2006-07	16	14	0	14	-	
8	2007-08	18	8	0	8	-	
9	2008-09	19	14	0	14	-	
10	2009-10	27	16	0	16	-	

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
11	2010-11	15	15	0	15	-	
12	2014-15	0	0	0	0	-	Audit Report not yet discussed
13	2016-17	36	36	4	32	11.11	
<b>Total</b>		<b>290</b>	<b>162</b>	<b>12</b>	<b>150</b>	<b>7.40</b>	

## **31.5 Audit Paras**

### **31.5.1 Non-production of auditable record – Rs.7,264.983 million**

Section 14 (2) and (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that "The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition." And "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 on the accounts of various institutions under the administrative control of Secretary, Universities/Boards, Government of Sindh, for the financial years 2018-19 to 2019-20, the auditable record worth Rs.7,264.983 million was not produced to audit. The details are given at Annex-1 of Chapter-31.

Audit is of the view that due to non-production of record audit could not authenticate the expenditure.

The matter was reported to the management during December 2019 to September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

### **31.5.2 Irregular expenditure without supporting details – Rs.1,846.671 million**

According to Rule-23 of Sindh Financial Rules, Volume-I, "Every payment including repayment of money previously lodged with government for whatever purpose, must be supported by vouchers setting forth full and clear particulars of the claim."

During audit on the accounts of various institutions under the administrative control of Secretary, Universities/Boards, Government of Sindh, for the financial years 2016-17 to 2019-20, it was observed that an expenditure of Rs.1,846.671 million was incurred but supporting documents to verify the authenticity of claims were not produced to audit. The details are given at Annex-2 of Chapter-31.

Audit is of the view that payments without supporting vouchers indicates prevalence of weak internal controls within the formation and possibility of non-transparent payments cannot be ruled out.

The matter was reported to the management in March to September 2020, but no reply was received.

Audit recommends provision of supporting vouchers/details of payment for verification besides taking remedial measures to deter recurrence of such practice in future.

### **31.5.3 Doubtful expenditure on account of trainees' stipend – Rs.107.069 million**

As per para 20 of 13th minutes of Board meeting dated 19th March, 2019 that Anti-corruption Establishment may be asked through a letter to complete the inquiry of Easy Paisa as soon as possible. According to Para-88 of Sindh Financial Rules Volume-I "every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community".

During audit on the accounts of Secretary, Benazir Bhutto Shaheed Human Resource and Research Development Board, Karachi for the financial year 2018-19, it was observed that doubtful expenditure of Rs.107.069 million was incurred on account of trainees' stipend due to non-transparent spending as reported by M/s Deloitte, Chartered Accountants Firm Pakistan.

Audit is of the opinion that due to non-transparent recording of expenditure, inadequate disclosures and missing entries, the expenditure so far made was doubtful.

The matter was reported to the management in March 2020, but no reply was received.

Audit recommends investigation of the matter besides taking remedial measures.

(AIR#01)

### 31.5.4 Misappropriation of the University funds - Rs.50.881 million

According to Para#4.4 (a) of Section-III of financial organization, financial jurisdiction and job description of Mehran University of Engineering and Technology Financial Rules “Subject to the supervision of the Vice Chancellor, the Director Finance/Treasurer shall exercise control over the Finance of the university. He shall be responsible to ensure that the funds of the university are spent on the purposes for which they are allocated or granted. For this purpose, he may arrange such check of stock and stores, records and books as may be possible.”

During audit on the accounts of Mehran University of Engineering & Technology (MUET) Jamshoro for the financial year 2018-19, it was observed that, Deputy Director Finance fraudulently transferred and withdrawn an amount of Rs.50.881 million from MUCE&T Khairpur account No.0073-79003913-03 to his personal and family member’s accounts. It was also observed that the management of the University allowed him as single signatory to operate the account. The details are given as under;

(Rs. in million)

<b>MUCE&amp;T Khairpur account No. 0073-79003913-03</b>			
<b>Date</b>	<b>Inst. No</b>	<b>Particular</b>	<b>Amount</b>
21 January 2016	06837357	Transfer by cheque	3.500
25 March 2016	06837375	Do-	3.250
04 April 2016	06837376	Do-	4.200
16 April 2016	068373374	Do-	4.500
13 May 2016	068373787	Do-	5.169
<b>Total transfer to personal/family account</b>			<b>20.619</b>
<b>Cash Withdrawal</b>			<b>18.267</b>
Transfer by Cheques			7.794
HBL CHQ Debit on 04 April 2016			4.200
<b>Total</b>			<b>50.881</b>



The Anti-corruption Department has also registered case on the pointation of audit.

Audit is of the view that fraudulent transfer and withdrawal of the university funds caused loss to the government which indicates prevalence of financial indiscipline and poor internal controls within the University.

The matter was reported to the management in May 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends criminal investigation and recovery besides taking remedial measures to stop recurrence of such practice in future.

**(AIR#05&06)**

### **31.5.5 Doubtful transfer/drawal of funds – Rs.10.300 million**

According to Chapter-VII section-39 (1) of Mehran University of Engineering and Technology Act, 1977, “there shall be a fund for the University to be called the university fund which shall be credited all money received by the University from fees, donation, bequests, endowments, contributions, grants and other sources. (2) the expenditure shall be made from the funds of the University unless a bill for its payments has, in accordance with the statues, been audited by the Resident Auditor, and the payment in included in the approved budget of the university.”

During audit on the accounts of Mehran University of Engineering & Technology (MUET) Jamshoro, for the financial years 2018-19, it was observed that an amount of Rs.10.300 million was misappropriated as there was variation of Rs.10.300 million in funds transferred from the Islamic Current Account MUET SZAB Campus 0073-79346457-51 to other bank account. Audit observed that funds transferred were credited less in the account.

Audit is of the view that due to short transfer of funds possibility of misappropriation cannot be ruled out.

The matter was reported to the management in May 2020, but no reply was received.

Audit recommended forensic investigation of all withdrawals/transfer of funds to end usage for fixation of financial responsibility against the person(s) at fault  
(AIR#04)

### 31.5.6 Unauthorized occupation of government properties – Rs.74.000 million

As per Para 1 of Clauses 81-82 of the West Pakistan Land Revenue Act, 1997, it is the responsibility of the Executive Agency to recover the amount of Government dues from the persons concerned.

During audit on the accounts of following offices of Universities & Boards Department, Government of Sindh, for the financial year 2018-19, it was observed that properties of the institutions having value of Rs.74.000 million or above were occupied by persons unauthorizedly. Details are given as under

(Rs. in million)

Sr.#	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01.	VC, SAU, Tandojam	2018-19	03	Encroachment of 25 acres land by land grabbers	25.000
02.	VC, SMBB, Medical University, Larkano	2018-19	10	Occupancy of Bungalows & quarters by unauthorized persons	40.000
03.	VC, SALU, Khairpur	2018-19	29	Encroachment of 45 acres land by land grabbers	9.000
<b>Total</b>					<b>74.000</b>

Audit is of the view that due to non-vacation of valuable properties, government sustained loss which indicated prevalence of poor management practices.

The matter was reported to the management during December 2019 to October 2020, but no reply was received.

Audit recommends taking of legal action against the land grabbers besides taking remedial measures to safeguard government interest in future.

### **31.5.7 Unauthorized payment of inadmissible allowances – Rs.674.045 million**

As laid down in Rule-28 of General Financial Rules, Volume-I states that, “No amount due to Government should be left outstanding without sufficient reasons and where any dues appear to be irrecoverable, the orders for their adjustment must be brought. According to Finance Division (Regulation Wing) office Memorandum # F.4(2)R-S/05 dated 13-08-2005 state that “the scheme of revised Basic Pay Scale as well as revised pension/commutation scheme will also be applicable as package to employees of autonomous/semi-autonomous bodies and corporation which have adopted the Federal Government Basic Pay Scale/Pension scheme tacity” according to revised basic pay scale only conveyance allowance at the Prescribed rate is admissible to employees in BPS-1 to 16 (Non-Gazetted) for late sitting after office hours.

During audit on the accounts of various institutions under the administrative control of Secretary, Universities/ Boards, Government of Sindh, for the financial years 2014-15 to 2019-20, it was observed that various allowances of Rs.674.045million were paid to the officers/officials which were not admissible to them. These unauthorized payments resulted in loss to government exchequer. The details are at Annex-3 of Chapter-31.

Audit is of the view that institutions sustained loss due to payment of inadmissible allowances which indicates prevalence of weak administrative and financial management practices.

The matter was reported to the management during December 2019 to October 2020, but no reply was received.

Audit recommends expeditions recovery of inadmissible allowances besides taking remedial measures to deter recurrence of such practices in future.

### **31.5.8 Appointments, promotions & up-gradation on various posts without observing codal formalities**

As per PMDC criteria for Senior Registrar is MBBS or equivalent with Level-III qualification like FCPS/M.S/M.D or equivalent Level-III qualification. No experience and publication is required for the post, however, Level-II (a or b) holder not be eligible for appointment/promotion. The doctors possessing the qualifications of FCPS/M.D/M.S., etc. be appointed as senior Registrar/Consultants in the attached teaching hospitals. The holder of additional qualification like MCPS appointed under earlier rules shall not be promoted to the next title i.e. Asst. Professor, Associate Professors.

According to HEC qualification criteria for the post of Assistant Professor (a). Ph.D. in the relevant field from an HEC recognized University /Institution or equivalent degree awarded after 18-years of education in the relevant field as determined by HEC. (b) M.Phil. or equivalent degree awarded after 18-years of education in the relevant field from an HEC recognized University/Institution. (a) No experience is required (b) 4-years teaching /research experience in an HEC recognized University or a post-graduate Institution or professional experience in the relevant field in a National or International organization.

During audit on the accounts of various institutions under the administrative control of Secretary, Universities/ Boards Karachi for the financial years 2016-17 to 2018-19, it was observed that payment of Rs.305.312 million was made to officers/officials since initial appointments which were found irregular followed by unjustified promotions & upgradations on the grounds mentioned against each at Annex-4 of Chapter-31.

Audit is of the view that the officers/officials were appointed, promoted & upgraded irregularly. This revealed weak administrative, financial and internal controls in the formations.

The matter was reported to the management during March to June 2020. The management of the office of BIE, Karachi at Sr. # 05 replied that promotion of BS-02 to BS-05 was made in view of amendment vide resolution No.3(w) of 178<sup>th</sup> meeting

of the Board of Governors held 03.06.2016, in which notification No. E&A(S&GAD) E.1-MISC/3/ 2007 dated 30.06.2008 was issued by the Services, General Administration & Coordination Department, Government of Sindh regarding method of appointment to the Junior Clerk (BPS-07) shall be filled up 70% by Initial appointment and 30% by promotion from amongst the official working in BS-02 to BS-05 and passed matriculation from the recognized Board of Secondary Education (copy enclosed). The management's stance is yet to be verified. No reply was received from other offices.

Audit recommends justification besides taking remedial measures.

### **31.5.9 Non-recovery of various allowances – Rs.301.972 million**

According to Rule 30 (ii) Part-VI of B.I.E. Karachi Employees Allocation of Residential Accommodation Rules included as Chapter-XXVII in the Calendar of the Board of Intermediate Education, Karachi, Volume-II (General Rules), 2006, “no house rent allowance will be paid to any occupants of servant quarters of the Board.”

As per order by Finance Department, Government of Sindh vide # FD (SR - III)5 - 145 - 2012 dated 02 - 03 - 2012, Government of Sindh approved grant of utility allowance to the regular employees of Sindh Civil Secretariat and Provincial Assembly Sindh.

According to Finance Division (Regulation Wing), Government of Pakistan Office Memorandum No.f.4 (2)-R.52006 dated 01-07-16, conveyance charges for late sitting for officials working in BPS-1 to 16 (Non-Gazetted) excluding drivers & dispatch riders were revised w.e.f. 01-07-16 as Under:

<b>Days</b>	<b>Existing Rate</b>	<b>Revised Rate</b>
On Working Days	Rs.100 per day	Rs.150 per day
On Holydays	Rs.125 per day	Rs.190 per day

During audit on the accounts of various institutions under administrative control of Secretary, Universities/Boards, Government of Sindh, for the financial years 2014-15 to 2018-19, it was observed that an amount of Rs.301.972 million was paid to the officers and staff on account of various allowances in violation of government rules

and without approval of Finance Department, Government of Sindh. The details are given at Annex-5 of Chapter-31.

Audit is of the view that institutions sustained loss due to payment of various allowances against Govt. rules and regulations.

The matter was reported to the management during December 2019 to October 2020. The management of the office at Sr. # 10 replied against para # 07 that Board has decided in its 127<sup>th</sup> meeting held on 06.02.2001, under resolution # 9, fixed the rate of official accommodations on recommendation Superintendent Engineer Education Works Circles-I, Karachi, the detail is as under: For category B Rs.3,100. For category C Rs.2,226 For category D Rs.1,627 For category E Rs.1,103 For category E-1 Rs.1,073. The reply is not tenable; hence recovery of HR allowance may be effected. No reply was received from other offices.

Audit recommends expeditious recovery besides taking remedial measures.

### **31.5.10 Irregular and unjustified appointments on various posts**

As per clause 28(v) of the University Act. under “Powers and Duties of the Vice Chancellor” which reads as: “to create temporary posts for a period not exceeding six months and fill such posts” made through regular selection process i.e. with the approval of the Central Selection Board/Departmental Promotion Committee and the authority competent to make appointment to the grade in which the vacancy exists. However, in those cases where a vacancy in a higher post occurs for less than two months and it is considered impossible for good reasons to make arrangements for day to day work of that post to be carried on otherwise, the current charge of the duties of that post may be given temporarily, with the approval of the authority competent to make appointments to the said post, to the most senior officer in the cadre present at the place or in the organization where the vacancy may have occurred if he is otherwise fit and eligible for promotion.

Subsection 3 (i) of the above rule also provides that the arrangement should not be made for a period of less than one month and should not exceed three months; however, it may be extended by another three months with the approval of the next higher authority;

During audit on the accounts of Vice Chancellor, NED University of Engineering & Technology, Karachi for the financial year 2018-19, while reviewing personnel files, it was observed that payment amounting to Rs.105.347 million was made to officials since initial appointments found irregular and unjustified on the grounds mentioned against each at Annex-6 of Chapter-33.

Audit is of the view that management of the university did not follow rules & regulations of the university in appointments which seemed weak internal controls prevail in the formation.

The matter was reported to the management in February 2020, but no reply was received.

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

### **31.5.11 Un-authorized out of turn promotion of 58 Employees**

According to Calendar of the Board of intermediate & Secondary Education, Mirpurkhas, Volume-II, Chapter III Establishment and Recruitment Rules, 2007 11. Promotion states “The seniority of departmental promotes to the higher grade shall count from the date of their regular promotion to the higher grade. The work regular implies; a) that the promotions to higher grades were made in vacancies reserved for departmental promotion in accordance with the prescribed roster. b) That the promotion to higher grades was made in accordance with the prescribed Recruitment Rules i.e. on the recommendation of the Appointment Committee/DPC, and with the approval of the Authority Competent to make these appointments. c) The promotions to higher grades were kept within the maximum quota prescribed in the Recruitment Rules for Departmental promotion.

During audit on the accounts of Board of Intermediate & Secondary Education, Mirpurkhas, for the financial years 2014-15 to 2019-20, it was noticed that 58 employees were promoted on the basis out of turn promotions even against 25% quota of direct appointments without completion of required period for next grade and without performance evaluation.

Audit is of the view that out of turn promotion of 58 Employees was unauthorized and irregular as superior courts have announced several judgements against the practice.

The matter was reported to the management in September 2020, but no reply was received.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR#02)**

### **31.5.12 Irregular procurement in violation of SPPRA rules – Rs.917.321 million**

According to Rule 4 of Sindh Public Procurement (SPP) 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 on the accounts of various institutions under administrative control of Secretary, Universities/Boards, Government of Sindh for the financial years 2018-19 & 2019-20, it was observed that an expenditure of Rs.917.321 million was incurred on procurement of various items in violation of several provisions of SPP Rules as mentioned against each in Annex-7 of Chapter-31.

Audit is of the view that procurements made in violation of SPP rules and regulations were irregular which indicates prevalence of weak internal controls.

The matter was reported to the management during December 2019 to October 2020. The management of office at Sr. # 08 replied that all tendering process was fully complied with in view of SPP rules. The record in support of reply was not produced. No reply was received from the remaining offices.

Audit recommends investigation of the matter besides taking remedial measures.



### **31.5.13 Irregular award of development works – Rs.362.139 million**

The Honourable Supreme Court of Pakistan in HR case No.7744/2009 and 1003-G/2010 alleged corruption in rental power plants case, on 30th March 2012 has declared all contracts as non-transparent, illegal and void ab initio due to violation of Public Procurement Rules. According to Sindh Public Procurement Rules 2010, awarding of any contract without public tendering is mis-procurement under rule No.32A as it is violation of rule No.17(1A)(2)(4). All the notice inviting tenders for works relating to national bidding in respect of procurements over one hundred thousand rupees and up to one million rupees, including notice containing amendments are required to be advertised by timely notification on SPPRA website as well as in print media in at least three widely circulated leading newspapers of English, Urdu, Sindhi languages vide RULES NO 17 of the SPP Rules 2010.

During audit on the accounts of Mehran University of Engineering & Technology (MUET), Jamshoro for the financial years 2018-19, it was observed that management of the University awarded works amounting to Rs.362.139 million in violation of tender requirements to an unregistered contractor in violation of several provision of SPPRA. The work was awarded in piece-meal through split up and no liquidity damage was charged on contractor for delayed completion of work.

Audit is of the view that awarding of the contract in violation of SPPRA was irregular which indicates prevalence of weak internal controls within the formation.

The matter was reported to the management in May 2020, but no reply was received.

Audit recommends investigation of the matter besides taking remedial measures to stop recurrence of such practice in future.

**(AIR#14)**

### **31.5.14 Non-recovery of various taxes at applicable taxes - Rs.100.815 million**

According to Section 153(a) & (b) of the Income Tax ordinance, 2001, “Income Tax at the rate of 6% percent for rendering professional Services is required to be deducted at source and deposited into Government account”.

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011, subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable service is listed. Further, as per Second Schedule of the SST on Services Act 2011, the rate of tax is 10% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.

As per Para 22-A of Stamps Act Amended, “It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.35% of the value of the agreement or against tender cost before execution of the agreement.

During audit on the accounts of various institutions under the administrative control of Secretary, Universities/Boards, Government of Sindh, for the financial years 2014-15 to 2019-20, it was observed that various government taxes amounting to Rs.100.815 million were not recovered at applicable rate while making payments to various contractors/suppliers. The details are given at Annex-8 of Chapter-31.

Audit is of the opinion that government sustained loss due to non-recovery of taxes which indicates prevalence of poor internal controls within the organization

Non-recovery was reported to the management during September 2019 to November 2020. The management of office at Sr. # 18, replied that the stamp duty was recovered and deposited into government treasury from the concerned vendors/suppliers. The reply was not tenable as evidence of the same was not provided. No reply was received from the remaining offices.

Audit recommends expeditious recovery of taxes at applicable rates besides taking remedial measures to stop recurrence of such practice in future.

### **31.5.15 Non-deposit of Sindh Sales Tax on services – Rs.34.767 million**

Under section (8) (1) of Sindh Sales Tax on services Act, 2011, “there shall be charged, levied and collected a tax known as sales tax on the value of a taxable service at the rate specified in the Schedule in which the taxable service is listed”.

As per Rule 41 (a) of Sindh Financial Rule Volume-I, the departmental controlling officer should see that all sums due to Government are regularly received and checked against demand and that they are paid into the Treasury.

During audit on the accounts of Vice Chancellor, Shaheed Benazir Bhutto University of Veterinary and Animal Sciences, Sakrand, for the financial year 2018-19, it was observed that an amount of Rs.34.767 million was not deposited into government treasury on account of Sindh Sales Tax on Services without justification. The Sindh Revenus Board also issued final Hearing Notice on 15-03-2019 for early deposit of government receipts.

Audit is of the view that due to non-deposit of revenues, the government sustained loss which indicates prevalence of poor financial management practices.

The matter was reported to the management in September 2019, but no reply was received.

Audit recommends investigation of the matter besides taking remedial measures.

(AIR#13)

### **31.5.16 Unauthorized retention of Government money into DDOs account – Rs.394.760 million**

According to Para 2 (VI) of revised procedure for operation of Assignment accounts circulated by Controller General of Accounts, Islamabad vide letter No.AC-11/1-39/08Vol-V/632 dated 24-09-2014, "the officers holding Assignment Accounts will ensure that no money is drawn from these accounts unless it is required for immediate disbursement. Moneys will not be drawn for deposit into chest or any bank account. A certificate to this effect will be recorded on the Schedule of Payment mentioned in Para 2 (i) above. The cheques for payments on account of purchases/supplies will be drawn in the name of contractor/supplier". According to Rule 170-B (8) of Treasury Rules of the Federal Government, "It shall not be permissible to draw the whole amount authorized or part thereof and to place it in a separate account at the treasury or in a commercial bank."

During audit on the accounts of various institutions under the administrative control of Secretary, Universities/Boards, Government of Sindh, for the financial years 2017-18 & 2018-19, it was observed that Government money amounting to Rs.394.760 million was transferred from Assignment Account and kept into DDOs account without any reason. The details are given as under;

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR AIR #	Description	Amount
01.	Secretary, Universities & Boards Department, Karachi	2019-20	06	Development fund retained by various universities at the close of financial year	224.00
02.	Chairman, Board of Intermediate Education Karachi	2014-15 to 2018-2019	18	Fee in respect of enrolment / examination facility	88.000
03.	Secretary, Benazir Bhutto Shaheed Human Resource, Research & Development Board, Sindh Karachi	2019-20	04	Funds kept into Livestock and Fisheries Wing – accounts # 4004424346 & 4004424177	32.161
				Funds kept into Irrigation Institute – Account # 4103784663	12.790
				Funds for trainee's stipend – account # 3724327111000	3.893
04.	MUET, Jamshoro	2019-20	14	Account # 4158882374	17.309
05.	Chairman, Board of Secondary Education, Karachi	2017-18 & 2018-19	09	Cash prize money into Boards bank account instead of payment to actual payees of the cash prize.	16.607
<b>Total</b>					<b>394.760</b>

Audit is of the view that a chunk of funds was transferred / kept into DDOs from the assignment account as to avoid lapse of funds which shows weak internal controls.

The matter was reported to the management during December 2019 to October 2020. The management of office at Sr. # 02, replied that as per decision of Sindh Government, students class IX to XII (all groups) studying Government Colleges / Schools are exempted from payment examination and enrollment to the Board. Government has taken responsibility to pay / re-imburse total amount of fees claim by the Educational Boards irrespective of numbers of regular students. The management did not furnish detail of the account in support of stance. No reply was received from the remaining offices.

Audit recommends justification besides taking remedial measures.

### **31.5.17 Unjustified transfer of funds from assignment account to PMUs - Rs.65.355 million**

As per Office Memorandum issued by FD (Budget wing) vide No.F.2(1)BR-II/2007-88 dated 17.1.2012 Revised Accounting Procedure for Revolving Fund Accounts. (XV) “Cash payments or funds transfers from Assignment Accounts to any DDO-account or any other account for the sake of onwards disbursement shall be strictly prohibited”.

During audit on the accounts of Secretary, Benazir Bhutto Shaheed Human Resource, Research & Development Board, Sindh Karachi for the financial year 2018-19, it was observed that an amount of Rs.65.355 million was transferred in the month of June 2019 from assignment account of Board to PMU’s account to avoid lapse of funds.

Audit is of the view that transfer of funds from assignment account just to avoid lapse of funds was unjustified.

The matter was reported to the management in March 2020, but no reply was received.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR#11)**

### **31.5.18 Irregular investments of funds – Rs.5,343.70 million**

According to the office memorandum issued vide No.F.4(1)/2002-BR.II Islamabad, the 2nd July, 2003, issued by Finance Division states the instructions for investing surplus working balances:

1. That the bank/financial institution where money is deposited is holding a minimum ranking of “A” according to the rating awarded by the standard rating agencies on the panel of State Bank of Pakistan (Pakistan Credit Rating Agency, JCR-VIS credit rating company, Moody’s Fitch’s and standard and Poor’s rating).
2. That Prior to placing deposits with bank and in case of working balance exceeding 10 million, check that the bank selection has been made on the basis of competitive bids from at least three independent banks.

3. That the working balance limit of each organization has been determined with the approval of the administrative ministry in consultation with finance division.
4. That investments are made according to the terms and conditions of the agreement and under the approval of investment committee or board of directors where applicable.

During audit on the accounts of following institutions under the administrative control of Secretary, Universities/ Boards, Government of Sindh for the financial years 2014-15 to 2019-20, it was observed that an amount of Rs.5,343.70 million was invested in various banks without adopting/achieving proper competitive rates.

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Description	Amount
01.	Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	12,31, 33 & 34	Without approval of the Senate/Syndicate. The investment procedure of the Government was not followed and rates were not obtained from the different banks	5,313.70
02.	Board of Intermediate & Secondary Education, Mirpurkhas	2014-15 to 2019-20	05	Investment without adopting / achieving proper competitive rates	30.000
<b>Total</b>					<b>5,343.70</b>

Audit is of the view that the management made an irregular investment of the funds which indicates prevalence of poor financial management practices within the department.

The matter was reported to the management in May to September 2020, but no reply was received.

Audit recommends justification besides taking remedial measures.

### **31.5.19 Loss due to non-recovery of outstanding fees - Rs.1,060.109 million**

According to Rule 41(a) of Sindh Financial Rules, Volume-I, the Departmental Controlling Officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury.

During audit on the accounts of the following institutions under the administrative control of Secretary, Universities & Boards Department, Government of Sindh, it was observed that an amount of Rs.1,060.109 million was outstanding on account of various fees / rents since long and also management did not make any serious efforts to recover the same, resulting in loss of revenue to institutions.

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para #	Particulars	Amount
01.	Vice Chancellor, Dow University of Health Sciences, Karachi ice Chancellor, Dow University of Health Sciences, Karachi	2019-20	11	Outstanding dues from Corporate sector Hospital	558.00
			12	Outstanding dues from Govt. sector hospitals since inception	24.42
02.	Chairman, BISE, Mirpurkhas	2014-15 to 2019-20	04	Exemption of registration, enrollment & examination fees	337.338
03.	Vice Chancellor, Shaheed Zulfiqar Ali Bhutto University of Law (SZABUL), Karachi.	2018-19	02	Non-realization of outstanding fees (Semester Fee)	126.043
04.	VC, University of Karachi	2016-17 to 2018-19	06	Rent from shops, canteen & bank	9.396
			05	Hostel fees	0.157
05.	Chairman, Board of Secondary Education, Karachi	2017-18 to 2018-19	11	Rent charges from various banks operating its functions within the premises of Board	2.400
06.	Vice Chancellor, Dawood University of Engineering & Technology, Karachi	2018-19	15	Tuition fees	2.355
<b>Total</b>					<b>1,060.109</b>

Audit is of the view that due to non-recovery of outstanding news, the revenue of the Universities remained blocked which indicates prevalence of poor financial discipline within the department.

The matter was reported to the management in July to September 2020, but no reply was received.

Audit recommends expeditious recovery besides taking remedial measures.

### **31.5.20 Unjustified/Irregular expenditure on various head of account & allowances - Rs.513.360 million**

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order.

During audit on the accounts of various institutions under administrative control of Secretary, Universities/Boards, for the financial years 2014-15 to 2019-20, it was observed that payment of Rs.513.360 million was made on various heads of accounts & allowances without fulfillment of codal formalities as detailed in Annex-9 of Chapter-31.

Audit is of the view that management incurred irregular/ unjustified expenditure on various head of accounts and allowances in non-compliance with codal formalities which indicated weak internal controls in the formation.

The matter was reported to the management in January 2020 to November 2020, but no reply was received.

Audit recommends justification besides taking remedial measures.

### **31.5.21 Non-investment of surplus funds – Rs.401.426 million**

According to 3 (b) of OM No. F.4(1)/2002-BR-II dated 2-7-2003 of Finance Division, Govt. of Pakistan that the process of selection of bank/(s) should be transparent. In case the total working balances exceed Rs.10 million, the selection of the bank/(s) as well as the terms of deposits will be approved by the concerned Board of Directors/Governing Body on the basis of competitive bids from at least three independent banks. Also read with para 06 stating that Public sector entities would need to have an Investment Committees (IC) with defined investment approval authority. Transactions above the approval authority of the IC will be subject to approval of the Board of Directors or equivalent forum.”

During audit on the accounts of following offices under administrative control of Secretary to Govt. of Sindh, Universities and Boards Department, Karachi, for the



financial year 2018-19, it was observed that cumulative amount of Rs.401.426 million remained unutilized for long in the bank accounts of the Universities and the same were not invested to get maximum benefit which resulted in loss to Universities. The details are given as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
01	VC, Veterinary and Animal Sciences Uni: Sakrand	2018-19	06	Idle funds remained in bank accounts but not invested	340.106
02	Vice Chancellor, Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2018-19	02	50% of the SS receipts	56.77
03	VC, SAU, Tandojam	2018-19	04	Income of agriculture land was not invested	4.550
<b>Total</b>					<b>401.426</b>

Audit is of the view that institutions sustained loss due to non-investment of surplus funds.

The matter was reported to the management during September 2019 to November 2020, but no reply was received.

Audit recommends justification besides taking remedial measures.

### **31.5.22 Irregular transfer of funds - Rs.352.020 million**

As per Rule 88 of Sindh Financial Rules, “every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of following institutions under the administrative control of Secretary, Universities/Boards, Government of Sindh, for the financial year 2014-15 to 2019-20, it was observed that funds of Rs.352.020 million was transferred from one account to another A/c without obtaining approval from Finance Department/competent authority.

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
01	Vice Chancellor, Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2018-19	01	Transfer of fund from assignment account to DDO Account	238.228
02	Board of Intermediate & Secondary Education, Larkana	2018-19 & 2019-20	09	Exp A/c to 8931-03 to Board Income A/c 32601	74.516
03	Board of Intermediate & Secondary Education, Mirpurkhas	2014-15 to 2019-20	06	transferred from UBL account to other accounts	39.276
<b>Total</b>					<b>352.020</b>

The audit is of the view that transfer of funds was made irregularly as no approval of the competent authority or Finance department was obtained. This indicates weak internal controls in the department.

The matter was reported to the management in September to November, 2020 but no reply was received.

Audit recommends investigation besides taking remedial measures.

### **31.5.23 Non-adjustment of advances – Rs.309.423 million**

According to Para-668 of Federal Treasury Rules, advances granted under special orders of the competent authority to officers/officials for Departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary.

During audit on the accounts of following institutions under the administrative control of Secretary, Universities/ Boards, Government of Sindh for the financial years 2014-15 to 2018-19, it was observed that an amount of Rs.309.423 million on account of advances to various vendors/employees was paid but advances were not recovered / adjusted. The details are given as under;

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Details of expenditure	Amount
01.	University of Karachi	2016-17 to 2018-19	07	Advances paid to various officials	264.538
02.	Chairman, Board of Secondary Education, Karachi	2017-18 to 2018-19	14	Non adjustment of advances to various employees	16.444
03.	Vice Chancellor, Dawood University of Engineering & Technology, Karachi	2018-19	05	Non-adjustment of advances granted to vender/contractors	9.886
04.	Vice chancellor, Shah Abdul Latif University, Khairpur	2018-19	38	Advances paid for various purposes	4.540
05.	Chairman, Board of Intermediate Education Karachi	2014-15 to 2018-2019	13	Paid to various employees of board	4.058
06.	Vice Chancellor, Dawood University of Engineering & Technology, Karachi	2018-19	09	Non-adjustment of Advance payment on account of All Pakistan Industrial Tour	3.832
07.	University of Sufism & Modern Science Bhitshah Hala	2018-19	07	Non-adjustment of advances various officials	2.099
08.	VC, IBA, Sukkur	2018-19	08	Advance paid to M/s Seimens Pakistan Eng: Co. for software, training, maintenance etc.	1.568
09.	Vice Chancellor, Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	60	Adjustment of advances	1.350
10.	Vice Chancellor, NED University of Engineering & Technology, Karachi	2018-19	47	Adjustment of loans & advances	1.108
<b>Total</b>					<b>309.423</b>

Audit is of the view that management has not adjusted advances paid to supplier so far which indicates weak internal controls and chances of favoritism cannot be ruled out.

The matter was reported to the management in May to September 2020. The management of office at Sr.#05 replied that adjustment almost have been made time

to time, detail of adjustment of advance is enclosed herewith for settlement of para but adjustment vouchers were not found. The reply was not tenable as the adjustment vouchers requires to be verified. No reply was received from remaining offices.

Audit recommends justification besides taking remedial measures.

#### **31.5.24 Irregular transfer of funds from bank account without supporting details – Rs.133.000 million**

Rule-77 (iii) of Central Treasury rules, Volume-I states that the cash book should be closed regularly and completely checked. The head of the office should verify the totalling of the cash book or have this done by some responsible subordinate other than the writer of the cash book, and initial it as correct.

During audit on the accounts of Vice Chancellor, NED University of Engineering & Technology, Karachi for the financial year 2018-19, it was observed that an amount of Rs.133.000 million was transferred from university's account "National Bank of Pakistan Caution Money Deposit A/c. # 3102654850" but the supporting vouchers/details of withdrawals were not provided. Also, the same were not entered into Cash Book. The details are given as under;

(Rs. in million)

<b>Sr. #</b>	<b>Date</b>	<b>Cheque #</b>	<b>Amount</b>
1	15-Oct 2018	38877384	50.000
2	11-Jan-2019	38877414	10.000
3	23-April-2019	38877475	50.000
4	13-June-2019	38877481	23.000
<b>Total</b>			<b>133.000</b>

Audit is of the view that transfer of funds from bank account was made whose supporting details were not available which indicates weak internal controls.

The matter was reported to the management in February 2020, but no reply was received.

Audit recommends justification besides taking remedial measures.

**(AIR#33)**

### 31.5.25 Unauthorized/doubtful Cash withdrawal – Rs.80.996 million

According to safety measures of Sindh Government vide Letter No. S.S.FD/85/7058 dated 13-13 January 1986 Para#(1)“ No Cash transaction will be made except from petty cash imprest, as per rules and all transactions i.e income/expenditure should be made through crossed cheques” (ii)The cheques book will remain in the custody of accounts officer. cheques should be invariably be “crossed” before issued. (iii)All receipts i.e. Cheque/Pay order/Cash etc. received up-to 12.00 should immediately be got deposited with the banks.

During audit on the accounts of following offices under administrative control of Secretary, Universities and Boards Department, Karachi for the financial years 2009-10 to 2018-19, it was observed that cash of Rs.80.996 million was drawn from accounts. Details are given as under;

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
01.	Vice chancellor, Shah Abdul Latif University, Khairpur	2018-19	53	31.022
02.	VC, Mehran University of Engineering Sciences & Technologies, Jamshoro	2018-19	07	29.997
03.	Vice Chancellor, Dow University of Health Sciences, Karachi	2018-19	03	16.945
04.	Vice Chancellor, NED University of Engineering & Technology, Karachi	2018-19	34	2.547
05.	Principal, Government Institute of Business & Commercial Education, Hala	2009-10 to 2018-19	01	0.277
06.	Principal, Government Monotechnic Institute, Hala	2013-14 to 2018-19	01	0.115
07.	Director, SMBB Chair, University of Karachi	2018-19	01	0.093
			<b>Total</b>	<b>80.996</b>

Audit is of the view that the withdrawal of such funds/amount from above accounts was violation of financial rules and is a serious weakness of internal controls.

The matter was reported to the management during March to June 2020, but no reply was received.

Audit recommends investigation of the matter besides taking remedial measures.

### **31.5.26 Irregular excess payments of House Rent Allowance @ 70% of running basic pay – Rs.76.469 million**

As per pay scales of 2008, “house rent @ 45% of basic pay shall be allowed to employees”.

During audit on the accounts of Chairman, Board of Secondary Education, Karachi, for the financial years 2017-18 and 2018-19, it was observed from the pay roll statement that irregular excess payments were allowed worth Rs.76.469 million on account of “House Rent Allowance” at the rate of 70% of running basic pay instead of 45% of Basic pay of Pay Scale 2008 to the employees.

Audit is of the view that payment of house rent allowance was against Government rules and regulations which indicates prevalence of weak internal controls in the formation.

The matter was reported to the management in September 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery besides taking remedial measures.

**(AIR#08)**

### **31.5.27 Unauthorized award of scholarship -Rs.21.574 million**

According to Annex-X of P.C.I "scholarship will be granted to Ph.D. candidates for only 10 listed countries”.

During audit on the accounts of IBA University, Sukkur for the financial year 2018-19, it was observed that three out of eight Ph.D. candidates were allowed to avail scholarship of Rs21.574 million against the countries which were not approved as listed 10 countries. Details are given as under;

(Rs. in million)

<b>Sr. #</b>	<b>Name of the official</b>	<b>Name of Country &amp; University allowed for scholarship</b>	<b>Amount approved</b>
1	Mr. Saeed Abbas Shah	Ireland (Uni: College Dublin)	5.537
2	Mr. Fahd Rahim Qasmi	Finland (University of Oulu)	5.537
3	Mr. Muhammad Mujahid Memon	Thailand (Asian Inst: of Thailand)	10.500
<b>Total</b>			<b>21.574</b>

Audit is of the opinion that non-compliance of approved policy indicates prevalence of weak internal controls within the formations.

The matter was reported to the management in May 2020, but no reply was received.

Audit recommends justification besides taking remedial measures.

**(AIR#04)**

### **31.5.28 Unauthorized payments to SSGC against bulk meter - Rs.16.985 million**

As per Rule-23 of General Financial Rules Volume-I “Every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”

During audit on the accounts of following offices of Universities & Boards Department, Government of Sindh, it was observed that payment of Rs.16.985 million was made to M/s Sui Southern Gas Co. (SSGC) on account of Gas Charges through single meter for University instead of separate Gas meters for Kitchen, Canteen / Cafeteria and residential Colony etc. The details are given as under;

(Rs. in million)

Sr. #	Name of Institution	Financial Year	AIR Para #	Particulars	Amount
1	VC, SALU, Khairpur	2018-19	73	Payment was made against gas charges without separate gas meters for residential colonies, cafeteria etc	16.985
2	VC, University of Karachi	2016-17 to 2018-19	15		0.00
<b>Total</b>					<b>16.985</b>

Audit is of the view that management has made heavy payments to SSGC due to having a single gas meter instead of having separate gas meters for Kitchen, Canteen / Cafeteria which raise the slab and extra payment was made by government.

The matter was reported to the management in March 2020, but no reply was received.

Audit recommends recovery of gas charges from cafeteria on proportionate besides taking remedial measures.

### **31.5.29 Loss due to imprudent investment in Term Deposit Receipts (TDRs) - Rs15.517 million**

Rule 5.1(b) of the Financial Rules, 2004 of MUET state Jurisdiction of the Syndicate “to hold, administer and control funds on behalf of the University and after giving due regard to the advice of the Finance & Planning Committee, invest such funds in Government Securities or in such other short and long term investment in safe and profitable manner.”

During audit on the accounts of Vice Chancellor, Mehran University Engineering & Technology, Jamshoro, for the financial year 2018-19, there were observed multiple observations in investment of funds which caused loss to the University. Funds of Rs 300 million were invested @7.85% on monthly basis with Habib Bank Limited, Sindh University Branch, Jamshoro dated 06-11-2013 instead of investing on yearly basis or for more years as to obtain higher offer rates. Further, funds of Rs.225.0 million were invested on lower rates on 05-04-2017. Similarly, Rs.460.0 million were placed in different banks on 07-04-2017 at lower rates.



Moreover, funds of Rs.1,262.70 million were invested below highest rate of 11.30% offered on 25-03-2019.

Audit is of the opinion that imprudent investment on lower rates and monthly basis caused loss of Rs.15.517 million to the University.

The matter was reported to the management in May 2020, but no reply was received.

Audit recommends inquiry into the matter besides taking remedial measures.

**(AIR#27,30,32,35)**

### **31.5.30 Irregular withdrawal of funds from MUET SZAB Scholarship Account - Rs.7.055 million**

As per General Financial Rule#12 “A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest and upon objects for which the money was provided. In order to maintain a proper control he should arrange to be kept informed not only of what has actually been spent from an appropriation but also what commitments and liabilities have been and will be incurred against it, He must be in a position to assume before Government and the Public Accounts Committee if necessary complete responsibility for departmental expenditures and to explain or justify any instance of excess or financial irregularity that may be brought to notice as a result of audit security or otherwise.”

During audit on the accounts of Mehran University of Engineering & Technology (MUET) Jamshoro for the years 2018-19, it was observed that management of the MUET SZAB Campus Khairpur has transferred Rs.7.055 million from HBL Scholarship Account # 0073-79354032-03 to other account without any justification and payment/expenditure details required for scrutiny.

(Rs. in million)

<b>Date</b>	<b>Description</b>	<b>Amount</b>
25 May 2019	Transfer by CHQ 00010178 #00739927671586	3.577
16 NOV.2019	Transfer by CHQ 00010179 #00739927671586	3.478
	<b>Total</b>	<b>7.055</b>

Audit is of the view that the transfer of amount from Scholarship account for other purposes was violation of rules and transgression of financial powers.

The matter was reported to the management in May 2020, but no reply was received.

Audit recommends justification besides taking remedial measures.

**(AIR#08)**

### **31.5.31 Unjustified award of scholarship to non-teaching staff - Rs.5.537 million**

According to Annex-X of P.C.I "Cost Estimates of Human Resource Development" that 6 foreign PhDs in 10 listed countries were @ total cost of Rs63.003 million was allocated for Human Resources Development.

During audit on the accounts of IBA University, Sukkur for the financial year 2018-19, it was observed that an amount of Rs.5.537 million was paid on account of foreign scholarship of Masters leading to Ph.D to a non-teaching staff. The details are given as under;

(Rs. in million)

<b>Sr.#</b>	<b>Name of the official</b>	<b>Designation</b>	<b>Name of Country &amp; University allowed for scholarship</b>	<b>Amount approved</b>
01	Mr. Fahd Rahim Qasmi	System Administrator	Finland (University of Oulu)	5.537
<b>Total</b>				<b>5.537</b>

Audit is of the view that sending non-teaching staff for Masters & Ph.D amounts to extending favoritism at the cost of public expenses.

The matter was reported to the management in May 2020, but no reply was received.

Audit recommends expeditious recovery from non-teaching besides taking remedial measures.

**(AIR#03)**

### **31.5.32 Non-deposit of various Government taxes - Rs.4.771 million**

As per rule 26 of General Financial Rules Volume-I, states that, “it is the duty of controlling officer to see that all sums due to Government are regularly and promptly assessed, realized and credited to public account.”

During audit on the accounts of Secretary, Benazir Bhutto Shaheed Human Resource, Research & Development Board, Sindh Karachi for the financial year 2018-19, it was observed that an amount of Rs.4.771 million was realized on account of Income Tax & General Sales Tax from various training providers and suppliers but same was not deposited till the closing of June 2019.

Audit of the view that the Government receipts were not deposited to public account resulting in loss to government.

The matter was reported to the management in March 2020, but no reply was received.

Audit recommends expeditious deposit of government receipt besides taking remedial measures.

**(AIR#03)**

### **31.5.33 Unauthorized utilization of endowment funds on repair works – Rs.4.261 million**

As per letter of authority of a Trustee of the institute dated 31<sup>st</sup>December, 2009, the management of the institute was authorized to incur the expenditure from PCMD Endowment Fund in support of R&D activities of the PCMD.

During audit on the accounts of Director, Dr. Panjwani Center for Molecular Medicine and Drug Research (PCMD), Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.4.261 million was incurred from “PCMD Endowment Fund account” on HVAC maintenance / cooling system against the above-mentioned approval of Trustees. Hence the expenditure incurred was unauthorized.

Audit is of the view that unauthorized expenditure was incurred without approval from board of trustees, constituted weak financial and administrative management.

The matter was pointed to management in February 2020, but no reply was received.

Audit recommends investigation besides taking remedial measures.

**(AIR#20)**

**31.5.34 Unjustified payment on hiring facility to staff in monthly salary – Rs.2.733 million**

According to the Office Memorandum of Ministry of Housing and Works vide No. F2(3)/ 2003- policy dated 31-07-2004, “the hiring of residential accommodation shall be available to the employees as per their rental ceiling specification and covered area of house. No house rent allowance will be admissible to such employees, and to those not entitled for house hiring shall draw only house rent allowance.

During audit on the accounts of Director, Dr. Panjwani Center for Molecular Medicine and Drug Research (PCMD), Karachi for the financial year 2019-20, it was observed that an amount of Rs.2.733 million was paid to various employees on account of house rent ceiling/hiring facility. The payments were made to employees in their monthly salary instead of making payment to owners of the rented premises through cross cheques.

Audit is of the view that the management has failed to watch the laid down procedures. Thus, the above lapses on the part of the department indicate improper watch and absence of systemic control.

The matter was reported to management in February 2020, but no reply was received.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR#17)**

### 31.5.35 Non-recovery of rent from bank – Rs.1.440 million

According to Rule 3 of Rules regarding Audit Procedures included as Chapter –IX in the Calendar of the Board of Intermediate & Secondary Education, Mirpurkhas Volume-II (General Rules), 2006, “the Scope of receipt audit shall be to see that there is no leakage of revenue, and no demands have been omitted and that all possible sources of revenue have been tapped suggestions for improvement of revenue and other collections should always be made and separately communicated to the Chairman through the Secretary”. AND According to Sr#(i) of duties and responsibility of Audit Officer included as Annex-J in the Calendar of the Board of Intermediate & Secondary Education, Mirpurkhas Volume-II (General Rules), 2006, the Audit Officer is responsible, “to see that there is no leakage of revenue and take such necessary steps which may ensure that no demand is omitted and no possible source of revenue is left”.

During audit on the accounts of Board of Intermediate & Secondary Education, Mirpurkhas, for the financial years 2014-15 to 2019-20, it was observed that UBL was operating within the premises of Board of Intermediate & Secondary Education, Mirpurkhas. But the rent amounting to Rs1.440 million was not recovered.

(Rs. in million)

Particulars	Average P/Month Rent Charges	Recovery of rent charges (72 months)
United Bank limited	(0.020*72)	1.440

Audit is of the view that due to non-recovery of rent government sustained finance loss.

The matter was reported to the management in September 2020, but no reply was received.

Audit recommends recovery of outstanding rent besides taking remedial measures.

(AIR#13)

### 31.5.36 Double payment to the contractor – Rs.0.905 million

As per rule 88 of Sindh Financial Rules, Volume-I, "Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of

expenditure of his own money".

During audit on the accounts of Vice Chancellor, Sindh Agriculture University, Tandojam for the financial year 2018-19, it was observed that part payment of Rs.0.905 million was paid to contractor against the already paid job. Hence double payment was made and undue favor was extended to the contractor.

Audit is of the opinion that chances of embezzlement due to double payment cannot be ruled out which indicates prevalence of weak financial discipline and internal controls.

The matter was reported to the management in March 2020, but reply is still awaited.

Audit recommends expeditious recovery besides taking remedial measures.  
(AIR#15)

### **31.5.37 Irregular allotment of 50 acre land for Employees Housing Society**

As per minutes of meeting of 75<sup>th</sup> Syndicate meeting held on Tuesday 27<sup>th</sup> August, 2013 "Item No 12: To consider and decide the request for allowing 100 acres piece of land for housing society of the Employees of Shah Abdul Latif University Khairpur" Syndicate Decision No.12: "The request was turned down with observation that University land consisting of 340 acres is insufficient to meet the future development of infrastructure for educational purpose, so the request for allowing 100 acres piece of land for housing society cannot be considered".

During audit on the accounts of Vice chancellor, Shah Abdul Latif University, Khairpur for the financial year 2018-19, it was observed that management allotted 50 acres of land to the employees under the scheme of SALU Employees Housing Society in violation of its own agenda approved by Syndicate in its 75<sup>th</sup> meeting.

Audit is of the view that fifty acres of land was allotted to employees against the decision of the Syndicate which speaks volumes about the apathy of the management towards furtherance of academic cause and reduced the already congested University by 50 acres.

The matter was reported to the management in March 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends immediate cancellation of the land allotment besides investigation of the matter.

**(AIR#30)**

### **31.5.38 Unauthorized admission of candidates in MBBS without entry test**

As per Pakistan Medical and Dental Council NOTIFICATION In exercise of the powers conferred by sub-section (2) of section 33 of the Pakistan Medical and Dental Council Ordinance,1962 (XXXII of 1962)-Rule#08 (20) The admission to MBBS and BDS course in a medical and dental institution shall be made strictly on the basis of merit and in accordance with these regulations. Any admission made in violation of merit or on the basis of donations or kick back or unauthorized and unlawful payments in any form shall constitute grave violation of these regulations entailing penal action! criminal proceedings and withdrawal of recognition under the Ordinance/ Law.

During audit on the accounts of Liaquat University of Medical & Health Sciences, Jamshoro, for the financial year 2018-19, it was observed that, management of the University admitted students in first year MBBS (academic session 2018-19) at Bilawal Medical College (for boys) without appearing in NTS. As per PM&DC criteria result of NTS weighted for overall score/merit; hence, admission without NTS appearance was violation of merit principles.

Audit is of the view that management of the University violated PMDC criteria/rules for admission and beyond its competency reflected presence of weak internal controls.

The matter was reported to the management in May, 2020 but no reply was received.

Audit recommends inquiry of the matter besides taking remedial measures.

**(AIR#38)**

## CHAPTER – 32 WOMEN DEVELOPMENT DEPARTMENT

### 32.1 Introduction

Women constitute more than 50% population of Pakistan. Women Development Department being the sole government agency has to play the vital role of catalyst, lobbyist and influencer to attain the prime objective of women empowerment through gender mainstreaming in the project programmes, providing gender equality and equity.

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	3	1	62.151	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	0	0		

### 32.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget and expenditure of the department:

(Rs. in million)

Original Budget/ Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
627.249	-	23.274	(23.274)	(298.978)	328.271	175.792	(-) 152.479

The department was unable to spend the allocated budget in time. As a result savings of an amount Rs152.479 million was observed which was not surrendered in time.



### 32.3 Classified Summary of Audit Observations

Audit observations amounting to Rs8.055 million were raised as a result of this audit. This amount also includes recoverables of Rs5.956 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	
A	<i>HR/Employees related irregularities</i>	2.493
B	<i>Procurement related irregularities</i>	-
C	<i>Management of Accounts with Commercial Banks</i>	
4	Value for money and service delivery issues	
5	Others	5.562

### 32.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was Nil.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	0	0	0	0	-	No audit para pertaining to this department was printed in these Audit Reports
2	1998-99	0	0	0	0	-	
3	1999-2000	0	0	0	0	-	
4	2001-02	0	0	0	0	-	
5	2004-05	0	0	0	0	-	
6	2005-06	0	0	0	0	-	
7	2006-07	0	0	0	0	-	
8	2007-08	0	0	0	0	-	
9	2008-09	0	0	0	0	-	

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
10	2009-10	0	0	0	0	-	
11	2010-11						
12	2014-15	0	0	0	0	-	
13	2016-17						Audit Report not yet discussed
<b>Total</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-</b>	

## 32.5 Audit Paras

### 32.5.1 Irregular appointment from other provinces – Rs.2.099 million

As per Para 13, Part-III, Initial Appointment of the Sindh Civil Servants (Appointment, Promotion and Transfer) Rules, 1974, a candidate for appointment shall be a citizen of Pakistan and a domicile of the Province of Sindh.

During audit on the accounts of Secretary, Women Development Department, Government of Sindh, Karachi for the financial year 2019-20, it was observed from SAP data that an amount of Rs.2.099 million was paid to various employees having domicile of Balochistan Province. The employees were appointed against local posts in violation of rules. The detail is given as under;

(Amount in Rupees)

Cost_Center	Personal. #	Name	Designation	CNIC_No	Amount
KQ1892	10047453	Muhammad Imran	Junior Clerk	51692308840	698,626
KQ1892	10216783	Raheel	Private Secretary	51075240666	1,400,571
<b>Total</b>					<b>2,099,197</b>

Audit is of the view that appointment in violation of rules was irregular which indicates prevalence of poor management practices.

The matter was reported to the management during September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

(AIR#04)

### 32.5.2 Irregular payment of inadmissible allowances – Rs.0.394 million

As per Rule 30 of Sindh Financial Rule Vol-I, no payment on account of arrear of pay and allowance can be drawn / paid without obtaining additional funds from the Government. Read with Para 1 of Office Memorandum issued by the Finance Division Vide No. F-16(I) Reg-14/2003 dated 18-04-2012. “Project allowance will be discontinued in all types of projects with immediate effect to remove distortion in the system” and the same was also implemented in Provincial of Sindh w.e.f. 18-04-2012.

Vide letter No. FD(SR-III)5-85/2012 dated 18-05-2012, Issued by Finance Department Government of Sindh.

As per O.M. No:FD (SR-1)1(32)2011-2015, dated: 22th July, 2016, Para 6(i) states, the adhoc relief allowance 2013@10% of the basic pay scale 2011 to the employees in BPS 16 and above shall cease to exist with effect from 01-07-2017.

As per Government of Sindh S & GAD Notification No. PA-DS (G)/41133/76 dated: 27-07-77 and No. SO (INSP) S& GAD VI (3) /79 dated: 20-07-1979, “the conveyance allowance is an allowance paid to employees to enable them to reach the office. The conveyance allowance is not required to be paid to those officers, who have been provided with government transport facilities and / or have gone on vacations.

During audit on the accounts of Secretary, Women Development Department, Government of Sindh, Karachi for the financial year 2019-20, it was observed that an amount of Rs.0.394 million was paid to the officials on account of inadmissible allowances. Details are given at **Annex-1** of Chapter-32. The abstract of inadmissible allowances is as under;

(Amount in Rupees)

Sr. #	Particulars	AIR Para #	Amount
1	Adhoc allowance 2013	06	153,758
2	Project allowance	05	75,000
3	Conveyance allowance	11	165,000
<b>Total</b>			<b>393,758</b>

Audit is of the opinion that payment of inadmissible allowances indicates resulted in loss to the government.

The matter was reported to the management during September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires recovery of inadmissible allowances besides taking remedial measures.

### 32.5.3 Non-deduction/less-deduction of various taxes – Rs.5.562 million

According to Notification issued by Sales Tax Department for Sales Tax Special Procedure (withholding) Rules, 2007 vide letter No S.R.O 77 (I) 2008 dated 23-01-2008, “Withholding agent shall deduct an amount equal to 1/5 of the total sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him. If sales tax invoice is not provided then 17% tax will be deducted”. As per section 72 the read with section 2[5,6,9,13,26] and 75 of the Sindh Sales Tax on Service Act, 2011, goods and services used or consumed in a service are liable to a tax rate not lesser than the 15% of charges or to a specific rate of tax not based on value.

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

During audit on the accounts of Secretary, Women Development Department, Government of Sindh, Karachi for the financial year 2019-20, it was observed that various taxes (General Sales Tax, Income Tax and Sindh Sales Tax on Services) amounting to Rs.5.562 million were not deducted at applicable rates from the payments made to contractors/suppliers. Details are given at **Annex-2** of Chapter-32. The abstract summary of government taxes not deducted is given as under;

(Rs. in million)

Sr. #	Particulars	AIR Para #	Amount
1	General sales tax	09	4.406
2	Income tax	10	1.129
3	Sindh sales tax	08	0.027
<b>Total</b>			<b>5.562</b>

Audit is of the opinion that government sustained loss due to less or non-recovery of government taxes.

The matter was reported to the management during September 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires recovery of taxes besides taking remedial measures.

## **CHAPTER – 33**

### **WORKS AND SERVICES DEPARTMENT**

#### **33.1 Introduction**

Initially, there was one Department namely Public Works Department (PWD) which consisted of Irrigation Department, Building Department, Roads Department and Public Health Engineering Department. Before mid-sixties, Buildings and Roads Department (B&R) was one Department. Later on it was bifurcated in two Departments; each one was headed by Chief Engineer under Secretary, C&W Department. After devolution in 2001, Communication & Works Department was renamed as Works & Services Department. The Education Engineering Works, previously functioning under Education Department was transferred to Works & Services Department.

Before devolution, Communication & Works Department was responsible for execution and maintenance of Roads and Buildings Projects in the entire province except works which were executed by civic agencies and some other agencies.

After devolution, workload was partly transferred to District Governments. The Education Engineering works after re-structuring were devolved at District level and none of its functions were retained at Provincial level. The Foreign Aided Projects of Education Engineering Works under Project Director (Education Works) were dealt by Education Department at Provincial level.

Works & Services Department, Government of Sindh is responsible for providing services in the form of road network and building facilities for various departments of Government of Sindh. Its main activities are planning, designing, construction and maintenance of Roads/Highways and Buildings. The W & S Department offices are spread over the length and breadth of the province. Since devolution in 2001, the functions of W&SD were divided between Provincial and District Governments to facilitate the end users. The road network was devolved to the District Government but, some important inter-district roads were retained by the Works & Services Department.

The following functions are undertaken by the department:

- a) Implementation of Annual Development Program (ADP) in terms of construction, and improvement, of new and existing facilities. It also includes all domestic and Foreign Aided Projects.

- b) Implementation of the Annual Maintenance & Repair Programme.
- c) Preparation of feasibility reports of roads / projects.
- d) Designing of roads and buildings and preparing detailed estimates.
- e) Preparation of Architectural Design & Drawing of Residential and Non-Residential Buildings.
- f) Quality Assurance of projects.
- g) Training of officers and staff in technical/other relevant fields.
- h) Providing technical/execution assistance to other departments and agencies.

Presently, W&SD is providing technical assistance for construction of roads, etc., to Mines and Minerals Department and Sindh Coastal Development Authority. Moreover, the W&SD also constructs buildings for other departments.

Departments attached/subordinate to the W & S Department are;

- a) Highways Department
- b) Building Department

(Rs. in million)

Sr No.	Description	Total Nos	Audited	Expenditure audited FY 2019-20	Revenue / Receipts audited FY 2019-20
1	Formations	79	36	303,502.700	-
2	Assignment Accounts (excluding FAP)	0	0		
3	Authorities/Autonomous Bodies etc under the PAO	0	0		
4	Foreign Aided Projects (FAP)	1	1	2,903.427	

### 33.2 Comments on Budget and Accounts (Variance analysis)

The accounts for the Financial Year 2019-20 were audited on test check basis. Following is the position of budget, expenditure and receipt of the department:

(Rs. in million)

Original Budget/Grant	Suppl. Grant	Re-appro: (+)	Re-appro: (-)	Surrender	Final Grant	Departmental Expenditure	Variation Excess/ (Savings)
37,049.178	0.000	1,449.670	(1,449.670)	(15,032.876)	22,016.303	21,118.213	(-) 898.090

The department was unable to spend the allocated budget in time. As a result savings of Rs898.090 million was observed which was not surrendered in time.



(Rs. in million)

Revenue Estimates	Revised Revenue Estimates	Actual Receipts	Variation
616.000	368.517	268.606	(99.911)

The department was unable to collect the estimated receipts in time, as a result, shortfall of an amount Rs99.911 million was observed. Revenue estimate were reduced upto 40% in revised estimate. Actual receipts were only 72.9% of revised estimate.

### 33.3 Classified Summary of Audit Observations

Audit observations amounting to Rs32,596.121 million were raised as a result of this audit. This amount also includes recoverables of Rs827.869 million as pointed out by the audit. Summary of the audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non production of record	7,013.455
2	Reported cases of fraud, embezzlement and misappropriation	2,321.772
3	Irregularities	-
A	<i>HR/Employees related irregularities</i>	17.567
B	<i>Procurement related irregularities</i>	4,303.660
C	<i>Management of Accounts with Commercial Banks</i>	7.666
4	Value for money and service delivery issues	315.563
5	Others	18,616.438

### 33.4 Comments on the Status of Compliance with PAC Directives

The following Audit Reports have been discussed by PAC. The status of discussion of audit reports by the PAC with respect to the Audit Paras requiring compliance of the PAC directive and subsequent compliance by the department is tabulated as follows. The overall compliance by the department was 2.7%.

Sr. No	Audit Report	Total Paras discussed	No. of Paras requiring Compliance	Compliance of PAC directives made	Compliance of PAC directives not made	Percentage of Compliance	Remarks
1	1992-93	25	4	0	4	-	
2	1998-99	19	10	0	10	-	
3	1999-2000	25	1	0	1	-	
4	2001-02	25	5	0	5	-	
5	2004-05	28	22	2	20	9.1	
6	2005-06	13	8	0	8	-	
7	2006-07	5	2	0	2	-	
8	2007-08	18	5	0	5	-	
9	2008-09	15	4	0	4	-	
10	2009-10	21	1	0	1		
11	2010-11	25	12	0	12		
12	2014-15	0	0	0	0	-	Report not yet discussed
13	2016-17	0	0	0	0	-	
<b>Total</b>		<b>219</b>	<b>74</b>	<b>2</b>	<b>72</b>	<b>2.7</b>	

### **33.5 Audit Paras**

#### **33.5.1 Non-production of record – Rs.7,013.455 million**

Section 14 (2) and (3) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.” And “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 on the accounts of various offices of Works & Services Department, Government of Sindh for the years 2017-18 to 2019-20, it was observed that the management did not produce the auditable record despite repeated requisitions. Due to non-production of record, the accounts amounting to Rs.7,013.445 million remained unaudited. Details are given at **Annex-1** of Chapter-33.

The matter was reported to the management during September 2019 to October 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires production of auditable record, besides initiating disciplinary proceedings against the person(s) at fault.

#### **33.5.2 Doubtful execution of works – Rs.962.885 million**

As per Para-209(d) of CPWD Code, “all payments for work or supplies are based on the quantities recorded in the measurement book, it is incumbent upon the person taking the measurements to record the quantities clearly and accurately”

According to Para-72 of CPWA Code “As a general rule, every payment including repayment of money previously lodged with government for whatever purpose must be supported by a voucher setting forth full particulars of the claim and all information necessary for its classification and identification in the accounts and be signed by the contractor and authorized officer”

During audit on the accounts of various offices of Works & Services Department, Government of Sindh for the years 2018-19 & 2019-20, it was observed that payment of Rs.962.885 million was made against various works which were doubtful. Details are given at **Annex-2** of Chapter-33.

Audit is of the view that management gave undue favour to various contractors and failed to secure government interest which reflects prevalence of weak internal controls and poor management practices within the department.

The matter was reported to the management during September 2019 to October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### **33.5.3 Irregular payment on account of installation of lifts at Sindh Secretariat Building – Rs12.500 million**

As per SPP Rule 39(1) “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.”

(2) the security shall be provided in an appropriate form and amount, as provide in the bidding document;

(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 on the accounts of Executive Engineer, Provincial Building Division-II Karachi for the financial year 2019-20, it was observed that an amount of Rs12.500 million was paid in advance to the contractors for installation of passenger lifts at Sindh Secretariat building. Audit also observed that amount was drawn in the month of June 2020 whereas the works were not started till November 2020 at the time of audit. Details are given as under;

(Amount in Rupees)

WO # & Date	C.V#.	Chq.#	Date	Name of work	Contractor	Date of Completion	Amt. paid
4150 - 10/6/2020	113	3755600	18-6-2020	Supplying and installation of 01 no passenger lift at Sindh Secretariat Building No.III (old KDA building) Karachi	M/s Ziafco Engineering & contractor	November-2020	5,000,000
4168 - 12/6/2020	120	3755819	19-6-2020	Supply & Installation of 2 Nos passenger list at Sindh Secretariat Building No. I Karachi	M/s Islamabad Industrial Trading Corporation	November-2020	7,500,000
<b>Total</b>							<b>12,500,000</b>

Audit is of the view that payment before start of work was irregular and doubtful as works were not initiated despite lapse of six months.

The matter was pointed out to the management in November 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit requires justification into the matter besides fixing responsibility on person(s) at fault.

(AIR # 3)

#### **33.5.4 Wasteful expenditure due to repetition of similar works– Rs.169.297 million**

As per Rule 88 of Sindh Financial Rules, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money”.

During audit on the accounts of Executive Engineer, Provincial Building Division-I Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.169.297 million was incurred on account of Maintenance & Repair in Ruth Pfau Civil hospital Karachi against various technical sanctions accumulating to Rs.184.7697 million as those technical sanctions included repetition of similar works already performed/executed without justification. The details are given as under:

(Rs. in million)

Sr.#	Technical sanction particulars	Amount
1	1959 – 28/1/2020	16.3800
2	3034 – 9/6/2020	5.6304
3	2974 – 4/6/2020	29.4936
4	3036 - 9/6/2020	28.0789
5	1960 – 28/1/2020	9.9998
6	2717 – 6/5/2020	14.5290
7	2715 – 6/5/2020	15.5220
8	2801 – 12/5/2020	34.7360
9	2800 – 12/5/2020	30.4000
<b>Total</b>		<b>184.7697</b>

Audit is of the view that either the works were not executed or were substandard which required rectification. Thus, the expenditure on similar works stands as wasteful.

The matter was reported to the management in the month of August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR # 9)**

### **33.5.5 Doubtful approval of technical sanction on Maintenance & Repair – Rs.148.260 million**

As per Rule 88 of Sindh Financial Rules, Volume-I, "Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money".

During audit on the accounts of Executive Engineer, Provincial Building Division-I, Karachi for the financial year 2019-20, it was observed that various technical sanctions amounting to Rs.148.260 million were made under the head of Maintenance & Repair works for various sections of Civil Hospital Karachi. It was astonishing to witness that same works were allowed technical sanctions subsequently

after making earlier surveys and expected expenditure involved. The details are given as under:

(Rs. in million)

<b>Sr.#</b>	<b>Technical sanction</b>	<b>Particulars</b>	<b>Amount</b>
1	1945, 24-1-20	M&R Medical Ward – 5	0.9995
2	2093, 21-2-20	-do-	1.9895
3	2557, 27-4-20	-do-	2.5022
4	2564, 29-4-20	-do-	28.0789
		Subtotal	33.5701
5	2562, 27-4-20	M&R Medical (1&2) Surgical (1&2)	7.9495
6	2558, 27-4-20	-do-	4.2097
7	2801, 12-5-20	-do-	34.7360
8	2800, 15-2-20	-do-	30.4000
		Subtotal	77.2952
9	2717, 6-5-20	M&R OT complex & female ward	14.5260
10	2718, 6-5-20	-do-	22.8690
		Subtotal	37.395
		<b>Total</b>	<b>148.2603</b>

Due to this negligence of the management government interest was not safeguarded which may result into loss of public money.

The matter was reported to the management in the month of August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR # 10)**

### **33.5.6 Wasteful expenditure due to low quality works– Rs.146.266 million**

As per Office letter No. PF( ) / LGHK/3861/64, dated: 17-9-2018, written to XEN, Div-I from M.S. of Sindh Govt. Lyari Gen. Hospital, Karachi referring subject “Non-satisfactory and sluggish finishing work on the ongoing scheme of Trauma Centre”.

During audit on the accounts of Executive Engineer, Building Division I, Karachi for the financial year 2019-20, on scrutiny of record it was revealed that an expenditure of Rs.146.266 million was incurred under the head M & R work of water supply, sanitary fitting & drainage work under title “Establishment of 25 Bedded Trauma Center Liyari Town Karachi” stands wasteful as the medical superintendent declared the works performed by contractor unsatisfactory and below the standards.

Audit is of view that due to execution of low-quality works, the management failed to safeguard the government interest which reflects prevalence of poor administrative practices.

The matter was reported to the management in the month of August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR # 52)**

### **33.5.7 Double Payments for same work – Rs.14.283 million**

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

During audit on the accounts of Executive Engineer, Machinery Maintenance Division, (Hyderabad), Digri @ Kotdiji for the financial year 2019-20, it was observed that an amount of Rs.14.283 million was paid to the contractor, M/s Abdul Khaliq Enterprises in 3<sup>rd</sup> RA, whereas payment of Rs.12.046 million was already made to contractor M/s Kashif Mumtaz Enterprises in 2<sup>nd</sup> RA on same schemes titled M/R road form Central jail Sukkur to police station road mile 0/0-1/3. Details are given as under:



(Rs. in million)

Sr #	W/O # & date	Name of Contractor	Name of work	Bill	Total Amount
01	940/ 29.5.2019	M/s Abdul Khaliq Enterprises	M/R road form central jail sukkur to police station road mile 0/0-1/3 (In portion)	3 <sup>rd</sup> RA	14.028
02	940/ 29,5.2019	M/s Kashif Mumtaz Enterprises	M/R road form central jail sukkur to police station road mile 0/0-1/3 (In portion)	2 <sup>nd</sup> RA	12.046
				<b>Total</b>	<b>26.074</b>

Audit is of view that due to duplicate execution of the same works, the management failed to safeguard the government interest resulting in loss to government exchequer which reflects prevalence of poor administrative practices.

The matter was reported to the management during October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

(AIR# 3)

### 33.5.8 Unjustified/ doubtful record of measurement – Rs.8.366 million

Rule 221 of Central Public Works Account Code states that: “before signing the bills, sub-divisional officer should compare the quantities in the bill with those recorded in the measurement book and see that all the rates are correctly entered and that all calculations have been checked arithmetically”.

During audit on the accounts of Project Director, Sindh Provincial Road Improvement Project, Hyderabad for the financial year 2018-19, it was observed that Civil work “ICB-SPRIP-02 Sheranpur to Ratodero (36 KM)” under SPRIP assisted by Asian Development Bank was awarded to M/s XI an Industrial Development Co. Ltd of China Road & Biedge Corp. - Sardar Muhammad Ashraf D-Baloch Pvt. Ltd. (JV) vide work order # 298 dated 21-10-2016. But the quantity 253,151,239 of following item of work was recorded by AEN on 29-11-2018 as per IPC # 11, whereas, quantity of same item was reduced upto 238,286,399 and recorded in next IPC # 12 by same

AEN. This indicates that the quantity of item was not properly recorded by AEN in 1<sup>st</sup> MB, then reduced the quantity of same item in 2<sup>nd</sup> MB. Thus difference of Rs 8.366 million of reduced quantity was unjustified. The details are as under:

(Rs. in million)

MB Measured by	IPC #	MB # Date	Cheque # Date	Name of Item	Rate	Qty	Amount
Ghulam Rasool Abbasi, Asst. XEN	11	730, 948, 964 29-11-2018	252252 18-02-2019	Unit # M3 Item # 108-C Formation of emakment from borwincoman material	562.810	253,151.239	142.476
	12	964 & 1023 12-02-2019			562.810	238,286.399	134.110
<b>Total</b>						<b>14,864.840</b>	<b>8.366</b>

Audit is of the view that management extended undue favour to contractor and failed to secure government interests which depicts weak administrative management which has resulted into loss to government.

The matter was reported to the management in November 2019, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR # 4.1.4)**

### **33.5.9 Irregular payment by manipulating figures – Rs.5.852 million**

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

During audit on the accounts of Executive Engineer, Building Division, Khairpur for the financial year 2019-20, it was observed that payment of Rs6.773

million was made to contractor against due amount of Rs0.921 million. Therefore, the excess payment of Rs5.852 million was an undue favor to the contractor.

(Rs. in million)

Sr #	Name of Contractor / WO#	Bill	Item	Qty as per bill	Rate	Amount paid	Actual Amount due as per quotation	Excess Payment drawn paid
<b>Name of Work:</b> Rehabilitation/ constt: of revenue complex taluka kingri district Khairpur								
01	M/s real Engineering Service 178/ 26.04.17	10 <sup>th</sup> RA Rs.495,985/- Ch: 3703036 Dt: 13-03-20	05. Fabrication of mild steel	34.953	5001-70 paid	2,175,504	174,824	2.001
02			07. (b) Lying white marble pooling	1315 per sft	567.48	4,597,491	746,236	3.851
<b>Total</b>							<b>5.852</b>	

Audit is of the view that the management extended an undue favour to the contractor in shape of excess payment and failed to safeguard government interests which reflects prevalence of weak administrative practices resulting in loss to government.

The matter was reported to the management during October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

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

(AIR# 5)

### 33.5.10 Irregular appointment from other provinces – Rs.9.012 million

As per Par-13, Part-III, **INITIAL APPOINTMENT** of the Sindh Civil Servants (Appointment, Promotion and Transfer) Rules, 1974, a candidate for appointment shall be a citizen of Pakistan and a domicile of the Province of Sindh.

During audit on the accounts of following offices of Works & Services Department, Government of Sindh for the years 2018-19 & 2019-20, it was observed that an amount of Rs.9.012 million was paid to the employees whose CNIC pertains to other provinces. Moreover, the record like personal files, domiciles and PRCs etc were

not available to verify the status of employees. Thus, appointment of residents of other provinces against posts of Sindh province stands irregular.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	XEN Provincial Building Division-I, Karachi	2019-20	16	6.162
2	Secretary Works & Services Department, Karachi	2018-19 & 2019-20	13	1.689
3	XEN Highway Division, Thatta	2019-20	1	1.161
			<b>Total</b>	<b>9.012</b>

The matter was reported to the management during September 2019 to October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### **33.5.11 Un-authorized payment of various allowances – Rs.8.555 million**

As per Para-11 of General Financial Rules Volume-I, “each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.”

During audit on the accounts of various offices of Works & Services Department, Government of Sindh Karachi, for the year 2018-19 & 2019-20, it was observed that various allowances amounting to Rs.8.555 million were paid to the officers/officials who were not eligible for the same allowances. Details are given at **Annex-3** of Chapter-33.

Audit is of view that due to irregular payment of inadmissible allowances government sustained a loss due to weak financial management.

The matter was reported to the management during September 2019 to October 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends the expeditious recovery from the concerned besides strengthening the internal controls.

### 33.5.12 Award of work by collusive tendering – Rs.612.126 million

As defined in para-2 (1)(q) of general provisions of SPPRA Rules, 2010, “Collusive Practice” means any arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procuring agency to establish prices at artificial, noncompetitive levels for any wrongful gain;

During audit on the accounts of following offices of Works & Services Department, Government of Sindh, for the years 2018-19 & 2019-20, it was observed that works valuing Rs.612.126 million were awarded to various contractors by way of collusive practices. All three contractors submitted their bids with identical/sequential documents and call deposits were in sequence on same date and time that seems only one contractor was interested in getting contract with high rates and other two contractors seem to be shadow participants in tendering process and created doubt for collusion. In some cases, only two firms participated in each tender for work, and the record of those two firms was not produced to audit. Thus, the possibility of collusive tendering through pooling by the firms to win in the tenders could not be ruled out.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	XEN Highway Division, Matiari	2018-19	2	340.107
2	XEN Highway Division, Ghotki	2019-20	2	272.019
<b>Total</b>				<b>612.126</b>

The lapse indicates improper watch by the management, as a result contractors got undue favour and government interest was not safeguarded.

The matter was reported to the management during September 2019 & October 2020. The office at Sr. # 1, stated that tenders were invited through leading newspapers and hoisted on SPPRA website. They added that the bids offered by the lowest bidders

were not only within sanctioned estimate, but also there was sufficient saving. Reply of the management is not tenable as office did not respond regarding pooling committed during tender.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### 33.5.13 Non-invitation of open tender – Rs.444.808 million

As per Rule 17 of Sindh Public Procurement Rules, 2010, Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority’s website and may in print media in the manner and format prescribed in these rules.

During audit on the accounts of following offices of Works & Services Department, Government of Sindh for the years 2018-19 & 2019-20, it was observed that an expenditure of Rs.444.808 million was incurred on construction work and supplies without inviting open tenders.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	XEN Building Division, Khairpur	2019-20	25	1.000
2	XEN Provincial Building Division-II, Karachi	2019-20	1	71.876
3	XEN Provincial Highway Division, Mirpurkhas	2019-20	3	29.654
4	XEN Provincial Building Division-I, Karachi	2019-20	2	280.310
			41	0.595
			95	0.825
5	XEN Provincial Building Division, Larkana	2018-19	40	38.457
6	XEN Highway Division, Khairpur	2018-19	2	22.091
			<b>Total</b>	<b>444.808</b>

Audit is of view that management failed to comply with the SPPRA rules and to get economical rates for the government.

The matter was reported to the management during October 2019 to October 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### 33.5.14 Non recovery on mobilization advances – Rs.501.826 million

Clause 14.2 of SPPR Standard Form of Bidding Documents (Civil Works-Large Works) provides as under:

- i. Mobilization advance up to 10 % of the Contract Price may be paid by the procuring agency to the Contractor on the works costing Rs2.5 million or above on following conditions: -
  - a. On submission by the Contractor of a mobilization advance guarantee for the full amount of the advance in the specified form, from a Scheduled Bank in Pakistan, acceptable to the procuring agency;
  - b. Contractor shall pay interest on the mobilization advance at the rate of 10% per annum on the advance; and
- ii. This Advance including the interest shall be recovered in 5 equal installments from the 5 R.A bills and in case the number of bills is less than 5 then 1/5 of the advance inclusive of the interest thereon shall be recovered from each bill and the balance together with interest be recovered from the final bill. It may be insured that there is sufficient amount in the final bill to enable recovery of the Mobilization Advance.

During audit on the accounts of following offices of Works & Services Department, Government of Sindh for the years 2017-18 to 2019-20, it was observed that an amount of Rs.501.826 million paid on account of mobilization advance was not recovered from bills of the contractors. Details are given as under;

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	Project Director, Sindh Provincial Road Improvement Project, Hyderabad	2019-20	4.2.4	24.351
			4.2.5	58.585
2	Project Director, Construction of Sindh Secretariat Complex No.7 & 8, Karachi	2017-18 to 2019-20	18	418.890
<b>Total</b>				<b>501.826</b>

Audit is of the view that management gave undue favour to the contractors and failed to secure government interest which depicts prevalence weak internal controls within the department.

The matter was reported to the management during the month of September & October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of advances alongwith interest besides taking remedial measures.

### **33.5.15 Non-recovery of various taxes at applicable taxes – Rs.330.112 million**

According to Para 153 (1)(a),(b)&(c) of Division III of Part III of the First Schedule of Income Tax Ordinance, 2001, Income tax is required to be deducted at source while making payment to suppliers/contractors w-e-f 01-07-2015.

As per section 3(1) of Sindh Sales Tax on Services Act-2011, service provided by person engaged in contractual execution of work or furnishing supplies is taxable @ 14%

According to Rule 2 (2) of S.R.O. 660(I)/2007 dated 30<sup>th</sup> June, 2007 issued by FBR, a withholding agent shall deduct an amount equal to one fifth of the total sales tax shown in the sales tax invoice issued by the registered suppliers and make payment of the balance amount to him.

As per Para 22-A of Stamps Act, “It is the duty of the competent authority to recover the stamp duty and affix stamp @ 0.30 paisa per hundred rupees of the value of the agreement or against tender cost before execution of the agreement.

During audit on the accounts of various offices of Works & Services Department, Government of Sindh for the year 2018-19, it was observed that various taxes i.e., Income Tax, General Sales Tax, Sindh Sales Tax on Services and Stamp Duty amounting to Rs.330.112 million were not recovered at applicable rate from the contractors. Details are given at **Annex-4** of Chapter-33.

Due to non-deduction of taxes undue financial benefit was given to the contractors which has resulted into loss of Rs.330.112 million to government exchequer.



The matter was reported to the management during September 2019 to October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends that expeditious recovery of taxes be made besides taking remedial measures.

### **33.5.16 Non-recovery of outstanding dues – Rs.3.979 million**

As per Rule 41 (a) of Sindh Financial Rules, “The Department Controlling Officers should see that all sums due to Government are regularly received and checked against demand and that they are paid into the Treasury.”

During audit on the accounts of Executive Engineer, Building Division I, Karachi for the financial year 2019-20, it was observed that an amount of Rs.3.979 million was outstanding against the contractor M/s N&N Enterprises in respect of work, “M&R Rehabilitation & Upgradation of Nursing Hostel @ Ruth K.M Pfau Civil Hospital, Karachi.” Vide work order # MS/CHK/2017-18/PS029 Dt: 07-04-2018. This recovery was pointed out vide Department office letter No. PBSO/1/4010 dated: 10/3/2020, and the same is still outstanding.

Audit is of the view that management failed to recover outstanding dues which depicts weak administrative management which has resulted into blockage of government funds Rs.3.979 million.

The matter was reported to the management in October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of outstanding amount besides taking remedial measures.

**(AIR # 38)**

### 33.5.17 Excess payment due to wrong calculation – Rs.1.941 million

According to Rule-23 of General Financial Rules, Volume-I, every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit on the accounts of following offices of Works & Services Department, Government of Sindh for the year 2017-18 to 2019-20, it was observed that, it was observed that an amount of Rs.1.941 million was paid in excess due to calculation mistake.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	XEN Highway Division, Larkana	2018-19	5	1.653
2	XEN Building Division, Khairpur	2018-19	29	0.216
3	Project Director, Construction of Sindh Secretariat Complex No.7 & 8, Karachi	2017-18 to 2019-20	6	0.072
<b>Total</b>				<b>1.941</b>

Due to this negligence of the management the government sustained loss which depicts weak financial management and internal controls.

The matter was reported to the management during the month of September 2019 to October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of excess payment besides taking remedial measures.

### 33.5.18 Irregular payments through DDO account – Rs.7.666 million

According to Rule 290 of Treasury Rules Vol – I, “No money shall be drawn from Government Treasury unless it is required for immediate disbursement. It is not permissible to draw money from treasury in anticipation of demands or to prevent lapse of budget”.

During audit on the accounts of following offices of Works & Services Department, Government of Sindh for the year 2019-20, it was observed that an amount of Rs.7.666 million was paid to DDOs instead of direct payment to actual payees. Moreover, audit could not ascertain whether full payment was made to actual payees or not. Thus, the authenticity of the actual expenditure incurred so far could not be checked.

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	XEN Provincial Highway Division, NaushahroFeroze @ Khairpur	2018-19	2	2.837
2	XEN Building Division, Thatta	2019-20	8	1.830
3	XEN Highway Division, Thatta	2019-20	9	1.399
4	XEN District Building Division, NaushahroFeroze	2019-20	1	0.400
5	XEN Provincial Building Division-I, Karachi	2019-20	99	0.900
6	XEN Provincial Building Division-III, Karachi	2019-20	2	0.300
<b>Total</b>				<b>7.666</b>

Audit is of view that management violated the procedure of direct payment to the vendor. Furthermore, the payment to irrelevant payee cannot be ruled out.

The matter was reported to the management during October 2019 to October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of withdrawal of government funds in the name of drawing & disbursing officer, besides taking remedial measures.

### **33.5.19 Non-crediting of revenue into government account – Rs.3,053.471 million**

As per Rule-26 of General Rule “it is duty of controlling officer to see that all sums due to Government are regularity and promptly assessed, realized and credited in public account.”

During audit on the accounts of various offices of Works & Services Department for the year 2018-19 & 2019-20, it was observed that an amount of

Rs.3,053.471 million was deducted on account of taxes, duties & charges, other miscellaneous and security deposits. However, the revenues under the same heads were kept under From-78, and not credited into government account. Details are given in **Annex-5** of Chapter-33.

Audit is of the view that management failed to secure government interest which depicts weak internal controls and financial management.

The matter was reported to the management during September 2019 to October 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends depositing of revenue into treasury besides taking remedial measures.

### **33.5.20 Wasteful expenditure due to abandoned works – Rs.2,504.945 million**

As per Para 23 of General Financial Rules, “Every government officer should realize fully and clearly that he would be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud or negligence on the part of any other government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence”.

During audit on the accounts of various offices of Works & Services Department, Government of Sindh for the year 2018-19 & 2019-20, it was observed that an expenditure of Rs.2,504.945 million was incurred against various works which were left abandoned without completion for several years. Those incomplete works were neither re-awarded nor was any action taken against defaulting contractors as per contract agreement. Details are attached at **Annex-6** of Chapter-33.

Due to this negligence of the management government interest was not safeguarded which may result into loss of public money which depicts weak internal controls and administrative management.

The matter was reported to the management during September 2019 to October 2020. The office at Sr. # 12, 19, 21 & 22 stated that the works were started within

stipulated period but due to insufficient release of funds the works were executed slowly. They added that 10% liquidity damage was recorded only on the conditions when the delay was on the part of contractor. Reply of the management is not satisfactory as the works were not completed and stopped after incurring huge expenditure and the contractors were not blacklisted. Reply from remaining offices is still awaited.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

### **33.5.21 Unjustified excess payment by allowing excess rate – Rs.421.936 million**

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

During audit on the accounts of various offices of Works & Services Department, Government of Sindh for the year 2018-19 & 2019-20, it was observed that excess payment of Rs.421.936 million was made to the contractors by allowing higher rates as compared to rates provided in bill of quantities or schedule rate. Details are given at **Annex-7** of Chapter-33.

Audit is of the view that management extended undue favour to contractors and failed to secure government interests which depicts weak administrative management which has resulted into loss to government for Rs.421.936 million.

The matter was reported to the management during September 2019 to October 2020 but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

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

### **33.5.22 Irregular authorisation to carry out work without tender – Rs.280.371 million**

As per SPPRA Rule 2(V), “Head of the Department” means the administrative head of the department or the organization, AND Rule 16 (b)(viii); in cases of emergency, provided that the Head of the Department or any other officer not below BS-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 on the accounts of Executive Engineer, Provincial Building Division-I, Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.280.371 million was incurred on execution of work without inviting open tender. The Chief Engineer Building Department Sindh accorded permission to carry out the work without tendering. As per above quoted rule, neither the head of department declared emergency, nor the power was delegated to Chief Engineer for making such decision to violate SPPRA Rules. Moreover, the bid evaluation reports were also not hoisted on SPPRA website.

Audit is of the view expenditure without tender deprived the government of competitive rates.

The matter was reported to the management in the month of August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR # 66)**

### **33.5.23 Excess payment on account of premium – Rs.141.658 million**

According to Chief Engineer, Building Department Sindh, Hyderabad letter No: Scheduled/Rates-T(ii)/D.S/1365 dated 05-05-2014 the ceiling of premium fixed by this department as under:

S. No.	Reference of Schedule of Rates	Maximum Ceiling on Cost Estimate
01	Schedule of Rates (General) for finished item of work Vol-III Part-II, Sixth Edition 2012 Publication No. 52	
	(i) All items Except following	At Par
	(ii) Item of Fabrication of Steel Work, Steel Grills, Steel Grated Doors & other Steel Work	10% Above

The above premium ceiling will equally apply to original as well as M & R works.

During audit on the accounts of following offices of Works & Services Department, Government of Sindh for the year 2018-19 & 2019-20, it was observed that premium rate was allowed over and above the prescribed limits, which resulted in excess payment of Rs.141.658 million to the contractor(s).

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	XEN District Building Division, Tharparkar @ Mithi	2019-20	1	19.824
2	XEN Highway Division, Thatta	2019-20	5	1.317
3	XEN Building Division, Khairpur	2019-20	15	39.85
4	XEN District Highway Division, Khairpur	2019-20	16	3.962
5	XEN Provincial Highway Division, NaushahroFeroze @ Khairpur	2019-20	9	16.955
6	XEN Provincial Highway Division, Larkana	2019-20	6	41.778
7	XEN Machinery & Maintenance Division, Digri @ Kotdigi	2019-20	7	4.761
8	XEN Provincial Highway Division, Badin	2018-19	3	9.080
9	XEN Building Division-II, Karachi	2018-19	1	0.556
10	XEN Building Division, T.M. Khan	2018-19	12	0.633
11	XEN Highway Division, Larkana	2018-19	13	2.042
			17	0.900
Total				<b>141.658</b>

Audit is of the view that management gave undue favour to the contractor and failed to secure government interest which depicts prevalence of weak internal controls.

The matter was reported to the management during October 2019 to October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends recovery of extra premium besides taking remedial measures.

### 33.5.24 Irregular purchase of items from M&R head – Rs.64.498 million

As per Rule 88 of Sindh Financial Rules, Volume-I, "Every public officer is expected to exercise the same vigilance in respect of the expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money".

During audit on the accounts of Executive Engineer, Provincial Building Division-I Karachi for the financial year 2019-20, it was observed that various items i.e., Fire alarm, CCTV system, CATV system, public address system, oxygen gas pipelines, etc. amounting to Rs.64.498 million were purchased from the budget of M & R. Details are as under;

(Amount in Rupees)

Name of Work	Work Order #	Re-revised T.S No. & Date	Amount
M & R Rehabilitation & Up-gradation of Nursing Hostel @ Dr. Ruth K.M PTAU civil Hospital, Karachi	PS029 07-04-18	No.M/R FOR DR, RUTH K.M. PRAU CIVIL HOSP:KYC:T(i)D.S/93	64,498,436

Audit is of the view that items procured from M&R budget were irregular.

The matter was reported to the management in the month of August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation besides taking remedial measures.

**(AIR # 30)**



### **33.5.25 Non-adjustment of advances – Rs.52.760 million**

According to Para-668 of Federal Treasury Rules, advances granted under special orders of the competent authority to officers/officials for Departmental or allied purposes may be drawn on the responsibility and receipt of the officers for whom they are sanctioned subject to adjustment by submission of detailed account supported by vouchers or by refund as may be necessary.

During audit on the accounts of following offices of Works & Services Department, Government of Sindh for the year 2018-19 & 2019-20, it was observed that advance of Rs.52.760 million was made to various contractors/organizations for several works. However, subsequent adjustment accounts were not obtained. Details are given at **Annex-8** of Chapter-33.

Audit is of the view that due to non-adjustment of advances misuse of government fund cannot be ruled out.

The matter was reported to the management during September 2019 to October 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends adjustment of advances, besides taking remedial measures.

### **33.5.26 Loss sustained due to termination of contracts – Rs.39.625 million**

As per Construction and Operation of Engineering Works Bye- Laws 1987, as amended from time to time (c) Recover from the Contractor any loss or damage to the procuring agency as a result of such termination or of any other corrupt business practices of the Contractor or any of his Subcontractors, agents or servants. Further, that in addition to the action taken by the procuring agency against the Contractor under this Clause, the procuring agency may also refer the case of default of the Contractor to Pakistan Engineering Council for punitive action.

During audit on the accounts of Executive Engineer, District Highway Division, Ghotki for the financial year 2019-20, it was observed that a loss of Rs.39.625 million was sustained by the government on account of award of remaining work of terminated contracts but loss on account of termination of contract was not

recovered from the defaulting contractor besides getting the contractor blacklisted. Details are as under;

(Rs. in million)

W/O & Dt	Name of Work	Contractor	Awarded Cost
766 8-3-18	Remaining work Constt: of road Gaman Khan Khushk to M. Ismail Gabole via SherKhokhar 0/0-2/1+330	M.J Constt:	19.625
Nil	Constt: of road from GarhiChakar to Dad Leghari (remaining work) mile 2/0-4/0		20.00
		<b>Total</b>	<b>39.625</b>

Audit is of the view that due to non-recovery of payment from defaulting contractor government sustained loss.

The matter was reported to the management in the month of August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR # 22)**

### **33.5.27 Irregular expenditure on repair of generators – Rs.15.863 million**

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order.

During audit on the accounts of Executive Engineer, Provincial Building Division-I Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.15.863 million was incurred on repair of generator without observing formalities as follows:

- i. Report of technical expert in respect of need of overhauling work was not obtained.
- ii. Tender was not called.
- iii. SST on services @13% amounting to Rs2.062 million was not deducted.

(Amount in Rupees)

CV#/ Date	W.O #	Name of Contractor	Name of Work	Item of Work	Qty.	Amount
2/ 3/3/2020	51518/ 29.12.17	M/S Badar Engineering	M/R Rehabilitaion of various OPDS in civil Hospital	Over Hualing of 750 KVA set	1	3,444,000
				Overhauling of 500 kva	1	2,990,000
				Overhauling of 300 kva	1	2,299,000
				S/I of Module DSE 8610 for 750 kva	1	1,500,000
				S/I of Module DSE 8610 for 500 kva	1	1,500,000
				S/I of Module DSE 8610 for 300 kva		1,500,000
				S/I of Conductor FC-130 Type	1	40,000
				S/I of Conductor ACB 2000A	1	2,000,000
				S/I of Conductor UVTACB1250A	4	250,000
				S/I of Conductor DG Set Batteries	20	25,000
				Providing Fixing	2	300,000
				Battery Charges	4	15,000
<b>Total</b>						<b>15,863,000</b>

The lapse indicates improper watch by the management which depicts weak internal controls and administrative management.

The matter was reported to the management in the month of August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides taking remedial measures.

**(AIR # 18)**

### **33.5.28 Unjustified excess payment on purchase of Air Conditioners – Rs.8.814 million**

According to Article 84 of Audit code, it is an essential function of the Audit to bring to light not only cases of clear irregularities but every matter which in its

judgment appears to involve improper expenditure or waste of public money or stores, even though the accounts may be in order.

During audit on the accounts of Executive Engineer, Provincial Building Division-I, Karachi for the financial year 2019-20, it was observed that an expenditure of Rs.8.814 million was incurred on purchase of air conditioners at the rate in excess of prevailing market rates. Details are given at **Annex-9** of Chapter-33.

Audit is of the view that government sustained huge loss due to purchase on exorbitant rate.

The matter was reported to the management in the month of August 2020, but no reply was received.

Despite written requests, DAC meeting was not convened by the PAO till finalization of this report.

Audit recommends investigation of the matter besides recovery of excess payment.

**(AIR # 15)**

## **(Defunct) Special Initiative Department, Government of Sindh**

### **33.5.29 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 that "The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition." And "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 on accounts of Thatta-Sujawal Development Package for the financial years 2011-12 to 2017-18, following record was not produced for audit scrutiny as under:

- i. Inception Reports/concept clearance papers/ Baseline Survey Report;
- ii. Copy of original PC-I, PC-II, III, IV;
- iii. Physical and Financial progress reports of works executed;
- iv. Budget release / details;
- v. Scheme-wise reconciled expenditure statements;
- vi. Cash book, cheque books and bank statement;
- vii. Original bids submitted by the bidders;
- viii. Contingencies bills;
- ix. Details of project assets.

Due to non-production of record, authenticity of expenditure could not be ascertained by Audit.

The matter was reported to the management in November 2018. The management replied that record was available, however, no record was furnished for scrutiny.

DAC in its meeting held on 8th July 2019, directed the Executive Engineer, Provincial Building Division Thatta to produce the necessary record to the Audit team for verification.

Audit requires compliance of the DAC directives.

**(AIR# 4.3.5.4)**

### 33.5.30 Non-preparation of feasibility report- Rs5,789.557 million

Planning Commission Manual for Development Projects vide para 1.53 states, PC-II is required for conducting surveys and feasibility studies, in respect of larger projects, intended to get full justification for undertaking the project before large resources are tied up with them. Further, manual for Development Projects vide para 3.3 states, PC-II is prepared for undertaking a feasibility study in respect of a major project estimated to cost Rs300.000 million or more. This is mandatory.

During scrutiny of record of the Special Development Package for Districts Thatta and Sujawal, it was observed that there was lack of appropriate planning and management did not conduct feasibility study. The inception reports/concept clearance papers/ baseline survey reports were not used as an input for decision-making. Use of the planning documents i.e. Master Plan, Layout Plan, Topographic Survey, Geo-technical Survey, etc. was not made.

(Rs in million)

Name of office	Amount
XEN, Provincial Highways Coastal Division Hyderabad	4389.88
XEN, Public Health Engineering Division Thatta	401.797
XEN, Provincial Building Division Thatta	997.88
<b>Total</b>	<b>5,789.557</b>

Audit is of the view that PC-II was pre-requisite for a large project like Special Development Package for Districts Thatta and Sujawal. An in-depth 'three-in-one' study consisting of the technical, financial and economic viability of a project would have resulted in saving public funds by better utilizing the resources.

The matter was reported to the management in November, 2018. The management replied that there was no need of PC-II and PC-Is were approved after detailed discussion and satisfaction of PDWP forum. The reply was not tenable as feasibility study was mandatory requirement to safeguard public assets and to minimize the risk involved in execution of the scheme.

During DAC meeting held on 8th July 2019, the Director General Audit, Sindh pointed out that PC-II, which is baseline, was not prepared prior to approval of PC-I, therefore the para may be referred to Planning & Development Department for necessary input/opinion. The chair agreed with the proposal

Audit requires compliance of DAC directives.

**(AIR# 4.3.1.1)**

### **33.5.31 Change in location of work – Rs.458.08 million**

Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works) defines “Administrative Approval (AA)” as a concurrence and formal acceptance of the Administrative Department concerned to the incurring of the proposed expenditure to execute specified works at a stated amount to meet the requirements of the Administrative Department.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that change of location/site/work was made in violation of the Administrative Approval and PC-I. The work ‘Rehabilitation & Repair of road from Bathoro to Khorewah (10 kms)’ for Rs.265.060 million was executed instead of construction works of Sujawal- Inner Road (Rs.233.280 million) and Sujawal-Badin (Rs.224.810 million). This was in violation of the decision taken by the PDWP meeting held on 25.04.2014.

The matter was reported to the management in November, 2018. The management replied that since inner roads of Sujawal town were already taken up by the local councils for rehabilitation / construction and the work of Sujawal-Badin road was taken up by the Sindh Coal Authority for its widening and rehabilitation, it was decided to avoid any sort of duplication and Bathoro-Khorewah road was taken for rehabilitation. The reply was not tenable as the location of the work was changed without approval of the competent authority.

During DAC meeting held on 8th July 2019, the forum while agreeing to the audit observation decided that the umbrella scheme devolved in three different departments and at this stage it is difficult to revise the scheme which has already been completed almost two years ago.

Audit requires compliance of DAC directives.

**(AIR# 4.3.2.1)**

### **33.5.32 Changes in scope of work without PC-I provision – Rs.508.682 million**

As per para 11.1.3 of Sindh Public Procurement Regulatory Authority (SPPRA) Procurement Regulations (Works) on Revised Administrative Approval, PC-I of the scheme/work is required to be revised when original scope is modified/changed, even though the cost of the same may possibly be covered by savings on other items in the original rough cost estimate.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that there was difference of cost amounting to Rs.508.682 million on account of change of specifications and insertion of new items of work not provided in PC-I and technical sanction. The details are as under:

(Rs. in million)

Name of work	Item of work	Amount as per PC-I	As per TS	Difference
Connecting Thatta By-pass with Hyderabad - Thatta Road (8.0 Kms)	Sub-Base Course	35.011	118.484	83.472
	Aggregate Base Course	0	98.812	98.812
	Asphalt Base Course	104.331	154.560	50.228
	Water Bound	48.067	0	-48.067
<b>Sub-total</b>		<b>187.409</b>	<b>371.856</b>	<b>184.445</b>
Construction/ Rehabilitation of Var to Mitho Shaikh Road, Phase-II (8.0 Kms)	Granular Sub-base	30.716	55.521	24.804
	Aggregate Base Course	0	82.951	82.951
	Water Bound	17.546	0	-17.546
<b>Sub-total</b>		<b>48.262</b>	<b>138.472</b>	<b>90.209</b>
Improvement and Rehabilitation of Thatta - Jangshahi Road (22.0 Kms)	Granular Sub-base	49.450	68.582	19.132
	Aggregate Base Course	0	150.885	150.885
	Asphalt Base Course	0	112.264	112.264
	Water Bound	48.253	0	-48.253
<b>Sub-total</b>		<b>97.703</b>	<b>331.731</b>	<b>234.028</b>
<b>Total</b>		<b>333.374</b>	<b>842.059</b>	<b>508.682</b>

The matter was reported to the management in November, 2018. The management replied that PC-I with rough cost estimates was prepared on the basis of the tentative / preliminary designs by the department before the bidding documents were prepared and detailed designs were carried out by the consultants. After signing of the agreement with the consultants, the detailed rehabilitation and improvement designs of two roads including design of bypass were carried out by the consultants as per standards, criteria, soil information, actual site conditions and traffic requirements etc. The bidding BOQ cost may, therefore, be different from the PC-I rough cost estimates. The reply was not tenable as changes in scope of work were made and PC-I was not revised accordingly.

During DAC meeting held on 8th July 2019, Director General Audit, Sindh expressed his satisfaction on the progress and asked for the production of necessary revised approvals, so that the para may be decided accordingly.

Audit requires compliance of DAC directives.

(AIR# 4.3.2.2)



### 33.5.33 Excess execution of work over and above PC I – Rs.718.370 million

According to Para 4.12 of Manual for Development Projects, “The physical and financial scope of a project, as determined and defined in the project document (PC-I), is appraised and scrutinized by the concerned agencies before submitting it for approval. Once approved by the competent authority the executing agency is supposed to implement the project in accordance with the PC-I provision. It has no authority to change and modify the main approved parameters of the project on its own, beyond permissible limit of 15%”. As per Para 4.13, “If at some stage modifications / changes become imperative then project authorities should revise the project and submit it for the approval of competent authority”.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that works were executed over and above PC I. The amount in PC-I (modified) was Rs.158.270 million and Rs.74.650 million (total of Rs.232.92 million), whereas measurement book showed an expenditure of Rs.951.290 million. Thus, excess work amounting to Rs.718.370 million (308 %) was executed.

Phase-1/Thatta/CP-I ADP No.2337 (2014-15)	Rehabilitation / improvement of road from Thatta-Sujawal road (Jamia Masjid mile 0/4-1/3 (1.4km)
	Reconstruction of road from N-5 to Islampur Mohallah
	Construction / improvement of road from Var to Mehar Mitho Sheikh road via Jam Jagir road (10 km)

The matter was reported to the management in November, 2018. The management replied that there was excess in roads but overall expenditure has been restricted within the permissible limit of PC-I. The reply was not tenable as changes and modification made were beyond the permissible limits as explained above.

During DAC meeting held on 8th July 2019, it was agreed that special Initiative department (Defunct) failed to regularize the excess execution from the competent forum in proper time for which provision has already available in SPPRA Rules and P&D guidelines. The chair agreed with the proposal.

Audit requires compliance of DAC directives.

**(AIR# 4.3.2.4)**

### 33.5.34 Unjustified clubbing of works to discourage competition - Rs.1,767.189 million

As per Rule 11 (1) of Sindh Public Procurement Rules 2010 on Mandatory Provision of Procurement Plan, 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 long-term rolling plan, detailing the procurement methods applicable for specific procurements.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that management arbitrarily fixed threshold of Rs.800.00 million for prequalification of contractor for three different schemes having different ADP numbers and costing less than Rs.800.000 million. The amount of three schemes were clubbed to justify admissibility of threshold limit. The details are as under:

(Rs. in million)		
ADP No.	Name of scheme & estimated cost	Cost of new works (components)
2143	Construction of Thatta bypass on Sujawal road to N-5 (Thatta-Hyderabad Section) 8.00 km	750.719
2144	Widening & improvement of Thatta to Junghshahi Road	605.100
2145	Construction of Var to Mitho Sheikh road phase-II 8kms	411.370
<b>Total</b>		<b>1767.189</b>

Audit is of the view that management deliberately fixed higher threshold in order to exclude the prospective bidders having relevant expertise from for competitive bidding process.

The matter was reported to the management in November, 2018. The management replied that tenders were invited on the assumption that participating contractors may quote their rates on the lower side, which did not happen. The reply was not tenable as clubbing of works discouraged competition.

During DAC meeting held on 8th July 2019, Department produced extract of SPPRA regulation No. 2-16(iv), supporting the enhancement of financial criteria. The DAC directed that enhancement of ceiling through clubbing of various works be justified with relevant documentary evidence.

Audit requires compliance of the DAC directives.

**(AIR# 4.3.3.1)**

### **33.5.35 Unjustified payment against defective/incomplete works – Rs.904.730 million**

As per Direction 4.9.4.19, Accounting Policy and Procedure Manual (APPM), if the executive engineer is not satisfied with the claim, he / she shall not endorse the bill and shall return the bill and all supporting documents to the divisional account officer with the written reason for the refusal.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that Resident Engineer of M/s EA Consultant had raised observations for defective work in the scheme, time and again, for removing the same during the defect liability period. Contrary to that, it was noticed that security deposit amounting to Rs.45.240 million was released to the contractor without rectifying the defects, in violation of above clause.

Audit is of the view that management should have released the security deposit after rectification of defects as pointed out by the Consultant.

The matter was reported to the management in November, 2018. The management replied that the payment was held up and later on released as rectification was carried out by the contractor. The reply was not tenable as no evidence was provided in support of their contention.

During DAC meeting held on 8th July 2019, Department stated that necessary rectifications were carried out before release of payment which were also verified by the Consultant. The DAC decided to settle the para subject to verification of the Consultant's report.

Audit requires compliance of the DAC directives.

**(AIR# 4.3.3.2)**

### **33.5.36 Unjustified claim without entries in Measurement Book – Rs.365.007 million**

Central Public Works Department Code requires that all materials received should be examined and counted, or measured, as the case may be, when delivery is taken. The record of the detailed count of measurement should be kept in the Measurement Book in the manner prescribed in paragraphs 208 and 209, and the total

number or quantity received should be simultaneously entered in the Register of Stock Receipts, Form 8.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that the management had unjustifiably recorded difference of amount to be paid to the contractors, which was paid on the plea that the works were executed by the contractors without being paid. The Measurement Book (MB) did not show entries of the under mentioned works for Rs365.007 million.

Description	(Rs. in million)	
	Improvement and Rehabilitation of Thatta - Jangshahi Road	Construction of Var to Mitho Shaikh Road
Work Done	692.556	248.131
MB not available	289.338	75.669
Difference of amount without MB		<b>365.007</b>

The matter was reported to the management in November, 2018. The management replied that the payments were made up to 3rd IPC for both works amounting to Rs210.673 million. The reply was not tenable as it was silent on objected claim against difference of amount of Rs365.00 million without entries in measurement book.

During DAC meeting held on 8th July 2019, it was informed by the Department that the consultant had submitted the necessary bills of the work done as per measurement at site. The DAC decided that the Department will enter the measurement on MBs after the revision of schemes from the competent forum and get the same verified from audit.

Audit requires compliance of the DAC directives.

**(AIR# 4.3.3.3)**

### **33.5.37 Overpayment allowed to contractors – Rs.55.80 million**

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

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that excess payment of Rs.55.800 million was made to contractors against following works due to allowing excess rate on difference of steel.

(Rs. in million)

Name of office	Amount
XEN, Provincial Highways Coastal Division Hyderabad	28.933
	26.867
<b>Total</b>	<b>55.800</b>

Audit of the view that the government sustained loss due to allowing overpayment to contractor which indicates prevalence of poor financial management practices.

The matter was reported to the management in November, 2018. The management replied that rates used for preparation of engineer estimate were taken from NHA CSR 2014 with 12% premium, hence, NHA specifications were used. The part payment was made for the item of deformed steel in tons instead of cwt which was less than the approved scheduled rates. However, the amount paid for steel reinforcements for the work of construction of student hostel was paid against the item of deformed steel reinforcement per ton as per approved revised estimate. The reply was not tenable as schedule of rates of Sindh Government was approved by the competent authority in PC-I which was not followed.

During DAC meeting held on 8th July 2019, it has been highlighted that the content of the para could not be replied properly due to the amalgamation of paras of Executive Engineer, Provincial Coastal Highway Division, Hyderabad and Executive Engineer, Provincial Building Division Thatta. Audit department was requested to issue separate paras. Thus, the para has been separated on direction of the DAC.

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

**(AIR# 4.3.3.4)**

### **33.5.38 Unrealistic cost estimates in PC-I – Rs.220.000 million**

According to Paragraph 1.50 of Chapter 1 of the Manual of Development Projects, issued by Planning Commission of Pakistan, “PC-I is the basic form on which all projects/schemes are required to be drawn up.”

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that management earmarked Rs.220.000 million for rehabilitation of bridge measuring 400 ft in PC-I without preparing detailed estimates. On further scrutiny, it was noticed that the technical sanction against the estimates was given for Rs.100.140 million for the same bridge. As such Rs.119.860 million were allocated in excess in the PC-I.

The matter was reported to the management in November, 2018. The management replied that PC-I with rough cost estimates was prepared on the basis of the tentative / preliminary designs by the department before the bidding documents were prepared and detailed designs were carried out by the Consultants. The reply was not tenable as there was unjustifiable excess provision in PC-I and the approved cost estimates were unrealistic.

During DAC meeting held on 8th July 2019, the Department was directed to provide drawing and designs of the bridges with a copy of technical sanctioned estimates to audit for verification.

Audit requires compliance of the DAC directives.

**(AIR# 4.3.3.5)**

### **33.5.39 Collusive practice in procurement process- Rs.570.000 million**

Clause (q-ii) of Rule 2 of Sindh Public Procurement Rules 2010 “arrangement between two or more parties to the procurement process or contract execution, designed to achieve with or without the knowledge of the procuring agency to establish prices at artificial, non-competitive levels for any wrongful gain”. Further, as per Rule 28 (1) (d) of Sindh Public Procurement Rules 2010 on process of pre-qualification, verification of the information provided by the shortlisted applicants in the submissions for prequalification may be made. In case the information is found to be wrong or incorrect in any material way or the applicant is found to be lacking in the capability or resources to successfully perform the contract, the application shall not be prequalified.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that there was element of collusive practice in procurement process due to the following observations:

- i. Minutes of Technical Committee showed that two contractors M/s Nazeer Construction and M/s Aqib Builders applied for Phase-

- 1/Thatta/CP-I dated 28-02-2015. Instead of qualifying one of them, fresh tender was floated on 08-04-2015 for Phase-1/Thatta/CP-I only.
- ii. In first NIT dated 08-04-2015, two bidders M/s Umer Jan & Co and M/s Ramzan & Co, were declared as technically qualified.
  - iii. On review of issuance of tender documents of Phase-1/Thatta/CP-I, it was revealed that letter-head showed the same address and phone numbers of M/s Umer Jan & Co and M/s Ramzan & Co.
  - iv. Pay orders for tender fee were issued from the same branch of UBL on the same date and with consecutive serial numbers.

(Rs. in million)

Sr. #	Name of scheme	Name of work	Estimated Cost
1.	Special development package for Thatta District	Phase-1/Thatta/CP-I 5. Rehabilitation / improvement of road from Thatta-Sujawal road (Jamia Masjid mile 0/4-1/3 (1.4km) 6. Reconstruction of road from N-5 to Islampur Mohallah. 7. Construction / improvement of road from Var to Mehar Mitho Sheikh road via Jam Jagir road (10 km)	170.000
2.		Phase-I/Thatta/CP-II Rehabilitation of urban water supply scheme	140.000
3.	Special development package for Sujawal district	Phase-I/Sujawal/CP-I 8. Rehabilitation and repair of road from Bathoro to Khorewah (10 km)	140.000
4.		Phase-I/Sujawal/CP-II 9. Improvement and extension of water supply scheme of Mirpur Bathoro city. 10. Brick lined water storage tank in various villages of Sujawal.	120.000
<b>Total</b>			<b>570.000</b>

Audit is of the view that there was element of collusive practice and procurement process was designed to establish prices at artificial and non-competitive levels.

The matter was reported to the management in November, 2018. The management replied that since both the bids were found non-responsive, fresh NIT was invited, wherein four firms submitted the bid documents. Due to non-availability of a member of the procurement committee, the bids scheduled to be opened on 23.04.2015 was opened on 27.04.2015. The reply was not tenable as in first bid dated 08-04-2015 two bidders were qualified. Instead of considering both the bidders for award of contract, the work was awarded to third contractor.

During DAC meeting held on 8th July 2019, DAC directed to produce following record for the verification to further decide the audit para:

- i. NIT
- ii. Disqualification letters
- iii. Minutes of meeting of technical Evaluation Committee
- iv. Copy of work order.

As far as second part of this para regarding same address and phone numbers of both contractors is concerned, the forum agreed with observation of Audit Team.

Audit requires compliance of DAC directives.

(AIR# 4.3.4.1)

### **33.5.40 Unjustified award of work to ineligible contractor – Rs.265.057 million**

As per Rule 28 (1) (d) of Sindh Public Procurement Rules 2010 on Process of Pre-qualification, verification of the information provided by the shortlisted applicants in the submissions for prequalification may be made. In case the information is found to be wrong or incorrect in any material way or the applicant is found to be lacking in the capability or resources to successfully perform the contract, the application shall not be prequalified.

As per Rule 37 (1) Sindh Public Procurement Rules 2010 on Bid Security, “The procuring agency shall require the bidders to furnish a bid security not below one percent and not exceeding five percent of the bid price...”

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that M/s Umer Jan & Co. submitted technical bid without the bid security. His bid was considered for further process on the basis of his application that he attached bid security, by mistake, in another envelope of financial proposal, an envelope to be opened after 30 days of technical qualification. The other participants objected to further consideration of M/s Umer Jan & Co. for the instant bid. The contractor instead of being disqualified was awarded the work order of rehabilitation and repair of road from Bathoro to Khorewah (10 km). Details of work are given as under;

(Rs. in million)

<b>Name of work</b>	<b>Work order No. &amp; Date</b>	<b>Amount</b>
Phase-I/Sujawal/CP-I 11.Rehabilitation and repair of road from Bathoro to Khorewah (10 km)	No.PD/SID/136/2015 dated 23.04.2015	265.057



Audit is of the view that M/S Umar Jan & Co. extended undue favour during bidding process i.e. opening, examination and evaluation and award of work order in the instant contract.

The matter was reported to the management in November, 2018. The management replied that bid security was not attached with technical bid submitted by the contractor, which was a human error. The reply was not tenable as the contractor should have been technically disqualified.

DAC in its meeting held on 8th July 2019, directed the department to produce relevant record in support of its stance.

Audit requires compliance of the DAC directives and justify award of contract in violation of rules besides settlement of grievances of the other contractors in the matter.

**(AIR# 4.3.4.2)**

**33.5.41 Unjustified payment on account of engineer’s facilities – Rs.62.247 million**

As per PC-I, there is provision of for 0.4 per cent for design services and 1.6 per cent for supervision services for consultant.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that there was no provision of cost of Engineer’s Facilities for Rs.62.25 million in PC-I.

(Rs. in million)

<b>Name of office</b>	<b>Amount</b>
XEN, Provincial Highways Coastal Division Hyderabad	47.046
XEN, Provincial Building Division Thatta	9.699
XEN, Public Health Engineering Division Thatta	3.900
XEN, Public Health Engineering Division Sujawal	1.602
<b>Total</b>	<b>62.247</b>

Audit is of the view that Engineer’s Facilities were unauthorized allowed in technical sanctions which caused loss to the government exchequer.

The matter was reported to the management in November, 2018. The management replied that since there was no provision in PC-I, so the expenditure was

made from the provision of PMU and contingency. The reply was not tenable as there was no provision of cost of Engineer's Facilities in PC-I.

DAC in its meeting held on 8th July 2019, directed the management to furnish the NIT of consultancy services, detailed BOQ, and relevant documents agreement to audit for verification.

Audit requires compliance of the DAC directives.

**(AIR# 4.3.4.3)**

### **33.5.42 Irregular award of consultancy work on expired bid – Rs.49.215 million**

As per Rule 28 (1) (d) of Sindh Public Procurement Rules 2010 on Process of pre-qualification, verification of the information provided by the shortlisted applicants in the submissions for prequalification may be made. In case the information is found to be wrong or incorrect in any material way or the applicant is found to be lacking in the capability or resources to successfully perform the contract, the application shall not be prequalified.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that M/s EA Consultant (Pvt) Limited was awarded work order for consultancy services after eight months of the bid validity period. Details are given as under;

(Rs. in million)

<b>Name of consultant</b>	<b>Date of technical bid</b>	<b>Financial bid date</b>	<b>Acceptance letter date</b>	<b>Bid validity</b>	<b>Amount</b>
M/s EA consultant (Pvt) Ltd)	03-04-14	29-05-14	22-01-15	Lapse 8 months	49.215

Audit is of the view that issuance of the work order after expiry of bid validity was irregular and unauthorized.

The matter was reported to the management in November, 2018. The management replied that the letter of acceptance was issued to the consultant on the commitment of new bid validity. It was earlier held in abeyance due to non-availability of funds. The reply was not tenable as undue favour was extended to the Consultant.

DAC in its meeting held on 8th July 2019, directed the management to conduct inquiry and fix responsibility against the person(s) at fault.

Audit requires compliance of the DAC directives.

(AIR# 4.3.4.4)

### 33.5.43 Unjustified hiring of consultants – Rs.70.391 million

As per Rule 61 of Sindh Public Procurement Rules 2010 on Selection of Consultancy Services, the selection shall be, inter alia, guided by the consideration of need for economy and efficiency and transparency in the selection process.

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that the project management awarded work orders to M/s AA Associates-ECIL for the works of feasibility studies, detailed design, bidding documentation, construction supervision and other related works after completion of the process of evaluation. Hiring of the consultant after bid evaluation was unjustified and was tantamount to extending undue favour.

(Rs. in million)

Name of office	Amount
XEN, Provincial Highways Coastal Division Hyderabad	43.251
XEN, Provincial Building Division Thatta	27.14
<b>Total</b>	<b>70.391</b>

Audit is of the view that pre-procurement phase of setting Standard Bidding Documents is very crucial and complex, and consultants may be engaged prior to the bidding process. Engaging the consultants after tender and bid evaluation showed that there was no need of consultants and their delayed appointment was unjustified.

The matter was reported to management in November, 2018. The management replied that the bidding documents were prepared by the consultant and they remained involved in bidding process. The reply was not tenable as per decision of meeting of technical committee of Planning & Development Department dated 29-09-2016, provision for hiring of consultant was required to be removed. Furthermore, N.I.T and pre-qualification process had already been completed.

DAC in its meeting held on 8th July 2019, directed the management that TORs of consultant's documents and tendering process for hiring the consultant may be got verified from audit.

Audit requires compliance of DAC directives.

(AIR# 4.3.4.6)

### **33.5.44 Non-transparency in pre-qualification process – Rs.800.000 million**

As per Rule 28 (1) (d) of Sindh Public Procurement Rules 2010 on Process of pre-qualification, verification of the information provided by the shortlisted applicants in the submissions for prequalification may be made. In case the information is found to be wrong or incorrect in any material way or the applicant is found to be lacking in the capability or resources to successfully perform the contract, the application shall not be prequalified.

During audit on accounts of Establishment of IBA Campus Thatta for the financial years 2010 to 2018, it was observed that procurement process was designed to award work order through non-competitive tendering process. M/s Maqbool Ahmed & Co, Recent Construction and M/s Haji Mohammed Haleem Mandokhail were declared technically non-qualified. Despite their written request, they were not communicated the reason for their non-qualification. The Manager (Assessment-V) of SPPRA advised the Project Director to place the complaint before the Complaint Redressal Committee, however, no action was taken in the instant matter. Furthermore, scope of the work in NIT for prequalification was not clear. The Manager (Assessment-V) of SPPRA advised the Project Director to cancel the NIT but PD responded that cancelling of tender at that stage was too late as all the process had already been completed.

Audit is of the view that that the entire process carried in violation of SPPRA Rules was non-transparent which indicates prevalence of poor management practices.

The matter was reported to the management in November, 2018. The management replied that all the contractors were informed accordingly, but none of them came forward. The reply was not tenable as action taken by the Redressal Committee in this regard was not furnished.

DAC in its meeting held on 8th July 2019, directed the department to furnish with all relevant documentary evidences to audit for verification.

Audit requires compliance of the DAC directives.

**(AIR# 4.3.4.7)**

### 33.5.45 Irregular calling of tenders – Rs.907.000 million

As per Rule 26 of Sindh Public Procurement Rules 2010 Re-issuance of Tenders, the procuring agency may re-issue tenders in case, the bidding process has been cancelled, as provided in Rule 25 or one of the two conditions exist: (1) Such an infirmity in the bidding documents has surfaced that the procuring committee recommends to the competent authority that the bids have to be invited afresh; (2) The case has been declared as one of mis-procurement, in pursuance of Rule 56. Provided while re-issuing tenders, the procuring agency may change the specifications and other contents of bidding documents, as deemed appropriate. Further, as per Rule 21 (1) of Sindh Public Procurement Rules 2010, the Bidding Documents shall include, inter alia, a detailed and unambiguous evaluation criteria, besides, terms and conditions of the contract agreements, as far as already known by the procuring agency; and terms of Reference and technical specifications of goods, works or services to be procured, subject to Rule 13 (on widest possible competition thru determining appropriate specifications).

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that management floated tender of less amount in newspapers than technically approved amount. Details are given as under:

(Rs. in million)

Name of work	Name of contractor	Work order No.	N.I.T	Technical Sanction
Phase-I/Thatta/CP-I 12.Rehabilitation / improvement of road from Thatta-Sujawal road (Jamia masjid mile 0/4-1/3 (1.4km) 13.Reconstruction of road from N-5 to Islampur Mohallah. 14. Construction / improvement of road From Var to Mehar Mitho Sheikh road via jam jagir road (10 km)	M/s Umer Jan & Co.	No.PD/SID/215/2015 Dated: 27-05-2015	170.000	642.000
Phase-I/Sujawal/CP-I 15.Rehabilitation and repair of road from Bathoro to Khorewah (10 km)	M/s Umer Jan & Co.	No.PD/SID/136/2015 Dated: 23-04-2015	140.000	265.000
<b>Total</b>			<b>310.000</b>	<b>907.000</b>

Audit is of the view that management unjustifiably reduced the amount of tender without considering the amount of technical sanction which was irregular.

The matter was reported to the management in November, 2018. The management replied that the NIT was issued by assuming certain amount for carrying out the execution of the works. The reply was not tenable as the management had floated tender for less amount than technically approved amount.

DAC in its meeting held on 8th July 2019, agreed with audit view point and directed the management justify its position along with relevant documentary evidence.

Audit requires compliance of DAC the directives.

**(AIR# 4.3.4.9)**

### **33.5.46 Un-authorised issuance of work orders after orders of the Honourable Supreme Court of Pakistan – Rs.1,812.015 million**

Para 21 (e) of the Supreme Court Judgment dated March 24, 2017 in Suo Moto Case No.19 of 2016 (SMC No.19/2016) is to the effect that “Direct that the projects and schemes which have been implemented / executed or those which are being implemented by the Special Initiative Department be immediately transferred to the concerned Government department in terms of Schedule II of the Sindh Government Rules of Business.”

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that work orders for following schemes were issued after the judgment of Supreme Court dated 24-03-2017. The issuance of these work orders was in violation of Supreme Court directives. Details of work orders issued in given as under;

(Rs. in million)

<b>Sr. #</b>	<b>Name of scheme</b>	<b>Date of issue of work order</b>	<b>Amount</b>
1	Construction of Thatta Bypass on Sujawal Road to N-5 (Thatta-Hyderabad Section 8.0 KMs)	22-05-2017	785.593
2	Widening and improvement of Thatta to Jungshahi Road 22 KMs	22-05-2017	668.780
3	Construction of Var to Mehar Mitho Sheikh Road Thatta and Sujawal	22-05-2017	357.642
<b>Total</b>			<b>1,812.015</b>

The matter was reported to the management in November, 2018. The management replied that prior to issuance of notification dated 19-02-2018 by the honourable Supreme Court, the department had been working as usual and the work orders were issued accordingly. The reply was not tenable as Honourable Court's decision was not implemented in letter and spirit.

DAC in its meeting held on 8th July 2019, directed the management to refer the matter to Law Department for seeking advice/legal opinion and matter may be placed before competent forum.

Audit requires compliance of the DAC directives.

**(AIR# 4.3.5.1)**

### **33.5.47 Irregular revision and insertion of items- Rs.273.550 million**

As per Rule 16 (1) (e) of Sindh Public Procurement Regulatory Authority (SPPRA) Rules 2010 on Alternate Methods of Procurements, a procuring agency may utilize Repeat Orders for 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. Further, as per Rule 17 (1) of Sindh Public Procurement Regulatory Authority (SPPRA) Rules 2010, procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in the rules. Moreover, as per Clause 1.6 of the Conditions of Contract and Clause 33.4 of Instruction to Bidders, it is required to arrange contract agreement on non-judicial stamp paper of value at 0.35 per cent of contract price for execution of contract agreement.

During audit on accounts of Establishment of IBA Campus Thatta for the financial years 2010 to 2018, it was observed that revision and insertion of items was made without approval of the competent authority. Following observations were noticed:

- i. The work of package-VII was awarded to M/s Hotchand Bhuromal with initial cost of Rs.62.000 million, which was revised upward to cost of Rs.114.240 million (upward revision of 84%);

- ii. The work of contract package-V was awarded to M/s Sunny Builders by inserting a new work ‘construction of pump room’ at the cost of Rs.4.170 million;
- iii. Contract agreements were unsigned for the package IV and V;
- iv. Call deposits of package I to VII were not deposited into government treasury.

Audit is of the view that the management has given undue favour to the contractors.

The matter was reported to the management in November, 2018. The management replied that non-signing of revised agreement was human error. Call deposit was not deposited due to shortage of staff. Moreover, fresh tenders were not invited to avoid cost escalation. The reply was not tenable as irregular revision and insertion of items was made beyond permissible limits as admitted by the management.

During DAC meeting held on 8th July 2019, forum agreed and endorsed the para and recommends to refer the matter to the competent authority to establish an enquiry committee to probe into the matter.

Audit requires compliance of DAC directives.

**(AIR# 4.3.5.3)**

### **33.5.48 Overpayment allowed to contractors – Rs.14.101 million**

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

During audit on accounts of the Special Development Package for Districts Thatta and Sujawal for the financial years 2010 to 2018, it was observed that excess payment of Rs.14.101 million was made to contractors against following works due to allowing excess rate on difference of steel.

(Rs. in million)

<b>Name of office</b>	<b>Amount</b>
XEN, Provincial Building Division Thatta	14.101
<b>Total</b>	<b>14.101</b>



Audit of the view that the government sustained loss due to allowing overpayment to contractor which indicates prevalence of poor financial management practices.

The matter was reported to the management in November, 2018. The management replied that the detailed estimate was prepared containing the rates provided in new schedule of rates 2012 and no rate was incorporated from NHA CSR 2014. As far as the question for payment on deformed steel at part rate in tons instead of CWT in concerned, it is submitted that as per clause 14.5 the particular conditions of contract, the contractor shall be entitled to receive from the procuring agency secured advance in respect of non-perishable materials brought at site not exceeding 75% of the produced material. The payment was made to the contractor as per rate offered by the authority. Hence, no overpayment was made to the contractor. The reply was not tenable as new schedule of rates 2012 for payment on deformed steel and difference in price due to escalation of price of steel along with market analysis was not provided.

DAC in its meeting held on 8th July 2019, it has been highlighted that the content of the para could not be replied properly due to the amalgamation of paras of Executive Engineer, Provincial Coastal Highway Division, Hyderabad and Executive Engineer, Provincial Building Division Thatta. Audit department was requested to issue separate paras. Thus, the para has been separated on direction of the DAC.

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

**(AIR# 4.3.3.4)**



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# **ANNEXES**

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## MEMORANDUM FOR DAC (MfDAC)

Sr. #	Name of Department & Observation	Nature of Irregularity
<b>1</b>	<b>Public Financial Management Issues</b>	
1	Irregular payment on account of pension Rs.3.080 million	HR/Employees related irregularities
2	Loss to Government due to lesser refund of amount paid in excess – Rs0.0193 million	HR/Employees related irregularities
3	Payment of pay to the employees holding posts does not exist in cost center	HR/Employees related irregularities
4	Multiple CNIC numbers against one Personnel No of employee in SAP data	HR/Employees related irregularities
5	Unjustified change made in employees’ date of birth	HR/Employees related irregularities
6	Unjustified changes made in employee names	HR/Employees related irregularities
7	Inconsistency in data entry in relation to CNIC and Bank Account No. of employees	HR/Employees related irregularities
8	Inaccurate data entry of BPS of various employees 00, 23, 30	HR/Employees related irregularities
9	Non-deduction of Stamp duty – Rs.0.115 million	Other
<b>2</b>	<b>Agriculture Supply &amp; Prices Department</b>	
1	Irregular payment of discontinued/regular allowances – Rs0.218 million	HR/Employees related irregularities
2	Unjustified payment to the monitoring consultant – Rs15.020 million	Other
3	Defective process of procurement of plant & machinery – Rs10.963 million	Procurement related irregularities
4	Short-realization of revenue target – Rs.78.811 million	Other
5	Short-achievement of target in quantity	Other
6	Irregular excess purchase of items - Rs.210.522 million	Other
7	Unjustified payment of allowances – Rs.27.514 million	HR/Employees related irregularities
8	Irregular expenditure on account of repair & maintenance – Rs22.901 million	Other
9	Irregular expenditure on account of T.A/D.A - Rs.10.131 million	Other
10	Irregular payment of arrears/ adjustment of pay and allowances – Rs.6.278 million	HR/Employees related irregularities
11	Irregular payment of arrears/ adjustment of pay and allowances – Rs.6.278 million	HR/Employees related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
12	Irregular expenditure on exhibitions and seminars – Rs.1.582 million	Other
13	Non-constitution of procurement committee – Rs.0.827 million	Other
14	Irregular Payment of pay & allowances without sanctioned post- Rs.0.798 million	HR/Employees related irregularities
15	Irregular expenditure on POL charges against unauthorized vehicles – Rs.0.669 million	Other
16	Irregular payment of honorarium – Rs.10.562 million	HR/Employees related irregularities
<b>3</b>	<b>Auqaf, Religious Affairs &amp; Zakat &amp; Ushr Department</b>	
1	Doubtful expenditure on account to of TA/DA-Rs0.248 million	HR/Employees related irregularities
2	Non-delivery of various heads items/material-Rs0.803 million	Procurement related irregularities
3	Doubtful expenditure for hardware & plant machinery items-Rs0.257 million	Procurement related irregularities
4	Excess payment, through wrong calculation-Rs0.144 million	Procurement related irregularities
5	Payment of refund without maintenance of security deposit register-Rs0.510 million	Other
6	Execution of works without laboratory test reports – Rs.40.792 million	Procurement related irregularities
7	Irregular payment of inadmissible allowances – Rs.0.301 million	HR/Employees related irregularities
8	Award of work without agreement – Rs.121.134 million	Other
9	Irregular expenditure without 10% check measurement – Rs.36.051million	Other
10	Irregular payment on reduced rates without rectification of defects -Rs.4.871 million	Other
11	Irregular finalization of work without work completion report (PC-IV) – Rs.16.033 million	Other
12	Non-imposition of penalty - Rs.10.648 million	Other
13	Unjustified expenditure without getting approval of PC-I - Rs.413.890 million	Other
14	Payment to contractor without delivery of procured items - Rs.19.193 million	Procurement related irregularities
<b>4</b>	<b>Board of Revenue</b>	
1	Excess drawal of POL for generators twice on same slips-Rs0.312 million	Other
2	Non-Deposit of annual tax of vehicles-Rs0.190 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
3	Un-justified payments to the DDO instead of directly beneficiary- Rs.0.066 million	Other
4	Non-reconciliation of paid-up challans – Rs.52.982 million	Other
5	Non-execution of contract agreement - Rs.28.235million	Procurement related irregularity
6	Irregular expenditure on POL – Rs.24.185 million	Other
7	Non-receipt of printing and publication material – Rs.8.625 million	Other
8	Irregular payment on PTCL/DSL Connection - Rs.3.520million	Other
9	Irregular payment of liability without approval of Finance Department – Rs.3.173 million	Other
10	Un-justified pay fixation – Rs.2.721 million	HR/Employees related irregularities
11	Irregular expenditure on procurement of hardware – Rs.2.455 million	Other
12	Excess payment of project allowance over & above PC-I provision – Rs.2.050 million	Other
13	Irregular procurement of stationery & printing from private supplier without delivery& reference of supply order – Rs.1.446 million	Other
14	Irregular expenditure on account of TA/DA – Rs.1.197 million	Other
15	Irregular payment of salary to contingent paid staff – Rs.55.824million	HR/Employees related irregularities
16	Irregular expenditure incurred on law charges - Rs.42.379 million	Other
17	Non-invitation of open tenders – Rs.38.101 million	Procurement related irregularities
18	Irregular expenditure on accounts 'others' and cost of other stores–Rs.21.758 million	Other
19	Un-authorized payment of inadmissible allowances - Rs.18.964million	HR/Employees related irregularities
20	Irregular award of works without allocation in revised PC-I – Rs.18.903 million	Other
21	Irregular sanction beyond delegated powers – Rs.7.002million	Other
22	Non-adjustment of advance – Rs.5.369 million	Other
23	Irregular payments on account of advertisement – Rs.4.343 million	Other
24	Mis-use of funds for POL – Rs.1.584million	Other
25	Unauthorized postings of officers/officials against sanctioned strength	HR/Employees related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
26	Non/short realization against revenue targets – Rs.9,320.785 million	Other
27	Irregular appointment of contractual staff – Rs.15.365 million	HR/Employees related irregularities
28	Loss to government on account of electricity – Rs.11.198 million	Other
29	Irregular payment of previous years liability – Rs.2.674 million	Other
30	Non-maintenance of computerized land record of Authorities – Rs.251.043 million	Other
31	Non-achievement of revenue receipts targets – Rs.2,045.539 million	Other
32	Non-realization of Government revenue – Rs.167.256million	Other
<b>5</b>	<b>Chief Minister Secretariat</b>	
1	Un-justified payment on account of computer allowance- Rs0.099 million	HR/Employees related irregularities
2	Un-authorized allotment of govt. Vehicle and payment of honorarium to contractual employee-Rs0.325 million	Other
3	Non-production of auditable record – Rs.10.742 million	NPR
<b>6</b>	<b>Cooperation Department</b>	
1	Non-production of auditable record - Rs.0.382 million	Other
2	Unauthorized payment of inadmissible allowances – Rs.0.360 million	HR/Employees related irregularities
<b>7</b>	<b>Culture, Tourism &amp; Antiquities Department</b>	
1	Maintenance of Bank Account in other than Sindh Bank – Rs100.00 million	Other
2	Irregular expenditure incurred on medical charges-Rs0.949 million	HR/Employees related irregularities
3	Irregular clearance of previous year's liability-Rs0.527 million	Other
4	Non adjustment of advances – Rs0.177 million	Other
5	Non-imposition of penalty – Rs.58.873 million	Other
6	Irregular appointments – Rs.6.625 million	HR/Employees related irregularities
<b>8</b>	<b>Department of Empowerment of People with Disabilities</b>	
1	Hiring of security services without contract agreement on stamp paper–Rs.0.244 million	Procurement related irregularity
2	Non-production of record of–Rs.8.584 million	Other
3	Wastage of government funds due to non utilisation of own human resources – Rs.196.020 million	Other
4	Payment of inadmissible allowances to officers & staff – Rs.0.980 million	HR/Employees related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
5	Non-transparent spending and reporting of Grant-in-Aid – Rs.50.000 million	Other
6	Less deduction of Govt. taxes - Rs.0.062 million	Other
7	Unjustified release of funds to non-performing NGO – Rs.25.000 million	Other
<b>9</b>	<b>A- Education &amp; Literacy Department (Colleges)</b>	
1	Irregular payment without sanction of estimate Rs163.444 million	Other
2	Non-obtaining of performance security deposit – Rs2.284 million	Procurement related irregularity
3	Loss to Govt. due to excess payment to contractor Rs1.332 million	Other
4	Loss due to payment of withholding tax despite free tax Number	Other
5	Irregular holding of 32 vehicles in pool without any justification	Other
6	Unjustified Purchase of medical Equipment's / Furniture & Fixture	Procurement related irregularity
7	Non-Surrendering of saving well in time	Other
8	Non- Re-constitution of Board of Governors as per direction of Chief Minister	Other
9	Unauthorized expenditure without approval from Board of Governors	Other
10	Excess expenditure incurred over & above total available budget	Other
11	Non-publishing/hoisting of bid evaluation reports and contract agreements on SPPRA website	Procurement related irregularity
12	Irregular expenditure on purchase of fresh food items	Procurement related irregularity
13	Uauthorized purchase of uniform items before approval of purchase requisition	Other
14	Non-crediting of revenue into government treasury	Other
15	Unjustified award of work to contractor on hand writing BOQ	Other
16	Unjustified payment made to contractor without delivery challans	Other
17	Irregular payment made to single vendor	Other
18	Doubtful expenditure incurred on travelling allowance	HR/Employees related irregularities
19	Unauthorized expenditure in excess of approved cost - Rs.31.048 million	Other



<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
20	Violation of Rules of Business while releasing grant to IBA Karachi -Rs.50.000 million	Other
21	Irregular transfer of college funds - Rs.155.050 million	Other
22	Excess award of work than approved cost in PC-I – Rs7.907 million	Procurement related irregularity
23	Unjustified advance payments to employees for various procurements instead of actual vendors–Rs.7.191 million	Procurement related irregularity
24	Irregular appointments of staff – Rs.29.872 million	HR/Employees related irregularities
25	Wasteful / blockage of expenditure on account of purchase of physical assets before function of College–Rs.17.20 million	Other
26	Undue favour to contractor due to defective work order – Rs.20.018 million	Procurement related irregularity
27	Non-recovery of mobilization of advance – Rs.18.719 million	Other
28	Irregular procurement without agreement – Rs.38.870 million causing loss of stamp duty - Rs.0.136 million	Other
29	Un-authorized expenditure on non-scheduled items – Rs.82.143 million	Other
30	Non-imposition of penalty – Rs.8.012 million	Other
31	Irregular transfer of funds from grants-in-aid to Endowment fund - Rs.1,047.665 million	Other
32	Un-due favor by way of issuance of grant to the Cadet Colleges Gadap without obtaining necessary codal requirements - Rs.117.340 million	Other
33	Un-authorized execution of extra items of work - Rs.3.953 million	Other
34	Irregular Investment of funds without approval - Rs.166.600 million	Other
35	Irregular payment of secured advance - Rs1.300 million	Other
36	Irregular expenditure from receipts without approval of BoG - Rs.3, 597.312 million	Other
37	Irregular payment on execution of excessive items of work – Rs.8.333 million	Other
38	Irregular allotment of agricultural land on rent/lease	Other
39	Non-recovery of dues on account of annual fee from defaulting cadets – Rs.6.727 million	Other
40	Un-authorized handling of call deposits – Rs.12.324 million	Other
41	Irregular award of civil work – Rs.6.098 million	Other
<b>9</b>	<b>B- Education &amp; Literacy Department (Schools)</b>	
1	Doubtful disproportionate cost of similar construction works – Rs 25.092 million	Procurement related irregularity

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
2	Un-justified payment on account of TA/DA – Rs 5.527 million	HR/Employees related irregularities
3	Non-hoisting of Bid Evaluation Report on SPPRA’s website – Rs1,470.318 million	Procurement related irregularity
4	Excess payment by allowing above against estimates- RS 68.067 million	Procurement related irregularity
5	Non-reconciliation of income tax/expenditure – Rs399.942 million	Other
6	Unjustified inclusion of provisional sum Rs.72.00 million.	Other
7	Un-justified extension of time (EOT) by S.E(Education Works)-Rs.38.337 million.	Other
8	Loss to Government due to extra payments to contractors- Rs38.581 million	Procurement related irregularity
9	Excess execution of items of work – Rs30.012 million	Procurement related irregularity
10	Less deduction of security deposit from contractors – Rs18.180 million	Procurement related irregularity
11	Irregular expenditure without approval/ pre-audit by the Divisional Accountant Rs10.702 million	Other
12	Payments without authorization of competent authority – Rs10.522 million	Other
13	Irregular expenditure on civil works Rs 52.228 million	Other
14	Non-clearance of P.W.Deposit Rs84.621million	Other
15	Payment of works carried out in the division without inspections – Rs64.396 million	Other
16	Unjustified exaggerated expenditure on account of electricity bill -Rs0.770 million	Other
17	Payment to vendor without delivery of items -Rs0.928 million	Procurement related irregularity
18	Handing Over Of Schools without Electric Work And Other Works	Other
19	Non-Handing Over Of Schools Despite Complete Status	Other
20	Doubtful purchase of Digital camera- Rs0.142 million	Procurement related irregularity
21	Loss to government due to less collection of revenue – Rs 2.104 million	Other
22	Irregular award of work without competition to the contractor amounting to-Rs.74.936 million	Procurement related irregularity
23	Unjustified payments showing “TRANSFER”, “CLEARING”, through DDO account Rs235.531 million.	Other
24	Un-authorized additional premium allowed to contractor Rs9.078 million	Procurement related irregularity

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
25	Purchase without tender in covid-19 period –Rs.21.320 million.	Procurement related irregularity
26	Un-justified payment on MB recorded before work order / work done -Rs0.529million	Other
27	Un-authorized payment of premium to contractor – Rs3.598 million	Procurement related irregularity
28	Excess Execution in Cost-Rs.1225.117million	Procurement related irregularity
29	Mis-appropriation in dismantle material –Rs.109.973 million	Other
30	Payment of advance without indemnity bond or Bank Guarantee Rs.8.498 million	Other
31	Execution of projects without any Appraisal / Feasibility- Rs.7,242.548 million	Procurement related irregularity
32	Loss to Government due to adoption of Quality and cost based selection method-Rs.150.087 million	Other
33	Irregular payments for third party monitoring – Rs-47.782 million	Other
34	Irregular payment without check measurement – Rs.80.814million	Procurement related irregularity
35	Irregular withheld of payment– Rs.43.374 million	Other
36	Non-obtaining of performance security – Rs.34.117 million	Other
37	Payment on account of difference cost of material Rs.5.245 million	Procurement related irregularity
38	Non-execution of 49 schemes out of 169 schemes–Rs.174.957 million	Other
39	Irregular DDO payment without any provision and agreement- Rs.4.033 million	Other
40	Payment on reduced rates - Rs.15.031 million	Other
41	Irregular expenditure on non-schedule items – Rs.4.724 million	Other
42	Non-adjustment of advances Rs.4.212 million	Other
43	Variation in Revenue and expenditure statement - Rs.41.104 million	Other
44	Unjustified expenditure on completed schemes	Other
45	Irregular payment at higher rate –Rs.5.846 million	Procurement related irregularities
46	Doubtful payments to M/s. Unique Supplier Company – Rs.13.503 million	Other
47	Irregular payment and posting of non-technical officers on addl. charge basis in violation of the decision of Supreme Court Pakistan-Rs.28.634 million	HR/Employees related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
48	Irregular payment of salaries without sanctioned strength– Rs.1.917 million	HR/Employees related irregularities
49	Posting of non-engineers on the posts of professional engineers	HR/Employees related irregularities
50	Loss due to Civil Work executed by irrelevant Department - Rs.2682.568 million	Other
51	Irregular award of works–Rs.79.613 million	Other
52	Loss due to non-imposition of penalty – Rs.5404.843 million	Other
53	Payment of Mobilization advance without verified Bank guarantees - Rs.247.122 million	Other
54	Irregular payment on account of reduced rate – Rs46.435 million	Other
55	Excess Payment over and above the contract value– Rs.14.144 million	Other
56	Irregular expenditure on non-scheduled items – Rs.26.007 million	Other
57	Non-recovery of mobilization advance - Rs.26.785 million	Other
58	Withdrawal of cash from bank–Rs.2.723 million	Other
59	Non-retrieval of government vehicles – Rs.1.800 million	Other
60	Abnormal delay in completion of work - Rs.10.147 million	Other
61	Irregular payment of secured advance – Rs.4.016 million	Other
62	Irregular appointments above the sanctioned strength	HR/Employees related irregularities
63	Irregular allotment of two school vehicles to the Principal without any provision - Rs.1.825 million	Other
64	Irregular payment of salaries from different heads of accounts- Rs.55.535 million	HR/Employees related irregularities
65	Irregular payment of honorarium to staff – Rs.13.940 million	Other
66	Unjustified increase in the salaries of consultants –Rs.8.356 million	HR/Employees related irregularities
67	Loss to due to cancellation of unused credit of USD\$0.190 million per annum	Other
68	Non-payment of Student Achievement Test charges – Rs.72.796 million	Other
69	Non-completion of critical studies	Other
70	Irregular expenditure without provision in PC-I – Rs.1.464 million	Other
71	Un-authorized expenditure on other than Karachi district schemes – Rs.18.55 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
72	Un-Justified expenditure on account of printing & publication – Rs.8.133 million	Other
73	Irregular award of different contracts through splitting - Rs.7.520 million	Procurement related irregularities
74	Irregular award of work to the highest bidder- Rs.28.209 million	Procurement related irregularities
<b>10</b>	<b>Energy Department</b>	
1	Unauthorized payment made to officials/officers instead of actual payee-Rs0.370million	Other
2	Irregular expenditure on POL – Rs4.411million	Other
3	Non-production of auditable record – Rs.24.552 million	Other
4	Missing material from stock – Rs.1.517 million	Other
5	Irregular expenditure without inviting open tenders – Rs.3.000 million	Procurement related irregularities
6	Non-adjustment of advance – Rs.417.015 million	Other
7	Irregular creation of liabilities on account of works – Rs.232.958 million	Other
8	Irregular payment of previous year’s liability – Rs.18.539 million	Other
9	Irregular payment made on account of electricity – Rs.4.881 million	Other
<b>11</b>	<b>Excise &amp; Taxation Department</b>	
1	Irregular expenditure without open tender- Rs0.381 million	Procurement related irregularities
2	Blockade of Renewal of License Fee by the Retailer- Rs1.600 million	Other
3	Unjustified difference in declaration of taxable property units -	Other
4	Non-levy of Professional Tax on CNG filling stations-	Other
5	Non-maintenance of record regarding notice of imposition and demand of penalty-	Other
6	Irregular payment on procurement of computer stationery - Rs.17.386 million	Procurement related irregularities
7	Irregular payment on account of repair of hardware - Rs.7.253 million	Other
8	Irregular expenditure on account of rent of office building- Rs.6.162 million	Other
9	Award of work through tender in violation of SPPRA Rules – Rs.3.836 million	Procurement related irregularities
10	Irregular payment without supporting documents - Rs.3.501 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
11	Un-authorized clearance of previous year's liabilities - Rs.50.803 million	Other
12	Non-realization of establishment charges - Rs.32.199 million	HR/Employees related irregularities
13	Short realization of revenue - Rs.5,573.789 million	Other
14	Irregular payment on account of service charges - Rs.109.606 million	Other
<b>12</b>	<b>Finance Department</b>	
1	Non-conducting of post audit of pension payments - Rs21.021 billion	Others
2	Unjustified expenditure met out from bank fund on testing services - Rs0.717 million	Procurement related irregularity
3	Issuance of multiple personal numbers on single CNIC of various officers/officials	HR related irregularity
4	Irregular length of service beyond maximum prescribed limit	HR related irregularity
5	Non-updating of CNIC of various officials in SAP System	HR related irregularity
6	Irregular change in the name of employees	HR related irregularity
7	Variation in figures of excess strength between SAP data, treasury and SSP Office	Others
8	Unjustified variance of CNIC of various officials in SAP System	HR related irregularity
9	Irregular payment of "Computer Allowance" - Rs0.111 million	HR related irregularity
10	Un-authorized payment of arrears / adjustments of salary – Rs.299.699 million	HR/Employees related irregularities
11	Irregular payment of salary to contingent paid staff – Rs.121.854 million	HR/Employees related irregularities
12	Irregular excess working strength of officers/officials – Rs.9.995 million	HR/Employees related irregularities
13	Payment of pension without depositing pension contribution – Rs.0.687million	HR/Employees related irregularities
14	Non-withholding of two increments of Sub-accountant	HR/Employees related irregularities
15	Irregular payments through DDO account – Rs.4.738 billion	Other
16	Unjustified payment on account of exhibitions – Rs.39.294 million	Other
17	Doubtful payment of TA/DA to employees from multiple cost centers – Rs.36.801 million	HR/Employees related irregularities
18	Irregular and Un-justified expenditure for disaster preparedness – Rs.32.223 million	Other
19	Non-maintenance, accountal & issuance record of items purchased – Rs.29.520 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
20	Split up of Sanction order – Rs.20.385 million	Procurement related irregularities
21	Irregular payment without watching deduction of shrinkage allowance – Rs.2.616 million	Other
22	Irregular payments for advertisement & publicity – Rs.2.398 million	Other
23	Unjustified payment to a general order supplier on doubtful invoices – Rs.2.084 million	Other
24	Doubtful payment on account of surgical items and instruments – Rs.1.288 million	Other
25	Unauthorized payment to unregistered suppliers – Rs.1.228 billion	Other
26	Abnormal delay in processing of bills/Non-observance of timing of claims - Rs.689.325 million	Other
27	Excess payment made to Sindh Public Service Commission – Rs.0.474 million	Other
28	Payment of father and mothers' pension to an unmarried daughter who is already government servant as well	HR/Employees related irregularities
29	Duplicate payment on account of purchase of medicine – Rs.0.781 million	Procurement related irregularities
30	Irregular payment of pay & allowances by PSF – Rs.22.499 million	HR/Employees related irregularities
31	Loss due to deviation from standard pay package – Rs.9.567 million	HR/Employees related irregularities
32	Unjustified payment of salaries to contract employees from head of account of other services rendered – Rs.7.665 million	HR/Employees related irregularities
33	Irregular passing of arrear bills without obtaining approval from finance Department – Rs.6.148 million	HR/Employees related irregularities
34	Unjustified change made in employees' date of birth	HR/Employees related irregularities
35	Suspicious duplication of CNIC of various officials in SAP System	Other
36	Un-justified hiring against non-sanctioned post	HR/Employees related irregularities
37	Employees working in excess over and above approved sanctioned strength resulted huge financial burden on public exchequer	HR/Employees related irregularities
38	Irregular payment of public money to vendors – Rs.801.846 million	Other
39	Award of work without inviting open tender – Rs.67.614 million	Procurement related irregularities
40	Wasteful expenditure on carrying out survey– Rs.21.869 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
41	Irregular purchase of I.T Equipment's without inspection – Rs.21.294 million	Procurement related irregularities
42	Non-obtaining Bid Security from suppliers – Rs.21.294 million	Other
43	Loss to government due to unauthorized payment of tax liability – Rs.16.398 million	Other
44	Delay in obtaining deliverables against SAP Connectivity contract - Rs.16.325 million	Other
45	Irregular allotment of government vehicles - Rs.11.656 million	Other
46	Loss to government due to non-formulation of investment policy - Rs.9.417 million	Other
47	Irregular expenditure without obtaining performance guarantee – Rs.9.011 million	Other
48	Payment for internal audit without achievement of deliverable – Rs.7.092 million	Other
49	Payment for Establishment of internal audit without achievement of deliverable – Rs.7.092 million	Other
50	Irregular expenditure without following executed tendering process – Rs.4.969 million	Procurement related irregularities
51	Irregular award of contract through Single Source Selection Method – Rs.4.680 million	Other
52	Irregular award of Single Source Selection Method without fulfilling codal requirements – Rs.4.680 million	Other
53	Loss as a result of Liability claimed as Liquidity damages by supplier – Rs.4.539 million	Other
54	Unjustified passing of credit entry without debit of Assignment Account – Rs.2.397 million	Other
55	Non-clearance of incorporation liability of PSF – Rs.2.212 million	Other
56	Non-obtaining of performance security – Rs.1.900 million	Other
57	Non-obtaining of Performance Security – Rs.1.632 million	Other
58	Doubtful payment of entire TA/DA funds to a single officer – Rs.1.399 million	Other
59	Irregular purchase of various items in excess of market price – Rs.1.128 million	Other
60	Suspected passing of arrear bills by auditors without approval from authorized officer – Rs.1.045 million	HR/Employees related irregularities
61	Flaws in system of payment of GP Fund interest in final payment cases	HR/Employees related irregularities
62	Irregular expenditure incurred on Establishment of Internal Audit Functions – Rs.6.729 million	Other
63	Short deposit of collected income tax into government account	Other



<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
64	Non maintenance / Updating of permanent record	Other
65	Extra ordinary delay due to lack of communication & co-ordination between Consultant, ERU & ET&NCD Sindh	Other
66	Recovery of inadmissible allowances to various employees – Rs.55.261 million	HR/Employees related irregularities
67	Non-recovery under various heads – Rs.14.660 million	Other
68	Excess payment to officials – Rs.4.775 million	Other
69	Less deduction of government taxes – Rs.961.600 million	Other
70	Unjustified payment of utility charges to irrelevant vendors – Rs.107.591million	Other
71	Suspected payment of security deposit without debiting it in the Form-78 - Rs.23.525 million	Other
72	Irregular appointment from other provinces	HR/Employees related irregularities
73	Irregular passing of doubtful invoices – Rs.2.699 million	Other
74	Doubtful release of payment on account of income tax – Rs.2.183 million	Other
<b>13</b>	<b>Food Department</b>	
1	Variation of balances in SAP Data & PC-08-Rs2.366 million	Other
2	Irregular appointment of other province's employees- Rs0.965 million	HR/Employees related irregularities
3	Irregular payment of discontinued allowance- Rs0.817 million	HR/Employees related irregularities
4	Annual physical verification of wheat stock not carried out-	Other
5	Irregular alteration in date of birth of officials-	HR/Employees related irregularities
6	Non-reconciliation of stock account of wheat bags dispatched to other Districts Rs.3,686.483 million	Other
7	Non-obtaining of sureties from PRC/WPC in-charges – Rs.37.000 million	Other
8	Unjustified payment of honorarium – Rs.1.120 million	Other
9	Non-observance of SPPRA rules	Procurement related irregularities
10	Release of wheat to Flour Mills and Chakkies without observing wheat release policy	Other
11	Non-Fumigation of procured wheat amounting to – Rs.2,580.042 million	Procurement related irregularities
12	Irregular payment through DDO account – Rs.1.700 million	Other
13	Un-authorized retention of wheat stock 64,102.104 (tons)	Other
14	Un-authorized issuance of wheat bags 2051.300 (tons)	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
15	Irregular procurement of wheat - Rs.12,575.991 million	Procurement related irregularities
16	Non-obtaining of performance security – Rs.12.934 million	Procurement related irregularities
<b>14</b>	<b>Forest and Wildlife Department</b>	
1	Less crediting of revenue into government treasury – Rs0.327 million	Other
2	Irregular expenditure on account of cost of other stores - Rs0.985 million	Other
3	Unauthorized expenditure incurred on clearance of previous years' liability- Rs230,406	Other
4	Irregular expenditure on repair of transport Rs294,965/-	Other
5	Irregular expenditure on account of TA/DA – Rs0.597 million	Other
6	Irregular expenditure on account of contingent paid staff – Rs0.591 million	HR/Employees related irregularities
7	Non-recovery of outstanding dues from contractors & Employees- Rs.11.316 million	Other
8	Irregular payment of honorarium to a non-entitled officer- Rs.0.145 million	Other
9	Non/short realization of estimated revenue- Rs.45.157 million	Other
10	Irregular payment of POL through DDO account – Rs.0.283 million	Other
11	Unjustified payments of pension: Rs.23.21 million	Other
12	Non-obtaining of performance security – Rs.1.790 million	Other
13	Unjustified expenditure on closed development scheme – Rs.1.159 million	Other
<b>15</b>	<b>Health Department</b>	
1	Irregular purchase of substandard medicines – Rs0.581 million	Other
2	Irregular hiring of vehicles in contravention of the agreement - Rs0.210 million	Other
3	Un-justified payment for delivery/invoices before supply order – Rs0.908 million	Procurement related irregularities
4	Excess payment to contractor - Rs0.461 million	Other
5	Irregular drawal of payments by employees instead of concerned vendors – Rs0.384 million	Other
6	Irregular payment of health insurance on expired contract agreement – Rs0.341 million	Other
7	Un-justified excess payment – Rs0.206 million	Other
8	Un-authorized less payment then withdrawal – Rs0.107 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
9	Irregular appointment of contractual staff – Rs.49.167 million	HR/Employees related irregularities
10	Appointment of consultant anaesthetist and perfusion technologist in violation of merits – Rs.2.500 million	Other
11	Irregular appointment of Tutors – Rs.1.620 million	Other
12	Irregular appointment of doctor as senior lecturer – Rs.1.388 million	Other
13	Fraudulent payment on account of medical reimbursement – Rs.0.237 million	Other
14	Irregular expenditure on construction work of building – Rs.40.157 million	Other
15	Irregular payment to suppliers having invalid drug license – Rs.30.602 million	Other
16	Irregular payment of electric work without having electric license – Rs.18.380 million	Other
17	Huge stocking of medicines/drugs – Rs.7.046 million	Other
18	Irregular award of tenders on single bids – Rs.4.191 million	Procurement related irregularities
19	Irregular expenditure on account of security services – Rs.3.999 million	Other
20	Excess fixation of pay of officers – Rs.19.890 million	HR/Employees related irregularities
21	Unjustified appointment of Dr. Farheen Ali as consultant on additional emolument – Rs.3.840 million	HR/Employees related irregularities
22	Award of contracts without integrity pact	Other
23	Irregular purchase without inspection	Procurement related irregularities
24	Inordinate delay in completion of work – Rs.1,796.368 million	Other
25	Non-obtaining of performance guarantee from suppliers – Rs.1,434.764 million	Other
26	Irregular supply of medicines without observing presidential directives – Rs.635.046 million	Other
27	Mis-procurement under various heads of accounts –Rs.626.713 million	Procurement related irregularities
28	Award of work in violation of SPPRA rules – Rs.615.152 million	Procurement related irregularities
29	Irregular release of bid security – Rs.232.112 million	Other
30	Irregular expenditure without provision in PC-1 – Rs.177.050 million	Other
31	Award of tender without hoisting bidding documents – Rs.143.810 million	Procurement related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
32	Discrepancies in procurement of medicines – Rs.108.957 million	Procurement related irregularities
33	Irregular expenditure on RCC work in roof slabs – Rs.99.744 million	Other
34	Irregular procurement of medical oxygen generation system – Rs.53.000 million	Procurement related irregularities
35	Procurement of medicines without manufacturing and expiry dates – Rs.36.746 million	Procurement related irregularities
36	Unjustified expenditure on the implementation of ERP solution at NICVD – Rs.25.000 million	Other
37	Irregular execution of repair & maintenance work – Rs.13.853 million	Other
38	Irregular execution of repair & maintenance work – Rs.13.853 million	Other
39	Irregular expenditure without fair open competition – Rs.8.775 million	Procurement related irregularities
40	Irregular expenditure on purchase of plant & machinery– Rs.8.390 million	Procurement related irregularities
41	Purchase of heavy machinery & equipment before completion of building work – Rs.7.433 million	Procurement related irregularities
42	Purchase of medicines from supplier without participating and quoting rates – Rs.6.357 million	Procurement related irregularities
43	Irregular expenditure under the head “others” – Rs.5.524 million	Other
44	Irregular expenditure on diet/food for patients – Rs.5.118 million	Other
45	Excess procurement of medicines against approved quota – Rs.3.465 million	Procurement related irregularities
46	Irregular purchase of medicines before issuance of work orders – Rs.3.336 million	Procurement related irregularities
47	Irregular procurement of medicine on previous year’s tender – Rs.2.998 million	Procurement related irregularities
48	Irregular expenditure on purchase of furniture – Rs.2.798 million	Procurement related irregularities
49	Irregular supply of “Eye lenses” from suppliers without observing departmental directives – Rs.2.197 million	Other
50	Wastage of public funds for purchases of Phenyl bottles & finis bottles simultaneously – Rs.1.906 million	Procurement related irregularities
51	Irregular expenditure on purchase of various items – Rs.1.781 million	Procurement related irregularities
52	Excessive expenditure on sanitary items – Rs.1.723 million	Other
53	Irregular execution of extra items of works – Rs.1.658 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
54	Unjustified purchases of 2,357 Phenyl bottles for DHO office – Rs.1.131 million	Procurement related irregularities
55	Excess finis oil used in DHO office – Rs.1.009 million	Other
56	Irregular operating of bank account of PPP project in private bank – Rs.150.048 million	Other
57	Non-preparation/operating of separate accounts of SICVD	Other
58	Irregular payment on account of grant-in-Aid without any criteria/TOR	Other
59	Blockage of funds due to non-utilization of procured material – Rs.125.000 million	Procurement related irregularities
60	Non-claim for non-working condition of CT scan machine during warranty time – Rs.67.557 million	Other
61	Non-utilization of the machine purchased during the year 2015-16 – Rs.15.545 million	Procurement related irregularities
62	Payment without evidence of its achievement – Rs.11.044 million	Other
63	Un-authorized retention of vehicles by various officers	Other
64	Non-functioning of Sindh Government Dispensary Ghaggar	Other
65	Non-lodging of FIR for theft of government property	Other
66	No action taken in respect of blacklisting of contractor despite their failure	Other
67	Annual physical verification of stock/stores not conducted	Other
68	Unjustified creation of liabilities – Rs.7,518.633 million	Other
69	Non-maintenance of consumption account	Other
70	Un-authorized obtaining of loan – Rs.1,550.000 million	Other
71	Implant of automation project on faulty feasibility report and without feasible study	Other
72	Irregular payment during lockdown period of Covid-19 pandemic – Rs.288.126 million	Other
73	Un-authorized expenditure on non-scheduled items – Rs.239.135 million	Other
74	Irregular payment to PPHI, Sindh – Rs.210.451 million	Other
75	Irregular expenditure of steel without Laboratory Test Report – Rs.165.976 million	Other
76	Excess expenditure above the revised PC-1 – Rs.135.813 million	Other
77	Irregular expenditure on clearance of previous year's liability – Rs.118.469 million	Other
78	Non-imposition of penalty for the delayed execution of works – Rs.106.731 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
79	Irregular expenditure incurred on revised scope of work – Rs.100.956 million	Other
80	Irregular execution of work without soil test report – Rs.100.000 million	Other
81	Non-imposition of penalty on failure to complete the project within period –Rs.61.515 million	Other
82	Expenditure without pre-audit and codal formalities – Rs.45.794 million	Other
83	Irregular payment made without steel test report – Rs.45.135 million	Other
84	Non-accountal of procured articles – Rs.31.952 million	Other
85	Excess expenditure over & above budget allocation – Rs.30.207 million	Other
86	Irregular expenditure on purchase of instruments by doubtful delivery/invoices etc. – Rs.22.782 million	Procurement related irregularities
87	Un-authorized expenditure incurred without budget – Rs.20.812 million	Other
88	Irregular expenditure on RCC work without laboratory test reports – Rs.20.662 million	Other
89	Execution of earthwork through private contractors instead of mechanical division – Rs.14.837 million	Other
90	Loss due to provision of material/equipment's at 50% higher rate – Rs.10.033 million	Other
91	Unjustified purchase of software – Rs.8.551 million	Procurement related irregularities
92	Non-recovery of interest on mobilization advance – Rs.6.940 million	Other
93	Irregular payment of escalation charges – Rs.5.517 million	Other
94	Unauthorized payment on extra lead – Rs.5.361 million	Other
95	Non-adjustments of advances – Rs.3.536 million	Other
96	Unjustified payment for transportation of goods without description of lots – Rs.2.999 million	Other
97	Unjustified withholding of payments against work done – Rs.2.449 million	Other
98	Unauthorized retention of income tax – Rs.2.335 million	Other
99	Un-justified drawing of funds from bank account – Rs.1.099 million	Other
100	Non-conducting of audit by Chartered Accountants	Other
101	Non-holding of meetings of Governing Body as required under the Act	Other
102	Non-disposal of condemned equipment	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
103	Unauthorized expenditure provision in Schedule-B – Rs.14.022 million	Other
104	Doubtful expenditure through impugned quotations – Rs.6.073 million	Other
105	Expenditure without observing procurement rules – Rs.5.830 million	Procurement related irregularities
106	Irregular refund of bid security before issuance of work order & completion of supply - Rs.3.230 million	Other
107	Irregular expenditure on stationery & Printing – Rs.5.491 million	Other
108	Procurement of medicines not listed in Central Purchase Committee – Rs.2.342 million	Procurement related irregularities
109	Doubtful expenditure on contingency in the financial year 2016-17 – Rs.8.728 million	Other
110	Mis-statement of closing/opening balances – Rs.8.473 million	Other
111	Doubtful expenditure on purchases of machinery equipment's items – Rs.5.695 million	Procurement related irregularities
112	Insurance of assets from private company – Rs.4.948 million	Other
113	Doubtful procurement of POL – Rs.3.837 million	Other
114	Wasteful expenditure on hiring of generators for medical facilities – Rs.2.487 million	Other
115	Unauthorized expenditure on account of fuel & maintenance of vehicles – Rs.1.866 million	Other
116	Loss to government due to short-realization of medical stores & canteen rent – Rs.1.078 million	Other
117	Unauthorised excess payment of honorarium – Rs.34.451 million	HR/Employees related irregularities
118	Loss to government due to non-award of contract to the lowest bidder – Rs.312.456 million	Procurement related irregularities
119	Unjustified expenditure due to procurement from 2nd lowest bidder by ignoring the 1st Lowest – Rs.34.313 million	Procurement related irregularities
120	Unauthorized opening of assignment in individual name	Other
121	Incurrence of expenditure without feasibility study, third-party evaluation and achievement of project objectives – Rs.3,361.030 million	Other
122	Irregular payment to various NGOs – Rs.262.567 million	Other
123	Loss to government due to expiry of medicines	Other
124	Excess payment to contractor on steel – Rs.29.183 million	Procurement related irregularities
125	Undue advance procurement before completion of civil work – Rs.15.000 million	Procurement related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
126	Excess payment over item of works – Rs.9.358 million	Procurement related irregularities
127	Unjustified advance payment to consultant firm – Rs.7.500 million	Procurement related irregularities
128	Un-authorized deposits of unspent balance into federal treasury – Rs.3.303 million	
129	Unjustified huge expenditure incurred on rent-a-car facility – Rs.2.799 million	Procurement related irregularities
<b>16</b>	<b>Home Department</b>	
1	Irregular purchase of medicines with short shelf life – Rs0.651 million	Procurement related irregularities
2	Non-conducting of annual physical verification of stock/stores- Rs1,101.632 million	Other
3	Non-utilization of funds – Rs925.16 million	Other
4	Irregular expenditure incurred on account of TA/DA Rs8.700 million	Other
5	Variation of figures in bank statement and cash book Rs1.928 million	Other
6	Irregular payment of consultancy charges to supplier – Rs0.573 million	Other
7	Irregular alteration in date of birth of officials/ CNIC numbers	HR/Employees related irregularities
8	Non-insurance of official vehicles	Other
9	Un-authorized retention of government vehicles by ex-officers	Other
10	Non-registration of government vehicles	Other
11	Incurring expenditure without supporting vouchers Rs.540.869 million	Other
12	Loss due to non-execution of agreement – Rs.90.292 million	Procurement related irregularities
13	Doubtful payment on account of other service rendered - Rs.1.00 million	Other
14	Irregular payment of salaries to employees on detailment – Rs.74.733million	HR/Employees related irregularities
15	Payment of salaries without sanctioned post - Rs.25.485 million	HR/Employees related irregularities
16	Unjustified payment of salaries to officials for excess service over the prescribed limit – Rs.0.228 million	HR/Employees related irregularities
17	Unjustified retention of additional 6000 post in DIGP cost center instead of District wise	HR/Employees related irregularities
18	Non-verification of qualification/ degrees	HR/Employees related irregularities



<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
19	Irregular payment on account of POL – Rs.1,085.244 million	Other
20	Non-reporting of information to NAB for execution of contracts – Rs.420.789 million	Other
21	Irregular expenditure on various heads from single vendor - Rs.61.320 million	Other
22	Irregular payment on procurement of plant & machinery - Rs.46.800 million	Procurement related irregularities
23	Purchase of medicines without Drug Testing Laboratory Report – Rs.41.293 million	Procurement related irregularities
24	Irregular payment without obtaining test reports - Rs.24.900 million	Other
25	Award of work before sanction of estimates - Rs.23.464 million	Other
26	Irregular purchase of vehicles during ban period - Rs.9.322 million	Procurement related irregularities
27	Unjustified payment on non-schedule items - Rs.8.847 million	Other
28	Irregular payment of cost of steel without laboratory report - Rs.5.489 million	Other
29	Unjustified payment of 1% service charges on POL fleet card bills – Rs.4.550 million	Other
30	Irregular expenditure on execution of extra items of work - Rs.4.238 million	Other
31	Irregular payment on account of extra lead - Rs.3.108 million	Other
32	Non-execution of electric work from electric contractor - Rs.2.320 million	Other
33	Loss to government due to non-obtaining discount on purchase of medicines–Rs.8.163 million	Procurement related irregularities
34	Un-authorized deployment of police personnel to dignitaries already availing security from Security I & II	Other
35	Loss to government due to deployment of police personnel as drivers/orderly with ex-police officers/ non-entitled officers	Other
36	Irregular payment without inspection report - Rs.725.454 million	Other
37	Non-preparation of annual procurement plan - Rs.592.960 million	Procurement related irregularities
38	Poor storage of goods at Central Police store - Rs.458.083 million	Other
39	Irregular payment of previous years liability – Rs.398.204 million	Other
40	Non-release of reward money out of recovered traffic fines – Rs.209.831 million	Other
41	Negligence on part of police drivers working without valid driving licenses - Rs.65.952 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
42	Non-adjustment of advance payment - Rs.62.611 million	Other
43	Irregular expenditure on account of medical re-imburement - Rs.44.218 million	Other
44	Illegal construction of family quarters / encroachment by police personnel within office premises – Rs.36.500 million	Other
45	Irregular expenditure on account of cost of investigation – Rs.32.123 million	Other
46	Irregular payment on account of outsource “call centre madadgar-15 (police help line)”and avaya server - Rs.24.003 million	Other
47	Unauthorized collection of funds on feeding charges – Rs.14.978 million	Other
48	Unjustified withheld of amount - Rs.12.212 million	Other
49	Loss to government due to non-disposal of condemned material - Rs.11.714 million	Other
50	Unjustified expenditure on account of special Grant-in-aid to CPLC - Rs.11.273 million	Other
51	Transgression of financial powers – Rs.3.786 million	Other
52	Excess expenditure on account of POL above the ceiling - Rs.2.014 million	Other
53	Allotment of additional vehicles beyond entitlement with POL – Rs.1.513 million	Other
54	Irregular payment to un-registered suppliers – Rs.1.497 million	Other
55	Doubtful payment on account of POL - Rs.10.698 million	Other
56	Doubtful payment on account hiring of vehicles - Rs.3.181 million	Other
57	Variation of excess strength pay drawn between SAP data treasury scale audit ledger & figures produced by SSP office	Other
58	Irregular expenditure on repair of transport – Rs.92.770 million	Other
59	Irregular expenditure on hire of vehicles charges – Rs.3.172 million	Other
60	Irregular payment of POL to subordinate cost centers – Rs.110.466 million	Other
61	Doubtful expenditure on account of feeding charges - Rs.12.432 million	Procurement related irregularities
62	Doubtful payment on account of others - Rs.1.00 million	Other
63	Irregular payment of arrears/adjustment of pay & allowances - Rs.52.140 million	HR/Employees related irregularities
64	Irregular expenditure on repair & maintenance of building - Rs.302.914 million	Procurement related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
65	Award of work in violation of procurement rules – Rs.18.851 million	Procurement related irregularities
66	Excess execution of item of work - Rs.6.890 million	Procurement related irregularities
67	Unauthorized payment made from Grant-in-aid to committee for welfare of prisoners - Rs.57.578 million	Other
68	Irregular continuation of existing contract of services without inviting open tender - Rs.13.450 million	Procurement related irregularities
69	Unauthorized expenditure incurred on other than office vehicles - Rs.11.566 million	Other
70	Non deduction of security deposit – Rs.8.633 million	Other
<b>17</b>	<b>Human Rights Department</b>	
1	Expenditure on insurance not from National Insurance Company Limited-Rs0.347 million	Other
2	Irregular expenditure on account of conference & seminars – Rs.3.085 million	Other
3	Expenditure on contingencies without proper mechanism of financial & internal controls – Rs.9.606 million	Other
4	Irregular payment of salaries of drivers to the members – Rs.1.475 million	HR/Employees related irregularities
	Irregular expenditure on account of honorarium – Rs.4.112 million	
<b>18</b>	<b>Katchi Abadies/Human Settlement, Special Development and social Housing Department</b>	
1	Non-recovery of Government dues-Rs0.025 million	Other
2	Irregular expenditure on POL -Rs0.896 million	Other
3	Irregular expenditure of medical charges-Rs0.848 million	Other
4	Irregular expenditure of traveling charges -Rs0.270 million	Other
5	Irregular transfer of funds under head grant in aid – Rs.115.0 million	Other
6	Irregular payment of rent of office building – Rs.15.543 million	Other
<b>19</b>	<b>Industries &amp; Commerce Department</b>	
1	Unauthorized Drawl of Incentive Allowance - Rs0.150 million	HR/Employees related irregularities
2	Unjustified payment of Utility Allowance - Rs0.042 million	HR/Employees related irregularities
<b>20</b>	<b>Information &amp; Archives Department</b>	
1	Un-authorized appointment of contingent paid staff –Rs0.449 million	HR/Employees related irregularities
2	Unjustified payment of financial assistance – Rs2.000 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
3	Irregular award of contracts to newspaper agencies not participated in prequalification-Rs307.222 million	Procurement related irregularities
4	Unjustified expenditure incurred on account of medical charges – Rs3.101 million	Other
5	Un-justified payment of grant-in-aid to press clubs & journalists –Rs.88.820 million	Other
6	Unauthorized payment to Sindh literature festival – Rs.3.000 million	Other
<b>21</b>	<b>Information, Science &amp; Technology Department</b>	
1	Award of work without obtaining performance security- Rs1.733 million	Procurement related irregularities
2	Unjustified creation of liability – Rs.18.192 million	Other
3	Non-deduction of government taxes – Rs.5.920 million	Other
<b>22</b>	<b>Investment</b>	
1	Non-verification of educational documents-Rs39.743 million	Other
2	Irregular expenditure on account of P.O.L- Rs2.409 million	Other
3	Irregular expenditure on purchases under various heads of accounts – Rs.2.491 million	Procurement related irregularities
4	Doubtful expenditure incurred on account of medical charges - Rs.1.070 million	Other
5	Unauthorized allotment and retention of government vehicles	Other
6	Irregular appointment of contractual staff by impugned selection committee	HR/Employees related irregularities
<b>23</b>	<b>Irrigation Department</b>	
1	Non-clarification of withheld amount of contractors - Rs1381.146 million	Procurement related irregularity
2	Irregular payment of cost of bitumen - Rs1.275 million	Procurement related irregularity
3	Non-conducting of post audit of assignment accounts - Rs1,903.888 million	Others
4	Disparity in financial and physical progress - Rs567.663 million	Others
5	Irregular payment without certificates of the consultant - Rs244.512 million	Others
6	Irregular expenditure without work order - Rs22.018 million	Procurement related irregularity
7	Irregular payment on account of POL - Rs15.348 million	Procurement related irregularity
8	Un-due favour by awarding all works to single contractor - Rs7.440 million	Procurement related irregularity

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
9	Expenditure on account of removing the un-authorized water courses - Rs.3.938 million	Procurement related irregularity
10	Irregular payments for the work to NED University - Rs3.924 million	Procurement related irregularity
11	Non filing of monthly return on account of Sindh Sales tax on services - Rs3.008 million	Procurement related irregularity
12	Irregular expenditure on work beyond PC-I deadlines - Rs2.386 million	Others
13	Irregular payment of salary in excess of sanctioned strength - Rs0.700 million	HR related irregularity
14	Unauthorized appointment of officials without competitive process – Rs.5.274 million	HR/Employees related irregularities
15	Irregular award of contract without notified by the Secretary – Rs.5,268.091 million	Other
16	Irregular expenditure without sanction of estimate – Rs.1,340.712 million	Other
17	Unauthorized creation of liabilities for the next financial year – Rs.893.359 million	Other
18	Irregular expenditure of M&R without obtaining approval of old rates – Rs.245.535 million	Procurement related irregularities
19	Non obtaining of extension of expired bank guarantee against awarded work – Rs.156.579 million	Other
20	Irregular expenditure of M&R – Rs.130.645 million	Procurement related irregularities
21	Unjustified payment on account of Environmental and Social Mitigation Plan (ESMP) – Rs.54.720 million	Other
22	Irregular payment on purchase of fire tender without registration Rs.21.736 million	Procurement related irregularities
23	Non-delivery of material – Rs.19.026 million	Other
24	Irregular expenditure on purchase of various articles and repairs from single supplier – Rs.4.440 million	Procurement related irregularities
25	Execution of works without approval/prior review by donor – Rs.2,245.694 million	Other
26	Non maintenance of various register/ ledgers of security deposit – Rs.590.64 million	Other
27	Un-authorized award of work without revision of PC-I – Rs.382.292 million	Other
28	Expenditure without obtaining revised administrative approval of the Scheme – Rs.78.898 million	Other
29	Irregular payment due to improper measurement of work – Rs.23.685 million	Other
30	Loss to government due to non-recovery of dismantled work - Rs.19.484 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
31	Un-authorized payment to contractors more than 100% for work in progress – Rs.16.676 million	Other
32	Irregular expenditure on third party monitoring charges without getting any monitoring report - Rs.3.684 million	Other
33	Unauthorized insurance of vehicles other than Sindh Insurance Co. – Rs.1.033 million	Other
34	Doubtful expenditure on hiring of casual labour – Rs.62.186 million	Other
35	Irregular engaging of contingent paid staff without approval of Finance Department – Rs.22.929 million	HR/Employees related irregularities
36	Unjustified excess number of hiring of contractual consultants in Project than PC-I – Rs.6.36 million	Other
37	Irregular payment of pay and allowances – Rs.1.169 million	HR/Employees related irregularities
38	Unauthorized regularization of contract staff	HR/Employees related irregularities
39	Irregular expenditure on non-scheduled items without approval of Standing Rates Committee – Rs.1,123.108 million	Other
40	Irregular award of work to un-registered firms – Rs.1,558.386 million	Other
41	Non-recovery of interest on mobilization advance – Rs.154.808 million	Other
42	Excess expenditure over & above PC-I	Other
43	Misinterpretations of SPPRA Rules	Procurement related irregularities
44	Non obtaining of performance security – Rs.1,733.492 million	Other
45	Irregular execution of work without revision of estimate – Rs4,369.822 million	Other
46	Un-authorized payment on account of escalation charges – Rs.543.494 million	Other
47	Irregular payment on extra lead / carriage charges – Rs.480.934 million	Other
48	Revision of PC-I without mentioning increase / decrease scope of work – Rs.276.402 million	Other
49	Non-deduction of Voids – Rs.198.688 million	Other
50	Less / Non deduction of security deposit from contractors – Rs. 173.726 million	Other
51	Irregular award of tenders without fair competition – Rs.165.914 million	Other
52	Non/ less-obtaining of earnest money in shape of call deposit – Rs.127.94 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
53	Non-deduction of shrinkage allowance from earthwork – Rs99.76 million	Other
54	Loss to Govt. due to excess payment on variation of rates – Rs.78.808 million	Other
55	Non-hoisting of Bid Evaluation Report on SPPRA website – Rs.63.093 million	Procurement related irregularities
56	Irregular payment of consultancy charges – Rs.59.871 million	Other
57	Irregular payment of secured advance – Rs.45.408 million	Other
58	Undue favor to the consultant – Rs.27.678 million	Other
59	Irregular expenditure under de-silting without provision into de-silting programme – Rs.24.670 million	Other
60	Undue favour to contractor by allowing higher rates – Rs.22.673 million	Procurement related irregularities
61	Non transparency in tender – Rs.18.432 million	Procurement related irregularities
62	Loss to Govt: due to execution of de-silting work through private contractors – Rs.7.844 million	Other
63	Un-justified payment made for both labour charges and hydraulic excavator for the same work – Rs.4.812 million	Other
64	Irregular drawl of POL beyond the ceiling – Rs.2.034 million	Other
65	Irregular allotment of more than one government vehicles to officers / officials	Other
66	Irregular issuance of project vehicles to the officers of other than departments	Other
67	Overstatement due to retention money – Rs.167.353 million	Other
68	Non-achievement of targeted expenditure of the project - Rs.38,560.909 million	Other
69	Inadequate internal control due to non-conducting of internal audit & third party monitoring – Rs.2,927.420 million	Other
70	Abnormal delay in start of work – Rs.85.858 million	Other
71	Irregular utilization of World Bank funds – Rs.77.272 million	Other
72	In-eligible expenditure from IDA funds – Rs.8.032 million	Other
73	Unauthorized payment on a closed scheme – Rs.2.113 million	Other
74	Irregular hiring of contingent paid staff against regular posts – Rs.24.173 million	HR/Employees related irregularities
75	Excess payment of salaries / fees to contractual consultants of Sindh Resilience Project than PC-I – Rs.6.917 million	HR/Employees related irregularities
76	Irregular appointment of Project Director – Rs.6.210 million	HR/Employees related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
77	Non-imposition of penalty for delayed works – Rs.2,288.395 million	Other
78	Award of work without feasibility study of the project – Rs.40,425.592 million	Other
79	Abnormal delay in completion – Rs.5,322.255 million	Other
80	Unauthorized drawl of loan from Area Water Board – Rs.6.154 million	Other
81	Irregular refund of security deposit – Rs376.941 million	
82	Irregular expenditure by way of Pooling – Rs.33.924 million	Procurement related irregularities
83	Non-replacement of main Guddu barrage gates	Other
<b>24</b>	<b>Labour &amp; Human Resource Department</b>	
1	Non-execution of contract agreement-Rs2.434 million	Procurement related irregularities
2	Irregular expenditure on account of “Pol Charges” by way of non-adopting fleet cards-Rs6.702 million	Other
3	Un-justified expenditure incurred under head death grant – Rs.301.80 million	Other
4	Irregular expenditure under the head marriage grant – Rs.148.27 million	Other
5	Un-justified expenditure on purchase/ issuance of medicine without appointment of doctor – Rs.9.865 million	Other
6	Unauthorized payments through DDO account – Rs.0.384 million	Other
7	Non-deduction of income tax on Salary – Rs.0.109 million	HR/Employees related irregularities
8	Non- realization of revenue targets – Rs.11.200 million	Other
9	Non-deduction/Less-deduction of taxes – Rs.0.486 million	Other
<b>25</b>	<b>Law, Parliamentary Affairs and Human Rights Department</b>	
1	Irregular expenditure on account of travelling allowance – Rs6.489 million	Other
2	Irregular payment of law charges – Rs.6.942million	Other
3	Irregular expenditure on renovation of office building – Rs.27.590 million	Other
4	Irregular expenditure on purchases of Books & Periodicals - Rs.7.241 million	Other
5	Irregular payment of salaries on Pay Scale without sanctioned grade in the budget – Rs.224.142 million	HR/Employees related irregularities
6	Irregular payment of inadmissible allowances – Rs.157.215 million	HR/Employees related irregularities



<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
7	Irregular payment of Honorarium – Rs.15.664 million	HR/Employees related irregularities
8	Irregular appointment of staff – Rs.3.239 million	HR/Employees related irregularities
9	Irregular expenditure on Foreign/Inland Training Course – Rs.1.671 million	Other
10	Irregular expenditure by splitting up to avoid tender - Rs.5.480 million	Procurement related irregularities
11	Irregular expenditure on advertisement through Television Commercial & SMS campaign (TVC) – Rs.3.982 million	Other
12	Non-deduction of various taxes – Rs.4.362 million	Other
13	Loss to Government due to stolen vehicle – Rs.0.773 million	Other
<b>26</b>	<b>Livestock &amp; Fisheries Department</b>	
1	Irregular award of works without execution of contract agreements-Rs213.815 million	Procurement related irregularities
2	Non-accountal/consumption of procured items in the stock register-Rs121.415 million	Procurement related irregularities
3	Irregular expenditure on account of POL-Rs11.158 million	Procurement related irregularities
4	Irregular procurement of poultry feed without certificate of nutrition –Rs8.253 million	Procurement related irregularities
5	Expenditures on account of TA/DA without codal formality-Rs7.233 million	Procurement related irregularities
6	Irregular payment of electrical work without obtaining required electrical license-Rs6.719 million	Procurement related irregularities
7	Transgression of financial powers –Rs4.017 million	Procurement related irregularities
8	Unjustified payments to a single supplier for whole year purchases-Rs2.937 million	Procurement related irregularities
9	Non-utilization of funds under head “Third Party Monitoring” – Rs40.720 million	Other
10	Non-deposit of annual tax of vehicles-Rs0.328 million	Other
11	Non-insurance/registration of official vehicle-	Other
12	Fake payment against vehicles GS-4244 – Rs.0.164 million	Other
13	Irregular expenditure on account of salary without sanctioned strength – Rs.2.389 million	HR/Employees related irregularities
14	Irregular payment of salaries of contractual employees – Rs.1.160 million	HR/Employees related irregularities
15	Irregular expenditure on development scheme – Rs.4.917 million	Other
16	Non-adjustment of account of grant – Rs.3.848 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
17	Irregular expenditure on purchase of medical gases – Rs.3.776million	Other
18	Irregular expenditure on account of stationery and printing articles – Rs.3.371 million	Other
19	Less deduction of security deposit – Rs.2.420 million	Other
20	Non-deposit of receipt into government account – Rs.0.999 million	Other
21	Non-establishment of Demand Driven Fund – Rs.417.380 million	Other
22	Un-justified realization of receipts/income – Rs.0.549 million	Other
23	Non-hoisting of bid evaluation report & contract agreement – Rs.131.312 million	Procurement related irregularities
24	Irregular expenditure on purchase of medicines and machinery without inspection & delivery challan – Rs.78.947 million	Procurement related irregularities
25	Purchase of vehicles during ban period –Rs.29.183 million	Procurement related irregularities
26	Irregular expenditure – Rs.21.179 million	Other
27	Purchase of medicines without drug testing laboratory report – Rs.17.735 million	Procurement related irregularities
28	Unauthorized coverage of insurance from other than government owned insurance companies – Rs.2.393 million	Other
29	Un-authorized allotment of vehicles and issuance of POL to unauthorized vehicles – Rs.1.417 million	Other
30	Blockage of government money – Rs.40.104 million	Other
31	Short recovery of milk and crop revenue – Rs.0.928 million	Other
32	Non-achievement of targets	Other
33	Non-invitation of open tenders – Rs.75.897 million	Procurement related irregularities
34	Irregular expenditure on repair of vehicles – Rs.7.462 million	Other
35	Irregular expenditure on purchase of machinery & equipment– Rs.33.623 million	Procurement related irregularities
36	Non-deduction of various Taxes – Rs.22.869 million	Other
37	Non-deduction of Sindh Sales Tax – Rs.0.886 million	Other
38	Variance of figures between releasing authorities and department – Rs.79.504 million	Other
39	Non-obtaining of performance security – Rs.13.788 million	Other
40	Non- obtaining of stamp duty on greement – Rs.0.160 million	Other
<b>27</b>	<b>Mines &amp; Minerals Development Department</b>	
1	Irregular payment through DDO account-Rs0.138 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
2	Irregular payment of salary to official on deputation - Rs0.136 million	HR/Employees related irregularities
3	Unjustified delay in completion of ADP scheme as per PC-I – Rs.22.827 million	Other
4	Less/Non-deduction of various taxes - Rs.7.174 million	Other
5	Non-deduction of Income Tax – Rs.6.950 million	Other
<b>28</b>	<b>Organ of State</b>	
1	Un-justified payment of inadmissible allowances to officers & staff – Rs0.034 million	HR/Employees related irregularities
2	Un-justified appointment and deputation of Protocol Officer BS-17	HR/Employees related irregularities
3	Un-justified payment of inadmissible allowances to officers & staff – Rs0.306 million	HR/Employees related irregularities
4	Non-recovery of stamp duty from suppliers Rs0.072 million	Other
5	Irregular payment of Arrears /Adjustment/ Difference of Pay & Allowance – Rs17.215 million	HR/Employees related irregularities
6	Irregular payment through DDO account – Rs0.292million	Other
7	Un-justified payment of inadmissible allowances to officers & staff - Rs0.202 million	HR/Employees related irregularities
8	Undue favour to contractor due to non-obtaining of revised Bank guarantee - Rs.10.00 million	Other
9	Non-hiring of Consultant for work costing - Rs.198.661 million	Other
10	Irregular allotment of government accommodation without entitlement	HR/Employees related irregularities
11	Non-compliance of Government directives for verification of qualification degrees / credentials of employees	Other
12	Non-production of auditable record (voted) - Rs.0.711 million	Other
13	Unjustified payment of honorarium – Rs.42.391 million	Other
14	Irregular expenditure incurred under various heads of accounts - Rs.11.861 million	Other
15	Irregular expenditure on repairs - Rs.15.636 million	Other
16	Non-framing of contract agreement on account of POL - Rs.52.001 million	Other
17	Un-justified payment to contractor without preparation of drawing / design - Rs.3,709.274 million	Other
18	Un-justified increase in pay package of contractual staff - Rs.1.857million	HR/Employees related irregularities
19	Un-necessary purchase of vehicles – Rs.13.963 million	Other
20	Split-up of expenditure to avoid open tenders - Rs.1.437 million	Procurement related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
21	Blockage of money due to non utilization of material - Rs.0.820 million	Other
22	Irregular allotment of Government vehicle beyond entitlement to officers	Other
23	Non-invitation of open tender and short deduction of Income tax - Rs.0.770 million	Procurement related irregularities
24	Un-authorized cash withdrawal from bank account – Rs.0.444 million	Other
25	Irregular expenditure without Soil testing Report -Rs.4,157.297 million	Other
26	Irregular award of work without Integrity Pact - Rs.154.168 million	Other
27	Irregular payment of Honorarium to contractual staff - Rs.2.280 million	Other
28	Irregular / unjustified expenditure incurred on development scheme - Rs.26.837 million	Procurement related irregularities
29	Splitting-up of expenditure to avoid tenders – Rs.1.115 million	Procurement related irregularities
<b>29</b>	<b>Planning &amp; Development Department</b>	
1	Un-authorized and undue favour extended in appointment - Rs3.150 million	HR/Employees related irregularities
2	Irregular award of work, without hosting the Bid evaluation report and contract agreement on the web site of Rs2,665.804 million	Procurement related irregularities
3	Irregular purchase on account of others Rs146.259 million	Procurement related irregularities
4	Irregular award of electrical work without obtaining required electrical license- Rs123.127 million	Procurement related irregularities
5	Doubtful payment made through transfers instead of issuance clearing cheques-Rs17.352 million	Other
6	Irregular expenditure on transportation of goods Rs6.344 million.	Other
7	Non-insurance of program vehicles worth millions of rupees	Other
8	Annual physical verification of stock / stores not conducted	Other
9	Irregular payment of retention money to contractor – Rs2.273 million	Procurement related irregularities
10	Un-authorize payments made to various contractors/ consultants-Rs.2142.127	Procurement related irregularities
11	Irregular procurement – Rs50.451 million	Procurement related irregularities
12	Irregular procurement of items against the component (Furniture/Fire Extinguisher) – Rs6.086 million	Procurement related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
13	Irregular payment and revert back of funds-Rs81.362 million	Other
14	Unjustified drawl of salaries of MOs & Director Monitoring - Rs.10.675 million	HR/Employees related irregularities
15	Non-appointment of the important posts of the project	HR/Employees related irregularities
16	Contracts not awarded to lowest bidder - Rs.246.724 million	Other
17	Inordinate delay in award of contract – Rs.188.617 million	Other
18	Irregular purchase of safe delivery kits - Rs.160.999 million	Procurement related irregularities
19	Miss-procurement on account of selection of CSOs - Rs.137.87 million	Procurement related irregularities
20	Irregular procurement of software and hardware and unjustified supervision – Rs.99.024 million	Procurement related irregularities
21	Non-validation of expired bank guarantees/pay orders of performance security – Rs.16.138 million	Other
22	Less recovery of un-utilized balance from CSOs - Rs.0.200 million	Other
23	Irregular payment without supporting vouchers – Rs.263.734 million	Other
24	Irregular expenditure on conference / seminars / fair & exhibition - Rs.41.235 million	Other
25	Non-achievement of targets/objectives – Rs.1,464.434 million	Other
26	Unauthorized allotment of more than one vehicle and non-recovery of POL drawn	Other
27	Irregular posting of Project Director due to working on additional charge	HR/Employees related irregularities
28	Non-placement of funds into Sindh Bank by CSO – Rs.1,136.79 million	Other
29	Loss to Govt. due to non-charging of interest on Community Investment Funds (CIF) - Rs.72.184 million	Other
30	Unjustified expenditure on account of Community Investment Funds –Rs.330.937 million	Other
31	Undue favor to contractors due to non-obtaining of Performance Guarantee from CSO - Rs.317.554 million	Other
32	Irregular payment of consultancy service - Rs.50.220 million	Other
33	Unjustified withholding of payments – Rs.55.586 million	Other
34	Irregular payment of honorarium - Rs.3.365 million	HR/Employees related irregularities
<b>30</b>	<b>Population Welfare Department</b>	
1	Irregular payment on account of services rendered – Rs.34.311 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
2	Irregular expenditure on rent of building – Rs.62.796 million	Other
3	Un-justified expenditure on Medical Re-imburement – Rs.1.981 million	Other
4	Irregular expenditure without provision in PC-I – Rs.2.799 million	Other
5	Non-recovery of government vehicles – Rs.2.000 million	Other
6	Irregular expenditure on feeding charges – Rs.1.797 million	Other
7	Irregular payment through DDO account – Rs.1.383 million	Other
8	Excess expenditure over and above the prescribed ceiling of POL – Rs.1.277 million	Other
9	Non-invitation of open tender – Rs.7.163 million	Procurement related irregularities
10	Non-recovery of stamp duty – Rs.0.130 million	Other
<b>31</b>	<b>Services &amp; General Administration &amp; Co-ordination Department</b>	
1	Irregular appointment of other province's employees-Rs1.577 million	HR/Employees related irregularities
2	Doubtful expenditure on purchase of POL -Rs0.645 million	Other
3	Irregular expenditure on off-road vehicles -Rs0.538 million	Other
4	Excess payment due to wrong calculation -Rs0.165 million	Other
5	Non/Improper maintenance of record – Rs.723.199 million	Other
6	Abnormal delay in execution of works – Rs.525.025 million	Other
7	Un-authorized payments to the idle staff/surplus staff – Rs.49.658 million	HR/Employees related irregularities
8	Irregular payment of arrears/adjustment of pay & allowances – Rs.19.730 million	HR/Employees related irregularities
9	Irregular expenditure on contingent paid/contract staff – Rs.12.995 million	HR/Employees related irregularities
10	Irregular expenditure without preparation & hoisting of procurement plan – Rs.117.741 million	Procurement related irregularities
11	Irregular expenditure on POL – Rs.110.862 million	Other
12	Non-accountal of store articles – Rs.80.398 million	Other
13	Irregular expenditure on stationery and printing articles – Rs.13.803 million	Other
14	Wasteful expenditure on service contract agreement – Rs.10.277 million	Other
15	Irregular payment without check measurement – Rs.9.900 million	Other
16	Irregular expenditure on head of account others – Rs.5.000 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
17	Irregular expenditure by transgression of financial powers – Rs.7.489 million	Other
18	Irregular payment of previous years liability – Rs.2.580 million	Other
19	Irregular expenditure on payment of medical charges – Rs.3.447 million	Other
20	Payment on reduced rates – Rs.3.018 million	Other
21	Unjustified expenditure from POL charges – Rs.1.211 million	Other
22	Doubtful payment on hiring of machinery – Rs.3.112 million	Other
23	Un-authorized appointment of consultant – Rs.2.147 million	HR/Employees related irregularities
24	Irregular procurement without agreement – Rs.153.723 million and non-recovery of stamp duty – Rs.0.505 million	Other
25	Irregular expenditure on repair – Rs.105.272 million	Other
26	Non-obtaining of performance security – Rs.39.610 million	Other
27	Unjustified expenditure on anti-encroachment activities – Rs.2.496 million	Other
28	Irregular expenditure on the event of Urs at Bhitshah – Rs.2.205 million	Other
29	Irregular expenditure on various campaign – Rs.2.047 million	Other
30	Un-justified expenditure on dewatering of rainwater – Rs.1.077 million	Other
31	Variation in figures of expenditure – Rs.36.497 million	Other
32	Un-justified payments on account of "International Training" – Rs.26.176 million	Other
33	Irregular expenditure on proscribed organizations – Rs.25.669 million	Other
34	Irregular payment against POL without entitlement/beyond ceiling – Rs.5.580 million	Other
35	Non-utilization of human & machinery resources – Rs.3.882 million	Other
36	Doubtful expenditure on missing articles – Rs.7.603 million	Other
37	Doubtful payment on fixing of barriers – Rs.3.220 million	Other
38	Doubtful expenditure on arrangement for campaigns/events – Rs.2.358 million	Other
39	Doubtful payment on account of preparation of urban flood – Rs.1.996 million	Other
40	Doubtful expenditure on purchase of POL – Rs.1.149 million	Other
41	Irregular expenditure on house for abandoned women – Rs.5.041 million	Other
42	Irregular expenditure on merit scholarships – Rs.9.894 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
43	Non-adjustment of advances – Rs.1.500 million	Other
44	Mis-procurement of Operation & Maintenance Services – Rs.42.734 million	Procurement related irregularities
45	Irregular expenditure on construction of safe house – Rs.4.485 million	Other
46	Non-recovery/adjustment of secured advance – Rs.17.932 million	Other
<b>32</b>	<b>Sindh Revenue Board</b>	
1	Registration of tax payer without having complete information required for the purpose of registration-	Other
2	Unjustified expenditure without supporting vouchers – Rs.2.081 million	Other
3	Un-justified payment of arrears to various employees – Rs.4.329 million	HR/Employees related irregularities
4	Non-verification of credentials / degrees of newly appointed employees	HR/Employees related irregularities
5	Failure to declare taxable services & deposit withholding SST thereon – Rs.66.764 million	Other
6	Withholding of Sales Tax by service provider of services received by itself without clarification – Rs.50.633 million	Other
7	Balance carried forward instead of refund to registered person at the end of financial year – Rs.5.710 million	Other
8	Non-recovery of Sindh Sales Tax on Services of Law charges – Rs.3.059 million	Other
9	Loss to govt. due to non-invitation of open tender – Rs.1.398 million	Procurement related irregularities
10	Unjustified payment of security services on higher rates – Rs.1.032 million	Other
11	Non-deduction of Income Tax & SST withholding – Rs.0.717 million	Other
12	Non-deduction of Sindh Sales Tax on services – Rs.0.413 million	Other
13	Expenditure incurred without preparation of budget of the SRB and its approval from Finance Department – Rs.941.075 million	Other
<b>33</b>	<b>Social Welfare Department</b>	
1	Irregular expenditure on account of repair and maintenance – Rs.3.302 million	Other
2	Non-utilization of funds - Rs.18.848 million	Other
3	Irregular expenditure by way of splitting up – Rs.2.167 million	Other
4	Irregular payments through DDO account – Rs.1.927 million	Other
5	Irregular payment of Grant-in-Aid – Rs.33.005 million	Other



<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
6	Non-deduction of Government Taxes – Rs.0.079 million	Other
7	Non-production of auditable record – Rs.8.288 million	Other
8	Irregular payment of in-admissible allowances – Rs.0.919 million	HR/Employees related irregularities
9	Irregular expenditure on Conference/Seminar/Fair Exhibition – Rs.5.012million	Other
<b>34</b>	<b>Sports &amp; Youth Affairs Department</b>	
1	Irregular expenditure incurred due to non-imposition of liquidated damages - Rs.2.142 million	Other
2	Difference between closing balances of cash book and bank account statement-Rs.1.837 million	Other
3	Irregular payment of grants-in-aid to Pakistan hockey federation (PHF) – Rs.75.00 million	Other
<b>35</b>	<b>Transport &amp; Mass Transit Department</b>	
1	Irregular expenditure on purchase of various articles – Rs1.511 million	Procurement related irregularities
2	Irregular withholding of 1/5 <sup>th</sup> of SST - Rs1.442 million	Other
3	Irregular expenditure on repair of transport, furniture & machinery – Rs0.573 million	Other
4	Irregular expenditure on account of TA/DA – Rs0.432 million	Other
5	Irregular expenditure on other offices – Rs 0.188 million	Other
6	Non-reconciliation of receipt & expenditure – Rs65.975 million	Other
7	Non-utilization of released funds – Rs.35.411 million	Other
8	Short-deposit of revenue receipts – Rs.0.124 million	Other
9	Irregular award of contract – Rs.187.683 million	Other
10	Non-insurance of government vehicles	Other
11	Non-obtaining of performance security – Rs.39.610 million	Other
12	Non/Irregular appointment of staff - Rs.23.160 million	HR/Employees related irregularities
13	Non-payment of Third-Party Monitoring (TPM) charges – Rs4.727 million	Other
14	Inadmissible payment of conveyance allowances – Rs0.275 million	HR/Employees related irregularities
15	Non-achievement of targets of the project	Other
16	Irregular execution of extra items of work – Rs.27.559 million	Other
17	Non-recovery of stamp duty - Rs1.322 million	Other
<b>36</b>	<b>Universities &amp; Boards</b>	

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
1	Irregular payment of stipend to trainees-Rs.1.285 million	HR/Employees related irregularities
2	Award of contract without obtaining performance security - Rs. 8.625 million	Procurement related irregularities
3	Irregular procurement of furniture - Rs. 1.038 million	Procurement related irregularities
4	Unjustified investment in National Saving Certificates - Rs. 57.909 million	Procurement related irregularities
5	Unjustified deposit of funds into Sindh Bank PLS Accounts subjected to withholding of tax - Rs. 281.716 million	Other
6	Unauthorized payment on account of Eid Bonus to employees - Rs. 17.007 million	HR/Employees related irregularities
7	Unjustified expenditure on account of special allowance - Rs. 5.126 million	HR/Employees related irregularities
8	Non-deposit of endowment funds in Govt. securities/ commercial banks - Rs. 5.00 million	Other
9	Irregular withdrawal of advance salary - Rs. 4.880 million	HR/Employees related irregularities
10	Loss due to payment of salary to idle Project Director - Rs. 3.694 million	HR/Employees related irregularities
11	Excess drawl of POL than ceiling - Rs. 0.645 million	Other
12	Wasteful expenditure due to purchase of smart phones - Rs. 0.223 million	Procurement related irregularities
13	Irregular expenditure on POL in excess of ceiling - Rs. 0.397 million	Other
14	Doubtful payment of TA/DA to VC - Rs. 0.082 million	Other
15	Loss to University on lease of University Busses with Drivers and Staff.	Other
16	Non-maintenance of cash book	Other
17	Misclassification of expenditure - Rs. 641.334 million	Other
18	Un-authorized excess expenditure incurred over budget - Rs.1,690.579 million	Other
19	Non-conducting of annual periodic inspection & monitoring by HEC -Rs.281.714 million	Other
20	Irregular finalization of work without preparation of work completion report - Rs. 276.649 million	Other
21	Non-approval of Budget & expenditure - Rs. 269.644 million	Other
22	Non-furnishing information of various works to National Accountability Bureau - Rs. 264.553 million	Other
23	Unauthorized Payment Made Without Pre-Audit by Divisional Accounts Officer - Rs. 222.905 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
24	Un-authorized payment on account of leave encashment - Rs. 166.936 million	HR/Employees related irregularities
25	Irregular expenditure on account of POL - Rs. 108.333 million	Other
26	Non-maintenance of consumption accounts –Rs. 147.359 million	Other
27	Non-maintenance of record /Registers - Rs. 52.162 million	Other
28	Unjustified payment of arrear claims - Rs. 47.575 million	HR/Employees related irregularities
29	Irregular purchase of vehicles during ban period - Rs. 23.498 million	Other
30	Un-authorized purchase of Transport - Rs. 21.290 million	Other
31	Irregular expenditure without adopting due process of re-appropriation - Rs.17.270 million	Other
32	Unjustified payment of salaries to Chowkidars - Rs. 8.874 million	HR/Employees related irregularities
33	Irregular creation of liabilities - Rs. 13.188 million	Other
34	Irregular expenditure on repair of building - Rs. 10.599 million	Other
35	Non-updating of University rules/ regulation & procedures.	Other
36	Irregular appropriation of receipts toward expenditure without provision - Rs. 6.313 million	Other
37	Irregular expenditure on POL charges - Rs. 5.132 million	Other
38	Non-depositing of pay orders against performance security - Rs. 5.000 million	Procurement related irregularities
39	Favoritism due to non-confirmation of genuineness of performance security - Rs. 4.388 million	Procurement related irregularities
40	Irregular payment of advances without budgetary provisions - Rs. 4.326 million	Other
41	Unjustified payment to Aga Khan Lab on account of conducting tests - Rs. 0.450 million	Other
42	Non-compliance of Board decisions and Non-achieving of milestones / targets	Other
43	Non-payment of Third Party Monitoring (TPM) Charges to P&D department - Rs. 2.646 million	Other
44	Irregular expenditure on account of “Travelling Allowance” - Rs. 2.445 million	Other
45	Irregular expenditure under the head of account “Traveling Allowance” -Rs 2.285 million	Other
46	Doubtful expenditure under the head (To - Others) - Rs. 0.983 million	Other
47	Less deduction of security deposit from contractors’ bills - Rs. 18.118 million	Procurement related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
48	Irregular expenditure on non-scheduled - Rs. 0.865 million	Other
49	Undue favor extended to media person for allowing on foreign tour - Rs. 0.289 million	Other
50	Irregular payment through DDO account-Rs.0.194 million	Other
51	Unjustified expenditure on TA/DA of former-Vice -Chancellor out of SZABUL fund - Rs.0.134 million	Other
52	Unjustified crediting of government taxes into improper jurisdiction	Other
53	Unjustified sanction of millions of funds through grant-in-aid to University	Other
54	Non-constitution of faculty boards	Other
55	Non-compliance of directives prescribed in admission policy, rules and regulations	Other
56	Unauthorized appointment of private person as head of Investment Committee of University	Other
57	Irregular allocation of seats for Balochistan Province	Other
58	Non- verification of income tax challans from Treasury / DAO - Rs. 2.887 million	Other
59	Unjustified approval of training cost budget - Rs. 479.000 million	Other
60	Undue favor to ex-VC for sale of university vehicle without auction - Rs. 2.513 million	Other
61	Irregular payment without obtaining NOC for affiliation - Rs. 1.500 million	Other
62	Unjustified availability of eight vehicles for pool & protocol	Other
63	Non-appointments on key positions	HR/Employees related irregularities
64	Unjustified award of dual charge and extensions in adhoc appointments	Other
65	Un-justified pre-qualification for simple construction works - Rs.229.787 million	Other
66	Unauthorized expenditure without pre-audit – Rs.2,648.053 million	Other
67	Irregular hiring of security services -Rs.320.722 million	Other
68	Non-conducting of performance appraisal & internal audit of the QUEST – Rs.300.00 million	Other
69	Non-affiliation of higher education colleges/institution with SZABUL – Rs.281.715 million	Other
70	Irregular payment without testing report – Rs.279.558 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
71	Unjustified award of Phase XI trainings to Project Management Unit (PMUs) without ensuring employment to 20% trained graduates - Rs.263.271 million	Other
72	Unjustified collection of unnecessary fees – Rs.258.717 million	Other
73	Irregular expenditure incurred on previous years' liability – Rs.193.222 million	Other
74	Irregular purchase of medicine without drug testing laboratory reports – Rs.192.160 million	Other
75	Non-verification of eligibility of trainees - Rs.139.155 million	Other
76	Unjustified/Wasteful release of special grant - Rs.100.00 million	Other
77	Unauthorized execution of electrical works through unregistered contractors -Rs.74.427 million	Other
78	Un-justified collection of enrolment fees – Rs.40.791 million	Other
79	Unjustified receipt of fees of prospectus/admission forms from students – Rs.38.860 million	Other
80	Irregular payment to contractor – Rs.21.311 million	Other
81	Un-authorized utilization of funds without re-validation - Rs.6.477 million	Other
82	Un-justified expenditure on utilities of another office/institute- Rs.6.423 million	Other
83	Irregular advance payment on account of purchase of equipment – Rs.4.578 million	Other
84	Non-validation of expired performance security – Rs.3.548 million	Other
85	Irregular hiring of legal consultants – Rs.2.763 million	Other
86	Non-obtaining of approval of specification from Standing Rate Committee – Rs.2.573 million	Other
87	Irregular expenditure incurred on account of convocation expenses - Rs.2.053 million	Other
88	Unauthorized payment of scholarship fee to self-finance scheme students – Rs.1.800 million	Other
89	Excess payment to contractors – Rs.1.713 million	Other
90	Unjustified excess expenditure on account of Administrative cost - Rs1.443 million	Other
91	Doubtful payment on account of animal feeding – Rs.1.362 million	Other
92	Doubtful payment of POL – Rs.1.302 million	Other
93	Non-payment of stipends to trainees – Rs.1.025 million	Other
94	Missing of Government vehicle - Rs.1.600 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
95	Concealment of various bank accounts from Annual Accounts of NEDUET	Other
96	Unjustified payment against “remuneration to part time teachers/visiting faculty” – Rs.34.426 million	Other
97	Irregular posting of Registrar, Controller Exam & Resident Auditor – Rs32.217 million	HR/Employees related irregularities
98	Irregular payment of loans to employees – Rs.14.018 million	HR/Employees related irregularities
99	Unjustified holding of various posts – Rs.10.387 million	HR/Employees related irregularities
100	Irregular appointment of Director IT without competitive process – Rs.4.489 million	HR/Employees related irregularities
101	Irregular appointment of Associate Professor Law (BPS-20) – Rs.1.723 million	HR/Employees related irregularities
102	Excess payment of leave encashment – Rs.1.137 million	HR/Employees related irregularities
103	Irregular re-employment of retired Professor BPS-20 - Rs.1.067 million	HR/Employees related irregularities
104	Unauthorized appointment/posting of non-cadre officials to cadre posts	HR/Employees related irregularities
105	Non-implementation of directive of Advisory Committee for contract staff as regularized and up-gradation of posts	Other
106	Irregular release of Grant-in-Aid to various Universities – Rs.2,448.002 million	Other
107	Irregular sanction of Grant-in-Aid to various Universities – Rs.1,642.481 million	Other
108	Excess execution of items of work – Rs.626.845 million	Other
109	Non-imposition of penalty for the delayed work - Rs.218.911 million	Other
110	Non-execution of works - Rs.120.629 million	Other
111	Unauthorized excess expenditure over PC-1 provisions - Rs.72.134 million	Other
112	Irregular hiring of transport services - Rs.42.331 million	Other
113	Doubtful payment of re-imbusement to suppliers & employees - Rs.27.991 million	Other
114	Wasteful expenditure against construction of additional infrastructure work -Rs.25.309 million	Other
115	Irregular payment of secured advance – Rs.21.547 million	Other
116	Un-authorized execution of extra items of works – Rs.16.146 million	Other
117	Doubtful expenditure on various head of accounts – Rs.15.471 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
118	Purchase of luxurious items during ban period – Rs.4.787 million	Procurement related irregularities
119	Unjustified excess booking of expenditure than actual expenditure – Rs.4.674 million	Other
120	Irregular payment of merit scholarship to private institute - Rs.4.405 million	Other
121	Unjustified expenditure incurred on visits abroad by University delegations – Rs.3.255 million	Other
122	Unjustified payment of honorarium to Vice Chancellor – Rs.1.0 million	HR/Employees related irregularities
123	Non-qualification of HEC criteria/ineligibility of SZABUL to be chartered as a “University”	Other
124	Allocation of seat for self-finance foreign national candidate without required formalities	Other
125	Loss due to payment of Withholding Tax on cash transactions – Rs.11.067 million	Other
126	Irregular appointment of Consultants without competitive process - Rs.11.543 million	HR/Employees related irregularities
127	Loss due to non-deduction of house maintenance charges – Rs.2.778 million	Other
128	Irregular appointment of Director Procurement Cell & Deputy Registrar	HR/Employees related irregularities
129	Loss due to award of contract at higher rates - Rs.236.292 million	Procurement related irregularities
130	Mis-procurement on award of various contracts - Rs.208.982 million	Procurement related irregularities
131	Irregular award of contract to 2nd lowest bidder - Rs.1.00 million	Procurement related irregularities
132	Irregular hiring of transport services - Rs.135.083 million	Other
133	Non-returning of Ph.D. Scholars - Rs.17.907 million	Other
134	Irregular payments to Controller Examinations for conducting of exams – Rs.16.349 million	Other
135	Un-authorized allotment of vehicles and POL without entitlement – Rs.12.588 million	Other
136	Irregular payment of advances to the employees – Rs.10.188 million	Other
137	Un-authorized payment of work without provision in estimate - Rs.6.202 million	Other
138	Short reporting of figure in financial statement – Rs.2.879 million	Other
139	Irregular payment to SEPCO from MUET SZAB Scholarship Account – Rs.2.132 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
<b>37</b>	<b>Women Development Department</b>	
1	Irregular payment on account of liability from current year's budget-Rs0.286 million	HR/Employees related irregularities
2	Irregular expenditure on account of repair and maintenance-Rs0.767 million	Other
3	Excess consumption of POL over and above the ceiling and non-maintenance of log books – Rs1.344 million	Other
4	Non-production of auditable record	Other
5	Irregular expenditure incurred by way of split up – Rs.0.951 million	Other
6	Irregular payment to committee for welfare of prisoners – Rs.25.00 million	Other
7	Un-authorized retention of government vehicles – Rs.16.550 million	Other
<b>38</b>	<b>Works &amp; Services Department</b>	
1	Non-maintenance of contractor ledgers and other registers - Rs4468.269 million	Other
2	Unjustified expenditure for late payment surcharge on utility bills Rs0.762 million	Other
3	Non-deduction of voids –Rs0.460 million	Other
4	Unjustified expenditure on invitation of tenders for civil works Rs0.411 million	Procurement related irregularities
5	Non-recovery of government dues Rs0.086 million	Other
6	Unauthorized change in date of birth of Government employees	HR/Employees related irregularities
7	Non-appointment of independent Project Director	HR/Employees related irregularities
8	Un-authorized retention and mis-use of government vehicles	Other
9	Creation of Sub-Divisions without government sanction	Other
10	Exchange of charge without memorandum	Other
11	Doubtful expenditure on purchase of various articles and repairs – Rs.13.938 million	Other
12	Non-constitution of separate enquiry committee for illegal awarding of tender and illegal payment to contractor	Other
13	Wasteful expenditure on salaries without utilizing services – Rs.4.734 million	Other
14	Irregularities noticed in tendering of works – Rs.7,202.228 million	Procurement related irregularities
15	Irregular expenditure without execution of contract agreements – Rs.1,961.563 million	Other



<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
16	Irregular expenditure on works by splitting up – Rs.1,015.176 million	Procurement related irregularities
17	Non recovery of shrinkage allowance – Rs.15.119 million	Other
18	Irregular payment without check measurement – Rs.3,222.743 million	Other
19	Payment on reduced rates – Rs.1,386.918 million	Other
20	Irregular payment on items of works without requiring test report – Rs.1,361.900 million	Other
21	Un-authorized final payment to contractors for work in progress –Rs.1,196.013million	Other
22	Payments without authorization of competent authority – Rs.542.822 million	Other
23	Irregular approval without detail estimates on various M&R works- Rs.488.977 million	Other
24	Unauthorized creating liabilities for the next financial year – Rs.454.918 million	Other
25	Variation between balances of books and accounts statement – Rs.351.740 million	Other
26	Unjustified payment against defective item of work – Rs.198.014 million	Other
27	Unauthorized payment on extra lead – Rs.65.841 million	Other
28	Unjustified expenditure on Electric Sub-Station – Rs.26.779 million	Other
29	Unauthorized clearance of liability without approval of Finance Department – Rs.12.975 million	Other
30	Irregular expenditure on repair works under ADP schemes – Rs.10.988 million	Other
31	Irregular release of payment without budgetary provision – Rs.10.468 million	Other
32	Un-justified expenditure on consultancy services – Rs.10.00 million	Other
33	Undue favor to contractor on account of engineer facilities – Rs.9.995 million	Other
34	Un-authorized appointment of contingent paid staff – Rs.4.860 million	HR/Employees related irregularities
35	Irregular transfer of funds – Rs.3.569 million	Other
36	Execution of work without provision in estimate – Rs.2.122 million	Other
37	Unjustified inclusion of excavation of foundation of buildings item without utilization-Rs.1.147 million	Other
38	Irregular payment of arrears/adjustment of pay & allowances – Rs.19.015 million	HR/Employees related irregularities

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
39	Non recovery of water & electricity charges –Rs.19.571 million	Other
40	Recovery of unauthorized refund of security deposit after expiry of period – Rs.13.206 million	Other
41	Recovery of outstanding amount of work done – Rs.4.467 million	Other
42	Defective preparation of estimates – Rs.6,225.951 million	Other
43	Non-furnishing of information regarding execution of works to NAB – Rs.2,895.998 million	Other
44	Non-imposition of penalty on delayed execution of works – Rs.1,606.949 million	Other
45	Irregular expenditure without approval of Standing Rates Committee – Rs.1,029.139 million	Other
46	Irregular expenditure without technical sanction – Rs.762.671 million	Other
47	Unjustified increase in original quantities of estimates - Rs.555.827million.	Other
48	Irregular refund of security deposit – Rs.548.307 million	Other
49	Expenditure beyond operational jurisdiction – Rs.298.290 million	Other
50	Execution of earth work through contractors instead of Mechanical Division – Rs.238.699 million	Other
51	Excess execution of items of work-Rs.202.406 million	Other
52	Unjustified expenditure under the M & R – Rs.201.646 million	Other
53	Irregular payment of secured advance – Rs.198.219 million	Other
54	Excess expenditure from Government of Sindh share – Rs.185.327 million	Other
55	Execution of work over & above the estimated cost – Rs.183.380 million	Other
56	Irregular payment of escalation charges – Rs.163.655 million	Other
57	Irregular payments for third party monitoring – Rs.136.943 million	Other
58	Irregular expenditure incurred on CC paver blocks – Rs.132.110 million	Other
59	Un-justified payment on account of bitumen – Rs.95.670 million	Other
60	Execution of schemes without feasibility study (PC-II)– Rs.78.158 million	Other
61	Irregular expenditure without physical & technical inspection – Rs.65.063 million	Other
62	Un-justified expenditure without provision of budget / releases –Rs.39.956 million	Other

<b>Sr. #</b>	<b>Name of Department &amp; Observation</b>	<b>Nature of Irregularity</b>
63	Unjustified accord of technical sanction during COVID-19 pandemic - Rs.30.565 million	Other
64	Irregular expenditure on acquisition of land- Rs.24.316 million	Other
65	Unauthorized sanction of scheme/items of works beyond financial power – Rs.23.885 million	Other
66	Un-justified expenditure without release, allocation & approved cost – Rs.4.312 million	Other
67	Irregular payment to DAO Hyderabad on account of Pension contribution – Rs.2.324 million	Other
68	Less deduction of performance security deposit – Rs.699.457 million	Other
69	Irregular payment of mobilization advance – Rs.190.614 million	Other
70	Non/Less execution of items of works – Rs.187.270 million	Other
71	Irregular execution of extra items of works/ non-schedule items- Rs.125.750 million	Other
72	Unjustified payment of honorarium – Rs.13.831 million	HR/Employees related irregularities
73	Un-authorized approval of technical sanctions and award of work through defective estimates – Rs.84.303 million	Other

## ANNEXES OF CHAPTERS

### Chapter-1 Public Financial Management Issues

#### Annex-1

#### 1.5.30 Non-reconciliation of expenditure – Rs.95,772.956 million

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
<b>Auqaf, Religious Affairs &amp; Zakat &amp; Ushr Department</b>				
1	Chief Administrator Auqaf Sindh, Hyderabad	4	2019-20	5.400
<b>Finance Department</b>				
2	DAO, Kambar @ Shahdadkot	1	2018-19	512.825
3	DAO, Kashmore @ Kandhkot	1	2018-19	498.011
4	DAO, Khairpur	1	2018-19	5,814.632
5	DAO, Naushehro Feroze	8	2018-19	145.023
6	DAO, Thatta	11	2018-19	3,398.567
7	DAO, Sanghar	1	2018-19	1,778.308
8	DAO, Mirpurkhas	1	2018-19	1,786.460
9	DAO, Badin	1	2018-19	1,375.168
10	DAO, Jaccobabad	19	2018-19	2,927.453
11	DAO, Umerkot	10	2019-20	1.099
12	DAO, Sanghar	9	2019-20	4,513.437
13	DAO, Dadu	5	2018-19	2,643.181
14	DAO, Tando Allahyar	5	2018-19	452.792
15	DAO, Larkana	11	2018-19	2,041.508
16	DAO, Hyderabad	21	2019-20	44,937.753
<b>Home Department</b>				
17	Assistant Inspector General of Police Telecommunication Sindh, Karachi	19	2018-19	1,938.418
18	SSP Police Training Centre Shahdadpur	6	2018-19	1,669.829
19	SP VVIP Security-II Karachi	21	2018-19	1,622.758
20	Inspector General of Prison Sindh, Hyderabad	9	2018-19	1,588.316
21	Assistant IGP Welfare Sindh, Karachi	12	2017-18	831.559
22	Assistant IGP Welfare Sindh, Karachi	15	to 2019-20	1.162
23	DIGP Information Technology Sindh, Karachi	18	2018-19	569.938
24	SP, Sindh Reserve Police Base-I, Baldiya Karachi	11	2018-19	356.015

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
25	Deputy Superintendent of Police (Sindh Reserve Police MT & Store) Karachi	12	2018-19	306.664
26	SSP Investigation-II Central Karachi	8	2018-19	256.219
27	DIGP Sukkur	18	2018-19	183.686
28	Superintendent District Jail Malir, Karachi	17	2018-19	40.313
29	Secretary Home, Karachi	15	2019-20	11.080
30	Central Prison for Women, Karachi	10	2011-12 to 2018-19	1.588
31	Frontier Constabulary Platoon Sindh, Karachi	6	2019-20	1.042
<b>Irrigation Department</b>				
32	Executive Engineer, Irrigation West Division, Khairpur	12	2018-19	205.314
33	Executive Engineer, Irrigation East Division, Khairpur	10	2019-20	117.835
34	Executive Engineer, BS Feeder Division Kashmore	07 & 08	2018-19	79.140
35	Project Director, Sindh Resilience Project, Karachi	4.1.5	2019-20	69.380
36	Executive Engineer, Tube Well Division No.1, Hala	10	2019-20	31.331
37	Executive Engineer, Chotiari (I) Division Reservoir, Sanghar	11	2018-19	46.315
38	Executive Engineer, Nara Project Division, Sanghar	8	2019-20	33.165
39	Executive Engineer, Kashmore / Kashmore Division Kashmore	10	2018-19	29.260
40	Secretary, Irrigation Department, Karachi	9	2019-20	20.269
41	Executive Engineer, Gudu Barrage Division, Kashmore	18	2018-19	20.261
42	XEN Shahbaz Irrigation Division Sehwan	16	2018-19	19.909
43	Executive Engineer, Gudu Barrage Division Kashmore	15	2018-19	16.224
44	Executive Engineer, Nara Project Division, Sanghar	3	2017-18 to 2019-20	14.040
45	Executive Engineer, North Dadu Drainage Division, Larkana	2	2017-18 to 2019-20	11.979
46	Executive Engineer, Rohri Division, Moro	7	2019-20	10.045
47	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	7	2018-19	9.136
48	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	15	2018-19	9.120
49	Executive Engineer, Hala Irrigation Division Hala @ Hyderabad	6	2018-19	8.444

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
50	Executive Engineer, Drainage Division, Shikarpur	11	2018-19	6.984
51	Executive Engineer, Tube well Division, Ghotki	14	2018-19	6.291
52	Executive Engineer, Treatment Division, Mirpurkhas	5	2019-20	4.800
<b>Services &amp; General Administration &amp; Co-ordination Department</b>				
53	Director Anti Encroachment Karachi	10	2018-19	703.529
		9	2018-19	1.858
54	Secretary, Services, General Administration & Coordination Department, Karachi	13	2019-20	519.764
		16	2019-20	0.928
55	Deputy Commissioner, Shikarpur	7	2019-20	281.768
		2	2019-20	1.072
56	Secretary cum Director, LARMIS, Karachi	28	2018-19	251.043
		30	2018-19	9.040
		23	2018-19	0.560
57	Deputy Commissioner, Kandhkot @ Kashmore	5	2019-20	229.977
58	Deputy Commissioner, Sanghar	35	2019-20	49.735
59	Deputy Commissioner, Tando Allahyar	10	2019-20	32.948
60	Deputy Commissioner, Thatta	8	2019-20	18.439
61	Deputy Commissioner, Sajawal	5	2019-20	15.030
62	Deputy Commissioner, Umerkot	4	2019-20	13.862
63	Deputy Commissioner, Badin	11	2019-20	10.393
		10	2019-20	0.996
64	Deputy Commissioner, Matiari	30	2019-20	9.999
65	Deputy Commissioner, Tharparkar	26	2019-20	1.925
		14	2018-19	0.913
66	Deputy Commissioner, Khairpur	10	2018-19	1.463
		33	2019-20	0.338
67	Deputy Commissioner, Jacobabad	10	2019-20	0.385
<b>Works &amp; Services Department</b>				
68	XEN Building Division, Khairpur	27	2019-20	8.383
		35	2018-19	0.084
69	XEN Building Division, Matiari	8	2019-20	1.615
70	XEN Highway Division, Umerkot	7	2019-20	5.460
71	XEN Provincial Highway Division, Naushahro Feroze @ Khairpur	21	2019-20	9.206
		10	2018-19	79.121
72	XEN District Highway Division, Khairpur	23	2019-20	7.555
73	XEN District Highway Division, Ghotki	7	2018-19	3.647
74	XEN District Highway Division, Shaheed Benazirabad	8	2019-20	65.437

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Amount
75	XEN District Building Division, Shaheed Benazirabad	10	2019-20	3.041
76	XEN District Building Division, Umerkot	4	2019-20	0.612
77	XEN District Highway Division, Naushahro Feroze	6	2019-20	13.597
78	XEN District Building Division, Naushahro Feroze	9	2019-20	1.072
79	XEN Machinery & Maintenance Division, Digri @ Kotdigi	14	2019-20	6.105
		6	2018-19	20.463
80	XEN Provincial Building Division-I, Karachi	65	2019-20	111.151
		90		815.419
		102		15.395
81	XEN Coastal Highway Division, Hyderabad	6	2019-20	143.359
82	XEN Highways Division, Jamshoro	5	2018-19	23.989
83	XEN District Highway Division, Tharparkar @ Mithi	8	2018-19	6.560
84	XEN Provincial Building Division, Mirpurkhas	7	2018-19	81.193
85	XEN Provincial Highway Division, Hyderabad	1	2018-19	97.521
86	XEN Provincial Highway Division, Tharparkar @ Mithi	13	2018-19	6,609.689
87	XEN District Highway Division, Badin	10	2018-19	397.469
88	XEN Provincial Highway Division, Larkana	22	2018-19	93.285
		28		1,424.275
89	XEN Provincial Building Division, Larkana	76	2018-19	97.121
		79		0.383
90	XEN Highway Division, T.M. Khan	11	2018-19	0.490
		4		17.296
91	XEN District Building Division, Hyderabad	21	2018-19	16.998
92	XEN District Building Division, Tharparkar @ Mithi	17	2018-19	24.833
93	XEN District Building Division-I, Karachi	15	2018-19	218.800
94	XEN District Highway Division, Mirpurkhas	36	2018-19	203.476
		33		13.445
<b>Total</b>				<b>95,772.956</b>

**Annex-2**

**1.5.31 Non-reconciliation of receipts – Rs.9,195.184 million**

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
<b>Excise &amp; Taxation Department</b>				
1	Excise & Taxation officer “C” Division Karachi	2018-19	5	189.328
2	Excise & Taxation Officer ‘H-II’ Division Karachi	2018-19	4	145.784
3	Deputy Director professional tax “P-III” Division Karachi	2018-19	3	143.000
4	Excise & Taxation Officer ‘H-1’ Division Karachi	2018-19	4	132.517
5	Excise & Taxation Officer ‘I-1’ Division Karachi	2018-19	5	103.638
6	Excise & Taxation Officer “N” Division, Karachi	2018-19	2	90.948
7	Excise and Taxation officer “K-I” Division Karachi	2018-19	1	80.526
8	Deputy Director Entertainment Wing, Excise and Taxation Karachi	2018-19	1	72.232
9	Excise & Taxation Officer ‘F’ Division Karachi	2018-19	4	65.377
10	Excise and Taxation officer “J-3” Division Karachi	2018-19	6	61.249
11	Excise and Taxation officer “D” Division Karachi	2018-19	1	49.050
12	Deputy Director provincial Excise “West” Division Karachi	2018-19	1	38.740
13	Excise and Taxation officer “K-II” Division Karach	2018-19	2	38.597
14	Excise & Taxation officer “A” Division Karachi	2018-19	2	30.511
15	Excise & Taxation Officer professional tax “P-IV” Division, Karachi	2018-19	6	15.056
<b>Food Department</b>				
16	District Food Controller Ghotki	2018-19	8	7,258.617
17	District Food Controller Tharparkar @Mithi	2018-19	3	634.762
<b>Home Department</b>				
18	DIGP East Zone Karachi	2018-19	16	29.156
19	SP Tharparkar	2018-19	9	16.096
<b>Total</b>				<b>9,195.184</b>



## Annex-3

### 1.5.32 Misclassification of expenditure – Rs.626.326 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
<b>Agriculture Supply &amp; Prices Department</b>				
1	Deputy Director, Agriculture Extension, Kamber-Shahdadkot	2018-19	4	0.178
2	Assistant Director, Cotton Development, Umerkot	2018-19	5	0.069
3	Controller, Weight & Measurement Cell, Karachi	2018-19	17	0.022
<b>Board of Revenue</b>				
4	Director of Settlements Survey & Land Record Sindh Hyderabad	2018-19 & 2019-20	25	1.445
5	Senior Member Board of Revenue, Hyderabad	2018-19 & 2019-20	6	0.172
6	PD, Automation of Stamps & Registration BOR, Karachi	2018-19 & 2019-20	4	1.135
<b>Education &amp; Literacy Department (Colleges)</b>				
7	Principal, Cadet College Ghotki	2019-20	31	0.687
8	Principal, Cadet College Karampur	2019-20	8	1.879
9	Principal, Cadet College Karampur	2019-20	3	0.445
<b>Education &amp; Literacy Department (Schools)</b>				
10	Secretary, School Education, Department Government of Sindh, Karachi	2019-20	12	0.299
<b>Finance Department</b>				
11	Secretary, Finance, Government of Sindh, Karachi	2019-20	4	9.907
12	District Accounts Office, Shikarpur	2018-19	1	3.147
13	District Accounts Office, Jamshoro	2018-19	1	28.636
14	PD, Sindh Public Sector Management Reforms Project, Finance Department, Govt. of Sindh, Karachi	2018-19	4.2.1	0.656
15	District Accounts Office, Hyderabad	2019-20	81	5.273
16	Project Director, Enhancing Public Private Partnership in Pakistan – [Provincial Support] Project in Sindh	2017-18 to 2019-20	4.2.4	0.809
<b>Forest and Wildlife Department</b>				
17	DFO Afforestation Division, Larkana	2019-20	3.3	0.050
18	DFO Social Forestry, Dadu	2019-20	3.3	0.135

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
19	DFO Social Forestry, Naushehro Feroze	2019-20	3.3	0.169
20	DFO Afforestation Division, Tando Muhammad Khan	2019-20	3.3	0.019
<b>Health Department</b>				
21	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2019-20	72	3.715
22	MS CDF Hospital Hyderabad	2019-20	6	0.578
23	MS Taluka Hospital, Kotri	2019-20	11	1.435
24	District Health Officer, Larkana	2019-20	19	0.140
25	District Health Officer, Thatta	2019-20	16	0.586
26	Additional Medical Superintendent Shaheed Mohatarma Benazir Bhutto, Accident Emergency & Trauma Centre, Karachi	2018-19	18	2.075
27	MS Taluka Hospital Samaro District Umarkot	2018-19	6	0.118
28	MS Urban Health Centre 5C-3, North Karachi	2018-19	13	0.950
29	Principal, Nursing School, Jacobabad	2018-19	5	0.456
30	MS Sindh Government Hospital, Saudabad	2018-19	2	0.630
<b>Home Department</b>				
31	SSP, Shikarpur	2018-19	8	0.185
32	DIGP (Traffic) Karachi	2018-19	10	0.139
<b>Investment</b>				
33	Chairman/Secretary, Sindh Board of Investment, Karachi	2018-19 & 2019-20	3, 11 & 11	500.198
<b>Irrigation Department</b>				
34	Executive Engineer, Irrigation East Division, Khairpur	2019-20	8	0.425
35	Executive Engineer, Warah Division Larkana	2019-20	6	0.296
36	Executive Engineer, Drainage Division, Sanghar	2019-20	10	0.199
<b>Livestock &amp; Fisheries Department</b>				
37	Director, Poultry Production Sindh, Karachi	2018-19	32	11.815
38	Deputy Director, Livestock, Umerkot	2018-19	5	4.336
39	DG, Livestock Sindh, Hyderabad	2018-19	4	0.520
40	Director Fisheries Sindh (Inland), Hyderabad	2018-19	5	0.185
<b>Organ of State</b>				

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
41	Provincial Ombudsman (Protection against Harassment of Women at the Work Place), Government of Sindh, Karachi	2019-20	10	0.052
<b>Planning and Development Department</b>				
42	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU, PPRP Karachi) Planning & Development Department, Government of Sindh, Karachi	2018-19	17	0.070
43	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Livestock sector) Karachi	2018-19	4.2.24	2.279
<b>Population Welfare Department</b>				
44	District Population Welfare Officer including RHS-A Centers Larkana	2019-20	1	1.131
<b>Services &amp; General Administration &amp; Co-ordination Department</b>				
45	Deputy Commissioner, West Karachi	2019-20	5	13.293
46	Deputy Commissioner, Naushero Feroze	2019-20	15	2.057
		2019-20	24	0.489
47	Deputy Commissioner, Dadu	2018-19	1	1.600
		2019-20	22	0.400
48	Deputy Commissioner, T.M. Khan	2019-20	38	1.242
49	Deputy Commissioner, Larkana	2019-20	6	1.191
51	Deputy Commissioner, Sukkur	2019-20	23	0.570
52	Deputy Commissioner, South, Karachi	2019-20	10	0.432
53	Managing Director, Sindh Public Procurement Regulatory Authority, Karachi	2019-20	7	0.418
54	Commissioner, Karachi	2019-20	4	0.393
55	Deputy Commissioner, Shaheed Benazirabad	2019-20	38	0.355
		2018-19	2	0.113
56	Deputy Commissioner, East, Karachi	2019-20	7	0.331
57	Deputy Commissioner, Matiari	2019-20	32	0.314
58	Deputy Commissioner, Korangi, Karachi	2019-20	16	0.285
59	Commissioner, Shaheed Benazirabad	2019-20	20	0.201
60	Deputy Commissioner, Qamber @ Shahdadt	2019-20	17	0.158

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
61	Director, Enquiries & Anticorruption Establishment, Karachi	2018-19	9	0.030
62	Deputy Commissioner, Hyderabad	2019-20	20	0.017
<b>Women Development Department</b>				
63	Secretary, Women Development Department	2019-20	15	12.500
<b>Works &amp; Services Department</b>				
64	Secretary Works & Services Department, Karachi	2018-19 & 2019-20	29	1.393
65	XEN Provincial Building Division-I, Karachi	2019-20	87	0.899
<b>Total</b>				<b>626.326</b>

**Annex-4**

**1.5.33 Excess expenditure incurred over & above the budget allocation –  
Rs.538.171 million**

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
<b>Chief Minister Secretariat</b>				
1	Principal Secretary to Chief Minister's Secretariat/House Karachi	2019-20	15	53.643
<b>Excise &amp; Taxation Department</b>				
2	Director Taxes-II Karachi	2018-19	1	2.565
<b>Finance Department</b>				
3	DAO, Khairpur	2018-19	5	6.118
4	DAO, Mirpurkhas	2018-19	15	108.767
5	DAO, Badin	2018-19	13	41.459
6	DAO, Jaccobabad	2018-19	5	56.944
7	DAO, Tando Allahyar	2018-19	2	13.508
<b>Home Department</b>				
8	Principal Police recruit Training Center Khairpur	2017-18 to 2018-19	12	100.706
9	SSP, Khairpur	2018-19	1	25.705
10	Assistant IGP Welfare Sindh, Karachi	2017-18 to 2019-20	17	10.3
11	SSP, Investigation-II, Central, Karachi	2018-19	2	14.013
12	Central Prison for Women, Karachi	2011-12 to 2018-19	6	3.622
13	SP, Investigation-I, West Zone Karachi	2018-19	10	0.181
14	SP VVIP Security-II Karachi	2018-19	22	0.066
<b>Irrigation Department</b>				
15	Executive Engineer, Chotiari Reservoir (I) Division, Sanghar	2018-19	7	30.409
<b>Law, Parliamentary Affairs and Human Rights Department</b>				
16	Criminal Prosecution Services, Karachi	2013-14 to 2018-19	10	53.318
17	Advocate General Sindh Karachi	2019-20	11	1.267
18	Appellate Tribunal Sindh Revenue Board Karachi	2015-16 to 2018-19	11	0.648
<b>Planning &amp; Development Department</b>				
19	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU, PPRP Karachi)	2018-19	19	0.022
			77	14.265
			65	0.645
			<b>Total</b>	<b>538.171</b>

Annex-5

1.5.34 Savings not surrendered in time - Rs.1,783.103 million

(Rs. in million)

Sr .#	Name of Office	AIR Para #	Financial Year	Amount
<b>Chief Minister Secretariat</b>				
1	Principal Secretary to Chief Minister's Secretariat/House Karachi	20	2019-20	20.377
<b>Irrigation Department</b>				
2	Executive Engineer, Drainage Division, Sanghar	2	2019-20	143.410
3	Executive Engineer, RBOD-II, Hyderabad	8	2018-19	59.712
6	Executive Engineer, Johi Division, Dadu	8	2018-19	50.000
5	Executive Engineer, RBOD-I, Sann @ Jamshoro	34	2018-19	24.642
6	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	18	2018-19	15.190
7	Executive Engineer, Drainage Division, Sanghar	15	2018-19	10.268
8	Executive Engineer, Rohri Division, Moro	5	2019-20	1.347
<b>Sindh Revenue Board</b>				
9	Sindh Revenue Board, Karachi	11	2018-19	52.690
<b>Social Welfare Department</b>				
10	Deputy Director Social Welfare District Badin	2	2018-19	8.587
<b>Works &amp; Services Department</b>				
11	XEN Building Division, Khairpur	16	2019-20	134.019
12	XEN Highway Division, Umerkot	9	2019-20	3.487
		5		57.602
13	XEN Building Division, Matiari	9	2019-20	7.206
14	XENI District Highways Division, Khairpur	19	2019-20	22.217
15	XENI Provincial Highways Division, Naushahro Feroze @ Khairpur	12	2019-20	20.825
16	XEN Provincial Highway Division, Larkana	10	2019-20	100.450
17	XEN District Highway Division, Shaheed Benazirabad	10	2019-20	6.250
18	XEN District Building Division, Umerkot	8	2019-20	4.558
		9		14.794
19	XEN District Highway Division, Naushahro Feroze	7	2019-20	88.001
		4	2018-19	13.649

(Rs. in million)

<b>Sr .#</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Amount</b>
20	XEN District Building Division, Naushahro Feroze	11	2019-20	48.868
21	XEN Provincial Building Division, Larkana	4	2019-20	24.623
		54	2018-19	26.339
22	XEN Machinery & Maintenance Division, Digri @ Kotdigi	9	2019-20	107.961
23	XEN Building Division, Ghotki	11	2019-20	4.052
24	XEN Coastal Highway Division, Hyderabad	12	2019-20	440.785
25	XEN Provincial Building Division, Thatta	10	2018-19	57.017
26	XEN District Highways Division, Mirpurkhas	37	2018-19	6.868
27	XEN Highway Division, Jamshoro	1	2018-19	18.907
28	XEN Provincial Building Division, Sukkur	6	2018-19	16.406
		2		10.903
29	XEN District Building Division, Hyderabad	26	2018-19	161.093
			<b>Total</b>	<b>1,783.103</b>

## Chapter-2 Agriculture, Supply and Prices Department

### Annex-1

#### 2.5.1 Non-production of auditable record – Rs.1,385.324 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
1	Agriculture Chemist (SF), Tandojam	2018-19	1	Supporting vouchers/ bills on account of various head of accounts	0.626
2	Deputy Director, Agriculture Extension, Umerkot	2018-19	5	record of Legal heir ship certificate and CNIC of employee for payment of Financial Assistance	0.500
3	Controller, Weight & Measurement Cell, Karachi	2018-19	5	Record pertaining to inspection reports against defaulters for payment of TA/DA	0.211
4	Deputy Director, Agriculture Extension, Kamber-Shahdadkot	2018-19	1	Vouchers/ bills on account of A03407- Rates & Taxes	0.150
			5	Supporting vouchers/ bills on account of Telephone & Trunk Call	0.065
5	Controller, Weight & Measurement Cell, Karachi	2018-19	2	Record of Receipts under the weights & measurement (basic important record of fee collection)	61.189
			14	Record regarding various articles purchased	0
6	DD Agriculture, Hyderabad	2019-20	5	Cost of other store	0.104
			9	Supporting documents not produce	0.259
7	Secretary Agriculture Karachi	2019-20	1	Various record	29.425
			3	Various record	1.625
			12	CNIC, non-marriage certificate & various	1.500
			14	supporting documents	0



(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
8	Director Agriculture Research Sindh Tando Jam	2019-20	1	register and the accounts record of consumption etc	7.130
9	D G Agriculture Research, Hyderabad	2019-20	2	inspection report and delivery challans	0.736
			5	cash book	0.748
			10	installation / work completion report	2.845
10	DD Agriculture Extension, Sanghar	2018-19	10	Details of material, rates, Bill of the transport, delivery of material	0.108
11	DD Agriculture Extension, TandoAllahyar	2018-19	1	Bank statement and Cash Book	0
			8	Original Invoice and Venue and detailed programme of Fair and Exhibition	0.156
12	Director, Agriculture Engineering, Hyderabad	2019-20	1	Hiring record of bulldozers	0
			2	Joint inspection report, Technical evaluation, Agreement, Performance Guarantee, Minutes of procurement committee and Authorized Distributor certificate	264.953
			7	Supporting Vouchers	2.100
			12	Physical Assets Register	264.953
			14	Repair Registers of Machinery & Equipment, furniture, printing & publication, consumable items and uniform	0
13	Director General Agriculture Engineering workshop Hyderabad	2019-20	1	order of the competent authority, Amendment Forms (F-02), office orders, LPCs, period of payment	1.451
			8	Sanction orders, Consumption account, Inspection	0.219

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
			9	qualification details/HEC verified degree	0.135
14	Director General Agriculture Extension Hyderabad	2019-20	2	luxury vehicles on pre-receipted bill	27.644
			3	Inspection report by technical committee, distribution list & Stock register	97.485
			7	work order and Acknowledgement receipt from person to deliver	0.269
			11	Budget control register, Cheque register, Register of stationery & printing articles	0
15	Project Director, Sindh Agriculture Growth Project (Agriculture Component)	2019-20	4.1.2	Project Implementation Plans	0
			4.3.1	Eligibility documents/certificates of farmers, Distribution list & acknowledgement receipt of farmers	13.512
			4.3.2	purchase order. Moreover, stock/asset register	7.000
16	Sindh Irrigated Agriculture Productivity Enhancement Project (SIAPEP) Hyderabad	2019-20	4.1.3	Paid Challan	28.222
			4.1.5	Withholding tax challans	1.488
			4.2.1	Contract agreements having stamps affixed @0.35% of contract on a/c of purchase of machinery & equipment	6.900
			4.2.2	Delivery challans duly inspected by the Committee	11.089
			4.3.2	Acknowledgement receipts of "Kitchen Garden Kits costing Rs19.550 million & "Deep Rippers Equipment Rs2.246 million,	21.976

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
			4.3.3	Final Completion Reports (FCRs) by the Consultant	25.014
17	Project Director, Nutrition Sensitive Agriculture Project, Karachi	2019-20	4.2.3	Reconciliation statement	1.341
			4.3.1	Lease documents / Layout plan of the Plot, Rent of building determined by the concerned Controller, agreement duly completed, Justification for hiring, Market rate analysis	3.68
			4.3.4	Annual procurement plan	0
			4.4.2	Allotment letter	0
18	The Additional Director, On Farm Water Management, Karachi	2019-20	1	Rent agreement	1.388
			6	Supporting vouchers/bill of electricity	0.369
			8	Verified degrees	0.456
			11	Agreement, office orders and acknowledgement	0.180
19	PD, Sindh Irrigated Agriculture Productivity Enhancement Project, Hyderabad. 2018-19	2018-19	1	Revised Technical Sanctions with reason	142.332
			2	Pay orders/demand draft ofRs. 35.420 million	35.420
			3	Acknowledgement receipt of "Kitchen Garden Kits" of Rs. 9.492 million	11.783
			4	Copies of paid challans	21.730
			5	Final Completion Reports (FCRs) by the Consultant	20.135
			6	Valid registration certificates	130.359
			7	Cash Book	112.328
			10	Agreements	4.760
11	Copies of paid challans	17.276			
<b>Total</b>					<b>1,385.324</b>

**2.5.5 Loss due to short supply of agriculture spray machines -Rs.11.815 million**

Sr.#	DC No. & date	Location field offices	Qty supplied
01.	SRT/DC/SAGP/08 dated 11.06.2019	Additional Director, Agriculture, Matiari	1,000
02.	SRT/DC/SAGP/09 dated 11.06.2019	Mr, LakhiBozdar, AD Agriculture Tando Allah yar	1,300
03.	SRT/DC/SAGP/10 dated 11.06.2019	Mr, Habibbaig, Agriculture Officer,Johi	1,000
04.	SRT/DC/SAGP/11 dated 11.06.2019	Director ,PIU, SAGP, Mirpurkhas	2,302
05.	SRT/DC/SAGP/12 dated 11.06.2019	Director ,PIU, SAGP, Mirpurkhas for Umerkot	400
06.	SRT/DC/SAGP/13 dated 11.06.2019	Director ,PIU, SAGP, Mirpurkhas for Kunri	1,000
07.	SRT/DC/SAGP/14 dated 11.06.2019	Director ,PIU, SAGP, Mirpurkhas for Samaro	500
Delivered			7,502
Qty claimed			10,000
<b>Short delivery</b>			<b>2,498</b>
<b>Rate</b>			<b>4,730</b>
<b>Total Short delivery</b>			<b>11,815</b>

## Annex-3

### 2.5.6 Less-deduction of Government taxes – Rs27.946 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Deputy Director, Agriculture Extension, Umerkot	2018-19	1	Less deduction of SST	1.174
2	Agriculture Chemist (SF), Tandojam	2018-19	6	GST && SST	0.051
3	Deputy Director, Agriculture Extension, Umerkot	2018-19	7	Less deduction of I.Tax	0.026
4	Deputy Director, Agriculture Extension, Umerkot	2018-19	8	Less deduction of SST	0.019
5	Assistant Director, Cotton Development, Umerkot	2018-19	7	Less deduction of I.Tax	0.009
6	Assistant Director, Cotton Development, Umerkot	2018-19	8	Less deduction of GST	0.007
7	Assistant Director, Cotton Development, Umerkot	2018-19	9	Less deduction of SST	0.005
8	Secretary Agriculture Karachi	2019-20	5	non-deduction of I.Tax	0.106
9	D G Bureau of Supply & Prices, Karachi	2019-20	6	non-deduction of I.Tax	0.025
10	DG Planning & Monitoring Cell, Karachi	2019-20	11	Sales tax not deducted	4.433
11	PD, Sindh Agriculture Growth Project (Agriculture Component) (FAP)	2018-19	4.2.2	Non-deduction of S.Tax	6.274
12	Sindh Agriculture Growth Project (Agriculture Component) (FAP)	2018-19	4.2.4	non-deduction of I.Tax	2.128
13	PD, Sindh Agriculture Growth Project (Agriculture Component) (FAP)	2019-20	4.2.2	Less deduction of WHT	5.795
14	PD, Sindh Agriculture Growth Project (Agriculture Component) (FAP)	2019-20	4.2.5	Non-deduction of SST	0.310
15	Sindh Irrigated Agriculture Productivity Enhancement Project (SIAPEP) Hyderabad	2019-20	4.1.4	non-deduction of I.Tax	7.584
<b>Total</b>					<b>27.946</b>

## Chapter-3 Auqaf, Religious Affairs, Zakat & Ushr Department

### Annex-1

### 3.5.3 Non-recovery of various taxes at applicable taxes – Rs.0.465 million

#### Non-recovery of stamp duty – Rs0.421 million

(Amount in Rupees)

W/O . #	Date	Name of work	Name of contractor	Work amount	Req. Stamp Duty	Affix stamps	Amount to be recover
1045	5/11/18	Security of Shrine in Sindh, @ Dargah Shah Abdul Latif Bhitai (Const. of Bounday wall/Serch Cabin/Watch tower & Control room)	M/s. Maqbool & Co.	21.799	76,297	NIL	76,297
1034	16/10/18	Security of Shrine in Sindh, @ Hazrat Sachal Sarmast, (Const. of Bounday wall / Serch cabin / Watch tower& Control room)	M/s. National Engineering Work	22.328	78,150	NIL	78,150
1046	5/11/18	Security of Shrine in Sindh, @ Hazrat Sakhi Sultan Manghopir (Const. of Bounday wall & Control room)	M/s. Maqbool & Co.	22.226	77,793	NIL	77,793
1031	3/10/18	Security of Shrine in Sindh, @ Dargah Hazrat Lal Shahbaz Qalandar (Const. of Bounday wall / Serch Babin / Watch tower & Control room)	M/s. National Engineering Work	23.882	83,586	NIL	83,586
1047	5/11/18	Security of Shrine in Sindh, @ Hazrat Shah Yaqeeq (Const of Bounday wall/Serch Cabin/Watch tower & Control room)	M/s. AAA Enterprises	27.364	95,773	NIL	95,773
1043	5/11/18	Expension of Dargah Hazrat Lal Shahbaz Qalandar (External Development)	M/s. Maqbool & Co.	1.999	7,500	2,500	5,000
1048	5/11/18	Security of Shrine in Sindh, @ Hazrat Sakhi Wahab Shah, (Const. of Bounday wall/Serch Cabin/Watch tower & Control room)	M/s. National Engineering Work	21.711	75,988	71,500	4488
<b>Total</b>				<b>141.309</b>	<b>495,087</b>	<b>74,000</b>	<b>421,087</b>

### Less-deduction of GST & SST – Rs0.044 million

Less Deduction of GST							
cost center	Cheque no	Name of the payee	G L Acct Long Text	Bill amount	Actual GST	GST Deducted	Less deduction of GST
KQ1956	3496554	Muhammad Ramzan & Company	Stationery	21,240	3,611	- 3,086	525
KQ1956	3548151	-do-	Others	22,980	3,907	- 3,339	568
KQ1956	3548151	-do-	Others	24,980	4,247	- 3,630	617
KQ1956	3548151	-do-	Stationery	11,690	1,987	- 1,699	288
KQ1956	3559743	-do-	Printing and publication	5,000	850	- 727	123
KQ1956	3559743	-do-	-do-	5,000	850	- 727	123
KQ1956	3559737	-do-	-do-	5,000	850	- 727	123
KQ1956	3559740	-do-	-do-	2,900	493	- 421	72
KQ1956	3559737	-do-	-do-	15,000	2,550	- 2,179	371
KQ1956	3559737	-do-	-do-	5,000	850	- 727	123
KQ1956	3559939	-do-	Others	81,640	13,879	-	13,879
KQ1956	3559879	-do-	Others	24,080	4,094	- 3,499	595
KQ1956	3610787	-do-	Others	24,700	4,199	- 3,589	610
KQ1956	3620216	-do-	Stationery	15,000	2,550	- 2,179	371
KQ1956	3620717	-do-	Others	24,300	4,131	- 3,531	600
KQ1956	3620717	-do-	Others	24,800	4,216	- 3,603	613
KQ1956	3622131	-do-	Others	24,975	4,246	- 3,629	617
KQ1956	3626207	-do-	Others	22,150	3,766	- 3,218	548
KQ1956	3633249	-do-	Stationery	10,000	1,700	- 1,453	247
KQ1956	3633249	-do-	Stationery	9,100	1,547	- 1,322	225
KQ1956	3688231	-do-	Others	24,640	4,189	- 3,580	609
KQ1956	3688520	-do-	Others	43,100	7,327	- 6,262	1,065
KQ1956	3688520	-do-	Plant and Machinery	93,000	15,810	- 13,513	2,297
KQ1956	3688517	-do-	Hardware	164,000	27,880	- 23,829	4,051
KQ1956	3688870	-do-	Others	26,900	4,573	- 3,909	664
KQ1956	3744503	Dua Trading Company	Others	43,964	7,474	- 1,278	6,196
						<b>Total</b>	<b>36,120</b>

Less Deduction of SST							
cost center	Cheque no	Name of the payee	G L Acct Long Text	Bill amount	Actual SST	SST Deducted	Less Ded of SST
KQ1956	3496551	Muhammad Ramzan& Company	Machinery and Equipment	11,400	1,596	-1,312	284
KQ1956	3548151	-do-	Transport	7,700	1,078	- 886	192
KQ1956	3548151	-do-	Transport	17,300	2,422	- 1,990	432
KQ1956	3548772	-do-	Machinery and Equipment	14,500	2,030	- 1,668	362
KQ1956	3559743	-do-	-do-	15,000	2,100	- 1,726	374
KQ1956	3559944	-do-	Transport	12,350	1,729	- 1,421	308
KQ1956	3610787	-do-	Machinery and Equipment	14,000	1,960	- 1,611	349
KQ1956	3610787	-do-	Transport	9,700	1,358	- 1,116	242
KQ1956	3615104	-do-	Transport	23,700	3,318	- 2,727	591
KQ1956	3615832	-do-	Transport	9,400	1,316	- 1,081	235
KQ1956	3615833	-do-	Transport	16,300	2,282	- 1,875	407
KQ1956	3633021	-do-	Transport	17,100	2,394	- 1,967	427
KQ1956	3633107	-do-	Machinery and Equipment	15,100	2,114	- 1,737	377
KQ1956	3633987	-do-	-do-	8,400	1,176	- 966	210
KQ1956	3683762	-do-	Transport	11,600	1,624	- 1,335	289
KQ1956	3684200	-do-	Transport	9,970	1,396	- 1,147	249
KQ1956	3684474	-do-	Machinery and Equipment	4,050	567	- 466	101
KQ1956	3684474	-do-	Transport	9,600	1,344	- 1,104	240
KQ1956	3744888	Pearl Trading Co.	Machinery and Equipment	15,050	2,107	- 1,731	376
KQ1956	3744904	-do-	Transport	24,000	3,360	- 2,761	599
KQ1956	3744904	-do-	Machinery and Equipment	12,500	1,750	- 1,438	312
KQ1956	3744904	-do-	Transport	24,000	3,360	- 2,761	599
KQ1956	3751017	-do-	Furniture and Fixture	20,970	2,936	- 2,412	524
<b>Total</b>							<b>8,079</b>



## Chapter-4 Board of Revenue

### Annex-1

#### 4.5.1 Non-production of auditable record

Sr. #	Name of office	Financial Year	AIR Para #	Particulars
1	Director of Settlements Survey & Land Record Sindh Hyderabad	2018-19 to 2019-20	01	Record of number of survey cases/settlement, Bank statements, NIT, tendering documents, etc
2	Secretary, Gothabad BOR, Hyderabad	2017-18 to 2019-20	06	Record of State Land allotment of Gothabad.
3	Director, Anti-Encroachment Force, Sindh Karachi	2019-20	01	Record of Costly items steel iron, wood and other parts during operation of encroached buildings, land as per annual report @ provincial level, etc.
4	Secretary Land Utilization (BOR), Hyderabad	2018-19 to 2019-20	06	Service books, Personal Files & Lease Allotment
5	PD, Automation of Stamps & Registration BOR, Karachi	2018-19 to 2019-20	15	Non production Voucher and list of employees
6	Deputy Commissioner, Jacobabad	2019-20	01	Record of all Assistant Commissioners under cost centers JK0008, 09 & JK0010
7	Deputy Commissioner, Sanghar	2019-20	03	Record of revenue
8	Deputy Commissioner, Ghotki	2019-20	08	Challan of Jamabandi and Mutation fees
9	Deputy Commissioner, Tharparkar	2018-19	01	Revenue record
		2019-20	12	Revenue record
10	Deputy Commissioner, Kandhkot @ Kashmore	2019-20	01	<ul style="list-style-type: none"> <li>• Naqsha Jamabandi, Rabi &amp; Kharif</li> <li>• Bebaki Report</li> <li>• Original Treasury Certificates</li> <li>• Original Challans</li> <li>• Receipts Books in Original</li> <li>• VIII A&amp;B</li> <li>• Field Books</li> </ul> Other related Jamabandi & recovery record
11	Deputy Commissioner, Malir, Karachi	2019-20	01	Revenue record Jamabandi, challan, assessment of taxes/fee except record of AC, Bin Qasim
12	Deputy Commissioner, Central Karachi	2019-20	12	Record of receipt
13	Deputy Commissioner, South Karachi	2019-20	13	Record of receipt

## Chapter-6 Culture, Tourism and Antiquities Department

### Annex-1

#### 6.5.1 Non-production of record – Rs.170.930 million

(Rs. in million)

Sr. #	Name of Office	Detail of Record	Financial Year	AIR Para#	Amount
1	Director Planning Development Monitoring & Implementation Cell	No evidence of deposit of income tax was produced	2018-19	01	48.960
2	Executive Director, Arts Council of Pakistan, Karachi	No evidence of acknowledgement / payment received was produced	2018-19	15	1.260
3	Secretary Culture, Tourism & Antiquities Department	Detail vouchers with invoices	2019-20	04	2.555
		Detail of vouchers with invoices		05	7.500
		Detail of vouchers with invoices		06	3.158
		Detail bills, invoices and acknowledgement of payment was not produced		07	4.887
		Supporting vouchers, invoices of income tax, SST, and GST, acknowledgement of participants		08	2.013
		Contingent bill along with detail, audited financial statements, utilization report along with bank statement		1 & 11	92.250
		Record for fixation of pay and allowances		12	6.000
		Utilization report and detailed vouchers		14	0.361
		Income tax, Sindh Sales tax invoices, list of participants, hotel invoices etc.		16	1.707
4	Sindhi Language Authority Hyderabad	Supporting vouchers of Machinery & Equipment	2019-20	03	0.279
				<b>Total</b>	<b>170.93</b>

## Annex-2

### 6.5.3 Irregular payments through DDO account – Rs.351.731 million

(Amount in Rupees)

Cost Center	GL Account	Head of Account	Name_of_the_payee	Cheque_no	Amount
KQ0729	A05270	To Others	Secretary culture & antiquities	3550017	25000000
KQ0729	A06470	Others	Director general culture	3552360	20000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3555984	7500000
KQ0729	A05270	To Others	Secretary culture & antiquities	3555985	4000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3555983	5000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3557112	10000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3558748	5000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3610375	2500000
KQ0729	A05270	To Others	Director general culture	3611588	5000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3615594	12000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3616229	1000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3616473	5000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3616472	5000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3621796	10000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3621842	2500000
KQ0729	A05270	To Others	Secretary culture & antiquities	3622184	6981000
KQ0729	A05270	To Others	Secretary culture & antiquities	3622355	25000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3632929	2500000
KQ0729	A05270	To Others	Secretary culture & antiquities	3633127	7500000
KQ0729	A05270	To Others	Secretary culture & antiquities	3634946	20000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3683666	6000000
KQ0729	A06470	Others	Secretary culture & antiquities	3683665	5000000
KQ0729	A06470	Others	Secretary culture & antiquities	3683667	7000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3688664	25000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3688809	5000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3688805	2500000
KQ0729	A05270	To Others	Secretary culture & antiquities	3688806	5000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3688807	4500000
KQ0729	A05270	To Others	Secretary culture & antiquities	3688808	5000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3688883	10000000
KQ0729	A06470	Others	Secretary culture & antiquities	3733315	35000000
KQ0729	A06470	Others	Secretary culture & antiquities	3733314	35000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3733313	12500000
KQ0729	A05270	To Others	Secretary culture & antiquities	3734807	7500000
KQ0729	A05270	To Others	Secretary culture & antiquities	3743597	2000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3754148	2000000
KQ0729	A05270	To Others	Secretary culture & antiquities	3754678	1250000
<b>Total</b>					<b>351,731,000</b>

## Chapter-7 Education & Literacy Department (College & School)

### A- Education & Literacy Department (Colleges)

Annex-1

#### 7.5.1 Non-production of record - Rs.2,516.050 million

(Rs.in million)

Sr. #	Name of Office	Financial years	Description	AIR Para #	Amount
1	Secretary, College Education Department	2019-20	No supporting documents for payment of adjustments	18	1.577
			Vouched accounts of the educational institute not produced.	02	1652.389
			Estimate of fire tender & school bus and CM approval not produced to audit.	06	30.000
			Personal files/ service books & pay fixation data/ record was not produced	20	1.617
			Schedule of payment was not produced.	10	0
2	Principal Bakhtawar Cadet College for Girls Shaheed Benazirabad	2017-18 to 2018-19	List of daily wages, job description, payment acknowledgement were not available on record	12	3.820
3	Principal, Cadet College Petaro	2017-18 to 2018-19	actual payee, requisition for claim, completion certificate, contractor ledger, affidavit on legal paper for non-claiming of refund security deposit before this was not produced	18	1.264
			Security deposit register	14	125.622
			Evaluation report, Technical compliance sheet, financial and physical progress, stock register and utilization report not produced,	04	50.185
4	Secretary, College Education	2019-20	Audited financial statements not produced.	05	80.000

5	Principal Bakhtawar Cadet College for Girls Shaheed Benazirabad	2017-18 to 2018-19	Sales Tax invoices, delivery challans & acknowledgment receipts were not produced to audit.	14	35.007
			Consumption account register of edible items of mess	10	10.155
6	Principal, Cadet College Petaro	2017-18 to 2018-19	Rough estimates of scheme, MBs, Detail estimates, Contractor's PEC registration certificate, complete NIT documents, Technical sanction estimates	11, 12 & 13	192.291
7	Principal, Cadet College, Ghotki	2019-20	Supporting vouchers of installation of software & various misc. procurement	27	0.360
9	Principal, Cadet College Larkana	2019-20	Registration of contractors with PEC not produced to audit.	05	331.763
<b>Total</b>					<b>2,516.050</b>

## 7.5.5 Non-recovery of various taxes at applicable taxes –Rs.7.116 million

## Non-deduction of government taxes/dues - Rs.7.005 million

(Rs. in millions)

Sr. #	Name of Formation	Financial Year	AIR Para #	Particulars	Amount
1	Principal, Bakhtawar Cadet College for Girls Shaheed Benazirabad	2017-18 to 2018-19	09	Non deduction of GST	2.960
2	Principal, Cadet College Petaro	2019-20	11	Non deduction of GST	0.739
			37	Non recovery of 5% house maintenance charges	0.730
		2019-20	12	Non deduction of Income Tax	0.313
03	Principal, Cadet College, Ghotki	2019-20	15	Non deduction of GST	1.715
			02	Non deduction of Income Tax	0.024
		2019-20	03	Non deduction of SST	0.123
		2019-20	16		0.200
2019-20	14	Non deduction of Income Tax	0.201		
<b>Total</b>					<b>7.005</b>

## Short recovery of stamp duty - Rs.0.111 million

(Amount in Rupees)

WO Dt	Name of Work	Contractor	Awarded Cost	0.3% S.D deducted	0.35% S.D deductible	Short 0.05% S.D
Principal, Cadet College Ghotki, FY 2019-20 (AIR #34)						
<u>5603</u> 9-9-17	Constt: of Gymnasium	Railcop Sukkur	16,713,144	50,139	58,496	8,357
<u>5599</u> 9-9-17	Constt: of Auditorium	GQS Contractors	57,057,263	171,172	199,700	28,529
<u>5602</u> 9-9-17	Constt: of External Development	Bahadur Ali Shaikh	19,057,346	57,172	66,701	9,529
<u>5632</u> 27-9-17	Constt: of Swimming Pool	Railcop Sukkur	28,098,100	84,294	98,343	14,049
<u>4851</u> 5-5-16	Constt: of Squash Court	Executive Eng:	10,719,508	32,159	37,518	5,360
<u>5606</u> 24-9-17	Constt: of Bachelors Accommodation	Bhatti Enterprises	24,963,998	74,892	87,374	12,482
<u>5605</u> 9-9-17	Constt: of Hockey football ground	M. Rafiq Kalwar	7,415,426	22,246	25,954	3,708
<u>5607</u> 9-9-17	Constt: of Cook House	G. Asghar Maitlo	6,097,967	18,294	21,343	3,049
<u>5601</u> 9-9-17	Constt: of Student hostel	GQS Contractors	35,023,242	105,070	122,581	17,512
<u>5604</u> 24-9-17	Constt: of Package-7 (Cricket ground, 4 unit basketball, volley ball)	Railcop Sukkur	17,100,121	51,300	59,850	8,550
<b>Total</b>			<b>222,246,115</b>	<b>666,738</b>	<b>777,861</b>	<b>111,123</b>

## B - Education & Literacy Department (Schools)

Annex-3

### 7.5.13 Non-production of auditable record – Rs.16,120.873 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Records	Amount
1	PD PMIU Karachi	2018-19	28	Non-availability.	6003.501
			43	Procurement Plan	4472.631
			22	Detail payment	4360.263
			37	Performance Sect.	447.263
			42	IT equipment	11.572
			39	POL	0.799
			49	Various record	0
			29	Technical sanction	0
			31	Quarterly progress reports	0
2	Executive Engineer, Education Works Division Hyderabad	2018-19	22	Various record	330.818
3	Executive Engineer, Education Works Division Jacobabad	2018-19	01,02	various record	29.988
4	Executive Engineer, Education Works Division Malir Karachi	2018-19	7 & 10	Security deposit & Detailed estimates	23.831
5	Executive Engineer, Education Works Division Tando Muhammad Khan	2018-19	01	Execution of works	13.589
6	Executive Engeer, Education Works Division Larkano	2018-19	9	PEC Certificate	3.229
		2019-20	05	Sanctioned detailed estimates	5.137
7	Executive Engineer, Education Works Division Mirpurkhas	2019-20	7 & 08	Sanctioned detailed estimates & Various other record	53.014
8	Executive Engineer, Education Works Division Dadu	2018-19	10	Soil test report	0
9	Publics School Korangi Karachi	2018-19	05	Supporting vouchers	0.835



(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Records	Amount
10	DEO Primary Shaheed Benazirabad	2018-19	01	Supporting vouchers	0.375
11	DEO Elementary, Sec & Higher Sec District East Karachi	2018-19	01	Supporting vouchers	0.123
12	Secretary School Education & Literacy Department	2019-20	10	Supporting vouchers	2.368
13	Executive Director Sindh Teachers development Authority	2018-19	1	Various record	0
14	Executive Engineer, Education Works Division Sujwal	2019-20	01 & 02	Various record	11.171
		2018-19	10	Demands of SMC, work completion & justifications	7.445
15	Chief Program Manager, SERP-II, Karachi	2018-19	4.1.1	Various record	0
		2018-19	4.3.1	Details of legal cases	1.091
16	Executive Engineer, Education Works Division West Karachi	2018-19	10	Sanctioned detailed estimates	42.361
17	Executive Engineer, Education Works Division Matiari	2018-19	01	Sanctioned detailed estimates	41.610
18	Executive Engineer, Education Works Division Tandoallahyar	2018-19	02	Sanctioned detailed estimates	13.452
19	Executive Engineer, Education Works Division Umerkot	2018-19	10	Sanctioned detailed estimates	2.247
		2019-20	08	Sanctioned detailed estimates	4.284
20	Executive Engineer, Education Works Division East Karachi	2019-20	11 & 08	Sanctioned detailed estimates & PEC certificate	142.256
21	Executive Engineer, Education Works Division South Karachi	2019-20	08	Monitoring report	91.979

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Records</b>	<b>Amount</b>
22	DG PITE Shaheed benazirabad	2019-20	04	Training plan, list of participants and trainings conducted	3.641
<b>Total</b>					<b>16,120.873</b>

## 7.5.14 Irregular award of works - Rs.4,622.085 million

(Rs. in million)

Sr. #	Nature of irregularities	Name of Office	Financial Year	Amount
1	<p>Procurement committee was not constituted as defined in SPPRA</p> <p>Necessary/requested test and confirmation report was not obtained before technical sanction.</p> <p>PEC certificate with specified code was not available.</p> <p>Doubtfully civil work assigned to the contractor having no experience in civil work/qualification.</p> <p>Original Bid security and tender fees challans were not available.</p> <p>Doubtfully bid was received by hand instead of courier.</p> <p>Procurement committee did not sign attendance sheet.</p> <p>Bidders did also not participate at bid opening time.</p> <p>Bid was awarded without observing its past experience in similar nature work, with documents of contract agreements/notification of awards.</p> <p>Work was awarded without having completion of minimum #03 similar assignments with documents.</p> <p>Comparative statement was not seen/signed by Divisional Accountant.</p> <p>Bid Evaluation Report was not hoisted on SPPRA on website.</p> <p>Bid Security was not obtained from the contractor who participated in the procedure.</p> <p>Bid was awarded without observing financial statements, audited annual reports and bank statements of the contractor which shows its turnover annually in last three years as required for participation.</p> <p>Contract was awarded without undertaking on non-judicial stamp paper.</p>	Xen Education Works Division Hyderabad.	2018-19	87.426

(Rs. in million)

Sr. #	Nature of irregularities	Name of Office	Financial Year	Amount
	<p>Original Performance Security at the rate of 10% was not available as required.            Deposited Challan(s) of tender fee of the participants were also not available.            Detail of Equipment's and machinery was not provided.            Examination/Evaluation report was not prepared at the completion stage of work.            Affidavit was not produced by the contractors that the firm has not been blacklisted by private, Government, semi government and autonomous body.            Technical Compliance Sheet was not generated.            Despite of the failure of the contractor no liquidity damages charges were imposed at the maximum 10% of contract amount.            Originally work completion period was 06 months.            No EOT was claimed by the contractor.            Payment was made without work progress pc-iii/completion certificate/ PC-iv.            Measurement was not shown for scrutiny of the payments made to contractor.            Complaint redressal committee was not constituted.            Integrity pact was not signed.            Work was carried without EOT.            Detail of original and remaining work was not available for scrutiny.</p>			
2	<p>The same contractor was awarded different ADP works at the same time whereas details of his technical personnel's/availability of required machinery, etc was not available to authenticate the quality of work as per PWD Specifications.            Contractor's past experience of same works was not available.            Satisfactory work completion report was not available.            Detail/whereabouts of M.Bs recorded was not available.</p>	Xen Education Works Division Karachi	2019-20	23.036

(Rs. in million)

Sr. #	Nature of irregularities	Name of Office	Financial Year	Amount
3	<p>Registration with Pakistan Engineering Council in the relevant field of specialization of work and to the extent of tender amount of each work</p> <p>Bio data of Engineers and Technical Staff working with the firm</p> <p>Documentary evidence of works executed/ works in progress and certificate of satisfactory completion of works by the employers</p> <p>List of works in progress indicating cost of each work and copy of letter of award of work</p> <p>List of machinery and equipment available with documentary evidence of its ownership certificate of bank showing credit worthiness along with bank statement.</p> <p>Registration with FBR (NTN certificate) and copy of NIC</p> <p>Under taking on affidavit that firm is not involved in any litigation or abandoned any work in the Department</p> <p>Affidavit with effect that all documents/ particulars/ information furnished are true and correct.</p> <p>In case of firm, list of partners/ partnership deed, giving full particulars of Directors/ proprietors of others connected, along with power of attorney. In case of sole proprietorship such undertaking on Affidavit be furnished.</p>	Xen Education Works Division Karachi	2019-20	38.9923
4	<p>Contract was awarded without undertaking on non-judicial stamp paper.</p> <p>Security was not deposited by the contractor at the required rate.</p> <p>Deposited Challan(s) of tender fee of the participants were also not available.</p> <p>Contract agreement was not made on PEC standard agreement for EPC/Turnkey contracts.</p> <p>Examination/Evaluation report was not prepared at the completion stage of work.</p>	PD PMIU Karachi	2018-19	4472.631

(Rs. in million)

Sr. #	Nature of irregularities	Name of Office	Financial Year	Amount
	<p>Affidavits was not produced by the contractors about the firm has not been blacklisted by private, Government, semi government and autonomous body. Technical Compliance Sheet was not generated.</p> <p>Work was awarded without PEC certificates of the joint venture, principal activity NTN along with SRB registration at the time of contract.</p> <p>Penalty was not imposed on delaying of the work.</p>			
5	<p>Prequalification was made without any technical evaluation in the work.</p> <p>. Examination/Evaluation report was not prepared for each work.</p> <p>Technical Compliance Sheet was not generated.</p>	PD PMIU Karachi	2018-19	
6	<p>Contract was awarded without undertaking on non-judicial stamp paper.</p> <p>Contract was awarded without evaluation of record related to completion of two contracts of similar nature in last 5 years.</p> <p>Examination/Evaluation report was not prepared on bidders qualification.</p> <p>Affidavits were not produced by the contractors that the firms have not been blacklisted by private, Government, semi government and autonomous body.</p> <p>Technical Compliance Sheet was not generated.</p> <p>Comparatives statement of the rate were not made/available based on engineers estimates.</p> <p>Satisfactory work completion report was not generated before payments</p>	PD PMIU Karachi	2018-19	
<b>Total</b>				<b>4,622.0853</b>

**7.5.16 Non-recovery of various taxes at applicable taxes –Rs.1,037.443 million****Non-deduction of various taxes – Rs.1,035.592 million**

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Nature of Tax	Amount
1	PD PMIU Karachi	2018-19	03	Sindh Sales Tax	806.925
2	Executive Engineer, Education Works Division, Hyderabad	2018-19	03		173.42
3	Executive Engineer, Education Works Division Tando Muhammad Khan	2018-19	17		23.961
4	Executive Director Sindh Teachers development Authority	2018-19	02	General Sales Tax	1.152
			02		0.044
5	Korangi Public School karachi	2018-19	03	Sindh Sales Tax	0.993
			11		0.097
6	Executive Engineer, Education Works Division Sujawal	2019-20	05		3.087
7	Secretary Schools, Education & Literacy Dept. Karachi	2019-20	05		
			06	General Sales Tax	0.089
8	Executive Engineer, Education Works Division South Karachi	2019-20	01	Sindh Sales Tax	4.590
9	Principal, Public School Hyderabad	2019-20	02	General Sales Tax	4.010
10	Executive Engineer, Education Works Division malir Karachi	2019-20	02	Sindh Sales Tax	3.271
11	Executive Engineer, Education Works Division Tando Muhammad Khan	2018-19	10	Income Tax	8.620
12	PD PMIU Karachi	2018-19	05		0.409
13	Secretary Schools, Education & Literacy Dept. Karachi	2019-20	04		0.650
14	Executive Engineer, Education Works Division Matiari	2019-20	04		1.769
15	Principal, Public School Hyderabad	2019-20	01,03 & 05		1.959
<b>Total</b>					<b>1,035.592</b>

**Non-recovery of stamp duty from contractors – Rs.1.851 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of office(s)</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Amount</b>
1	Executive Engineer,, Education Works Division, Tando Muhammad Khan	16	2018-19	0.645
2	Executive Engineer, Education Works Division, larkano	03	2018-19	0.542
3	Executive Engineer, Education Works Division, Umerkot	03	2018-19	0.290
4	Executive Engineer, Education Works Division, Mirpurkhas	01	2018-19	0.048
5	Executive Engineer, Education Works Division Sujawal	13	2019-20	0.162
6	Executive Engineer, Education Works Division Larkan	11	2019-20	0.164
7	Executive Engineer, Education Works Division South Karachi	02	2019-20	0.032
8	Executive Engineer, Education Works Division Malir Karachi	04	2019-20	0.022
<b>Total</b>				<b>1.851</b>



## Annex-6

### 7.5.18 Irregular payment of inadmissible allowances – Rs167.406 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Description	Amount
1	District Education Officer, Primary, Shaheed Benazirabad	2016-17	06	Adhoc relief 2011 to 15	154.155
2	Director Secondary School Education, Karachi	2015-16 & 201617	01	Special Incentive Allowance	4.159
			07	Utility Allowance	0.270
3	Director School(Primary), Hyderabad	2015-16 & 201617	03	Special Incentive Allowance	3.952
			11	Utility Allowance	0.365
4	Taluka Education Officer, Primary (Male) Garhi Khairo	2014-15 to 2016-17	01	Science Teaching Allowance	0.295
5	District Education Officer (Primary)Karachi	2018-19	03	Incentive Allowance	3.600
6	Deputy Director, Divisional Educational Technology Resource centre Qasimabad Karachi	2018-19	01		0.150
7	District Education Officer, Elementary Sec. & higher Sec. District East Karachi	2018-19	02		0.125
8	Secretary Schools, Education & Literacy Dept Karachi	2019-20	11		0.200
9	Secretary School Education & Literacy department	2019-20	16		Speical Pay
<b>Total</b>					<b>167.406</b>

**Annex-7**

**7.5.20 Non-crediting of revenue into government treasury – Rs.210.694 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Records</b>	<b>Amount</b>
1	Executive Engineer, Education Works Division, Matiari	2018-19	09	S.D, income tax	53.7528
2	Executive Engineer, Education Works Division,Tharparkar @ Mithi	2018-19	12	Security	50.954
3	Executive Engineer, Education Works Division,Thatta	2018-19	11	Income tax	38.946
4	Executive Engineer, Education Works Division,Jacobabad	2018-19	03	Professional tax,stamp duty	11.590
5	Executive Engineer, Education Works Division Tando Muhammad Khan	2018-19	07	Income tax	6.690
6	Executive Engineer, Education Works Division,Malir Karachi	2018-19	13	Income tax	4.617
		2019-20	12	Income tax	21.886
7	Executive Engineer, Education Works Division,Umerkot	2018-19	06	Call deposit	0.885
8	Executive Engineer, Education Works Division,west karachi	2018-19	08	Income tax	0.519
9	Executive Engineer, Education Works Division Sujawal	2019-20	03	Income tax	1.344
10	Executive Engineer, Education Works Division East karachi	2019-20	03	Income tax	4.477
	Executive Engineer, Education Works Division South karachi	2019-20	11	Income tax & security	15.034
<b>Total</b>					<b>210.6948</b>

## Annex-8

### 7.5.22 Irregular payment of Grant-in-aid - Rs.784.116 million

(Rupees in million)

doc_no	doc_date	gl_account	G L_Desc	Name_of_the_payee	amount
1900626732	6/30/2020	A05270	To Others	Anjuman Taraqqi Urdu Pakistan	10,000,000
1900575893	6/11/2020	A05270	To Others	Public School District West	7,500,000
1900557160	6/8/2020	A05270	To Others	Army Public School & College	5,000,000
1900554505	6/5/2020	A05270	To Others	Sindh Boys Scouts Association	7,500,000
1900554498	6/5/2020	A05270	To Others	Public School Mirpurkhas	1,500,000
1900552024	6/4/2020	A05270	To Others	DDO Secretary Education	15,000,000
1900533254	5/18/2020	A05270	To Others	Anjuman Taraqqi Urdu Pakistan	10,000,000
1900527728	5/14/2020	A05270	To Others	Public School Karachi Central	5,000,000
1900526561	5/14/2020	A05270	To Others	Army Public School Chahchro	5,000,000
1900515498	5/12/2020	A05270	To Others	Army Public School Nagar Parkar	5,000,000
1900515473	5/12/2020	A05270	To Others	Public School & College Shikarpur	5,000,000
1900514339	5/11/2020	A05270	To Others	Public School, Sukkur	3,000,000
1900514318	5/11/2020	A05270	To Others	Public School Hyderabad	100,000,000
1900514307	5/11/2020	A05270	To Others	Public School Larkana	1,000,000
1900506222	5/6/2020	A05270	To Others	DDO Secretary Education	15,000,000
1900501481	4/29/2020	A05270	To Others	M/S Sindh Madressah Board	12,500,000
1900472713	4/9/2020	A05270	To Others	DDO Secretary Education	25,000,000
1900472698	4/9/2020	A05270	To Others	The Mehran Educational Foundation	7,000,000
1900447263	3/20/2020	A05270	To Others	Indus Resource Centre	17,500,000
1900445114	3/19/2020	A05270	To Others	DDO Secretary Education	12,500,000
1900440431	3/17/2020	A05270	To Others	Army Model School & College	5,000,000
1900429724	3/10/2020	A05270	To Others	Akhuwat NJV (Endowment Fund)	125,000,000
1900429715	3/10/2020	A05270	To Others	Public School Hyderabad	5,000,000
1900429612	3/9/2020	A05270	To Others	Army Public School Mithi	10,000,000
1900427251	3/9/2020	A05270	To Others	DDO Secretary Education	616,980
1900397965	2/24/2020	A05270	To Others	Kiran Foundation	46,000,000
1900383654	2/18/2020	A05270	To Others	Sargodhian Spirit Trust	170,000,000
1900381850	2/18/2020	A05270	To Others	Army Public School Badin	5,000,000
1900363461	2/7/2020	A05270	To Others	Benazir Public School For G,NWA	7,000,000
1900345512	1/29/2020	A05270	To Others	Army Public Schoolthatta	5,000,000
1900334565	1/27/2020	A05270	To Others	Public School District West	2,500,000
1900296945	1/7/2020	A05270	To Others	Akhuwat NJV (Endowment Fund)	125,000,000
1900254314	12/10/2019	A05270	To Others	Benazir Public School For G,NWA	3,000,000
1900077871	3/12/2019	A05270	To Others	M/S ST Lawrence's Boys School	5,000,000
<b>Total</b>					<b>784,116,980</b>

## Chapter-10 Finance Department

### Annex-1

#### 10.5.1 Non-production of record – Rs.15.914.367 million

(Rs. in million)

Sr. #	Name of Formation	Financial Year	AIR Para #	Description	Amount
1	District Accounts Office, Kambar @ Shahdadkot	2018-19	11	LPR Bills / Vouchers	224.664
2	District Accounts Office, Kashmore@ Kandhkot	2018-19	14	LPR Bills / Vouchers	119.122
		2018-19	15	Missing Statements, Computer Difference Details, Copies of CNICs for GF fund payments.	00
3	District Accounts Office, Sanghar	2018-19	12	LPR Bills / Vouchers	431.135
			03	Missing Statements, Computer Difference Details, Copies of CNICs (GP Fund)	00
4	District Accounts Office, Mirpurkhas	2018-19	11	Sealed vouchers of pension	00
5	District Accounts Office, Tando Muhammad Khan	2018-19	01	Gratuity, Commuted Value of pension cases	7.157
		2018-19	04	Missing Statements, Computer Difference Details, Copies of CNICs (GP Fund)	3.168
6	District Accounts Office, Khairpur	2018-19	03	Missing Statements, Computer Difference Details, Copies of CNICs (GP Fund)	11.153
			04	LPR Bills / vouchers	6.799
7	District Accounts Office, NaushehroFeroze	2018-19	14	Missing Statements, Computer Difference Details, Copies of CNICs (GP Fund)	48.493
8	District Accounts Office, Sukkur	2018-19	03	Missing Statements, Computer Difference Details, Copies of CNICs (GP Fund)	8.358
			07	LPR Bills / Vouchers	9.305
9	District Accounts Office Tharparkar	2018-19	01	Missing Statements, Computer Difference Details, Copies of CNICs (GP Fund)	29.762
10	District Accounts Office, Shikarpur	2018-19	10	Documents of Retirement order, GP fund account slip, missing statement etc	26.689

11	District Accounts Office, Ghotki	2018-19	03	Computer sheet. Service statement, non-drawl certificate, Broad sheet etc.	10.267
12	District Accounts Office, Badin	2018-19	07	Missing Statements, Computer Difference Details, Copies of CNICs (GP Fund)	358.213
			09	LPR Bills / Vouchers	257.079
			12	Details on account of Diet Charges	5.021
			15	Copy of rent agreement	7.027
13	District Accounts Office, Jaccobabad	2018-19	01	Various Auditable Records	13,481.33
			21	Monthly report of pensioners	00
			43	Details of cases, copies of FIR,, Travelling charges, vouchers of stationary	6.468
			44	Technical Sanction, Measurement Book, Completion Report, Contract Agreement on account of repair of building	4.621
			45	Drug Test Laboratory Report	23.840
			48	Inspection Report on account of purchase of plant & machinery	6.352
14	District Accounts Office, Umerkot	2019-20	02	Log Books, Tour Diary and Tour Program	1.161
			04	Invoices on account of POL	0.218
15	District Accounts Office, Sanghar	2019-20	02	Copies of Tour Diaries and sanction orders of TA /DA	18.918
16	District Accounts Officer, Dadu	2018-19	02	Supporting Vouchers – i.e. Form VII of land owners on account of payment of land acquisition	2.60
			09	Detail of ROP, Detail of payment of arrears if any, Stoppage of salary form, Pass order with respect to total payment	29.608
			11	Medical bills on account of reimbursement of medical charges to pensioners	1.541
17	District Accounts Office, Shaheed Benazirabad	2019-20	02	Copies of CNIC, Declaration Form, Undertaking and Sanction order for GP Fund Final Payment	1.685
			04	Lists of participants, Dates and Places, Office orders for seminars / meetings, on account of Fairs & Exhibitions	1.138

			05	Details of payments, Non-availability Certificate, Doctor's Prescription on account of medical charges etc	2.773
			06	Copies of FIR, details of cases, Travelling charges of inspection officer on account of cost of investigation	1.114
			13	Actual date of installation of Generator, Working Certificate from head of Department, Date /Hour Wise Consumption Account of Generator, Schedule of load shedding of HESCO	5.653
18	District Accounts Office, Jamshoro	2018-19	02	Official orders on account of conveyance charges	0.415
19	District Accounts Office, Thatta	2019-20	04	Log Books, History Sheet, Consumption Account, List of vehicles, Tour diary, tour programs	33.968
			08	Establishment Register showing DDO-wise sanctioned strength, working strength, leave record, retirements and fresh appointments and Broad sheet / register for recording advances made to Government employees etc.	-
			11	Copy of drug test laboratory report	24.973
			15	Copy of Tour Programs / official order on account of TA/DA	4.338
			16	Copies of FIR, courts Certificates and challan on account of cost of investigation	1.592
			18	Copy of Rent Agreement	7.194
20	District Accounts Office, Mirpurkhas	2019-20	13	Certificates of non-employment from the pensioners	00
21	District Accounts Office, Tando Allahyar	2018-19	03	Rent Agreements and Assessment documents	4.919
			08	Supporting Vouchers on account of Investigation Charges	0.300
			09	Missing Statements, Computer Difference Details, Copies of CNICs, etc (GP Fund)	112.254

			15	Release orders / checques, detailed list of beneficiaries, adjustment bills if any, post audit proof on account of grant-in-aid	3.210
22	District Accounts Office, Larkana	2018-19	01	Inspection Report on account of purchase of Furniture	10.251
			02	Supporting Vouchers ( Form VII) on account of payment of land acquisition	28.820
			08	Detail of ROP, Detail of payment of arrears if any, Stoppage of salary form, Pass order with respect to total payment	31.696
			10	Medical bills on account of reimbursement of medical charges to pensioners	1.653
23	District Accounts Office, Dadu	2019-20	06	List of payees / bills on account of payment of LPR	6.017
			08	Office order and schedule of Conference / Seminar, acknowledgement	0.142
			09	Official Order for purchase of gifts, acknowledgement and quotations	0.646
			10	Official Order for arranging Fairs and Exhibitions	2.428
			16	Rent Agreement	4.832
			21	Copy of Tour program and office order on account of TA/DA	2.18
			22	Copies of FIR, courts Certificates and challan on account of cost of investigation	1.261
			24	Copy of Drug Test Laboratory Report	26.36
24	PD, Sindh Public Sector Management Reforms Project, Finance Department, Govt. of Sindh, Karachi	2018-19	4.1.1	Evidence of trainings curriculum, area & scope of training by Mr.ImamRazzak	0.863
			4.2.2	Evaluation Report of employees (appointed in April 2018 and their services ended in Nov 2018), their performance and contribution of their services in achieving organization's objective	1.360

25	District Accounts Office, Matiari	2018-19	22	leave account, service book, service statement and LPC on account of payment of leave encashment in lieu of LPR	18.729
			24	Pay fixation without Notification of promotion/up gradation/Time scale issued by competent authority if any. Verified Service books including office orders A-photo Form signed by DDO	365.024
26	Project Director, Enhancing Public Private Partnership in Pakistan – [Provincial Support] Project in Sindh	2017-18 to 2019-20	4.1.1	Payments of reimbursement to various departments against three studies; i.The Memorandum of Understanding or agreement with the concerned departments/projects. ii.The notification of procurement committee/consultant selection committee formation iii. Original record of tender documents like advertisements, original bids, technical evaluation criteria, marking details, Comparative statements, BERs, etc was not available on record of Finance Department. iv.The utilization reports and adjustment vouchers reflecting payments to the concerned parties/consultants/vendors by the concerned departments v.The payment of tax challans by the concerned departments vi.The payments were made without availability of deliverables of the consultancy works.	66.507
27	PD, Sindh Public Sector Management Reforms Project, Karachi	2019-20	4.4.1	Third party activity validation Report, the overall achievement and progress of the DLIs	00
<b>Total</b>					<b>1,5914.367</b>



**Annex-2**

**10.5.4 Un-authorized payment of inadmissible allowances – Rs.488.505 million**

(Rs. in million)

<b>Sr.#</b>	<b>Name of Formation</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Description</b>	<b>Amount</b>
1	DAO, Ghotki	2018-19	01	Various inadmissible allowances	0.870
2	DAO Badin	2018-19	10	Non-practicing Allowance	4.320
3	DAO, Kambar	2018-19	04	Freezed allowance	7.462
			08	Computer allowance	0.647
			09	Teaching allowance	0.781
			10	Science teaching allowance	0.394
4	DAO, Badin	2018-19	04	Teaching allowance	0.180
			05	Already merged Adhoc allowance	145.607
			06	Computer allowance	0.482
5	DAO, Kashmore @ Kandhkot	2018-19	04	Freezed allowance	4.156
			05	Discontinued allowance	14.825
			06	Conveyance Allowance	0.885
			10	Qualification Allowance	0.766
			11	Teaching allowance	0.201
			12	Various Non-operational allowances	0.994
6	DAO, Khairpur	2018-19	07	Rural Compensatory allowance	18.625
			08	Non-practicing allowance	8.743
			10	Nursing Allowance	2.263
			11	Various inadmissible allowances	1.426
			14	Qualification Allowance	0.387
			15	Medical Allowance	0.074
7	DAO, ShaheedBenazirabad	2018-19	01	Rural Compensatory allowance	4.840
			02	Unattractive Area Allowance	9.102
			04	Casualty allowance	1.375
			07	Teaching allowance	0.090
8	DAO, NaushehroFeroze	2018-19	01	Various inadmissible allowances	0.952
9		2018-19	04	Computer allowance	0.050
			05	Teaching allowance	0.366
			09	Non-practicing allowance	0.054
			10	Mess Allowance	0.492

	DAO, Sanghar		11	Science teaching allowance	0.663
10	DAO, Sukkur	2018-19	01	Various inadmissible allowances	1.484
11	DAO, Tharparkar @Mithi	2018-19	03	Various inadmissible allowances	1.763
			04	Over time allowance	0.099
			07	Freezed allowance	0.700
12	DAO, Umerkot	2018-19	11	Various inadmissible allowances	1.307
			12	C.M Secretariat Allowance	0.186
			13	Risk Allowance to Carpenter	0.029
13	DAO, Mirpurkhas	2018-19	04	Hard area allowance	1.120
			05	Unattractive Area Allowance	1.031
			08	High Risk allowance	0.527
			10	Computer allowance	0.374
			17	Rural Compensatory allowance	0.316
			18	Hard work allowance	0.332
14	DAO, Tando Muhammad Khan	2018-19	11	Various inadmissible allowances	0.162
15	DAO, Shikarpur	2018-19	13	Various inadmissible allowances	0.887
			14	Rural Compensatory allowance	1.400
16	DAO, Thatta	2018-19	01	Adhoc Allowance-2013	20.637
			03	Rural Compensatory allowance	13.410
			04	Unattractive Area Allowance	1.736
			05	Computer allowance	0.850
			06	Teaching allowance	0.615
			07	POL Special Package Allowance	0.428
17	Secretary Finance, Karachi	2019-20	23	CM.Secretariat Allowance	0.300
18	DAO, Hyderabad	2018-19	01	utility allowance	19.252
			02	Technical allowance”-	0.075
			03	teaching allowance	0.405
			04	CM secretariat allowance”-	0.122
			05	Hard area allowance–	0.420
			06	Secretariat allowance”-	0.113
			07	Non-practicing allowance	3.540
			08	Casualty allowance	0.097
			09	Un-attractive area allowance	3.504
19	DAO, Jaccobabad	2018-19	02	Secretariat Allowance	0.061
			03	Adhoc Allowance 2013 @ 15 % & 10%	21.428
			07	Casualty Allowance	0.054

			10	Teaching Allowance	0.463
			11	Non-practicing allowance	1.575
			12	Computer Allowance	0.038
			13	Teaching Allowance	0.060
			15	Overtime Allowance	0.038
20	DAO, Umerkot	2019-20	01	Non-practicing allowance	0.046
			12	Conveyance Allowance	0.128
21	DAO, Sanghar	2019-20	12	Rural Compensatory Allowance	4.323
			13	Non-practicing Allowance	2.210
			15	Teaching Allowance	0.050
22	DAO, Shaheed Benazirabad	2019-20	03	Adhoc Relief Allowance – 2013 @ 15%	0.393
			07	CM Secretariat Allowance	0.012
			09	Computer Allowance	0.678
23	DAO, Thatta	2019-20	20	Computer Allowance	0.872
			21	Conveyance Allowance	13.171
			22	Non-Practicing Allowance	3.022
			23	Rural Compensatory Allowance	11.819
			26	Unattractive Allowance	1.581
24	DAO, Mirpurkhas	2019-20	12	Unattractive Allowance	4.128
25	DAO, TandoAllahyar	2018-19	01	Various Allowances	60.573
			07	Unattractive Allowance	1.431
			14	Non-practicing allowance	5.879
26	DAO, Dadu	2019-20	01	Casualty Allowance	0.048
			05	Computer Allowance	0.530
			07	Rural Compensatory Allowance	14.089
			25	Non-practicing Allowance	13.481
27	DAO, Matiari	2018-19	08	Non-practicing Allowance	7.578
			09	Computer Allowance	0.572
			10	Teaching Allowance	0.377
			11	Conveyance Allowance	0.010
			12	Unattractive Allowance	3.672
			13	Various Discontinued Allowances	0.527
			14	Technical Allowance	0.072
			15	Maintenance Allowance	0.054
			16	Non-practicing allowances	0.340
			17	Nursing Allowance	0.938
			18	Mess Allowance	0.148
			19	Uniform Allowance	0.059

			20	Duplicate payments of medical and Adhoc Relief Allowances	0.084
28	Project Director, Enhancing Public Private Partnership in Pakistan – [Provincial Support] Project in Sindh	2019-20	4.2.2	Car allowance	2.340
<b>Total</b>					<b>488.505</b>

## Chapter-11 Food Department

### Annex-1

#### 11.5.1 Non-production of record – Rs.4,180.718 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Detail of record	Amount
01	Secretary Food, Karachi	2019-20	01,02, 12 & 19	Record of subsidy, credit facility, import export of wheat, theft/inquiry cases, losses, outstanding dues, smuggling of wheat, wheat transported to other provinces, bank statements, tender files, bardana account, Adjustment vouchers/ bills etc.	120.116
02	DFC, Larkana	2017-18 to 2019-20	05	Auditable record of cost center LN4003	1500.00
			10	Adjustment of pay and allowances.	0.612
03	Director Food	2019-20	01	Record of cost center KQ4018	232.50
			15	Auditable record of Cost Center KQ4018, record of procurement including tendering process	232.50
			09	Financial Assistance	4.000
			04	Adjustment of pay and allowances.	0.414
			08	Medical board documents	0.392
			02	Supporting vouchers	0.121
4	DFC, Shaheed Benazirabad	2019-20	01	Record of Instalments	3.900
			10	Adjustment of pay & Allowances	0.605
			03	Record of Fumigation	
5	DFC, Ghotki	2018-19	03	Record of pay fixation	1.321
			01	Complete record of manual pay bills	0.954
			09	Reconciled paid up challan/receipt	0.600
6	DFC Jacobabad	2018-19	06	Service books	
7	DFC Mirpurkhas	2019-20	01	Record of Cost Center MP4002	885.896
			05	Adjustment of pay & allowances	0.059
8	DFC, Umerkot	2017-18 to 2019-20	02	Supporting vouchers of export of wheat	650.000
9	DFC, Naushero Feroze	2016-17 to 2019-20	15	Record pertaining to procurement process, detail of transportation of wheat, commercial invoice	3.078

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para#</b>	<b>Detail of record</b>	<b>Amount</b>
				submitted by M/s M.Hashim Transport Co	
			06	Detailed record of wheat issued to exporter, copy of bank guarantee, LC, agreement, authority letter, supporting voucher, reconciliation with treasury etc	543.650
			17	Physical Verification report, reconciliation of wheat in dispatching and receiving, disciplinary cases, personal files, cashbook etc	-
<b>Total</b>					<b>4,180.718</b>

## Chapter-13 Health Department

### Annex-1

#### 13.5.1 Non-production of auditable record – Rs.7,863.821 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	MS Taluka Sindh Government Hospital, Qasimabad, Hyderabad	2019-20	3	Tender documents against purchase of medicines	13.673
			8	Medicines prescription, medical treatment details, cash memos of the pharmacy against medical charges.	1.819
2	Civil Surgeon, Services Hospital Hyderabad	2019-20	10	Consumption record of medicine	2.579
3	MS CDF Hospital Hyderabad	2019-20	8	Tender documents against purchase of medicines	3.561
4	District Health Officer, Matiari	2019-20	7	Supporting record against payment of adjustment of Pay & Allowances	7.038
			19	Supporting Vouchers against the expenditure	2.966
5	District Health Office, Jamshoro	2019-20	4	Relevant documents against payment of Financial Assistance	4.400
6	District Health Officer, Hyderabad	2019-20	11	Consumption record of consumable / non-consumable articles	10.902
			12	Consumption record of medicine	25.607
7	Director, Shahdadpur Institute of Medical Sciences, Shahdadpur District Sanghar	2019-20	11	Consumption record of medicine	2.924
8	Medical Superintendent, Sindh Government Qatar Hospital, Orangi Town, Karachi	2019-20	5	Consumption record of medicine	121.407
9	District Health Officer Larkana	201-9-20	10	Auditable record pertain to pay to establishment	754.543

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
10	District Health Officer, Umerkot	2019-20	11	Supporting vouchers against Uniform & liveries	1.533
11	District Health Officer Ghotki @ Mirpurmathelo	2019-20	6	Record of leave on full pay/ Ex-Pakistan leave or any kind of other leave of the employees	17.222
12	Project Director, Expanded Program on Immunization (EPI), Karachi	2019-20	12	Supporting vouchers against Transportation of Goods	0.372
13	MS Peoples Medical College Hospital, Shaheed Benazirabad	2019-20	1	Supporting document against Financial Assistance	5.800
14	District Health Officer, Kamber Shahdaskot @ Kamber	2019-20	18	Supporting document against adjustment/arrear of pay and allowance	7.775
15	District Health Officer Kashmore @ Kandhkot	2019-20	9	Supporting document against the expenditure "Others"	0.777
16	District Health Officer Mirpurkhas	2019-20	8	Travelling Allowance	2.014
				Medical Charges	0.171
				Advertisement	0.497
17	District Health Officer Badin	2019-20	9	Medical charges	0.710
			10	Supporting record against adjustment of arrears	2.758
18	District Health Officer, Sanghar	2019-20	11	Supporting record against adjustment of arrears	3.675
19	Director, PPP Node, Health Department, Karachi	2019-20	20	Tender documents against procurements of medicines and medical consumables	0
			59	Complete auditable record pertaining to regular GoS grant of the Partners IHS, Aman Foundation & Sindh Govt. Children Hospital (PEI) for the financial years 2016-17 to 2019-20	0
			72	Record pertain to adjustment of pay and allowances and honorarium	1.109
20		2019-20	01	Covid-19 related record	0



(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
	MS Sindh Government Hospital Saudabad		02	Supporting bills against clearance of arrears	11.437
21	Enhanced Nutrition for Mothers and Children Project, Karachi	2019-20	4.1.1	<ol style="list-style-type: none"> <li>1. Project Completion Report and Account Closure;</li> <li>2. Detail of Eligible Expenditure;</li> <li>3. No dues Certificate;</li> <li>4. Refund of un-spent amount to the World Bank of Rs57.594 million on Form BCC-VIII-Submission of Surrender of Savings (Equal to USD \$369,110/-);</li> <li>5. Financial Agreement;</li> <li>6. Complete record of bills/vouchers, sanction orders, deliverables and their achievements as per following list of payments not produced.</li> </ol>	238.440
22	Provincial Coordinator, Sindh Lady Health Workers Program, Hyderabad	2019-20	05	<ol style="list-style-type: none"> <li>(i) Approval/order of Training by competent authority.</li> <li>(ii) Purpose of training was not shown to audit.</li> <li>(iii) Details of events (i.e., name, location, dates of Trainings).</li> <li>(iv) Detail of trainees and trainers.</li> </ol> <p>Pertained to expenditure incurred on domestic trainings.</p>	5.552
			08	Agreement, Bill of the owner and acknowledgement receipt	2.338

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				of payee against rent of office building.	
			09	Agreement and acknowledgement receipt of payee against payment of transportation of goods.	
23	Chief Operating Officer, Shaheed Mohtarma Benazir Bhutto Institute of Trauma Centre, Karachi	2019-20	3	<ol style="list-style-type: none"> <li>1. Procurement committee was not formed as per SPPRA rules.</li> <li>2. Copy of the rates offered by the supplier.</li> <li>3. Registration with General Sales tax.</li> <li>4. Relevant experience with documentary proofs last three years.</li> <li>5. Bank statement regarding financial soundness (turnover) in last three years up to Rs40 million.</li> <li>6. Income/sales tax return for the last three years</li> <li>7. Quoted price and trade price of the requisite Dietary items.</li> <li>8. Bid Security was not obtained from the supplier.</li> <li>9. Annual procurement plan.</li> </ol> Pertained to expenditure incurred on purchase of diet items.	5.092
		2019-20	11	<ol style="list-style-type: none"> <li>1. Procurement committee was not formed as per SPPRA rules</li> <li>2. Bid was awarded without "Bid Document for</li> </ol>	32.157

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				Procurement of Drugs". 3. Valid Drug License by way of retail Sale was not available. 4. Registration with General Sales tax 5. Relevant experience with documentary proofs last three years 6. Bank statement regarding financial soundness (turnover) in last three years up to Rs40 million 7. Income/sales tax return for the last three years 8. Distance from the SMBB Institute of Trauma. 9. Bid Security was not obtained from the supplier Pertained to expenditure incurred on purchase of medicines.	
24	Institute of Chest Diseases, Kotri	2019-20	03	Supporting document against adjustment/arrear of pay and allowance	2.407
25	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2019-20	01	Various requisite record	0
			18	Pay and service record of the officials	5,121.728
			19	Supporting record against appointment of 273 key posts on regular basis	0
			26	Details of cash withdrawal from bank and its disbursement	0.990

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			36	Details of 22 bank account maintained in National Bank of Pakistan, NICVD Branch	0
			39	Supporting record against miscellaneous expenses and payments made to various guest houses for the purpose of accommodation & meals/food charges of staff / officials visiting various satellite centers.	43.960
			47	Supporting record against payment of legal fee to legal consultant.	14.085
			62	Supporting record against purchase of linen and uniform.	9.125
			65	Supporting record against purchase and repair of various hospital equipments	674.411
			74	Supporting record against payment of full and final settlement of retiring employees	26.693
			77	Supporting record against payment of travelling charges	35.527
			78	Supporting record w.r.t observance of SPPRA rule against purchase of medicines	20.000
			79	Supporting record w.r.t observance of SPPRA rule against purchase of “supply and installation of infusion pumps”.	37.000
			95	Supporting documents against payment of rent expense	4.239

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			97	Personal files of BPS 16 and above	0
26	Director, (SIUT) Karachi	2018-19	1	1. Detail of Patients admitted and discharge during the period of audit. 2. OPD Register 3. Medicine Consumption Register 4. Laboratory Test Register 5. X-Ray / Free X-Ray Register 6. Ultra sound Register 7. Operation Theatre Register	0
			2	Supporting vouchers against Diet & TADA	9.073
27	Director, National Institute of Child Health, Karachi	2018-19	2	Record related to assignment account	47.424
28	MS Sindh Government Qatar Hospital, Orangi Town, Karachi	2018-19	11	Consumption record of medicine	39.891
29	District Health Officer, Thatta	2018-19	14	Consumption record of consumable / non-consumable articles	15.596
			13	Consumption record of medicine	47.796
30	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2018-19	1	i. Bills / vouchers of internet charges of Rs.2.688 million paid to M/s PTCL ii. Bank Statements for the F.Y 2018-19 iii. Details of donations /receipts from NGOs / philanthropists etc for the last 10 years	2.688

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
				iv. Detail of revenue/ fees/ rent etc. realized from any source. v. Complete Detail of rental income from various sources like shops, canteens, land, premises, bank etc. vi. No of Beds in hospital vii. Complete leave record (LFP) along with Ex-Pakistan Leave iii. Detailed record of illegally constructed family quarters on Institute land/ encroached land detail and specified area etc. ix. Record of vehicles snatched/ accident/ stolen etc. x. Minutes of Academic Council for the period under audit review. xi. Allotment orders of Assigned vehicles. xii. Detailed list of condemn vehicles during F.Y 2018-19.	
31	MS Peoples Medical College Hospital Nawabshah, Shaheed Benazirabad	2018-19	15	Supporting vouchers against Water Charges	1.791
32	PD Benazir Shaheed Anti-narcotics force model addiction treatment & rehabilitation center (ANF MATRC), Karachi	2018-19	2	Delivery challans against purchase of various articles	37.939
33	Executive Director, Jinnah Postgraduate	2018-19	1	Auditable record pertain to M&R of office building	68.600
			30	POL Vouchers / Bills	0.689

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
	Medical Centre (JPMC), Karachi				
34	Director, Chemio Bacteriological Laboratories Karachi	2018-19	6	Record pertain to arrears of pay and allowances	2.603
			10	Record pertain to amount recovered on account of examination of samples	294.479
35	MS, Taluka Hospital Tando Muhammad Khan	2018-19	7	Consumption record of dietary items	7.265
			9	Record pertain to adjustment of pay and allowances	2.365
			14	Consumption record of consumable articles	4.609
<b>Total</b>					<b>7,863.821</b>

## Annex-2

### 13.5.2 Doubtful /Irregular expenditure of conveyance & travelling – Rs.50.130 million

(Amount in Rupees)

Sr.#	Cheque #	Date	Name Of Suppliers	Account Head	Amount
17	269868	08-08-19	Star Shahzad Tour's Rental Services	Conveyance & Travelling	10,078,574
122	270873	21-09-19	Star Shahzad Tour's Rental Services	Conveyance & Travelling	572,641
184	272434	12-10-19	Star Shahzad Tour's Rental Services	Conveyance & Travelling	890,560
218	272468	23-10-19	Star Shahzad Tour's Rental Services	Conveyance & Travelling	778,250
288	273238	07-11-19	Polani's Pvt Ltd	Conveyance & Travelling	67,970
289	273239	07-11-19	Bukhari Travel & Tourism Services	Conveyance & Travelling	98,700
302	273251	11-11-19	Bukhari Travel & Tourism Services	Conveyance & Travelling	5,590,531
312	273261	11-11-19	Polani's Pvt Ltd	Conveyance & Travelling	215,593
314	273263	11-11-19	Star Shahzad Tour's Rental Services	Conveyance & Travelling	1,740,619
333	273282	18-11-19	Polan's Pvt Ltd	Conveyance & Travelling	685,988
334	273283	18-11-19	Sana Travels & Tours Pvt Ltd	Conveyance & Travelling	903,814
350	273299	20-11-19	Sindh Travel	Conveyance & Travelling	389,000
380	275029	21-11-19	Bukhari Travels & Tourism Services	Conveyance & Travelling	126,219
386	275035	21-11-19	Polani's (Pvt) Limited	Conveyance & Travelling	145,060
462	275311	02-12-19	Polani's Pvt Ltd	Conveyance & Travelling	189,810
466	275315	04-12-19	Abbasi Transport Service	Conveyance & Travelling	618,125
487	275336	06-12-19	Polani's Pvt Ltd	Conveyance & Travelling	165,230
494	275343	11-12-19	Polani's Pvt Ltd	Conveyance & Travelling	81,890
496	275345	11-12-19	Abbasi Transport Services	Conveyance & Travelling	385,030
513	275362	16-12-19	Abbasi Transport Services	Conveyance & Travelling	468,090
514	275363	16-12-19	Polani's Pvt Ltd	Conveyance & Travelling	252,000
515	275364	16-12-19	Bukhari Travels & Tourism Services	Conveyance & Travelling	79,936
520	275369	18-12-19	Abbasi Transport Services	Conveyance & Travelling	607,220
531	275380	26-12-19	Polani's Pvt Ltd	Conveyance & Travelling	333,570
532	275381	26-12-19	Bukhari Travels & Tourism Services	Conveyance & Travelling	120,110
534	275383	26-12-19	Abbasi Transport Services	Conveyance & Travelling	479,355
556	276904	03-01-20	Bukhari Travels & Tourism Services	Conveyance & Travelling	66,852
557	276905	03-01-20	Abbasi Transport Services	Conveyance & Travelling	956,750
623	276971	08-01-20	Abbasi Transport Services	Conveyance & Travelling	614,305
634	276982	13-01-20	Bukhari Travels & Tourism Services	Conveyance & Travelling	103,871
635	276983	13-01-20	Polani's Pvt Ltd	Conveyance & Travelling	270,230
682	277530	21-01-20	Abbasi Transport Services	Conveyance & Travelling	1,553,480
698	277546	27-01-20	Bukhari Travel & Tourism Services	Conveyance & Travelling	176,695
699	277547	27-01-20	Polani's Pvt Ltd	Conveyance & Travelling	192,870
714	277561	04-02-20	Abbasi Transport Services	Conveyance & Travelling	2,191,825
718	277565	10-02-20	Polani's Pvt Ltd	Conveyance & Travelling	3,345,272
728	277575	12-02-20	Bukhari Travel & Tourism Services	Conveyance & Travelling	161,418



(Amount in Rupees)

<b>Sr.#</b>	<b>Cheque #</b>	<b>Date</b>	<b>Name Of Suppliers</b>	<b>Account Head</b>	<b>Amount</b>
734	277581	15-02-20	Polani's Pvt Ltd	Conveyance & Travelling	203,220
735	277582	15-02-20	Abbasi Transport Services	Conveyance & Travelling	1,426,570
787	279634	25-02-20	Polani's Pvt Ltd	Conveyance & Travelling	224,190
789	279636	25-02-20	Abbasi Transport Services	Conveyance & Travelling	1,844,860
807	279653	28-02-20	Abbasi Transport Services	Conveyance & Travelling	553,920
819	279665	04-03-20	Abbasi Transport Services	Conveyance & Travelling	1,051,625
834	279680	11-03-20	Star Shahzad Tour's & Rental Services	Conveyance & Travelling	584,100
919	281965	25-03-20	Polani's Pvt Ltd	Conveyance & Travelling	196,668
922	281968	25-03-20	Sana Travel & Tours Pvt Ltd	Conveyance & Travelling	1,206,302
923	281969	25-03-20	Bukhari Travel & Tourism Service	Conveyance & Travelling	1,399,827
967	300211	11-04-20	Abbasi Transport Services	Conveyance & Travelling	3,304,505
1079	302123	06-06-2020	Star Shahzad Tour's & Rental Services	Conveyance & Travelling	1,535,050
1132	302176	08-06-2020	Polani's Pvt Ltd	Conveyance Travelling	901,588
<b>Total</b>					<b>50,129,878</b>

**Annex-3**

**13.5.3 Irregular payment of inadmissible allowances – Rs.174.217 million**

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
1	MS Taluka Hospital Thana Bula Khan District Jamshoro	2018-19	5	Unattractive area allowance	1.230
2	MS CDF Hospital Hyderabad	2018-19	14	Excess payment of non-practicing allowance	0.068
			12	Conveyance allowance during leave	0.050
3	Civil Hospital Mirpurkhas	2018-19	4	Hard Area Allowance 50%	1.120
			5	Non-Practicing Allowance	0.360
			6	Rural Compensatory Allowance	0.244
4	MS Taluka Hospital Mehar	2018-19	6	Adhoc Relief Allowance-2013	0.064
			7	House Rent Allowance	0.047
5	Director, National Institute of Child Health, Karachi	2018-19	25	Special Allowance	3.108
6	District Health Officer, Thatta	2018-19	15	Rural Compensatory Allowance	3.534
			12	Hard Work Allowance	0.426
			11	Conveyance allowance to officers enjoying the facility of government vehicles	0.420
			10	Adhoc Allowance-2010 and Adhoc Relief Allowance 2011	0.084
			8	Excess payment of House Rent Allowance @ 45% Instead of @30%	0.602
7	MS Chandka Medical College Hospital/Shaiikh Zaid Women Hospital, Larkana	2018-19	11	House rent allowance + 5% maintenance charges	0.838
			15	Rural Compensatory Allowance	10.895
			16	Hard Work Allowance	0.426
			17	Adhoc Allowance-2010	0.758
			18	Hard Area Allowance	0.072
8	District Health Officer, Tando Muhammad Khan	2018-19	27	Hard Work Allowance	0.288
			29	Non-practicing allowance	0.048

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
			30	Casualty Allowance	0.072
			31	Rural Compensatory Allowance	0.464
			32	Conveyance allowance to officers enjoying the facility of government vehicles	0.240
9	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2018-19	3	Hard Work Allowance	0.216
10	District Health Officer, Mithi	2018-19	1	Adhoc Allowance 2013 @ 15% and 10%	0.080
			2	Excess payment of House Rent Allowance, Non-Practicing Allowance and Medical Allowance	0.050
			3	Unattractive area, Rural compensatory and Incentive allowances	0.090
11	Director Institute of Chest Disease Kotri, District Jamshoro	2018-19	1	Rural compensatory allowance, Unattractive area allowance & Non-practicing allowance	0.196
			2	Adhoc Allowance 2013 @ 15%.	0.196
12	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2018-19	1	Dress, Nursing, and Mess Allowances	6.553
			2	Medical Allowance	1.510
			3	Conveyance, Mess and Dress Allowances	0.314
			4	House Rent Allowance	0.058
13	Director Shahdadpur Institute of Medical Sciences, Shahdadpur	2018-19	3	Hard Work Allowance	0.384
14	Director, Health Services, Karachi	2018-19	10	Hard Work Allowance	0.114
15	MS Peoples Medical College Hospital Nawabshah, Shaheed Benazirabad	2018-19	4	Mess Allowance, Nursing Allowance, Teaching Allowance.	1.731
			5	Adhoc Relief Allowance-2013	0.363
16		2018-19	18	Telephone Allowance	0.503

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
	Executive Director, Sindh Institute of Ophthalmology & Visual Sciences, Hyderabad			PG incentive allowance	0.276
17	Director General Health Services Sindh, Hyderabad	2018-19	12	Hard area allowance	0.140
			13	Non-Practicing Allowance	1.904
18	MS Taluka Hospital, Khipro	2018-19	11	Conveyance allowance from various employees living in the premises of hospital in quarters / bungalows	2.326
			12	Non-practicing Allowance	0.194
			13	Rural Compensatory Allowance	1.871
19	MS Taluka Hospital Nangarparkar	2018-19	1	Non-practicing Allowance	0.370
				Nursing Allowance	0.526
				Mess Allowance	0.005
20	Executive Director, Jinnah Postgraduate Medical Centre (JPMC), Karachi	2018-19	9	Adhoc-Allowance 2010	0.104
				Hard-work Allowance	0.144
				Utility Allowance for Electricity	0.029
				Adhoc Relief	0.056
21	MS, Taluka Hospital Tando Muhammad Khan	2018-19	11	Rural Compensatory Allowance	0.506
22	MS Civil Hospital, Khairpur	2018-19	10	Nursing Allowance to LHV/Mid Wife	0.776
			12	Rural Compensatory Allowance	0.140
23	Medical Superintendent Chandka Medical College Hospital, Larkana	2019-20	1	Hard Work Allowance	9.842
			2	Adhoc Relief Allowance-2013	1.069
24	MS Taluka Sindh Government Hospital, Qasimabad, Hyderabad	2019-20	6	Rural Compensatory Allowance	0.018
25	Civil Surgeon, Services Hospital Hyderabad	2019-20	14	Mess Allowance	0.018
26	MS Sindh Government Hospital, Shah Bhittai, Hyderabad	2019-20	12	Orderly Allowance	0.336
			13	Rural Compensatory Allowance	0.080
				Teaching Allowance	0.072
27	District Health Officer, Matiari	2019-20	14	Rural Incentive Allowance	1.842
				Hard Work Allowance	0.240

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
				Health Sector Reform Allowance	0.180
				NIPA Allowance	0.036
				Un-attractive Area Allowance	0.008
				Adhoc Relief Allowance 2011	0.015
				FATTA Allowance	0.009
			18	Conveyance Allowance from officers having facility government vehicle.	0.380
28	District Health Office, Jamshoro	2019-20	15	Rural Incentive Allowance	0.044
				Un-attractive Area Allowance	0.030
				Computer Allowance	0.027
				Non-practicing allowance	0.024
29	MS Taluka Hospital, Kotri	2019-20	12	Incentive allowance	0.024
				Rural compensatory allowance	0.048
				Science Teaching allowance	0.002
				Un-attractive area allowance	0.004
				Hard work Allowance	0.498
				Non-practicing allowance	1.366
30	District Health Officer, Malir, Karachi	2019-20	9	Instruction, Special Healthcare, supervisory and allowances, etc as well as Electric charges	28.800
31	District Health Officer, Hyderabad	2019-20	6	Rural Compensatory Allowance	4.392
			10	House rent allowance + 5% maintenance charges	0.151
32	MS, Liaquat University Hospital, Hyderabad	2019-20	16	House rent allowance + 5% maintenance charges	1.538
			18	Hard Work Allowance	0.120
33	Civil Surgeon, Civil Hospital, Naushehro Feroze	2019-20	10	Hard Work Allowance	0.354
			11	Adhoc Allowance 2013, Adhoc Relief 2011	0.053
			15	Conveyance allowance to officers / officials residing	0.754

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
				in government accommodations which were located within the work premises	
			16	House rent allowance to employees who were allotted government accommodation.	0.093
34	District Health Officer Naushehro Feroze	2019-20	19	Casualty Allowance	0.086
			20	Computer Allowance	0.018
			21	Adhoc Relief 2010, 2011 & 2014	0.169
			25	Risk Allowance	0.108
35	District Health Officer, Shaheed Benazirabad	2019-20	23	Rural Compensatory Allowance	0.838
			24	Adhoc Relief 2010	0.057
36	MS Civil Hospital, Dadu	2019-20	13	Rural Compensatory Allowance	0.312
			14	Hard Work Allowance	0.048
37	District Health Officer, Dadu	2019-20	8	Rural Compensatory Allowance	5.218
			10	Hard Work Allowance	0.512
			11	Adhoc Relief 2010	0.264
			12	Casualty Allowance	0.036
				Incentive Allowance	0.048
	Non-Practice allowance	0.061			
38	District Health Officer, Larkana	2019-20	22	Rural Compensatory Allowance	0.458
			23	Field Allowance	0.100
				Risk Allowance	0.144
				Adj Orderly Allowance	0.013
				Non Practice Allowance	0.120
24	Adhoc Relief 2010	0.066			
39	MS Shaikh Zaid Women Hospital, Larkana	2019-20	1	Hard Work Allowance	0.210
40	Director, Health Services Karachi	2019-20	1	Adhoc Allowance 2013	0.103
			3	Conveyance Allowance to officers having facility government vehicle.	0.660
41	District Health Officer, Shikarpur	2019-20	9	Adhoc allowance - 2010	0.024
				Adhoc allowance - 2011	0.200

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
				Adhoc relief allowance - 2012	0.082
				Adhoc relief allowance - 2014	0.054
42	MS, RBUT Civil Hospital, Shikarpur	2019-20	8	Conveyance allowance during leave	0.030
			15	Adhoc allowance - 2010	0.068
				Adhoc allowance - 2011	0.036
				Adhoc relief allowance - 2012	0.017
				Adhoc relief allowance - 2014	0.042
43	District Health Officer, Umerkot	2019-20	13	Incentive Allowance	2.448
44	District Health Officer, Sujawal	2019-20	1	Hard Work Allowance	0.216
				Rural Compensatory Allowance	0.812
				Field Allowance	0.009
				Computer Allowance	0.012
				Causality Allowance	0.012
				Non- Practicing Allowance	0.024
45	District Health Officer, Thatta	2019-20	1	Various Allowances	6.991
				Ad-hoc Allowance 2010 @ 50%	0.092
				Hard work allowance	0.506
			2	Conveyance Allowance to officers having facility government vehicle.	0.160
46	District Health Officer Ghotki @ Mirpurmathelo	2019-20	7	Conveyance Allowance to officer having facility government vehicle.	0.035
47	MS District Head Quarter Hospital Ghotki @ Mirpur mathelo	2019-20	5	Rural Compensatory Allowance	0.020
48	MS Dr. Ruth K.M. PFAU Civil Hospital, Karachi	2019-20	1	Qualification Allowance	0.300
				Special Allowance	0.060
				Causality Allowance	1.980
				Mobile Phone Allowance	0.025
				Secretariat Allowance	0.013
				Charge Allowance	0.001

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
				Deputation Allowance	0.099
				Ration Allowance	0.031
				Technical Allowance	0.120
				President/Governor Allowance	0.036
			2	Hard work allowance	0.384
			4	Adhoc Allowance 2013	0.340
			5	Non-Practicing Allowance	0.576
49	Project Director, Expanded Program on Immunization (EPI), Karachi	2019-20	13	Non-Practicing Allowance	0.144
			2	Hard work allowance	0.648
			3	Adhoc Allowance 2013	0.694
				Special Additional Allowance	0.072
				Adhoc Allowance 2010	0.359
				Risk Allowance	0.702
				Qualification Allowance	0.048
				Adhoc Relief Allowance 2011	0.060
				Casualty Allowance	3.216
			4	Adhoc Relief Allowance 2012	0.281
				Un-attractive Area Allowance	0.004
				Special Allowance	1.401
				Incentive Allowance	0.108
				R.C. Allowance	0.616
				Others (A01270)	0.039
				Teaching Allowance	0.103
				Others (A01299)	0.024
			1	Adhoc Allowance 2013 @ 15% and 10%	0.315
			2	Rural Compensatory Allowance	0.167
			3	Mess Allowance	0.396
				Dress/ Uniform Allowance	0.037
50	MS Peoples Medical College Hospital, Shaheed Benazirabad	2019-20			
51	MS Civil Hospital, Khairpur	2019-20			



(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
				Computer Allowance	0.010
			4	Non-Practicing Allowance	0.024
				Dress/ Uniform Allowance	0.012
52	District Health Officer, Khairpur	2019-20	1	Adhoc Allowance 2013 @ 15% and 10%	0.962
			2	Rural Compensatory Allowance	0.264
			3	Nursing Allowance	0.520
				Mess Allowance	0.008
53	District Health Officer, Kamber Shahdaddkot @ Kamber	2019-20	12	Rural Incentive Allowance	0.364
			13	Hard Work Allowance	4.780
			14	Casualty Allowance	0.048
			22	Conveyance Allowance to officers having facility government vehicle	0.147
54	MS Civil Hospital, Sukkur	2019-20	10	Gilgit Compensatory Allowance	0.088
55	District Health Officer, Mirpurkhas	2019-20	16	Conveyance allowance	0.080
				Non-Practice allowance	0.048
				Computer Allowance	0.052
56	District Health Officer, Tando Allahyar	2019-20	17	Non-practice allowance	1.520
				Rural Compensatory Allowance	1.350
				Conveyance allowance	0.150
				Hard work Allowance	0.066
57	District Health Officer East Karachi	2019-20	2	Casualty Allowance	0.144
				Non Practicing Allowance	1.080
58	MS Sindh Government Lyari General Hospital Karachi	2019-20	1	Utility Allowance	0.040
				Teaching Allowance(2005)	0.044
				PHD Allowance	0.120
				Non Practicing Allowance	2.171
			15	Conveyance Allowance to officers having facility government vehicle	0.060
59	District Health Officer Badin	2019-20	11	Rural Compensatory Allowance	0.150
60	District Health Officer, Sanghar	2019-20	12	Rural Compensatory Allowance	2.558
61	Civil Surgeon Civil Hospital Tando Allahyar	2019-20	7	Hard work Allowance	0.276
				Rural Compensatory Allowance	0.076

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description	Amount
			8	Conveyance allowance to officers enjoying facilities of government residence within office premises	0.900
62	Civil Surgeon Civil Hospital Mithi	2019-20	13	Unattractive Area allowance, incentive allowance, RC allowance, hard work allowance , causality allowance etc.	2.151
63	Provincial Coordinator, Sindh Lady Health Workers Program, Hyderabad	2019-20	16	Commission Allowance, Computer Allowance & Rural Compensatory Allowance	0.088
	Principal, Male School of Nursing, Larkana	2019-20	04	Nursing allowance to voce principle	0.240
64	Institute of Chest Diseases, Kotri	2019-20	04	Adhoc relief allowance 2014	0.002
				Rural compensatory allowance	0.018
				Teaching allowance	0.001
				Unattractive area allowance	0.003
				Non-practice allowance to administrative staff	0.226
				Hard area allowance	0.040
				Hard work allowance	0.016
				Health professional allowance	17.540
65	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2019-20	12	Adhoc Allowance 2013 @ 15 and 10%	0.274
			13	Conveyance, mess, dress and house rent allow 45% in excess of approved ceiling	0.196
			14	Medical allowance in excess of entitlement	0.412
			15	Inadmissible nursing allowances (Dress, Mess and Nursing) without entitlement	0.310
<b>Total</b>					<b>174.217</b>

**Annex-4****13.5.5 Irregular appointments from other provinces – Rs.87.367 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
1	MS, Sindh Government Qatar Hospital, Orangi Town, Karachi	2019-20	14	Employee having NIC number other than Sindh Province	25.388
2	District Health Officer West, Karachi	2019-20	2	Employee having NIC number other than Sindh Province	18.707
3	District Health Officer, Malir, Karachi	2019-20	20	Employee having NIC number other than Sindh Province	16.919
4	MS Services Hospital Karachi	2019-20	13	Employee having NIC number other than Sindh Province	10.948
5	MS Sindh Government Hospital Saudabad	2019-20	12	Employee having NIC number other than Sindh Province	10.710
6	District Health Officer Ghotki Mirpurmathelo	2019-20	1	Employee having NIC number other than Sindh Province	3.100
7	MS, Taluka Hospital Ghotki	2019-20	2	Employee having NIC number other than Sindh Province	1.595
8	District Health Officer Naushehro Feroze	2019-20	23	Employee having NIC number other than Sindh Province	0
<b>Total</b>					<b>87.367</b>

**Annex-5**

**13.5.8 Irregular expenditure without inviting open tenders – Rs.5,680.077 million**

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
1	Secretary, Health Department, Karachi	2019-20	12	M/s Express Security Services Pvt Ltd (Security Charges) (Payments to other for service rendered)	0.607
2	Civil Surgeon, Services Hospital Hyderabad	2019-20	8	X-Ray films	1.494
3	MS Taluka Hospital, Kotri	2019-20	2	Expenditure on Diet	1.567
4	District Health Officer, Malir, Karachi	2019-20	5	Purchase of vaccine	0.297
5	District Health Officer, Larkana	2019-20	15	Purchase of miscellaneous items	4.176
6	District Health Officer, Shikarpur	2019-20	3	Purchase of medicines	0.370
			11	Purchase of medicines	1.324
7	District Health officer, Tharparkar @Mithi	2019-20	6	Others	18.629
				Uniform	1.726
				Stationery	0.919
8	MS District Head Quarter Hospital Ghotki @ Mirpur mathelo	2019-20	2	Expenditure on Diet	2.544
9	MS Peoples Medical College Hospital, Shaheed Benazirabad	2019-20	9	Un-due favor to canteen & shop owners due to non-calling open tender for fair market value rents	0
10	MS Civil Hospital, Khairpur	2019-20	10	Expenditure on Diet	28.131
11	District Health Officer, Kamber Shahdadkot @ Kamber	2019-20	16	Purchase of medicines	0.937
12	MS Civil Hospital, Sukkur	2019-20	13	Expenditure on Diet	3.875
13	District Health Officer, Tando Allahyar	2019-20	7	Purchase of medicines	127.405
				Purchase of miscellaneous items	18.610
14	Director, PPP Node, Health Department, Karachi	2019-20	30	Repair & maintenance of health facilities	12.131
15	Civil Surgeon Civil Hospital Mithi	2019-20	02	Purchase of medicines	17.648
			04	Purchase of medicines	3.749
			05	Expenditure on Diet	5.845

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Particulars	Amount
16	Executive Director, Sindh Institute of Ophthalmology & Visual Sciences, Hyderabad	2019-20	11	Security guard charges	2.449
				Expenditure on Diet	0.593
17	Enhanced Nutrition for Mothers and Children Project, Karachi	2019-20	4.2.1	Hiring security guards	0.335
18	Provincial Coordinator, Sindh Lady Health Workers Program, Hyderabad	2019-20	01	Printing and publication	2.619
19	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2019-20	02	Purchase of Furniture & Fixture	44.270
				Purchase of Machinery & Equipment	948.989
20	Institute of Chest Diseases, Kotri	2019-20	05	Purchase of medicines	1.697
21	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2019-20	29	Various purchase	4,308.029
22	MS Taluka Hospital, Samaro District Umarkot	2018-19	4	Expenditure on Diet	2.108
23	MS Taluka Hospital, Pithoro District Umerkot	2018-19	1	Expenditure on Diet	4.436
24	MS Taluka Hospital Thana Bula Khan District Jamshoro	2018-19	12	Medical Gas	0.763
25	MS Urban Health Centre 5C-3, North Karachi	2018-19	6	Diet items and medical gas	0.614
26	MS Chandka Medical College Hospital/Shaiikh Zaid Women Hospital, Larkana	2018-19	2	Purchased instruments/machineries	1.390
27	District Health Officer, Tando Muhammad Khan	2018-19	36	Various consumable and non-consumable items	6.623
28	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2018-19	2	Drugs & Medicines	18.750
				Consumables Items	28.874
29	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2018-19	24	Printing stationary	13.605
30	Director Shahdadpur Institute of Medical Sciences, Shahdadpur	2018-19	12	Drugs & Medicines	9.999
31	MS, Peoples Medical College Hospital Nawabshah, Shaheed Benazirabad	2018-19	22	Un-due favor to canteen & shop owners due to non-calling open tender	0

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
				for fair market value rents	
32	Executive Director, Jinnah Postgraduate Medical Centre (JPMC), Karachi	2018-19	23	procurement of surgical disposable items & drugs & medicines	11.296
			27	Letting cafeteria & tuck shops without tender	7.003
			29	Drugs & Medicines	3.195
33	Director, Syed Abdullah Shah Institute of Medical Sciences, Sehwan	2018-19	13	Furniture & Fixture	9.277
34	Program Manager, Nutrition Support Program, Karachi	2018-19	4.2.1	Training and workshop	1.179
<b>Total</b>					<b>5,680.077</b>

**Annex-6**

**13.5.9 Irregular expenditure under various head of account – Rs.969.145 million**

(Rs. in million)

Sr. #	Head of account	Financial Year	AIR Para #	Observations / Irregularities	Amount
1	POL charges	2019-20	20	<ul style="list-style-type: none"> <li>i. Total numbers of vehicles at their disposal along with allotment orders were not provided to audit despite various verbal and written requests.</li> <li>ii. The purchase of fuel was made from various filling station without execution of contract agreements.</li> <li>iii. Maximum patrol purchase transactions were not based on a valid invoice and fuel station slips / parchi.</li> <li>iv. The vehicle numbers were not found written on the slips.</li> <li>v. Dates were not written on slips.</li> </ul>	35.617
	Advertisement & publicity	2019-20	21	<ul style="list-style-type: none"> <li>i. Information Department, Government of Sindh was not approached for the advertisement on government approved rates which is in contravention of information policy 2015.</li> <li>ii. Undue favor was extended to contractor on account of payment of advertising charges on higher rate.</li> <li>iii. Tender was not invited.</li> <li>iv. Comparative statement was not prepared.</li> <li>v. Performance security @10% of Rs. 1,931,142/- was not obtained.</li> <li>vi. Details of advertisements in various newspapers were not available with the bills.</li> <li>vii. Office order regarding various campaigns was not available on record.</li> <li>viii. Bill payments to various vendors as liability of previous years was made without prior approval of the Finance Department.</li> </ul>	19.311

	Operation and maintenance charges for 'Satellite Center Sukkur'	2019-20	22	<ul style="list-style-type: none"> <li>i. Tender document was not provided to audit.</li> <li>ii. Proof of obtaining of performance security @ 10% was not provided to audit.</li> <li>iii. Log sheet of temperature reading and ampere was not provided to audit.</li> <li>iv. Report regarding monthly inspection of equipment to ascertain the condition by the engineer of DWP technologies was not produced.</li> <li>v. Attendance sheet of the engineer / staff were not provided to audit.</li> <li>vi. As per agreement the maintenance charges were inclusive of all taxes. Instead of deducting Sindh sales tax from contractor an amount of Rs1,380,531 was paid to contractor on account of Sindh sales tax which needs to be recovered.</li> <li>vii. The satellite center sukkur was inaugurated on 24-2-2018, as per general practice one year maintenance warranty is offered by the contractor who installed the equipment. Payment on account of repair and maintenance of newly installed equipment becomes doubtful and needs to be investigated.</li> <li>viii. Contract agreement for the period from February 2018 to January 2019 was attached with the bills but the agreement effective for the period of February 2019 to January 2020 was not available on record which depicts that the agreement was not renewed.</li> <li>ix. Contract agreement was executed on a Rs500/- stamp paper. However, stamp duty @ 0.35% of Rs84,000 was neither recovered nor affixed on the contract agreement by pasting adhesive stamps.</li> <li>x. The agreement was executed stating value of Rs1,000,000 per month instead of accumulated amount of Rs12,000,000.</li> </ul>	12.000
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	Hiring and repair maintenance of generators	2019-20	23	<ul style="list-style-type: none"> <li>i. Approval for hiring of generators at satellite centers from competent authority i.e. governing body of NICVD was not produced.</li> <li>ii. Tender was not invited to obtain most economical rate.</li> <li>iii. Performance security was not obtained.</li> <li>iv. Quotations / comparative statements was not found attached with the bills.</li> </ul>	104.949
	Repair of building	2019-20	37	<ul style="list-style-type: none"> <li>i. Approval of governing body was not provided.</li> <li>ii. Expenditure was incurred without inviting tenders.</li> <li>iii. Repair and maintenance work not got done by the PWD nor the NOC obtained.</li> <li>iv. Contractor was also not registered with the Sales Tax Department as the Sales tax number was not produced.</li> <li>v. Estimates were not sanctioned.</li> <li>vi. Technical committee was not constituted.</li> <li>vii. Measurement Books were not available.</li> <li>viii. Progress reports were not available.</li> <li>ix. Work was carried out from the non-technical persons/officers instead of technical officers i.e. Project Director, Engineering wing.</li> <li>x. Detailed sanction estimate of the work was also not available/produced to audit for verification.</li> <li>xi. Administrative approval/Technical sanction was not available on record.</li> <li>xii. The payment was made to contractor without check measurement.</li> <li>xiii. Agreement in contract case file were not found attached which proves that the work was carried out without execution of agreement due to which the government also sustained loss of stamp duty.</li> <li>xiv. Costs of scraps were not deducted from the contractor's bills.</li> </ul>	90.321

				xv. Payment to the contractors was made without inspection and satisfactory work completion certificate.	
	Purchase of vehicles	2019-20	43	Expenditure was incurred despite presence of government directives for enforcement of austerity/economy measures to restrict expenditures. Moreover, neither previous approval of governing body was obtained nor vehicles procurement files were produced to audit for scrutiny	28.546
	Stationery & printing	2019-20	53	<ul style="list-style-type: none"> <li>i. Tender was not invited to achieve competitive rates.</li> <li>ii. Performance Security @10% was not obtained.</li> <li>iii. Bid evaluation report was not hoisted on SPPRA web site.</li> <li>iv. NOC was not obtained from Sindh Government Printing Press prior to make printed stationery by contractor.</li> <li>v. Articles were not accounted for in relevant stock registers.</li> </ul>	13.172
	Repair of various items	2019-20	54	<ul style="list-style-type: none"> <li>i. Tender was not invited for repair works of important hospital equipment.</li> <li>ii. Payment bills of various suppliers were found inclusive of Sindh sales tax which were paid off by the local office instead of deducting from principal amount.</li> <li>iii. Requisitions from various sections/branches for repair works were not available.</li> <li>iv. Satisfactory work completion certificate was not obtained.</li> </ul>	260.954
	POL charges for vehicle and generator	2019-20	55, 56	<ul style="list-style-type: none"> <li>i. Log books on form-A not maintained.</li> <li>ii. P.O.L consumption account (form-B) not maintained.</li> <li>iii. History sheet of vehicles (form-C) not maintained.</li> <li>iv. Tour Diary / Tour Program was not maintained.</li> </ul>	35.617
	Repair and maintenance of lifts	2019-20	59	<ul style="list-style-type: none"> <li>i. Tender was not invited.</li> <li>ii. Contract agreement was not executed with the vendor.</li> <li>iii. Performance guarantee / bank guarantee was not obtained.</li> </ul>	3.947

				<ul style="list-style-type: none"> <li>iv. Registration with relevant category with Pakistan Engineering Council was not provided to audit.</li> <li>v. The purview of contractor for repair works either NICVD Karachi or other satellite centers were not available on record.</li> <li>vi. Income tax of Rs227,239 was not deducted on the payment made vide cheques # 304215.</li> <li>vii. Sindh sales tax was not deducted of Rs491, 386.</li> <li>viii. Actual numbers of lifts repaired were not available on record.</li> <li>ix. Total work orders issued for repair works were not available.</li> <li>x. Sanction order of competent authority was not available.</li> <li>xi. Satisfactory work completion certificates along with pictorial view of lift installed were not provided to audit.</li> </ul>	
	Acquiring generators on rental basis	2019-20	61	<ul style="list-style-type: none"> <li>i. The tender files were not produced to audit for scrutiny.</li> <li>ii. The management preferred to acquire generators of various types on rental basis instead of purchasing once.</li> <li>iii. While scrutiny of bills it revealed that at satellite centers Mithi &amp; Khairpur were provided different type of generators instead of the ones selected specifically in the agreement.</li> <li>iv. At NICVD Khairpur &amp; Mithi agreements made for generator type CAT DG C13 350KVA but M705 model DE400EO &amp; M672 Model C13 respectively were found in operation and billed for payments, statements attached.</li> <li>v. Stamp duty accumulating to Rs224,280/- was found not realized / deducted against sum of Rs64,080,000/- (64,080,000 x 0.35%= 224,280).</li> <li>vi. Income tax of Rs2,583,665 was not realized against payments made from</li> </ul>	33.716

				sr. # 3 to 7 (25836650 x 10% = 2,583,665).	
	Repair of generator	2019-20	63	<ul style="list-style-type: none"> <li>i. Tender was not invited to obtain most economical rates.</li> <li>ii. Performance security @10% was not deducted.</li> <li>iii. List of generators installed at various satellite centers along with date of hiring was not produced to audit.</li> <li>iv. Fuel consumption account maintained by generator operator and duly signed by the concerned authority was not produced to audit.</li> <li>v. Sindh sales tax @ 13% which comes to Rs. 5,313,025/- was not deducted.</li> <li>vi. Book value of generators was not calculated.</li> <li>vii. Repair register was not maintained.</li> <li>viii. The replaced old spare parts and accessories were not taken into account of the government for ultimate dispersal and credited into government account.</li> <li>ix. Generator operator's report about out of order was not produced.</li> <li>x. Satisfactory work completion report was not found attached with the bill.</li> <li>xi. Acknowledgment from concerned workshop was not obtained.</li> </ul>	40.869
	Repair of furniture & fixture	2019-20	64	<ul style="list-style-type: none"> <li>i. Tender was not invited to obtain most economical rates.</li> <li>ii. Performance security @10% was not deducted.</li> <li>iii. Details of purchases and repairs works made in the furniture head of account was not produced to audit.</li> <li>iv. Sindh sales tax @ 13% which comes to Rs4,354,021/- was not deducted.</li> <li>v. List of furniture and fixture at NICVD and various satellite centers was not produced to audit.</li> <li>vi. The purchases and repairs were carried out from a single account instead of separate heads of accounts due to which total purchases and</li> </ul>	33.492

				<ul style="list-style-type: none"> <li>vii. repair works could not be bifurcated to accumulate the actual expenditures. Requisitions from concerned quarters for purchases &amp; repairs were not found available.</li> <li>viii. Repair register was not maintained.</li> <li>ix. Satisfactory work completion certificate was not obtained.</li> <li>x. Acknowledgement receipt was not obtained from vendor.</li> </ul>	
	Hiring of generator on rental basis	2019-20	71	<ul style="list-style-type: none"> <li>i. Tender was not invited to obtain most economical rates.</li> <li>ii. Performance security was not obtained @ 10%.</li> <li>iii. SST @13% was not deducted.</li> <li>iv. Detail of total generators acquired at various satellite centers was not provided to audit.</li> <li>v. Log sheet of generators were not found maintained.</li> <li>vi. Transportation charges were found borne / paid by the entity but the same was not agreed upon in the TORs of the agreement.</li> <li>vii. Stamp duty was not realized amounting to Rs224,280.</li> </ul>	64.080
	Procurement of various machinery and equipment	2019-20	81	<ul style="list-style-type: none"> <li>i. Tender was not invited to achieve competitive rates for generators and split ACs.</li> <li>ii. Contract agreement with supplier was not available on record.</li> <li>iii. Quotation of rates of various items procured were not available on record.</li> <li>iv. Comparative statements 03 nos of generators purchased were not available.</li> <li>v. Prices of generators and split ACs were found over-priced as compared to market price.</li> <li>vi. Acknowledgement receipt of generators issued to chest pain units were not obtained.</li> </ul>	1.972
	Procurement of ventilators	2019-20	82	<ul style="list-style-type: none"> <li>i. Documents relating to tender no.5-AW/2017 &amp; 5-D/2017 were not available on record.</li> </ul>	6.163

				<ul style="list-style-type: none"> <li>ii. The payments stand as clearance of previous year's liability as the purchases pertains to the fiscal year 2017-18.</li> <li>iii. Custom documents regarding imported medical equipment (Goods Declaration) seems tempered as important fields were marked blank with the use of white fluid.</li> <li>iv. Import items i.e. ventilators which are counted in numbers are recording in KGs.</li> <li>v. Income tax @ 4.5% amounting to Rs277,336/- was not deducted at source.</li> <li>vi. Stamp duty of Rs21,577 was not realized.</li> <li>vii. Certificate of equipment received in good condition was not obtained.</li> <li>viii. Certificate of procurement department indicating purchase of equipment as per specification was not available.</li> <li>ix. Delivery challan was not available on record.</li> <li>x. Issuance of equipment and acknowledgement was not available.</li> </ul>	
	Mess expenses	2019-20	83	<ul style="list-style-type: none"> <li>i. Tender was not invited to obtain most economical rates.</li> <li>ii. TORs between entity and contractor was not available.</li> <li>iii. Performance security @10% was not obtained.</li> <li>iv. Contract agreement with the supplier was not available on record.</li> <li>v. The mess operations were handed over to the supplier, however, the salaries of employees to be borne by the supplier were paid by the NICVD.</li> <li>vi. The supplier provided cooked food to NICVD as the staff deputed at mess to cook food pertains to contractor and liable to payment of Sindh sales tax @13% which accumulates to Rs16,567,846.</li> <li>vii. Approval of dietary plan was not available.</li> </ul>	127.445

				<ul style="list-style-type: none"> <li>viii. Nutritional milk powder items were purchased but their utilization report was not maintained.</li> <li>ix. Delivery challans of the procured feeding items were not made available to audit.</li> <li>x. Consumption account was not maintained.</li> <li>xi. Acknowledgement was not obtained.</li> <li>xii. Supply order was not issued to the vendors.</li> </ul>	
	Miscellaneous expenses at sehwan satellite center	2019-20	84	<ul style="list-style-type: none"> <li>i. The expenditure was incurred for providing lunch &amp; dinner of staff without approval of competent authority / governing body.</li> <li>ii. Undue favor was extended to the employees of NICVD by payment of lunch and dinner in spite of disbursement of various allowances i.e. TA/DA, Satellite center allowance,</li> <li>iii. SST on cooked food items was not deducted of Rs85,144.</li> <li>iv. The details of staff/persons covered under the above expenditure was not available.</li> <li>v. Sanction order of competent authority was not available.</li> <li>vi. Menu of items listed for meals was not attached with the bills.</li> <li>vii. Supply order issued and delivery challans was not available.</li> <li>viii. Acknowledgement was not obtained.</li> </ul>	0.655
	Supply and installation of transformers	2019-20	85	<ul style="list-style-type: none"> <li>i. The payments stand as clearance of previous year's liability as the transaction pertains to the fiscal year 2017-18.</li> <li>ii. Management's feasibility / assessment report regarding requirement of high voltage transformer was not available on record.</li> <li>iii. Approval of competent authority was not available.</li> <li>iv. Sanction order was not available.</li> <li>v. Delivery challan of transformers at specified site was not available.</li> </ul>	1.720

				<ul style="list-style-type: none"> <li>vi. Acknowledgement of procurement / store department regarding installation of transformers as per requisite specification in KVA was not available on record.</li> <li>vii. Payment was made to private vendor i.e M/s Capital Xeno Larkana City was found doubtful in the absence of requisite requirements vide letter No.SE/OPR/SEPCO/LRK/DB/18232-34 dated 26-07-2018 issued by Sukkur Electric Power Company (SEPCO) i.e. evidences that the supplier is WAPDA approved contractor and inspection of transformer by the representative of the Chief Inspector Material Inspection Lahore.</li> </ul>	
	Procurement of library books	2019-20	86	<ul style="list-style-type: none"> <li>i. Tender was not invited.</li> <li>ii. Contract agreement was not executed with the vendor.</li> <li>iii. Details of required books for library and books purchased was not available on record.</li> <li>iv. Stock position of library was not available.</li> <li>v. Income tax of Rs661,638/- was not deducted.</li> <li>vi. Total purchase requisitions issued were not available.</li> <li>vii. Sanction order of competent authority was not available.</li> </ul>	0.662
	Purchase of medicines	2019-20	87	<ul style="list-style-type: none"> <li>i. Tender was not invited to achieve most economical rates.</li> <li>ii. Approval of the competent authority / governing body for purchase of medicine was not available.</li> <li>iii. Contract agreement was not executed with the medical stores/vendors.</li> <li>iv. Performance guarantee was not obtained.</li> <li>v. Proof of obtaining competitive rates was not available.</li> <li>vi. Supporting vouchers were not available on record.</li> </ul>	29.484
	Supply and installation of	2019-20	89	<ul style="list-style-type: none"> <li>i. T99m generators (Model name Monrol-Turkey 10Gpq) were</li> </ul>	8.000



	T99 generators			<p>purchased from supplier which were manufactured in and imported from Turkey instead of direct procurement from Pakistan Institute of Nuclear Science &amp; Technology.</p> <ul style="list-style-type: none"> <li>ii. Concurrence and approval of Pakistan Institute of Nuclear Science &amp; Technology for purchase and utilization of T99m generators was not available on record.</li> <li>iii. Being a short utilization life of approx. 06 days, the T99m generator requires a strict schedule for its import for maximum utilization in radiology department till its expiry at 6th day. However, the hospital's schedule to utilize the sensitive and costly equipment was not provided to audit for scrutiny.</li> <li>iv. Being a highly radioactive equipment the SOP for handling the equipment was not available on record.</li> <li>v. Consumption account of generators procured and utilized since 2017 was not produced to audit for scrutiny.</li> <li>vi. Minutes of board meetings / tender committee approving tender for procurement of T99 generators were not available on record.</li> <li>vii. Purchase requisition of laboratories of concerned satellite centers were not available on record.</li> <li>viii. Details of old / obsolete / replaced equipment was not available on record.</li> <li>ix. Neither bid hoisting nor website uploading code was available on record.</li> <li>x. Advertisements were not published in leading newspapers.</li> <li>xi. Comparative statement, bid evaluation report were not countersigned by the executive director.</li> <li>xii. Documents indicating the registration of supplier in a relevant category with</li> </ul>	
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				<p>concerned authority i.e. DRAPP were not available.</p> <p>xiii. Performance security @10% was not obtained.</p>	
	Rent a car services	2019-20	91	<p>i. Approval of the governing body was not provided to audit.</p> <p>ii. Tender was not invited.</p> <p>iii. Performance security was not obtained.</p> <p>iv. Agreement with the vendor was not available on record.</p> <p>v. Sindh Sales tax @13% services was not deducted of Rs2,138,938.</p> <p>vi. Tour diary programs of official visits were not available.</p> <p>vii. Undue favor was extended to the employees of NICVD by providing rent a car service to visit various satellite centers despite having good salary packages and payment of satellite visit allowance along with TA/DA and other benefits.</p>	16.453
<b>Total</b>					<b>969.145</b>

**Annex-7**

**13.5.22 Non-recovery of various taxes at applicable taxes – Rs.2,851.690 million**

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description/Exp:	Amount
1	Secretary, Health Department, Karachi	2019-20	14	Sindh Sales Tax	0.296
2	District Health Office, Jamshoro	2019-20	16	Income Tax	0.322
3	District Health Officer, Malir Karachi	2019-20	25	General Sales Tax	1.433
4	MS, RBUT Civil Hospital, Shikarpur	2019-20	7	Sindh Sales Tax	0.184
5	District Health officer, Tharparkar @Mithi	2019-20	1	General Sales Tax	1.905
6	District Health Officer, Umerkot	2019-20	3	Income Tax	0.741
7	District Health Officer, Thatta	2019-20	12	General Sales Tax	0.518
8	MS Civil Hospital, Khairpur	2019-20	13	Income Tax	0.594
			14	General Sales Tax	10.943
			15	Sindh Sales Tax	5.439
9	District Health Officer, Khairpur	2019-20	9	Income Tax	1.604
10	District Health Officer, Kamber Shahdaddock @ Kamber	2019-20	8	General Sales Tax	0.733
			9	Sindh Sales Tax	0.045
11	Director, PPP Node, Health Department, Karachi	2019-20	55	Income Tax	0.082
			73	General Sales Tax	0.873
12	Provincial Coordinator, Sindh Lady Health Workers Program, Hyderabad	2019-20	07	Sindh Sales Tax	0.721
13	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2019-20	17	Professional Tax	0.192
14	Chief Operating Officer, Shaheed Mohtarma Benazir Bhutto Institute of Trauma Centre, Karachi	2019-20	01	Income Tax	0.082
			05	Income Tax	0.280
			08	General Sales Tax	0.541
			09	Income Tax	0.519
			10	Income Tax	0.303
15	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2019-20	48	Sindh Sales Tax	2.081
			49	Income Tax	0.426
			51	Professional Tax	0.687
			52	Sindh Sales Tax	8.223
			69	Sindh Sales Tax	28.965
			70	Income Tax	58.221
16	Director, (SIUT) Karachi	2018-19	12	Sindh Sales Tax	49.958
			14	Sindh Sales Tax	0.877
			15	Income Tax	11.964

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description/Exp:	Amount
17	District Health Officer, Tando Muhammad Khan	2018-19	23	Sindh Sales Tax	0.021
			24	Income Tax	0.334
			25	General Sales Tax	0.957
18	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2018-19	5	Income Tax	1.170
			17	Income Tax	0.266
19	District Health Officer, Mithi	2018-19	13	Income Tax	0.115
20	Director Institute of Chest Disease Kotri, District Jamshoro	2018-19	11	Sindh Sales Tax	0.053
			12	Income Tax	0.245
21	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2018-19	7	Sindh Sales Tax	1.837
22	MS Peoples Medical College Hospital Nawabshah, Shaheed Benazirabad	2018-19	3	Income Tax	0.370
23	Executive Director, Sindh Institute of Ophthalmology & Visual Sciences, Hyderabad	2018-19	7	Income Tax	0.385
24	Director General Health Services Sindh, Hyderabad	2018-19	5	Income Tax	0.032
			14	Sindh Sales Tax	0.047
			15	General Sales Tax	0.200
25	Executive Director, Jinnah Postgraduate Medical Centre (JPMC), Karachi	2018-19	4	Sindh Sales Tax	0.398
				Income Tax	0.306
			7	Sindh Sales Tax	3.274
26	Director, Syed Abdullah Shah Institute of Medical Sciences, Sehwan	2018-19	1	Income Tax	2.483
27	Project Director, Ghulam Muhammad Mahar Medical College, Sukkur	2018-19	12	General Sales Tax	0.549
28	MS Civil Hospital, Khairpur	2018-19	8	Income Tax	0.485
29	Additional Medical Superintendent Shaheed Mohatarma Benazir Bhutto, Accident Emergency & Trauma Centre, Karachi	2018-19	21	Income Tax	0.108
<b>Sub-Total</b>					<b>204.903</b>
1	District Health Officer (West) Karachi	2019-20	4	Purchase of medicine	28.825
2	District Health Officer South, Karachi	2019-20	4	Purchase of medicine	7.982
3	District Health Officer Korangi, Karachi	2019-20	4	Purchase of medicine	23.175
4	District Health Officer Central, Karachi	2019-20	4	Purchase of medicine	10.823
5	Civil Surgeon, Services Hospital Hyderabad	2019-20	5	Purchase of medicine	12.215

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description/Exp:	Amount
6	MS Sindh Government Hospital, Shah Bhittai, Hyderabad	2019-20	1	Purchase of medicine	3.000
7	MS CDF Hospital Hyderabad	2019-20	3	Purchase of medicine	6.078
8	MS Civil Hospital, Khairpur	2019-20	9	Purchase of medicine	53.030
9	District Health Officer, Khairpur	2019-20	7	Purchase of medicine	34.751
10	District Health Officer, Kamber Shahdadt Kot @ Kamber	2019-20	6	Purchase of medicine	39.776
11	District Health Officer East Karachi	2019-20	7	Purchase of medicine	60.890
12	MS Sindh Government Lyari General Hospital Karachi	2019-20	10	Purchase of medicine	200.241
13	District Health Officer, Badin	2019-20	7	Purchase of medicine	3.954
14	District Health Officer, Sanghar	2019-20	8	Purchase of medicine	22.979
15	Civil Surgeon Civil Hospital Mithi	2019-20	3	Purchase of medicine	10.161
16	Program Manager, Hepatitis Prevention & Control Program, Sindh Hyderabad	2019-20	3	Purchase of medicine	165.232
17	Provincial Coordinator, Sindh Lady Health Workers Program, Hyderabad	2019-20	12	Purchase of medicine	587.275
			10	Purchase of POL	14.701
18	MS, Taluka Hospital, K.N. Shah	2018-19	4	Purchase of medicine	3.956
19	MS Taluka Hospital, Samaro, District Umarkot	2018-19	3	Purchase of medicine	10.862
20	MS Taluka Hospital, Pithoro District Umerkot	2018-19	4	Purchase of medicine	12.768
21	MS Sir Cowsji Institute of Psychiatry, Hyderabad	2018-19	2	Purchase of medicine	16.975
22	MS Sindh Government Hospital, Saudabad	2018-19	5	Purchase of medicine	6.150
23	Director, Syed Abdullah Shah Institute of Medical Sciences, Sehwan	2018-19	6	Purchase of medicine	49.521
<b>Sub-Total</b>					<b>1,385.32</b>
<b>Stamp Duty</b>					<b>4.848</b>

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Description/Exp:	Amount
1	Civil Surgeon, Civil Hospital, Naushehro Feroze	2019-20	3	52.574	0.184
2	District Health Officer Naushehro Feroze	2019-20	9	65.867	0.230
3	District Health Officer, Shaheed Benazirabad	2019-20	12	52.253	0.184
4	District Health Officer, Kamber Shahdadkot @ Kamber	2019-20	7	39.776	0.139
5	District Health Officer, Tando Muhammad Khan	2019-20	11	16.584	0.058
6	District Health Officer, Tando Allahyar	2019-20	14	40.485	0.142
7	Director, PPP Node, Health Department, Karachi	2019-20	22	163.797	0.573
			41	737.388	2.580
			42	81.633	0.286
8	MS Sindh Govt. Hospital, New Karachi	2019-20	3	38.285	0.134
9	Program Manager, Hepatitis Prevention & Control Program, Sindh Hyderabad	2019-20	01	29.814	0.104
10	Provincial Coordinator, Sindh Lady Health Workers Program, Hyderabad	2019-20	13	963.799	3.373
11	Institute of Chest Diseases, Kotri	2019-20	06	113.092	0.396
12	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2019-20	42	25.000	0.087
13	Director, SIUT Karachi	2018-19	13	70.196	0.245
14	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2018-19	7	55.069	0.192
15	Executive Director, National Institute of Cardiovascular Diseases, Karachi	2018-19	13	25.000	0.087
16	PD Benazir Shaheed Anti-narcotics force model addiction treatment & rehabilitation center (ANF MATRC), Karachi	2018-19	1	63.236	0.221
17	Executive Director, Jinnah Postgraduate Medical Centre (JPMC), Karachi	2018-19	11	8.091	0.028
<b>Sub-Total (Stamp Duty)</b>					<b>2,641.939</b>
<b>Grand Total</b>					<b>2,851.690</b>

**Annex-8****13.5.29 Non-recovery of government dues – Rs.2.231 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
1	MS Sindh Govt. Hospital, New Karachi	2019-20	01	5% house maintenance charges	0.320
2	MS Taluka Hospital, Kotri	2019-20	10	5% house maintenance charges	0.208
3	District Health Officer, Larkana	2019-20	25	5% house maintenance charges	0.020
4	MS Chandka Medical College Hospital / Shaikh Zaid Women Hospital, Larkana	2018-19	19	5% house maintenance charges	0.783
5	Director, Syed Abdullah Shah Institute of Medical Sciences, Sehwan	2018-19	2	5% house maintenance charges	0.338
6	Director, Pir Abdul Qadir Shah Jeelani Institute of Medical Sciences, Gambat	2018-19	22	Outstanding rent	0.312
7	MS Civil Hospital, Khairpur	2018-19	11	5% house maintenance charges	0.149
8	MS CDF Hospital Hyderabad	2018-19	13	5% house maintenance charges	0.078
9	MS Taluka Hospital Mehar	2018-19	8	5% house maintenance charges	0.023
<b>Total</b>					<b>2.231</b>

## Chapter-14 Home Department

### Annex-1

#### 14.5.1 Non-production of auditable record - Rs.389.625 million

(Rs. in million)

Sr. #	Name of Offices	Financial Year	Particulars	AIR Para #	Amount
01	DIGP South Zone, Karachi	2018-19	detail of fresh appointments, Arrears/difference bills, log books, service books, bills of feeding charges & honoraria, Cash book etc	05	144.676
		2018-19	bills of feeding charges, duty orders of personnel, detail of food items purchased etc.	12	9.023
02	Commandant/ DIGP RRF Karachi	2018-19	Nos. 1552 Ex-Army personnel (Combatant) appointed as PC, Arrears Bills, Pay of contract staff	01	143.873
			Detail record of burial charges	19	0.900
03	DIGP Traffic Karachi	2018-19	Vehicle lifting/removing charges	03	34.030
		2018-19	Detail of deposited challans	19	13.566
04	DIGP Sukkur	2018-19	Credited amount detail, further disbursement & utilization of expenditure	12	11.895
		2018-19	Record of Financial assistance	14	3.100
		2018-19	Vouchers/bills of TA/DA	16	1.232
		2018-19	Vouchers/bills of Medical charges	15	0.499
05	SSP Badin	2018-19	Others	05	9.216
06	SP Police Headquart Khuwaja Ajmir Nagri Karachi	2018-19	Treasury challans of receipt	16	6.464
07	SSP Matiari	2018-19	Record of Released of cheques by IGP from outside of budget grant through bank account operated by DDO including Bank account statement	16	3.155
08	SSP, Korangi, Karachi		Others	07	2.313
09	SSP, Sanghar		Log Books	06	1.344
10		2018-19	Detail record of burial charges, marriage grant & retirement grant	20	1.937



(Rs. in million)

Sr. #	Name of Offices	Financial Year	Particulars	AIR Para #	Amount
	DIGP, Police Training Range Sindh, Karachi	2018-19	Detail of bank accounts, receipts & payment account detail, internal audit report, training details provided etc	03	0.000
11	Superintendent of Police VVIP Security-II, Karachi	2018-19	Evidences of deposited tax challans	30	0.695
		2018-19	Bank Account Statements	01	0
		2018-19	Periodical inspection reports of vehicles	25	0
12	DIGP Special Branch Karachi	2017-18 to 2018-19	Schedule visit / tour programs of Pool vehicles not produced	06	0.537
13	Superintendent District Jail Malir, Karachi	2018-19	Vouchers/bills under heads of "Others" & "Transport" etc.	06	0.438
14	SSP, Naushero Feroz	2018-19	Vouchers of medical reimbursement	10	0.396
15	DIGP Traffic Licensing & Training Sindh Karachi	2018-19	Bills of Honoraria	13	0.208
16	Principal Police recruit training center Khairpur	2017-18 to 2018-19	Delivery, supply & joint inspection reports under head of drugs & medicines were not produced.	03	0.128
17	DIGP Information Technology Sindh, Karachi	2018-19	SOPs of DIGP Office, list of employees who are on deputation, detailment etc, bank statements & reconciliation statement etc	01	0
18	DIGP West Zone Karachi	2018-19	Log books, list of vehicles hired, fixed & current assets, dead stock articles, security deposit register, tender register, list of contingent paid staff etc	04	0.000
19	Bomb Disposal Unit, Karachi	2018-19	advance register, fixed assets register, imprest advance register, Detail of machinery, log books etc	07	0.000
20	SP, Police Headquarter Garden, South Zone Karachi	2018-19	Detail of monthly PSO bills vehicle wise, log books, allotment orders of vehicles, depreciation	01	0.000

(Rs. in million)

<b>Sr. #</b>	<b>Name of Offices</b>	<b>Financial Year</b>	<b>Particulars</b>	<b>AIR Para #</b>	<b>Amount</b>
			accounts of machinery & equipment etc		
21	SSP Central Prison Hyderabad	2018-19	Register of diet, number of prisoners, diet schedule/ menu & meal served detail etc.	15	0.000
22	DIGP Special Branch Karachi	2017-18 to 2019-20	Bidding documents of R/M of building, detail of government residency etc.	20	0
23	SSP Sukkur	2018-19	Service books, leave register, penalty/fine register, reverted employees detail, service postage stamp account register etc.	09	0
24	Inspector General of Police, Sindh	2019-20	Periodical inspection reports of vehicles	18	0
				<b>Total</b>	<b>389.625</b>

**Annex-2**

**14.5.3 Unauthorized payment of inadmissible allowances – Rs.237.837 million**  
(Rs. in million)

Sr. #	Name of Offices	Financial Year	Particulars	AIR Para #	Amount
1	AIGP Welfare CPO, Sindh	2017-18 to 2019-20	Special additional allowance-2007	01	0.066
			Adhoc Relief Allowance 2013	04	0.051
			High Risk Allowance	03	0.017
2	SSP Hyderabad	2019-20	Un-attractive area allowance	12	0.017
3	SSP Shaheed Benazirabad	2019-20	High Risk Allowance	03	0.030
4	Frontier Constabulary Platoon Sindh, Karachi	2019-20	Computer Allowance	04	0.576
5	SSP Umerkot	2018-19 to 2019-20	C.M Secretariat Allowance	01	0.300
6	SSP Larkana	2019-20	Instruction Allowance	12	0.080
		2019-20	POL.SPL.PKG-2016	11	0.256
7	Central Prison for woman Karachi	2011-12 to 2018-19	Ration Allowance	01	0.348
			Fixed T.A/D.A allowance	07	0.261
8	Inspector General of Police Sindh, Karachi	2019-20	Adhoc Relief Allowance-2013 @15%	02	0.484
9	Secretary Home	2019-20	Orderly Allowance	01	0.504
		2019-20	Computer Allowance	02	0.018
10	SSP Investigation East Zone-III, Karachi	2018-19	adhoc Relief Allowance 2013@15%	03	0.076
11	SSP, Special Branch, Hyderabad	2018-19	Other(Non-field) Allowance	01	6.262
12	SSP, Special Branch, Hyderabad	2018-19	Technical Allowance	02	0.084
13	SSP Mirpurkhas	2018-19	High Risk Allowance	08	0.420
			adhoc Relief Allowance 2013@15%	10	0.114
			POL.SPL.PKG 2016	11	0.025
		2019-20	High risk allowance	06	0.020
14	SSP, Central Prison Hyderabad	2018-19	Non-Practicing Allowance	12	0.132
15	SSP Sujawal, District Sujawal	2018-19	various Allowances	19	1.701
		2018-19	adhoc Relief Allowance 2013@15%	22	0.110

(Rs. in million)

Sr. #	Name of Offices	Financial Year	Particulars	AIR Para #	Amount
		2018-19	High Risk Allowance	20	0.120
			POL.SPL.PKG 2016	21	0.069
16	SP, Central Prison-II, Sukkur	2018-19	Computer Allowance	03	0.018
17	Inspector General of Prison Sindh, Hyderabad	2018-19	various Allowances	01	0.165
18	Assistant Inspector General of Police, Motor Transport Sindh, Karachi	2018-19	Secretariat Allowance	01	1.922
		2018-19	Governor House Allowance	05	0.744
19	Assistant Inspector General of Police, Special Security Unit (SSU), Karachi	2018-19	Secretariat Allowance	01	0.226
20	SP Tharparkar	2018-19	various Allowances	01	0.204
21	Deputy Superintendent of Police (Sindh Reserve Police MT & Store), Karachi	2018-19	Technical Allowance	02	0.249
		2018-19	Special Allowance	01	6.056
		2018-19	Secretariat Allowance	03	0.138
		2018-19	adhoc Relief Allowance 2013@15%	04	0.054
22	Assistant Inspector General of Police Forensic Division Sindh, Karachi	2018-19	various Allowances	01	0.168
23	Commandant/Deputy Inspector General of Police, Rapid Response Force Karachi	2018-19	various Allowances	03	0.350
24	Additional Inspector General of Police Karachi, Karachi	2018-19	Technical Allowance	04	0.046
			Other allowance	11	4.207
25	DIGP Training Range Sindh, Karachi	2018-19	various Allowances	05	5.820
26	SSP Traffic District South, Karachi	2018-19	Secretariat allowance	01	1.383
27	SSP Investigation-II Central, Karachi	2018-19	various Allowances	06	0.132
28	SSP Badin	2019-20	Ration Allowance	11	0.064
		2018-19	POL.SPL.PKG 2016	09	0.024
			various Allowances	02	0.049

(Rs. in million)

Sr. #	Name of Offices	Financial Year	Particulars	AIR Para #	Amount
			adhoc Relief Allowance 2013@15%	01	0.046
29	SSP Kambar @ Shahdadkot	2018-19	High Risk Allowance	09	0.059
			various Allowances	08	0.473
30	SSP Jacobabad	2018-19	POL.SPL.PKG 2016	10	0.100
31	SSP Sanghar	2018-19	Instruction & Technical Allowance	04	1.256
			adhoc Relief Allowance 2013@15%	12	0.205
			POL.SPL.PKG 2016	13	0.124
		2019-20	Technical Allowance	01	0.030
32	SSP Traffic East Karachi	2018-19	adhoc Relief Allowance 2013@15%	03	3.463
		2018-19	various Allowances	04	0.409
33	SSP Korangi, Karachi	2018-19	Secretariat Allowance	04	0.060
		2018-19	adhoc Relief Allowance 2013@15%	10	0.041
34	SP Muhafiz, Karachi	2018-19	adhoc Relief Allowance 2013@15%	01	0.025
		2018-19	Secretariat Allowance	02	0.019
		2018-19	Risk Allowance @50%	05	0.126
		2018-19	Technical Allowance	03	0.014
		2018-19	Governor House Allowance	04	0.114
35	DIGP South Zone Karachi	2018-19	various Allowances	09	1.063
36	SSP Khairpur	2018-19	Technical Allowance	03	0.212
37	SSP Kashmore @ Kandhkot	2018-19	adhoc Relief Allowance 2013@15%	09	0.124
38	SP, Rapid Response Force-II, Al-Falah Base, Karachi	2018-19	adhoc Relief Allowance 2013@15%	11	0.039
		2018-19	Secretariat Allowance	10	0.018
		2018-19	Governor House Allowance	06	0.144
39	Bomb Disposal Unit, Karachi	2018-19	High Risk Allowance	11	3.429
		2018-19	Governor House Allowance	10	0.324
40	SP, Foreigner Security Cell, Karachi	2018-19	adhoc Relief Allowance 2013@15%	03	0.024
		2018-19	Secretariat Allowance	02	0.060
41	DIGP Counter Terrorism Department Sindh, Karachi	2018-19	Technical Allowance	04	0.084
		2018-19	Fixed Daily Allowance	01	0.884
			Consolidation Travelling allowance	03	0.043

(Rs. in million)

Sr. #	Name of Offices	Financial Year	Particulars	AIR Para #	Amount
42	SP Investigation-I, West Zone, Karachi	2018-19	Technical Allowance	04	0.032
		2018-19	Governor House Allowance	02	0.072
43	Additional Inspector General of Police Special Branch, Karachi	2018-19	various Allowances	03	0.268
44	SSP Naushero Feroz	2019-20	Non-operation Allowance & Uniform Allowance	03	0.523
		2018-19	Fixed TA/DA Allowance	05	0.060
45	SSP Political Special Branch, Karachi	2018-19	various Allowances	01	1.395
46	DIG CIA, Karachi	2018-19	Secretariat Allowance	07	0.204
		2018-19	Governor House Allowance	08	0.342
47	DIGP West Zone Karachi	2018-19	Secretariat Allowance	01	0.024
		2018-19	Governor House Allowance	02	0.100
48	SP Police Headquarters, Khuwaja Ajmir Nagri	2018-19	Risk Allowance @50%	14	0.053
		2018-19	Governor House Allowance	12	0.777
		2018-19	Secretariat Allowance	11	0.446
		2018-19	POL Spl- PKG	13	0.019
		2018-19	adhoc Relief Allowance 2013@15%	10	0.012
49	Assistant IGP Telecommunication Sindh, Karachi	2018-19	Governor House Allowance	12	1.797
			Secretariat Allowance	11	2.256
			adhoc Relief Allowance 2013@15%	05	0.187
			Ph.d/M.Phil Allowance	04	0.030
50	SP, Police Headquarter Garden South Zone, Karachi	2018-19	Other, Special Allowance, Consolidation TA	09	11.588
			Risk Allowance	13	0.220
			Secretariat & Governor House Allowance	14	0.475
			adhoc Relief Allowance 2013@15%	15	0.447
			Technical Allowance	16	0.258
51	SP, Sindh Reserve Police, Sukkur	2018-19	CM Secretariat allowance	1	0.460
52	DIGP, Information Technology, Karachi	2018-19	Consolidation Travelling allowance	06	0.070
53	SP, Sindh Reserve Police Base-I, Baldiya Karachi	2018-19	C.M Secretariat Allowance	01	0.250
54		2018-19	Causality Allowance	04	0.144

(Rs. in million)

Sr. #	Name of Offices	Financial Year	Particulars	AIR Para #	Amount
	Superintendent District Jail Malir, Karachi	2018-19	Hard Work Allowance	03	0.144
55	SSP District West, Karachi	2018-19	Adhoc allowance-2011	02	0.031
		2018-19	Adhoc allowance-2012	19	0.081
		2018-19	Technical Allowance	17	0.163
		2018-19	A1270-Other Allowance	14	0.298
		2018-19	A1299-Other Allowance	01	118.220
56	SP Headquarter Saudabad, Karachi	2018-19	Secretariat Allowance	01	0.086
		2018-19	Governor House Allowance	02	0.072
57	SSP Sukkur	2018-19	Adhoc Relief Allowance @15%	06	0.206
		2018-19	High Risk Allowance & POL.SPL.PKG 2016	05	0.109
58	SSP Special Branch Sukkur	2018-19	Health Professional Allowance	01	0.056
59	SSP Investigation East-I, Karachi	2018-19	Adhoc Relief Allowance 2013 @ 15%	05	0.129
60	SSP Tando Allahyar	2018-19	Technical Allowance	02	0.105
		2018-19	Adhoc Relief Allowance 2013 @ 15%	04	0.054
61	DIG Special Branch, Karachi	2017-18 to 2018-19	Risk Allowance @ 50% & High Risk Allowance 50%	09	0.037
		2017-18 to 2018-19	C.M Secretariat Allowance	07	0.036
62	SP Security-II, Karachi	2018-19	Risk Allowance	02	0.014
63	DIG Traffic, Karachi	2018-19	Chief Secretary's House Allowance	18	0.495
		2018-19	Governor House Allowance	17	0.428
64	SSP South, Karachi	2018-19	Adhoc Relief Allowance 2013 & Adhoc Relief Allowance 2015	11	1.677
		2018-19	Governor House Allowance	10	1.053
		2018-19	Secretariat Allowance	09	0.133
65	SSP Matiari	2018-19	Un-attractive area allowance, adjustment teaching allowance, house rent allowance, POL.SPL.PKG 2016	04	0.029
		2018-19	Risk Allowance	03	0.095

(Rs. in million)

Sr. #	Name of Offices	Financial Year	Particulars	AIR Para #	Amount
66	Frontier Constabulary Platoon, Sindh, Karachi	2019-20	Conveyance allowance without entitlement	02	0.576
67	SSP, West Karachi	2018-19	Fixed daily allowance	02	26.029
			Ration allowance	05	2.229
			Adhoc Allowance-2013	08	0.912
			Adhoc Allowance-2015	10	0.575
68	SSP, Matiari	2018-19	Pay & Allowances	02	2.297
69	Secretary Home, Karachi	2018-19	Payment of house rent in addition to availing house hiring facility	04	5.761
70	SP, Police Headquarter Gaden, South Zone, Karachi	2018-19	Payment of house rent in addition to Government accommodation	02	4.082
71	SSP, Central Prison Karachi	2018-19	Payment of house rent in addition to Government accommodation	01	0.532
72	DIGP Special Branch, Karachi	2018-19	Recovery of house rent allowance	23	0.441
73	SSP, Sujawal	2018-19	Excess payment of house rent @45% allowance instead of 30%	23	0.411
74	Superintendent District Jail Malir, Karachi	2018-19	Non-recovery of 5% house maintenance charges	02	0.226
75	SSP Shikarpur	2018-19	Excess payment of house rent @45% allowance instead of 30%	11	0.107
76	SSP Tando Muhammad Khan	2018-19	Excess payment of house rent 45% instead of 30%	02	0.104
77	DIGP Traffic Karachi	2018-19	Less deduction of 5% maintenance charges	16	0.060
78	SSP Naushero Feroz	2018-19	less deducted 5% house maintenance charges	03	0.030
79	SSP West, Karachi	2018-19	Less deduction of 5% maintenance charges	21	0.019
80	SP Tharparkar	2018-19	Excess payment of house rent @45% allowance instead of 30%	02	0.014
				<b>Total</b>	<b>237.837</b>



**Annex-3**

**14.5.5 Non-deduction of Conveyance allowance - Rs.9.538 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of Offices</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
1	SSP, West, Karachi	04	availing vehicle facility	3.741
2	SP, Police Headquarter Garden, South Zone Karachi	11	availing residence facility at work premises	0.894
		24	conveyance paid during leave	0.558
		25	availing accommodation facility at training	0.409
		21	availing vehicle facility	0.300
3	DIGP Training Range Sindh, Karachi	02	availing vehicle facility	0.836
4	SSP, Matiari	01	availing vehicle facility	0.830
5	SSP Mirpurkhas	09	availing vehicle facility	0.500
6	SSP, South Karachi	06	availing vehicle facility	0.480
7	DIGP South Zone Karachi	03	availing vehicle facility	0.323
8	Assistant Inspector General of Police, Forensic Div Sindh, Karachi	02	availing vehicle facility	0.222
9	Assistant Inspector General of Police, Telecommunication Karachi	03	availing vehicle facility	0.185
10	SSP Traffic South, Karachi	02	availing vehicle facility	0.080
11	SSP, Political Special Branch Karachi	02	Officer having vehicle	0.060
		06	conveyance paid during leave	0.026
12	SP Muhafiz Karachi	10	availing vehicle facility	0.060
13	DIGP Mirpurkhas	06	availing vehicle facility	0.034
<b>Total</b>				<b>9.538</b>

**Annex-4****14.5.8 Irregular expenditure incurred on account of Feeding Charges - Rs.1,124.023 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of Offices</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
1	Inspector General of Prison Sindh, Hyderabad	2018-19	05	1,097.550
2	SSP Larkana	2018-19	03	6.082
		2019-20	05	1.453
3	DIGP Traffic Karachi	2018-19	06	3.591
4	SSP Hyderabad	2019-20	08	3.527
5	DIGP South Zone Karachi	2018-19	30	2.494
6	SSP, Sujawal	2018-19	12	2.189
7	SSP Jacobabad	2018-19	03	2.087
8	SSP, Shaheed Benazirabad	2018-19	06	1.575
9	SSP Umerkot	2018-19 to 2019-20	10	1.387
10	SSP, Kamber @ Shahdadkot	2018-19	03	0.711
11	SP Naushero Feroz	2019-20	02	0.270
12	SSP Badin	2019-20	01	0.396
13	SP, RRF-II, Al-Falah Base Karachi	2018-19	16	0.217
14	DIGP, Hyderabad	2018-19	4	0.198
15	SP Special Branch Hyderabad	2018-19	05	0.191
16	DSP. SRP, MT& Store, Karachi	2018-19	07	0.105
			<b>Total</b>	<b>1,124.023</b>

### 14.5.9 Irregular expenditure due to defective tendering process – Rs.313.484 million

(Rs. in million)

Sr. #	Name of Offices	AIR Para #	Irregularity	Amount
1	DIGP Information Technology Sindh, Karachi	08	Non-advertisement of tenders in leading newspapers as required under SPP Rule 17(2), Procurement committee not constituted as per Rule-7, BER not hoisted as per Rule-45 of SPP	85.543
2	Inspector General of Police Sindh, Karachi	18	Integrity pact was not executed under Rule-89 of SPP Rules-2010	71.700
		07	Performance security obtained was not verified from concerned Bank under rule-39 of SPP Rules	6.312
3	DIGP Training Range Sindh, Karachi	28	Bid submitted more than 30% below the estimate cost	27.598
		25	Award of work to 3rd lowest bidder	10.065
4	Assistant Inspector General of Police, SSU, Karachi	05& 06	Award of work to irrelevant contractor not registered in relevant category of work	36.913
5	Superintendent Engineer Police Works, Hyderabad	02	Bid Evaluation Reports were not hoisted as required under Rule 45 of SPP Rules 2010	33.171
6	DIGP Shaheed Benazirabad	01	Award of 04 works on single call deposit	17.656
7	Inspector General of Prison Sindh, Hyderabad	04	Bid Evaluation Reports were not hoisted as required under Rule 45 of SPP Rules 2010	7.461
8	SSP, Jamshoro	22	Bid Evaluation report not hoisted, Experience certificate, Bid security were not obtained from contractor	4.185
9	Senior Superintendent, Central Prison Hyderabad	03	Award of work without competition as required under Rule (13) (1) of SPP Rules	1.993
10	Principal, Police Recruit Training Centre Khairpur	06	Performance security was not obtained under rule-39 of SPP Rules	1.854
11	DIGP Special Branch, Karachi	18	Award of work on single bid without market survey report of rates in violation of Rule-48 of SPPRA	0.975
12	DIGP, Mirpurkhas	08	Bid Evaluation Reports were not hoisted as required under Rule 45 of SPP Rules 2010	0.689

(Rs. in million)

<b>Sr. #</b>	<b>Name of Offices</b>	<b>AIR Para #</b>	<b>Irregularity</b>	<b>Amount</b>
	Deputy Inspector General of Police (Traffic) Karachi	02	<ul style="list-style-type: none"><li>i. As per bid evaluation report the procurement method was mentioned as Single stage instead of describing single stage one envelop or single stage two envelop etc.</li><li>ii. During the process of evaluation of technical proposal only single bid of (M/s Insight Solution Pvt) was declared as qualified; hence being a single qualified bidder the management was required to evaluate the price of bid as described in rule 48 of SPPRA by comparison of rates with last awarded contract or the market prices.</li><li>iii. In addition to above if the one bidder was qualified during the previous tender it was preferable to go for fresh tenders instead of continuing the same bidder for the succeeding years.</li></ul>	7.369
<b>Total</b>				<b>313.484</b>

**Annex-6****14.5.10 Non-invitation of tenders - Rs.65.695 million**

(Rs. in million)

<b>Sr.#</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
1	DIGP East Karachi	2018-19	2,4,6,10 & 11	45.165
2	SSP Sanghar	2018-19	02	3.930
3	SSP Khairpur	2018-19	07	3.889
4	SSP Mirpurkhas	2018-19	17	2.643
5	SSP Hyderabad	2019-20	01	2.586
6	SP Umerkot	2018-19 to 2019-20	05	2.334
7	SSP Sukkur	2018-19	01	1.417
8	SSP District West, Karachi	2018-19	07	1.155
9	SSP South, Karachi	2018-19	01	0.788
10	DIGP Sukkur	2018-19	13	0.653
		2018-19	08	0.616
11	SSP Kashmore @ Kandhkot	2018-19	02	0.519
<b>Total</b>				<b>65.695</b>

## 14.5.14 Non-recovery of taxes – Rs.38.644 million

(Rs. in million)

Sr. #	Name of Offices	Financial Year	AIR Para #	Tax	Amount
1	Inspector General of Police Sindh, Karachi	2018-19	03	GST	7.956
2	SSP Prison Hyderabad	2018-19	10	Income tax, GST	5.167
3	SSP Dadu	2018-19	09 & 10	Income tax, GST	1.281
4	SSP Jamshoro	2018-19	21	GST	1.070
		2018-19	20	GST	0.376
		2018-19	16	Income Tax	0.192
		2018-19	17	Income Tax	0.067
5	SSP Matiari	2018-19	05	GST	1.021
6	Inspector General of Police Sindh, Karachi	2019-20	06	Income Tax	0.985
		2019-20	07	GST	0.733
7	Inspector General of Prison Sindh, Hyderabad	2018-19	15	Income tax	0.914
8	DIGP South Zone, Karachi	2018-19	18	Income tax	0.814
9	SSP Sanghar	2019-20	06	GST	0.534
		2018-19	10	Income tax, SST	0.512
10	SSP Shikarpur	2018-19	07	Income tax, GST	0.421
11	SP, Sindh Reserve Police, Sukkur	2018-19	02 & 04	Income tax, GST	0.389
12	SSP kamber @ Shaddadkot	2018-19	10	Income tax	0.376
13	SSP Mirpurkhas	2018-19	16	Income tax	0.342
14	SSP Shaheed Benazirabad	2018-19	11 & 12	Income tax, GST	0.316
		2019-20	01	GST	0.084
15	SSP Jacobabad	2018-19	08	Income tax	0.261
16	DIGP Information Technology Sindh, Karachi	2018-19	03 & 04	Income tax, GST	0.217
17	SSP Kashmore @ Kandhkot	2018-19	07	Income tax	0.209
18	Assistant Inspector General of Police, SSU Karachi	2018-19	11,12,13	Income tax, GST	0.206
19	DIGP Shaheed Benazirabad	2018-19	10	Income tax, SST	0.159
20	SSP Tando Muhammad Khan	2018-19	05	GST & SST	0.137
21	SSP Badin	2019-20	10	I.Tax	0.114
22	DIGP Technical & Transport, Karachi	2018-19	01	Income tax, GST	0.058
23	SP Police Headquarter Khuwaja Ajmir Nagri Karachi	2018-19	06	GST	0.030
24	DIGP CIA, Karachi	2018-19	10	GST	0.022

(Rs. in million)

Sr. #	Name of Offices	Financial Year	AIR Para #	Tax	Amount
25	DSP, (Sindh Reserve Police MT & Store), Karachi	2018-19	06	GST	0.019
26	Central Prison for Women, Karachi	2018-19	14	I.Tax	0.017
27	SSP, Intelligence CTD, Karachi	2018-19	13	GST	0.005
28	DIGP West Zone, Karachi	2018-19	17	GST	0.004
29	SP Headquarter Saudabad, Karachi	2018-19	05	GST	0.004
30	DIGP West Zone, Karachi	2018-19	11 & 16	SST	1.352
31	DIGP South Zone, Karachi	2018-19	20	SST	1.274
32	DIGP East Zone, Karachi	2018-19	14	SST	1.170
33	DIGP Mirpurkhas	2018-19	07	SST	1.158
34	Principal Police Recruit Training Centre, Khairpur	2017-18 to 2018-19	05	SST	0.927
35	Inspector General of Police Sindh, Karachi	2019-20	05	SST	0.569
36	SSP Jamshoro	2018-19	18	SST	0.506
37		2018-19	19	SST	0.049
38	SSP Larkana	2019-20	10	SST	0.302
39	DIGP Special Branch Karachi	2017-18 to 2018-19	22	SST	0.146
40	SP, Sindh Reserve Police, Sukkur	2018-19	3	SST	0.128
41	DIGP Information Technology Sindh, Karachi	2018-19	02	SST	0.058
42	Inspector General of Prison Sindh, Hyderabad	2018-19	14	SST	0.045
43	SSP Naushero Feroz	2018-19	02	SST	0.042
44	SP, Police Headquarter Khuwaja Ajmi Nagri Karachi	2018-19	07	SST	0.025
45	Additional Inspector General, Special Branch Karachi	2018-19	02	SST	0.018
46	SP VVIP Security-II, Karachi	2018-19	35	SST	0.017
47	SSP Intelligence CTD, Karachi	2018-19	12	SST	0.013
48	SP, Police Headquarter Garden, South Zone Karachi	2018-19	28	SST	0.013
49	DSP (Sindh Reserve Police MT & Store) Karachi	2018-19	05	SST	0.013

(Rs. in million)

<b>Sr. #</b>	<b>Name of Offices</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Tax</b>	<b>Amount</b>
50	Assistant Inspector General of Police, SSU, Karachi	2018-19	10	SST	0.009
51	DIG CIA Karachi	2018-19	09	SST	0.009
52	SP Headquarter Saudabad, Karachi	2018-19	04	SST	0.008
53	Senior Superintendent Central Prison Karachi	2018-19	05	SST	0.005
54	Inspector General of Prison Sindh, Hyderabad	2018-19	12	stamp duty	3.765
55	DIGP Information Technology Sindh, Karachi	2018-19	05	stamp duty	0.587
56	Inspector General of Sindh, Karachi	2018-19	01	stamp duty	0.250
57	DIGP, Sukkur	2018-19	09	stamp duty	0.221
58	DIGP Shaheed Benazirabad	2018-19	11	stamp duty	0.121
59	Superintendent Engineer, Police Works, Hyderabad	2018-19	08	stamp duty	0.116
60	SSP Dadu	2018-19	08	stamp duty	0.035
61	Inspector General of Prison Sindh, Hyderabad	2018-19	13	Professional tax	0.075
62	SSP, Dadu	2018-19	07	Professional tax	0.010
63	SSP, Shikarpur	2018-19	06	SST	0.532
64	SSP, Larkana	2019-20	13	SST	0.064
<b>Total</b>					<b>38.644</b>



## Annex-8

### 14.5.18 Irregular payment through DDO account – Rs.245.003 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
1	AIGP Welfare Sindh, Karachi	2017-18 to 2019-20	02	52.450
		2017-18 to 2019-20	05	24.700
2	DIGP South Zone Karachi	2018-19	19	13.658
		2018-19	22	0.942
		2018-19	25	0.538
		2018-19	10	0.102
3	SSP Sanghar	2018-19	11	11.852
		2019-20	07	0.344
		2018-19	01	0.158
4	SP, Umerkot	2018-19 to 2019-20	03	2.203
5	SSP Naushero Feroz	2019-20	09	0.630
6	I.G Prison Sindh, Hyderabad	2018-19	02	11.300
		2018-19	08	11.033
7	DIGP East Zone, Karach	2018-19	17	9.538
8	SP Investigation-I, West Zone Karachi	2018-19	08	8.449
9	DIGP West Zone, Karachi	2018-19	13	7.308
		2018-19	18	1.970
10	SP Headquarter Khuwaja Ajmir Nagri, Karachi	2018-19	15	6.974
		2018-19	08	0.597
11	SSP District Khairpur	2018-19	04	6.429
12	SSP Shaheed Benazirabad	2018-19	02	5.363
		2018-19	05	5.075
		2019-20	02	0.147
13	SSP Investigation-II, Central Karachi	2018-19	07	4.796
14	SSP, Sindh Reserve Police Hyderabad	2017-18 to 2018-19	05	4.505
15	SSP Sukkur	2018-19	08	4.318
16	DIGP Traffic, Karachi	2018-19	11	3.752
17	DIGP Hyderabad	2018-19	01	3.389
		2018-19	02	0.135

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Amount
18	SSP Investigation East Zone-III, Karachi	2018-19	08 & 09	3.713
19	SP VVIP Security-II, Karachi	2018-19	05	3.172
20	DIGP Mirpurkhas	2018-19	05	3.000
21	SSP Korangi, Karachi	2018-19	02	2.387
22	DIGP, Counter Terrorism Department Sindh, Karachi	2018-19	07	2.243
23	DIGP Shaheed Benazirabad	2018-19	07	2.124
		2018-19	03	1.584
24	SSP, Political Special Branch, Karachi	2018-19	05	1.872
25	SSP, Police Headquarter Garden, South Zone, Karachi	2018-19	08	1.791
		2018-19	23	0.758
26	Commandant/ DIGP RRF, Karachi	2018-19	13	1.968
		2018-19	10	0.250
27	SSP Jamshoro	2018-19	02	1.609
		2018-19	01	0.873
28	SSP Sujawal	2018-19	10	1.476
		2018-19	01	0.678
29	SP RRF-II, Al-Falah Base, Karachi	2018-19	17	1.337
30	SSP, Central Prison Hyderabad	2018-19	11	1.322
31	SSP Mirpurkhas	2018-19	18	1.089
		2018-19	20	0.300
		2019-20	04	0.234
32	DIGP, CIA Karachi	2018-19	20	1.015
		2018-19	13	0.010
33	SP Tharparkar	2018-19	10	0.704
		2018-19	05	0.282
34	SSP Kambar @ Shahdadkot	2018-19	01	0.669
35	SSP Jacobabad	2018-19	01	0.600
36	SSP Intelligence CTD Karachi	2018-19	01	0.489
37	DIG Prisons Hyderabad Region, Hyderabad	2018-19	01	0.408
38	Assistant Inspector General of Police, Special Security Unit Karachi	2018-19	09	0.382
39	SSP Kashmore @ Kandhkot	2018-19	01	0.300

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
40	SP, Special Branch Hyderabad	2018-19	07	0.131
41	Assistant Inspector General of Police, Motor Transport Sindh, Karachi	2018-19	02	0.121
42	SSP Badin	2019-20	07	0.500
		2018-19	07	0.100
43	DIGP Sukkur	2018-19	17	0.920
44	SSP Larkana	2019-20	07	0.863
		2018-19	01	0.600
45	SSP District West Karachi	2018-19	16	0.169
46	SSP Matiari	2018-19	15	0.158
47	Assistant Inspector General of Police Telecommunication Sindh, Karachi	2018-19	07	0.063
48	SSP, Police Training Centre Shahdadpur	2018-19	01	0.043
49	SSP Central Prison Karachi	2018-19	08	0.024
50	DIGP Technical & Transport Karachi	2018-19	03	0.017
<b>Total</b>				<b>245.003</b>

**Annex-9****14.5.21 Un-authorized retention of government money - Rs.32.498 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of Offices</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
1	SSP South, Karachi	2018-19	02	10.403
2	SP Investigation-I, West Zone Karachi	2018-19	07	3.438
3	Commandant/ DIGP RRF, Karachi	2018-19	07	2.852
4	SSP Korangi, Karachi	2018-19	01	2.912
5	DIGP Special Branch, Karachi	2017-18 to 2019-20	05	2.454
6	SSP Shaheed Benazirabad	2018-19	03	2.096
7	SSP Naushero Feroz	2019-20	10	2.039
8	DIGP CIA Karachi	2018-19	21	1.372
9	DIGP Training Range Sindh, Karachi	2018-19	11	1.319
10	SP Foreigner Security Cell Karachi	2018-19	01	1.166
11	SSP Sujawal	2018-19	09	0.647
12	SP, RRF-II, Al-Falah Base Karachi	2018-19	01	0.579
13	Assistant Inspector Geneal of Police, Telecommunication Sindh Karachi	2018-19	15	0.511
14	DIGP Special Branch, Karachi	2017-18 to 2019-20	10	0.399
15	Assistant Inspector Geneal of Police, Forensic Division Sindh Karachi	2018-19	03	0.311
			<b>Total</b>	<b>32.498</b>

## Chapter-17 Information & Archives Department

### Annex-1

#### 17.5.5 Non-recovery of various taxes at applicable taxes – Rs5.933 million

(Rs in million)

Name of Formation	Financial Year	AIR Para #	Irregularity	Amount
Secretary, Information & Archives	2018-19	06	An expenditure of Rs49.835 million was incurred on account unforeseen and the payment was made to suppliers which were required to be withheld SST @ 13% amounting to Rs.6.478 million, however only amounting to Rs0.700 million were withheld. Hence, Government sustained loss amounting to Rs.5.778 million by way of less withholding of SST.	5.778
	2019-20	13	An amount of Rs.2.090 million was incurred on rendering services through suppliers under various heads of accounts but the Sindh Sales Tax (SST) on services was less deducted at source amounting to Rs.31,265.	0.031
	2019-20	03	Less deduction of Income Tax	0.124
<b>Total</b>				<b>5.933</b>

## Chapter-18 Investment Department

### Annex-1

#### 18.5.1 Non-production of auditable record – Rs.548.557 million

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Auditable record	Remarks	Amount
1	Chairman/Secretary, Sindh Board of Investment, Karachi  (FY 2018-19)	2	Utilization Reports & Audited accounts of Sindh Economic zone management Co.	Payment made as Seed money for Establishment of Investment Co.	500.00
		4&1 2	(i) Inception Report (ii) Preliminary Technical Viability Report (iii) Legal and Regulatory review report (iv) Detailed Technical Analysis Report (v) Commercial Development Plan (vi) Transaction Structure and PPP Options Analysis (vii) Preparation of Master Plan and Finalization of Financial Model (viii) Detailed Feasibility Report. And Progress report of management on the above report	Work assigned to various consultants, but the said reports were not provided/shown to audit to authenticate the payment. Also Progress report of management on the subject report was not provided/shown to audit	36.568
		29	Original Bank statement	Bank statements provided to audit was hand written corrected	0.974
		1	Tender/ quotation files, Agreement and work completion report related to Other Service Rendered	Audit could not authenticate the payment to Messers.	0.519
2	Project Director, Khairpur Special Economic Zone  (FY 2018-19)	06	Completion certificate or handing and taking over of the buildings/ work under Package VI & VII	Audit could not authenticate whether security deposit was refunded after completion of defect liability period or otherwise.	3.006
		08	Asset Register	Audit was unable to assess long term	0.000

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Auditable record	Remarks	Amount
				assets, and misappropriation in assets cannot be ruled out	
		12	Notification of formation of Engineers Panel	Panel's reports was not provided for verification.	0.000
03	Chairman/Secretary, Sindh Board of Investment, Karachi  (FY 2019-20)	23	The certificates of non-availability of medical facility at government hospital from MS Services Hospital/Civil Surgeon were not available on the record.  Approvals of board of commission for reimbursement were not provided.		1.894
		21	Invitation of proposals of service provided by supplier/contractor was not available/furnished  All tasks were performed in the month of Feb 2019 but the reasons of non-taking steps since start of the year was not available		1.817
		22	GST & SST invoices for the amount withheld		1.576
		24	Office order for seminars/conferences was not attached with the record.  Dates and venues were not disclosed.  List of participants/attendants was not attached with the bills.  Invitation letters to participants and guests were not available.		0.758

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Auditable record	Remarks	Amount
			Minutes of conferences / Seminars were not found available with the bills.		
		09	Schedules of meeting were not available. Invitation letters sent to guests and others were not available. Office orders regarding meetings etc were not available Details of sales tax & income tax deducted were not provided.		0.755
		28	Arrear of salary bills		0.446
		14	procedure of consultant's appointment, their qualifications, experiences, job descriptions, performance reports/evaluation reports against their performed activities		0.244
		02	NAB office Rawalpindi Vide Letter No. NABR20190131159664/2019/IW /INQ/3856 dated: 26-11-2019 called the Project director for recording of statement against "Inquiry against the holders of public office, legal persons & others involved in fake bank accounts" but no information was provided by this local office regarding the case in NAB.		0.000
<b>Total</b>					<b>548.557</b>



## Chapter-19 Irrigation Department

### Annex-1

#### 19.5.1 Non-production of record – Rs.2,222.668 million

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
01	Executive Engineer, Drainage Division, Shaheed Benazirabad	01	2019-20	Bid evaluation report and contract agreement.	609.447
02	Executive Engineer, RBOD-Division-II, Jamshoro	31,34 & 60	2018-19	Contractor ledger, security deposit register, Measurement book.	359.147
03	Executive Engineer, Right Bank Out Fall Drain Project Division No-III Thatta	01,04 & 23	2018-19	Technical strength, detailed sanctioned estimates, measurement books, bidding documents (49 Contract for Rs/ 11,084,.729 million) Reference letter No.SE/RBOD/72 dated: 08-09-2014, court cases, stock register, inspection register, laboratory test report, consultant agreements, contract agreement of contractors, contractor ledger, security deposit register, daily receipt book, damages register, work register adjustment account of land Rs.323.456 million, escalation/interest charges on late payment running bills to M/S FWO- Rs.811.996, detailed drawing, location map, cross section drawings, L-section drawing, detailed estimates, lead chart, certificates of non-availability of earth near the site location, soil test report of borrow pit and the record of land acquired missing.	265.663
04	Executive Engineer, Drainage Division Shikarpur	01&02	2019-20	Measurement book and contractor files of the work, Tender register, Bid, bid evaluation report,	241.945

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
				estimates, work orders, sale of Forms, newspaper advertisement.	
05	Executive Engineer Central Sindh Mechanical Division Jamshoro	08	2018-19	record of attendance and place of posting of the employees drawing their salaries	164.649
06	Executive Engineer, Drainage Division, Sanghar	01, 02, 04, 05 & 06	2018-19	Service books, personal files, pay slips, repair & maintenance for various tube wells. requisition of M&R concerned sub-division wise, estimate, 50KV transformer of tube well, rate approved from competent authority, consolidated estimate, MB, deviding of bed clearance contractor, NOC from mechanical division, rate approved by competent authority, various tube well pump and penal parts of motor, rate approved from competent authority, consolidated estimate, MB etc.	156.678
07	Executive Engineer Lower Sindh Mechanical Division Jamshoro	01 & 05	2018-19	record of attendance and place of posting of the employees drawing their salaries, complete record change of birth for verification of Mr. Muhammad Rafiq, Helper, etc.	131.352
08	Executive Engineer, Southern Division, Dadu	02 & 09	2018-19	Detail estimate, approval of rate from competent authority, detail measurement, the detail working in term of place and cubic feet.	50.267
09	Project Director Sindh Water Sector Improvement Project Hyderabad (FAP)	4.1.1, 4.1.2 & 4.3.1	2018-19	Statement of Aabiana from land owners, statement showing target of aabiana received and deposited into F.O account, reconciliation of aabina received, contracts of service renewed, cash books and vouchers against advances paid to AWBs & PCMU, receipts of vehicles, taken over from outside, officers, pointed out in audit report 2016-17. Vouchers of expenditure of PAF's resettlement action, equipment for FOs, Misstated about	37.525

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
				the user of the vehicle in favor of expenditure of POL and repair.	
10	Executive Engineer, Sakro Division @ Mirpur Sakro (Irrigation), Thatta	01 & 03	2018-19	Advance payment De-silting of channel in Sakro Div. Mirpur sakro, adjustment vouchers, copy of cheques, acknowledgment, work completion certificate, pay and allowances without updating the CNIC and date of joining in SAP data etc.	34.948
11	Executive Engineer RBOD-Division-II, Hyderabad @ Jamshoro	01, 06,14, 22 & 23	2018-19	PC-I of the scheme, Personal files of officers / officials especially XEN concerned, Security Deposit Registers, Contractor Ledger Part-1&2, Inception report by the Chief Engineer, estimate register, contract agreement executed with contractors, monthly progress report, case files/ tender files, works register along with detail of work, inspection reports, (P.D/S.E) Secretary, P&D Department, consultant and headquarter engineering 5 crops., inquiry report (internal / external), laboratory test reports, consultant agreements, nature surface level (NSL)/ original ground level (OGL), court cases, consultant detail monthly progress up to june 2019, measurement books (MBs), survey report/ detail estimate, daily receipt book damages register, design/n drawings, the annual report of M&C cell along with all monitoring report, site lay out plan, POL issuance slips, ceiling/ criteria, Requisitions, Petrol consumption account, Project Coordinator PSMT for onward detail of staff and payment of salaries thereof, adjustment account of expenditure so incurred, vouchers, invoices,	33.892

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
				stock registers, detail of POL drawl, detail drawing, location map, cross section drawing L section drawing, detail estimate, lead chart, certificate of non-availability of earth near the site location, soil test report of barrow pit, log book in Form-A, History sheet Form-B, Petrol consumption account Form-C etc.	
12	Project Director, Sindh Barrage Improvement Program, Karachi (FAP)	4.3.2 & 4.6.1	2018-19	The particular of security personnel like applications, CNIC. Criteria for appointment, selection process, acknowledgement of payee, muster roll of the personnel/appointees along with progress of work, the posts were not filled through advertisement for providing equal opportunity. Survey report (item No.2.01).	29.526
13	Executive Engineer, Nara Project Division, Sanghar	04 & 09	2017-18 2018-19 2019-20	Approval from competent authority, criteria for selection of the candidates, list of officers/officials nominated for diploma course, M/s A.A Associates, consultancy charges under sub-heads of transportation and reimbursement.	27.09
14	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	01	2018-19	Security Deposit register, income tax vouchers/challans, contingencies vouchers of the year, PC-I of ADP schemes(revised PC, if any) contractor's ledger, measurement books, NIT file for the year, Bidding documents submitted by each contractor, Bid evaluation report & comparative statement, qualified report signed by procurement committee members.	27.075
15	Executive Engineer, Drainage Division, Shikarpur	01	2018-19	Notification of constituted committee	8.75

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
16	Executive Engineer, Project Director, Sindh Barrage Improvement Program, Karachi (FAP)	4.3.5	2018-19	Sales invoice if vehicles purchased, delivery challan, registration of vehicle, handing over & taking over of vehicles and allotment letters of the vehicles.	6.000
17	Executive Engineer, Small Dam Division, Nagarparkar @ Mithi	07	2018-19	Survey report of each dam, monthly progress report of the consultant, test report of material, Checklist to be prepared by consultant for poring of mass concrete, Test reports of the water	5.167
18	Executive Engineer, RBOD-Division-I Sann Jamshoro	48	2018-19	Measurement book.	4.409
19	Executive Engineer, Kalri Baghar Division Thatta	09	2018-19	Detail measurement Book / detail measurement calculation sheet.	4.062
20	Executive Engineer, Rohri Division Moro	08	2019-20	Joint MB, detailed bill.	3.000
21	Executive Engineer, Tubewell Division No.II Hala	01	2018-19	Income tax deducted from the payment of contractor	2.848
22	Executive Engineer, Tube Well Division-II, Hala	10	2019-20	The detail of income tax due/ challan.	2.385
23	Executive Engineer, Irrigation West Division, Khairpur	09 & 10	2019-20	Receipt of labour report sub division along with the bill, reconciled challans of income tax, sales tax and stamp duty.	2.302
24	Executive Engineer, Hala Irrigation Division Hala @ Hyderabad	06 & 10	2019-20	Various heads and travelling allowance supporting vouchers, income tax and stamp duty paid up challan.	2.259
25	Executive Engineer, North Dadu Drainage Division, Larakana	10	2019-20	Land award statement and disbursement account.	2.250
26	Executive Engineer, Thar Division, Mirpurkhas	10	2018-19	Land Award Statement and disbursement account	2.145

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
27	Executive Engineer RBOD-Division-I, Sann, Jamshoro	01 & 36	2018-19	Personal files of officers / officials especially XEN concerned, Security Deposit Registers, Contractor Ledger Part-1&2, Inception report by the Chief Engineer, estimate register, contract agreement executed with contractors, monthly progress report, case files/ tender files, works register along with detail of work, inspection reports, (P.D/S.E) Secretary, P&D Department, consultant and headquarter engineering 5 crops., inquiry report (internal / external), laboratory test reports, consultant agreements, nature surface level (NSL)/ original ground level (OGL), court cases, consultant detail monthly progress up to june 2019, measurement books (MBs), survey report/ detail estimate, daily receipt book damages register, design/n drawings, the annual report of M&C cell along with all monitoring report, site lay out plan,, POL issuance slips, ceiling/ criteria, Requisitions, Petrol consumption account etc	1.861
28	Executive Engineer, Drainage Division, Khairpur	12	2018-19	Estimate, contractor file, MBs	1.656
29	Executive Engineer, Sindh Central Mechanical Division Jamshoro	22	2018-19	Office Orders, LPC, Service books, Approval from Finance Department for clearance of liability, Register of different bills, Joining report of the officers/official, copy of payroll of arrear and adjustment.	1.476
30	Chief Engineer, Kotri Barrage Hyderabad	01 & 08	2018-19	Notification of promotion/up gradation issued by competent authority if any, verified service books including, A-photo Form signed by DDO for fixation of pay, approval of the competent	1.207

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
				authority, vouchers were not to ascertain the TA/DA calculation, TA/DA register for claimed of TA/DA.	
31	Executive Engineer, Drainage Division Thatta	05	2018-19	Detail of labour engaged was not available with bills, CNIC of labour engaged was not available with bills, attendance sheets for days of labour engaged was not available with bills, work progress report of un-skilled coolies / labour.	0.982
32	Executive Engineer, Upper Pinyari Division, Hyderabad	13	2018-19	Detailed estimate, measurement book, work order for repairing and replacement and correction work of Daro Branch H/regular gates.	0.354
33	Executive Engineer, Rice Canal Division Mehar @ K.N.Shah	28	2018-19	Advertisement Vouchers.	0.351
34	Executive Engineer, Ranipur Tube well Division Khairpur Mir's	27	2015-16 to 2018-19	Expenditure Statement, Voucher of establishment side, Cash Book and details of DDO account, List of functional and non-functional tube wells up to date, Working and sanctioned strength of staff, List of vehicle	--
35	XEN Shahbaz Irrigation Division Sehwan	01	2018-19	Statement of expenditure related to establishment side, Copy of pay rolls, Pay slips of Gazzetted officers, Progress report of Development side, Working sanction position, Contingent paid up vouchers, Incumbency period etc.	--
36	Executive Engineer, Tube well Division Ghotki	01	2018-19	Copy of Pay roll, Contingent paid vouchers, contractors case files, Budget Control Register, Original record of bidding process /documents pertaining to development schemes, List of employees posted on the 165 non-operational Tubewells /Sumps, Physical Assets Register,	--

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
				NIQ/Tender Register along with tender/NIT file, Security Deposit Register, Statement showing sanctioned and working strength of employees, Detail of employees appointed, promoted, retired and pass away, Detail of budget releases along with ADP funds, Progress reports of ADP Schemes, Detail of monitoring reports of P&D Department Govt. of Sindh, Complete record of PC-I,II, III, IV along with administrative approval, technical sanctions along with minutes of PDWP meetings, Utility bills along with reconciliation list of quarters and bungalows along with detail record of allotments, Progress report / action taken against cases of stolen transformers & motors, Details of Bank Accounts and Bank Statement, Tax reconciliation with tax authorities, Report of defalcation& loss	
37	Director Regulation, Irrigation Department, Government of Sindh, Karachi	01	2018-19	Previous Audit Inspection, Report, List of challans, Expenditure Statement	--
38	Executive Engineer, Right Bank Tube Well Division, Ratodero	10	2019-20	Consumptions account of material on tube wells, requisition of repair by tube well operator/XEN, work completion certificate, register of old parts.	--
40	Project Director, Sindh Water Sector Improvement Project Hyderabad (FAP)	4.1.1	2019-20	Statement of aabina (water cess) from land owners, statement showing target of aabina and total aabina received and deposited into F.O account, reconciliation of aabina, contracts of service renewed, record of 40% share of deposit of aabiana into farmers organization account.	--



(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars	Amount
41	Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot	01	2018-19	Original PC-I and Revised PC-I ADP No. 823 2018-19, Monthly Progress Report for the financial year 2018-19, Sanction estimates register, Work register, Contractor ledgers, Daily receipt books along with treasury challans, Measurement books, Inspection reports of Chief Engineer/ Superintending Engineer of ADP No. 823, Bank statement for the financial year 2018-19, Log book of Vehicles, Repair register of vehicles, machinery & equipment, furniture & fixture, Stationary & Printing articles register, Residential allotment list and register, Sub-Division wise repair of bunds/ canals maintenance register, Accounts record of water charges including details of outstanding dues, Accounts record of modules along with list	--
<b>Total</b>					<b>2,222.668</b>

**Annex-2**

**19.5.7 Un-authorized payment of inadmissible allowances – Rs.2.808 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particular</b>	<b>Amount</b>
1	Executive Engineer RBOD-Division-I, Sann, Jamshoro	2018-19	17	Conveyance allowance	1.080
			05	House rent allowance	0.110
2	Executive Engineer, Barrage Division, Sukkur	2019-20	12	Conveyance allowance	0.260
3	Executive Engineer Central Sindh Mechanical Division Jamshoro	2018-19	17	Conveyance allowance	0.240
4	Executive Engineer, Hala Irrigation Division, Hala @ Hyderabad	2019-20	12	Conveyance allowance	0.185
5	Executive Engineer RBOD-Division-II, Hyderabad @ Jamshoro	2018-19	24	Conveyance allowance	0.180
6	Deputy Director Soil Mechanic and Hydraulic s Laboratory Sindh	2018-19	11	Conveyance allowance	0.135
7	Executive Engineer, Drainage Division, Shikarpur	2019-20	12	Conveyance allowance	0.120
8	Executive Engineer, Tubewell Division Ghotki	2018-19	06	Conveyance allowance	0.110
9	Executive Engineer, Irrigation Drainage Division Tando M. Khan	2018-19	02	Conveyance allowance	0.075
10	PD, Sindh Water Sector Improvement Project (WSIP), Hyderabad	2019-20	4.2.6	Communication allowance without approval	0.120
			4.2.10	Communication allowance without approval	0.120

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particular</b>	<b>Amount</b>
11	Executive Engineer, Small Dam Division, Nagarparkar @ Mithi	2018-19	06, 12 & 13	house rent allowance	0.073
<b>Total</b>					<b>2.808</b>

**Annex-3****19.5.8 Excess payment on account of premium – Rs.991.697 million**

(Rs in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Amount</b>
1	Executive Engineer, Chotiari Division Reservoir, Sanghar	08	2019-20	286.484
2	Executive Engineer, Shahbaz Irrigation Division Sehwan	09	2018-19	320.408
3	Executive Engineer, Right Bank Out Fall Drain Project Division No.III, Thatta	17 & 36	2018-19	130.716
4	Executive Engineer, Hala Irrigation Division Hala @ Hyderabad	07	2019-20	91.667
5	Executive Engineer, Barrage Division, Sukkur	01	2019-20	64.311
6	Executive Engineer, Drainage Division Skikarpur	04	2019-20	32.964
7	Executive Engineer, Warah Division Larkana	05	2019-20	23.183
8	Executive Engineer, Irrigation Drainage Division Tando Muhammad Khan	09	2018-19	12.438
9	Executive Engineer, Drainage Division, Khairpur	07	2018-19	9.816
10	Executive Engineer, Daharki Divison @ Mirpur Mathelo	03	2019-20	7.188
11	Executive Engineer, Drainage Division, Shaheed Benazirabad	06	2019-20	5.765
12	Executive Engineer, Tube Well Division-II, Hala	04	2019-20	3.710
13	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	25 & 27	2018-19	2.232
14	Executive Engineer, Drainage Division, Thatta	13	2018-19	0.815
<b>Total</b>				<b>991.697</b>

**Annex-4**

**19.5.9 Irregular execution of earth works – Rs.888.181 million**

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	Amount
1	Project Director, Sindh Resilience Project (Irrigation Component) Karachi	4.4.2	2019-20	407.822
2	Executive Engineer, Daharki Divison @ Mirpur Mathelo	08	2019-20	81.682
3	Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot	18	2018-19	78.398
4	Executive Engineer, Warah Division Larkana	01	2019-20	51.262
5	Executive Engineer, Irrigation East Division, Khairpur	07	2019-20	46.745
6	Secretary, Irrigation Department, Karachi	05	2019-20	28.169
7	Executive Engineer, Southern Division Dadu	11	2018-19	20.345
8	Executive Engineer, Lower Pinyari Division Sujawal	04	2018-19	14.124
9	Executive Engineer, Barrage Division, Sukkur	06	2019-20	13.224
10	Executive Engineer, Shahdadkot Irrigation Division, Shahdadkot	02	2018-19	11.380
11	Executive Engineer RBOD-Division-I, Sann, Jamshoro	29	2018-19	11.074
12	Executive Engineer, West Division, Khairpur	07	2018-19	10.621
13	Executive Engineer, Irrigation Drainage Division Tando Muhammad Khan	10	2018-19	10.383
14	XEN Shahbaz Irrigation Division Sehwan	13	2018-19	10.186
15	Executive Engineer, Dad Division Shaheed Benezirabad	08	2019-20	9.885
16	Executive Engineer, Johi Division Dadu	07	2018-19	8.239
17	Executive Engineer, East Division, Khairpur	03	2018-19	7.154
18	Executive Engineer, North Dadu Drainage Larkana	04	2017-18 to 2019-20	6.585
19	Executive Engineer, Tube Well Division-II, Hala	09	2019-20	6.263
20	Executive Engineer, Ghotki Division Ghotki	06	2019-20	6.067
21	Executive Engineer, Irrigation West Division, Khairpur	07	2019-20	5.7980
22	Executive Engineer, Rice Canal Division, Larkana	09	2018-19	5.611
23	Executive Engineer Drainage Division, Shikarpur	05	2018-19	5.280
24	Executive Engineer, Irrigation East Division Khairpur	04	2019-20	4.770
25	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	05	2018-19	4.30

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Amount</b>
26	Executive Engineer, RBOD-Division-II Jamshoro	39	2018-19	4.058
28	Executive Engineer, Tube Well Division No.I Hala	07	2019-20	3.776
29	Executive Engineer, Drainage Division Larkana	07	2019-20	3.647
30	Executive Engineer, Rohri Division Moro	09	2019-20	3.551
31	Executive Engineer, Tube well Division No-I Hala	09	2018-19	2.805
32	Executive Engineer, Drainage Division, Khairpur	11	2018-19	2.202
33	XEN BS Feeder Division Kashmore	02	2018-19	2.099
34	Executive Engineer, Kandhkot Division Kashmore	07	2018-19	0.676
<b>Total</b>				<b>888.181</b>

**Annex-5**

**19.5.10 Irregular allowing excess rate against scheduled approved rates –  
Rs.730.915 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Amount</b>
1	Executive Engineer, Right Bank Out Fall Drain Project Division No.III, Thatta	9, 10, 11, 14, 30, & 32	2018-19	551.386
2	Project Director, Lining of Distributaries & Minors of Sindh, Hyderabad	02	2019-20	99.121
3	Executive Engineer, Drainage Division Shikarpur	05	2019-20	30.237
4	Executive Engineer RBOD-Division-II, Hyderabad @ Jamshoro	48	2018-19	20.455
5	Executive Engineer, Irrigation Drainage Division Tando Muhammad Khan	04	2018-19	11.107
6	Executive Engineer, Barriage Division Sukkur	07	2019-20	8.697
7	Executive Engineer, Ranipur Tubewell Division Khairpur Mir's	02	2018-19	3.301
8	Project Director, Sindh Barrage Improvement Program, Karachi (FAP)	4.3.6	2018-19	2.283
9	Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot	09 & 11	2018-19	1.571
10	Executive Engineer, Upper Pinyari Division Hyderabad	14	2018-19	1.386
11	Executive Engineer, Rice Canal Division Mehar @ K.N.Shah	13	2018-19	1.267
12	Executive Engineer, Tube Well Division-II, Hala	06	2019-20	0.104
<b>Total</b>				<b>730.915</b>

## Annex-6

### 19.5.11 Non-recovery of various taxes at applicable taxes – Rs.693.604 million

(Rs in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars of recovery	Amount
01	Project Director, Sindh Barrage Improvement Program, Karachi (FAP)	4.2.2	2019-20	Sindh sales tax	205.80
02	Project Director, Sindh Barrage Improvement Program, Karachi (FAP)	4.2.2	2018-19	Sindh sales tax	130.242
03	Executive Engineer, Right Bank Out Fall Drain Project Division No.III, Thatta	28	2018-19	Sindh sales tax	93.184
04	Project Director, Lining of Distributaries & Minors of Sindh, Hyderabad	05	2019-20	Sindh sales tax	77.919
05	Executive Engineer RBOD-Division-I, Sann, Jamshoro	20& 40	2018-19	Sindh Sales Tax, income tax	34.827
06	Executive Engineer RBOD-Division-II, Hyderabad @ Jamshoro	27 & 50	2018-19	Sindh Sales Tax	25.513
07	Project Director Sindh Water Sector Improvement Program, Hyderabad	4.2.3	2018-19	Sindh sales tax	24.996
08	Executive Engineer, Project Director, Sindh Water Sector Improvement Project Hyderabad	4.2.3	2019-20	Sindh sales tax	13.507
09	Project Director, Sindh Resilience Project (Irrigation Component) Karachi	4.2.1 & 4.2.5	2019-20	Sindh sales tax	13.123
10	Executive Engineer, Gudu Barrage Division Kashmore	2, 3, 4 & 5	2018-19	Sindh Sales Tax, income tax	13.00
11	Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot	13, 23	2018-19	Sales tax. Sindh Sales Tax	5.211
12	Executive Engineer, Daharki Divison @ Mirpur Mathelo	06	2019-20	Sindh sales tax	4.422
13	Executive Engineer, Water Carrier Works Division, Mirpurkhas	01	2018-19	Sindh Sales Tax	3.791
14	XEN Shahbaz Irrigation Division Sehwan	2, 4, 22	2018-19	Sindh Sales Tax, professional tax	3.145
15	Executive Engineer, Rohri Division Moro	14	2019-20	Income tax	3.120
16	Executive Engineer, Small Dam Division, Nagarparkar @ Mithi	2, 3, 5, 8 & 11	2018-19	Sindh Sales Tax, Professional tax, sales tax, income tax,	2.826



(Rs in million)

Sr. #	Name of Office	AIR Para #	Financial Year	Particulars of recovery	Amount
17	Executive Engineer, Irrigation Drainage Division Tando Muhammad Khan	05	2018-19	Sindh Sales Tax	2.77
18	Executive Engineer, Sakro Division, Mirpur Sakro, Thatta	08	2018-19	Sindh Sales Tax	1.905
19	Project Director, Additional Financing Sindh Barrages Improvement Program, Karachi	4.2.4	2019-20	Sindh sales tax	1.853
20	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	12	2018-19	Sindh sales tax	1.272
21	Executive Engineer, BS Feeder Division Kashmore	4, 6 & 12	2018-19	Income tax, Sindh Sales Tax	1.165
22	Executive Engineer, Johi Division Dadu	02	2018-19	Income tax	0.745
23	Executive Engineer, Drainage Division Shikarpur	11	2019-20	Income tax	0.610
24	Executive Engineer, Water Carrier Works Division, Mirpurkhas	02	2018-19	Income tax	0.583
25	Executive Engineer, Drainage Division, Khairpur	06	2018-19	Income tax	0.559
26	Executive Engineer, Ranipur Tube well Division Khairpur Mir's	03 ,04	2015-16 to 2018-19	SRB Tax, Professional tax	0.491
27	Secretary, Irrigation Department, Karachi	04	2019-20	GST	0.281
28	Executive Engineer Mechanical Division Guddu Barrage, Sukkur	17, 18 & 19	2018-19	Sindh Sales Tax, income tax, GST	0.257
29	Executive Engineer, Treatment Division Mirpurkhas	02	2018-19	Sindh Sales Tax	0.195
30	Executive Engineer, Kandhkot Division Kashmore	02	2018-19	Income tax	0.178
31	Executive Engineer, Drainage Division T.M. Khan	07	2019-20	Professional tax	0.120
32	Executive Engineer, Tubewell Division Ghotki	07	2018-19	Professional tax	0.080
33	Executive Engineer, Warah Division Larkana	08	2019-20	GST	0.031
<b>Sub-Total</b>					<b>667.721</b>

## Non-recovery of stamp duty from contractors – Rs.25.883 million

(Rs in million)

Sr #	Name of office	AIR Para #	Financial Year	Actual amount	Amount
1	Executive Engineer, Treatment Division, Mirpurkhas	01	2019-20	1,171.345	4.099
2	Executive Engineer, Tube well Division, Mirpurkhas	08	2018-19	1112.499	3.893
3	Executive Engineer, Thar Fresh Water Supply Division, Mirpurkhas	07	2018-19	978.267	3.423
4	Executive Engineer, Pano Akil Tube well Division @ Ghotki	05	2019-20	964.540	3.376
5	Executive Engineer, Kashmore / Kashmore Division Kashmore	11	2018-19	528.853	1.851
6	Executive Engineer, Irrigation West Division, Khairpur	01	2019-20	479.809	1.679
7	Executive Engineer, Jamrao Division, Mirpurkhas	08	2018-19	358.036	1.253
8	Executive Engineers, Ghotki Division Irrigation @ Ghotki	09	2018-19	410.695	1.232
9	Executive Engineer, Thar Division, Mirpurkhas	06	2018-19	262.677	0.919
10	Executive Engineer, North Dadu Drainage Division Larkana	14	2017-18 & 2019-20	230.529	0.806
1	Executive Engineer, RBOD-II, Hyderabad	15	2018-19	196.504	0.687
2	Executive Engineer RBOD-Division-I, Sann, Jamshoro	12	2018-19	169.155	0.592
3	Executive Engineer, Project Director, Sindh Water Sector Improvement Project Hyderabad	4.2.2	2019-20	92.260	0.323
4	Project Director, Sindh Resilience Project (Irrigation Component) Karachi	4.2.6	2019-20	75.045	0.263
5	Executive Engineer, Drainage Division, Mirpurkhas	07	2018-19	68.290	0.239
6	Executive Engineer, Ghotki Division Ghotki	07	2019-20	51.925	0.181
7	Executive Engineer Mechanical Division Guddu Barrage Sukkur	02	2018-19	50.306	0.176
8	Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot	14	2018-19	39.388	0.173
9	Executive Engineer, Tube well Division No.I, Hala	06	2018-19	47.636	0.167
20	Executive Engineer, Drainage Division Larkana	13	2019-20	42.075	0.147
1	Executive Engineer, Saifullah Magsi Branch Division, Shahdad Kot	16	2018-19	39.388	0.137
2	Executive Engineer, Drainage Division, T.M. Khan	02	2019-20	26.272	0.092
3	Executive Engineer, Tube well Division, Panoakil Ghotki	11	2018-19	10.202	0.035
4	Executive Engineer, Tube well Division, Panoakil Ghotki	02	2018-19	10.202	0.035
5	Executive Engineer Central Sindh Mechanical Division Jamshoro	10	2018-19	6.624	0.028
6	Executive Engineer, Treatment Division Mirpurkhas	03	2018-19	40.150	0.020
7	Executive Engineer RBOD-Division-I, Sann, Jamshoro	07	2018-19	4.648	0.016
8	Executive Engineer, Pano Akil Tube well Division @ Ghotki	10	2019-20	3.799	0.013
9	Project Director, Sindh Water Sector Improvement Program, Hyderabad	4.4.2	2018-19	7,471.119	0.028
<b>Sub-Total</b>				<b>7,471.119</b>	<b>25.883</b>
<b>Grand Total</b>					<b>693.604</b>

**Annex-7**

**19.5.14 Non-invitation of open tender – Rs.847.460 million**

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	Particular	Amount
<b>Expenditure by non-invitation of open tender</b>					
01	Executive Engineer, Dad Division, Shaheed Benazirabad	05	2019-20	Repair & construction of various RDs	302.069
02	Executive Engineer RBOD-Division-I, Sann, Jamshoro	04	2018-19	flood damages/flood emergency on repair and maintenance	76.868
03	Executive Engineer RBOD-Division-II, Hyderabad @ Jamshoro	26	2018-19	Deployment of Machinery for filling Depressions & Engaging Labour	18.434
04	Executive Engineer, Drainage Division Sanghar	03	2019-20	Hiring of Tractor	17.837
05	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	03, 07 & 21	2018-19	Hiring of Excavator machine & Abklani material	17.979
06	Executive Engineer, Drainage Division, Sujawal	01, 02 & 04	2018-19	Earth work through engaging tractor with front blade, constructing service road along Chinghani sub-drain, Bed clearance/de-watering of Link Dain 3.R sub-drain	16.291
07	Executive Engineer, Khairpur Drainage Division, Khairpur	02	2018-19	M&R Works	15.907
08	Executive Engineer, Shahdadkot Irrigation Division Shahadkot	01, 04&10	2018-19	Hiring of Tractor	14.366
09	Project Director, Sindh Resilience Project Karachi	4.3.3	2018-19	Road crossing @ MS band	13.753
10	Executive Engineer RBOD-Division-I, Sann, Jamshoro	19	2018-19	Deployment of Machinery for filling Depressions & Engaging Labour	13.470
11	Executive Engineer, Irrigation Drainage Division Tando Muhammad Khan	11	2018-19	Engaging tractor trolley with POL	9.947

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	Particular	Amount
12	Executive Engineer, Drainage Division, Thatta	02	2018-19	Removing weed grow & pan cutting from bed brems	9.154
13	Executive Engineer, Johi Division Dadu	01	2018-19	M&R work on main canal	5.990
14	Executive Engineer, Irrigation East Division Khairpur	09	2019-20	Hiring of Tractor	4.277
15	Executive Engineer, Rohri Division Moro	04&02	2019-20	Hiring of water tanker, Damper Loader	4.151
16	Executive Engineer, Small Dam Division, Nagarparkar @ Mithi	01	2018-19	Work of Jungle clearance, hiring of Datsun,	3.013
17	Executive Engineer Drainage Division, Shikarpur	03	2018-19	Hiring of single cabin with pol	1.605
18	Executive Engineer, Water Carrier Works Division, Mirpurkhas	13	2018-19	Expenditure of Report Surge analysis and Protection Equipment with specification and detail drawing	1.600
<b>Sub-Total</b>					<b>546.711</b>

(Rs. in million)

Sr.#	Name of Office	AIR Para #	Financial Year	Amount
<b>Expenditure by way of splitting to avoid open tenders</b>				
01	XEN Shahbaz Irrigation Division Sehwan	20	2018-19	99.011
02	Executive Engineer, Ghotki Division Ghotki	09	2019-20	65.435
03	Executive Engineer, North Dadu Drainage Division Larkana	01&03	2019-20	56.649
04	Executive Engineer, East Division, Khairpur	02	2018-19	15.791
05	Executive Engineer, Sakro Division Mirpur Sakro, Thatta	06	2018-19	13.333
06	Executive Engineer, Ranipur Tubewell Division Khairpur Mirs	21	2018-19	12.004
07	Executive Engineer, Drainage Division Larkana	09 & 12	2019-20	5.894
08	Executive Engineer, Pano Akil Tube well Division @ Ghotki	09	2019-20	5.092
09	Executive Engineer, Tube Well Division-II, Hala	02	2019-20	4.760
10	Executive Engineer, Right Bank Tube Well Division, Ratodero	02	2019-20	4.579
11	Secretary, Irrigation Department, Karachi	03	2019-20	3.753
12	Executive Engineer, Drainage Division, Thatta	03	2018-19	3.405

(Rs. in million)

<b>Sr.#</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Amount</b>
14	XEN, Right Bank Tube well Division Ratodero, Larkana	01 & 03	2018-19	1.946
15	Executive Engineer (Irrigation), Kandhkot Division Garhi Hassan Sarki	01	2018-19	1.848
16	Executive Engineer, Shahdadt Division, Shahdadt	06	2018-19	1.837
17	Executive Engineer, Drainage Division, Sujawal	03	2018-19	1.436
18	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	08	2018-19	1.272
19	Executive Engineer, Nara Project Division Sanghar	04	2018-19	1.172
20	Executive Engineer, Drainage Division, KN Shah	01	2018-19	0.968
21	Executive Engineer Central Sindh Mechanical Division Jamshoro	02	2018-19	0.765
			<b>Sub-Total</b>	<b>300.950</b>
			<b>G-Total</b>	<b>847.460</b>

### 19.5.18 Excess expenditure for same item of work on different rates – Rs.85.910 million

(Amount in Rupees)

Name of office	Sr.#	CC lining of Khadhar		CC lining of Jam Dahri Minor		Diff: rates	Amount
		Item of work	Rate	Rate	Qty		
XEN, DAD, Division, SBA	1	Jungle clearance	0.1	0.15	464403	0.05	23,220.15
	2	Plughing	2282	2500	10.66	218	2,323.88
	3	E/work excavation	3.3	3.5	633869.72	0.2	126,773.94
	4	Borrow pit excavation	2.75	3	2552578	0.25	638,144.50
	5	Carriage	7.5	7	1276289	0.5	10,725,780.00
	6	Rehandling of E/work	1.3	1.5	633869.72	0.2	126,773.94
	7	Extra for every lead	0.4	0.5	633869.72	0.1	63,386.97
	8	E/work compaction by sheep roller	1.9	2	2552578	0.1	255,257.80
	9	E/work compaction	0.45	1.5	2552578	1.05	2,680,206.90
	10	erection & removal for RCC work	108	85	15273.79	23	2,720,302.00
	11	Making boudryorservice road	590	475	153.7	115	72,300.50
	12	Cement plaster 1/2 thick 1:6	26	22	95975.91	4	3,700,362.00
			28	26	187422	2	2,521,921.40
	13	CC plane 1:2:4	196	148	26490.37	48	15,192,623.52
201			155	56232.39	46	20,702,215.82	
14	filling expansion joints	31	25	30547.59	6	1,415,830.68	
						<b>Total</b>	<b>60,967,424.01</b>

### XEN, Drainage, Division, SBA

(Rs. in million)

Scheme	Contractor	work/item	Qty	Rate	Excess	Amount	
Surface Drainage Scheme in Deh Dino Shah, 73 Nasrat&Farmabad, Taluka Daur&Sakrand, District Shaheed Benazirabad	Agha FatehM.khan	Furnishing & Installing saline Pumps Type B-12B/1 of 02 cusecs, 50; head turbine 20HP	4	2.0305			
Rehabilitation of Existing Seepage Wells along Rohri Main Canal in Drainage Division LBOD, Shaheed Benazirabad	MBC & Sons		16	2.6225	0.592	9.472	
	MBC & Sons		12	2.6225	0.592	7.104	
	MBC & Sons		10	2.6225	0.592	5.920	
Surface Drainage Scheme for Activation of Ditch Channel, Parallel to Jamraoo Canal, in Drainage Division LBOD, Shaheed Benazirabad	United Engineers		3	2.4387	0.4082	1.2246	
Rehabilitation of Existing Seepage Wells along Rohri Main Canal in Drainage Division LBOD, Shaheed Benazirabad	MBC & Sons		Providing 25KVA Transformer	9	0.3685		
Rehabilitation of Existing Seepage Wells (JRS) Along Jamraoo Canal, in Drainage Division LBOD, Shaheed Benazirabad	KMC & CO	15		0.4500	0.0815	1.2225	
						<b>Total</b>	<b>24.9431</b>

**Annex-9**

**19.5.28 Non-crediting of government revenue – Rs.863.102 million**

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	Particulars	Amount
1	Executive Engineer RBOD-Division-I, Sann, Jamshoro	49	2018-19	P.W. Deposit	164.750
2	Executive Engineer, Upper Pinyari Division, Hyderabad	11 & 12	2018-19	P.W. Deposit	94.828
3	Executive Engineer, East Division, Khairpur	06	2018-19	P.W. Deposit	82.825
4	Executive Engineer Central Sindh Mechanical Division Jamshoro	04, 05 & 09	2018-19	Various tax	79.167
5	Executive Engineer, Thar Fresh Water Supply Division, Mirpurkhas	05	2018-19	Income tax	55.513
6	Executive Engineer, Tube well Division No.I Hala	10	2018-19	Various tax	52.445
7	Executive Engineer, Southern Division, Dadu	10	2018-19	P.W. Deposit	51.429
8	Executive Engineer, Rice Canal Division, Larkana	02	2018-19	Security deposit	32.182
9	Executive Engineer, Drainage Division, Sujawal	09 & 11	2018-19	Various tax	30.212
10	Executive Engineer, Drainage Division, Thatta	09	2018-19	Security deposit	28.176
11	Executive Engineer, Drainage Division, Sanghar	12	2018-19	P.W. Deposit	25.391
12	Executive Engineer, RBOD-Divison-II Jamshoro	30	2018-19	Income tax	25.352
13	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	14	2018-19	Security deposit	17.275
14	Executive Engineer, RBOD-Divison-I Sann Jamshoro	22	2018-19	Income tax	16.070
15	Executive Engineer, BS Feeder Division Kashmore	09 & 10	2018-19	Various tax	13.782
16	Executive Engineer Drainage Division, Shikarpur	09, 10	2018-19	P.W. Deposit Professional Tax	10.389
17	Executive Engineer Mechanical Division Guddu Barrage, Sukkur	07	2018-19	Various tax	10.285
18	Executive Engineer, Dad Division, Shaheed Benazirabad	01	2019-20	Security deposit	9.301

(Rs. in million)

Sr. #	Name of office	AIR Para #	Financial Year	Particulars	Amount
19	Executive Engineer, Daharki Division @ Mirpur Mathelo	09	2019-20	Stamp duty, Professional tax, Income Tax	6.843
20	XEN Shahbaz Irrigation Division Sehwan	12	2018-19	Various tax	6.487
21	Executive Engineer, Tube well Division No.I Hala	08	2019-20	Various tax	5.638
22	Executive Engineer, Drainage Division, Thatta	10	2018-19	Income tax, SST	5.488
23	Executive Engineer, Ghotki Division Ghotki	04	2019-20	Professional tax, Income Tax	4.847
24	Executive Engineer, Barrage Division Sukkur	08	2019-20	Various tax	4.007
25	Executive Engineer, Ranipur Tubewell Division Khairpur Mir's	01	2015-16 to 2018-19	Various tax	3.847
26	Executive Engineer, Drainage Division Shikarpur	07	2019-20	Various tax	3.592
27	Executive Engineer, Hala Irrigation Division Hala @ Hyderabad	01	2018-19	P.W. Deposit Income Tax	2.855
28	Executive Engineer, Gudu Barrage Division Kashmore	19	2018-19	Various tax	2.853
29	Executive Engineer, Treatment Division Mirpurkhas	01	2018-19	Income Tax	2.452
30	Executive Engineer, Hala Irrigation Division Hala @ Hyderabad	09	2019-20	Income tax, other	2.158
31	Executive Engineer, Tube Well Division-II, Hala	08	2019-20	Income tax, SRB	1.765
32	Executive Engineer, Johi Division Dadu	09	2018-19	Various tax	1.751
33	Executive Engineer Lower Sindh Mechanical Division Jamshoro	03, 04 & 07	2018-19	Various tax	1.522
34	Executive Engineers, Ghotki Division Irrigation @ Ghotki	08	2018-19	Income tax, stamp duty	1.351
35	Executive Engineer, Sakro Division, Mirpur Sakro, Thatta	12	2018-19	SRB Tax	1.159
36	Executive Engineer, West Division Khaipur	11	2018-19	Various tax	1.002
37	Executive Engineer, Rice Canal Division, Mehar @ K.N.Shah, Dadu	16	2018-19	Income tax, stamp duty	0.883
38	Executive Engineer, Jamrao Division, Mirpurkhas	11	2018-19	P.W. Deposit	0.835



(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Particulars</b>	<b>Amount</b>
39	Executive Engineer, Tubewell Division Ghotki	18	2018-19	Income tax, stamp duty	0.753
40	Executive Engineer, Tubewell Division No.II Hala	02	2018-19	SRB Tax	0.460
41	Executive Engineer, Khairpur Drainage Division, Khairpur	15	2018-19	Various tax	0.326
42	Executive Engineer, Right Bank Tube Well Division, Ratodero	08	2019-20	P.W. Deposit	0.281
43	Executive Engineer, Tube well Division, Panoakil Ghotki	10	2018-19	stamp duty	0.258
44	Executive Engineer, Drainage Division Shaheed Benezirabad	02	2019-20	Various tax	0.167
45	Executive Engineer, West Division, Khairpur	05	2018-19	P.W. Deposit	0.150
<b>Total</b>					<b>863.102</b>

**Annex-10**

**19.5.29 Non-adjustment of advances – Rs.350.319 million**

(Rs in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Financial Year</b>	<b>Particulars</b>	<b>Amount</b>
1	Project Director, Sindh Water Sector Improvement Program, Hyderabad	4.2.6	2018-19	Various area water boards & project	166.244
2	Project Director, Sindh Barrages Improvement Program, Karachi	4.2.1	2019-20	Replacement of 06 gates of Sukkur Barrage	56.495
3	Executive Engineer Mechanical Division Guddu Barrage, Sukkur	01	2018-19	under the other sub-heads of stock account (form-73) on 30-06-2019	54.825
4	Executive Engineer, Gudu Barrage Division, Kashmore	06	2018-19	Execution / Construction of work	35.925
5	Executive Engineer (Irrigation), Kandhkot Division Garhi Hassan Sarki	03	2018-19	advertisement charges and Executive Engineer, Mechanical Division, Guddu Barrage, Sukkur etc	11.717
6	Executive Engineer, Drainage Division, T.M. Khan	04	2019-20	Measurement book	11.603
7	Executive Engineer, North Dadu Drainage Division, Larkana	05	2017-18 to 2019-20	supply of transformers	5.601
8	Executive Engineer Drainage Division, Larkana	10	2019-20	supply of transformers	3.194
9	Executive Engineer, Drainage Division, Shikarpur	04	2018-19	Advance for Purchase of vehicle (Suzuki Jimny) 01 Nos	2.393
10	Executive Engineer, Rohri Division, Moro	01	2019-20	De-silting work	1.800
11	Executive Engineer RBOD-Division-II, Hyderabad @ Jamshoro	09	2018-19	Adjustment of POL with evidence	0.522
<b>Total</b>					<b>350.319</b>

## Chapter-24 Organ of State

### Annex-1

#### 24.5.6 Non-invitation of open tender -Rs.6.491 million

(Rs. in million)

Year	Cost Centre	G/L Description	Vendor Name	Cheque #	Date	Amount
2018	KQ1965	Others	M/S Movenpick Hotel	3307249	19.12.2018	2.463
2018	KQ1965	Others	Creation'S Events Solutions	3410972	06.05.2019	1.863
2018	KQ1965	Others	Z.Q Enterprises	3422036	19.06.2019	0.210
2018	KQ1965	Others	Z.Q Enterprises	3422036	19.06.2019	0.118
2018	KQ1965	Others	Z.Q Enterprises	3422036	19.06.2019	0.172
2018	KQ1962	Entertainments & Gifts	DDO Military Secy To Governor	3181121	17.08.2018	0.446
2018	KQ1962	Entertainments & Gifts	DDO Military Secy To Governor	3181120	17.08.2018	0.452
2018	KQ1962	Entertainments & Gifts	DDO Military Secy To Governor	3231711	17.10.2018	0.131
2018	KQ1962	Entertainments & Gifts	DDO Military Secy To Governor	3352022	02.04.2019	0.347
2018	KQ1962	Entertainments & Gifts	DDO Military Secy To Governor	3495534	21.06.2019	0.289
<b>Total</b>						<b>6.491</b>

## Annex-2

### 24.5.8 Un-justified payment of inadmissible allowances to officers & staff - Rs.19.970 million

(Rs. in million)

Name	Designation	Grade	Description	Amount	Amount (2016-20)
AnwerAdilJogi	Assistant	16	Adhoc Allowance 2013 @15%	522	0.025
Jawad Ali Sangi	Assistant	16	-do-	461	0.022
Syed Sibte Raza	Assistant	16	-do-	766	0.037
Abdul GhaffarMemon	Assistant	16	-do-	858	0.041
Latif Ullah	Assistant	16	-do-	492	0.024
RahmatUllah Rind	Assistant	17	-do-	522	0.025
Akhtar Ali	Assistant	16	-do-	492	0.024
Nasrullah	Assistant	16	-do-	857	0.041
<b>Sub-total</b>					<b>0.238</b>
Shafi Mohammad	Special secretary	20	Orderly Allowance	14000	0.168
Mian Haji Huhammad Hasan	Additional secretary	20	Orderly Allowance	14000	0.168
Mohammad khan Rind	Senior secretary	21	Orderly Allowance	14000	0.168
Ghulam Muhammad Umar Farooq	Secretary	21	Orderly Allowance	14000	0.168
Muhammad Habib	Additional secretary	20	Orderly Allowance	14000	0.168
<b>Sub-total</b>					<b>0.840</b>
Other Allowance to MPAs					18.766
<b>Sub-total</b>					<b>18.766</b>
Muhammad Ismail	Assistant Director	17	Computer Allowance	1500	0.018
Syed Sajid Ahmed	Administrator	19	Computer Allowance	1500	0.018
Mian Muhammad Amir Qureshi	DPA	17	Computer Allowance	1500	0.018
<b>Sub-total</b>					<b>0.054</b>
Sr. #	Description	AIR Para #	Additional charge Allowance	Total Months	Amount
1	DAO Salary	03	12,000	06	0.072
<b>Sub-total</b>					<b>0.072</b>
<b>G. total</b>					<b>19.970</b>

**Annex-3**

**24.5.9 Non/Less recovery of Government taxes/duties - Rs.5.283 million**

(Rs. in million)

Head of A/c.	Contract price	Stamp duty @0.35%	Stamp duty deposited	Short payment 0.35%
Purchase of uniform	7,113,300	24,900	2,500	0.022
Short recovery of Stamp duty				0.022
Cost Centre	Head of Account	Payee	Cheque#	Expenditure
KQ1960	A-09501 Transport	Indus Motor Company Limited	3691231	5.210
<b>Income tax @4.5%</b>				<b>0.234</b>
Other buildings		M/s Osmani& Company (Pvt) ltd	3614869	2.052
Other buildings		M/s Osmani& Company (Pvt) ltd	3504535	5.956
Other buildings		M/s Osmani& Company (Pvt) ltd	3553820	6.756
<b>Total Expenditure</b>				<b>14.764</b>
<b>SST @ 13%</b>				<b>1.919</b>
Name of Work	Stamp duty due	Stamp duty deducted	Stamp duty less deducted	
Constt: of Sindh Parliamentarians Residences, (Tower-A)	17.377	14.894	2.482	
<b>Less deduction of stamp duty</b>				<b>2.482</b>
Name of Work	Income tax to be deducted at 10%	Income Tax deducted at 7.5%	I. Tax less deduction at 2.5%	
Construction of Sindh Parliamentarians Residences, (Tower-B)	2.505	1.879	0.626	
<b>Total</b>				<b>0.626</b>
<b>G.total</b>				<b>5.283</b>

## Chapter-25 Planning and Development Department

### Annex-1

#### 25.5.1 Non-production of auditable record-Rs.1292.075 million

(Rs.in million)

Sr. #	Name of Formation	Financial Year	AIR Para #	Irregularity	Amount
01	Program Manager Sindh enhancing response to reduce stunting Karachi	2018-19	4.2.11	Non-production record	381.363
02	Secretary Planning & Development Government	2019-20	01	Detail of Officers/ Officials holding Additional Charges. List of total number of approved schemes, evaluated and approved etc under audit review period i.e. F.Y 2019-20. Meeting minutes of board's conducted meetings. Monitoring & Evaluation reports. Detail of TLP charges. Complete leave record including Ex-Pakistan Leave Record along NOCs. Annual Procurement Plan. Allotment orders of vehicles.	0
03	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU,PPRP) Karachi	2018-19	01	All Record of assets of District Tharparkar	0
				All Record pertaining to CIF payment & 8% interest to be earned on CIF placed with LSOs/ VOs in Distt: Tharparkar including bank statements etc	0
				All Record pertaining to CIF funds and 8% interest earned in three Districts i.e. District Shikarpur, Kashmore & Jacobabad including cash book & bank statements	0
				Details and record pertaining to recovery of unspent balances from M/s Thardeep	0

(Rs.in million)

Sr. #	Name of Formation	Financial Year	AIR Para #	Irregularity	Amount
04	Director General, Bureau of Statistics, Karachi	2018-19	01	<p>Record of amount paid to UNICEF under MICS-6 scheme</p> <p>Deliverables as required in the agreement / Lol</p> <p>Vetting of agreement from Law Dept.</p> <p>Record of amount received from UNICEF and expenses incurred from the funds (head-wise detailed expenditure statement was also not available on record)</p> <p>List of counter-signatories</p> <p>Counterfoils of cheque book</p> <p>Progress report of the survey/utilization report</p> <p>DROs</p> <p>Record of funds already available in the NBP DDO account for Rs.239,387 before first release by UNICEF for Rs.1.006 million in July 2018</p> <p>Reasons of refund back of funds to UNICEF</p> <p>Cash book (duly completed &amp; signed-only unsigned &amp; incomplete cash book till February 2019 was produced)</p> <p>Record of regular contingency-cost center KQ0060</p> <p>Record of uniform liveries/newspapers</p> <p>Record of utility charges paid</p> <p>Record of medical claims reimbursed</p> <p>Record of bills claim as arrears &amp; allowances</p> <p>Cash book</p> <p>The record of funds received for Rs.600,000 in DDO account on 27-06-2019.</p>	0

(Rs.in million)

Sr. #	Name of Formation	Financial Year	AIR Para #	Irregularity	Amount
				Record of other schemes being executed in recent/previous year.	
			08	Expenditure was incurred on account of medical charges but the supporting record/vouchers like doctors prescriptions, non-availability certificate, medical board's approval from services hospital, authentication by Finance Department, medical stores cash vouchers, etc was not produced to audit scrutiny.	0.371
05	Directorate of Urban Policy & Strategic Planning, P&D Karachi	2018-19	04	Non-reporting of undrawn amount from assignment account by the bank authorities	0
06	Provincial Program Coordinator Accelerated Action Plan for reduction of stunting and malnutrition Sindh (Fishries Sector), Karachi	2018-19	4.4.2	Detail estimates, completion report & progress reports were not produced to audit.	1.450
		2019-20	4.2.4	Agreement, progress reports and evaluation reports.	4.815
07	Director General, Bureau of Statistics, Karachi	2018-19	05	Payment was made to employees on account of clearance of arrears without availability of supporting record like due drawn statements, office orders, LPCs, permission of Finance Department and availability of separate funds.	1.775
08	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU,PPRP) Karachi	2018-19	52	list of bank accounts along with bank statements of the LSOs / VOs were not provided	902.301
<b>Total</b>					<b>1292.075</b>



**Annex-2****25.5.2 Irregular payment of inadmissible allowances - Rs.19.946 million**

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Irregularity	Amount
1	Secretary Planning & Development Government of Sindh	2019-20	02	Irregular payment of orderly allowance” was paid to various officers	1.213
			03	House Rent Allowance was paid to various officials/officers	12.151
			04	Chief Secretary House Allowance to Abdul Hameed Senior Clerk without providing detail and entitlement or legal justification.	0.068
			05	Conveyance Allowance was paid to various officers besides availability of government vehicles	1.560
			06	Adhoc Relief Allowance-2013 was paid to various officials/officers	1.012
2	Directorate of Urban Policy & Strategic Planning, P&D Department Sindh Karachi	2018-19	09	Additional charge allowance was paid to various employees	0.850
3	Director General Monitoring & Evaluation Cell, Karachi	2019-20	03	Conveyance Allowance was paid to Director Syed Ahmed Raza Hashmi in addition to availability of Govt. vehicle provided by the management of entity	0.060
			04	Computer allowance was paid to various officers without entitlement and legal justification for computer allowance	0.036
			09	Payment was made on account of Utility allowance and special incentive allowance to officers but they were not entitled for	0.648

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Irregularity</b>	<b>Amount</b>
				these allowances. Further, special incentive allowances was not approved from the legislature.	
4	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU,PPRP) Karachi	2018-19	68	Conveyance allowance was paid to various officials besides having vehicles allotted to those officials.	0.597
5	Director General, Bureau of Statistics, Karachi	2018-19	07	Project allowance was paid to various employees of Bureau of Statistics, however they were not entitled because BoS is neither a project office nor executes project of donor agencies.	1.751
<b>Total</b>					<b>19.946</b>

## 25.5.3 Irregular appointment of human resource - Rs.9.704 million

(Rs.in million)

Sr. #	Name of office	Financial Year	AIR Para #	Irregularity	Amount
1	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU,PPRP) Karachi	2018-19	63	Appointment of CIF specialist & sub-engineer in PIU without provision in P.C.I and appointment of one APO (Admn) excess than sanctioned posts.	1.259
			73	Remuneration of Rs0.221 million was paid to internees without provision in P.C.I	0.221
			64	Mr. Ghulam Rasool Samejo was appointed and paid salaries against the post of Team Leader in PIU amounting to Rs3.946 million without following SPP Rules. Further following observations were noticed; The appointment of Mr. Ghulam Rasool Samejo was appointed as Team Leader UCBPRP dated 05-02-2009 to June 30, 2013 without due process. During scrutiny of his personal file, audit found that he was served various explanations dated 22.7.2011 on account of harassment of woman on work place. Another complaint was lodged by an employee of SRSO Mr. Muhammad Siyal against his immoral activities and financial corruption. After serving notice for termination dated 10.06.2013 due to closure of project in June 2013, a show cause notice dated 22.6.2013 was served by CEO SRSO that he made procurement from un approved	3.946

(Rs.in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Irregularity</b>	<b>Amount</b>
				vendor and not properly supervising & implementing the project. Further as per show cause notice, he was involved in figure fudging and mis-reporting. In reply dated 23.10.2018, Mr. samejo confessed about his misreporting and mismanagement.	
			13	Director Finance & Admin and Accounts Officer were appointed without relevant experience and qualification. Furthermore, there were no ToRs prepared and approved by competent forum.	4.278
<b>Total</b>					<b>9.704</b>

**25.5.9 Irregular expenditure without inviting open tenders – Rs.369.349 million**  
(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Irregularity	Amount
1	Director General Bureau of Statistics, Karachi	2018-19	11	Payment on account of hiring of services and hiring of vehicles without invitation of tenders & without observing competitive process.	33.552
			12	Payment was made on various head of accounts by way of split up of purchase orders to avoid from invitation of tenders under MICS scheme. Moreover, the stock register was also not produced to verify the receipt and consumption of articles purchased.	1.983
			24	Payment was made on account of hiring of services without observing codal formalities: The services were hired without invitation of tenders.	25.171
2	Programme Coordinator, Sindh Growth & Rural Revitalization Program, Karachi	2018-19	25	Tender not invited of various goods & services i.e. purchase of machinery & equipment, books, sewing machines etc.	76.645
		2018-19	69	Procurement of vehicles on rent & security guard services without tender	18.518
3	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Agriculture sector) Karachi	2019-20	4.2.11	Expenditure was incurred on the head of advertisement and publicity. Tender was not invited as per provision of SPPRA Rule.	13.679
			4.2.10	Expenditure was incurred for kitchen gardening. Tender not invited.	44.152
4	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and	2019-20	4.3.3	Tender not invited on account of medical & lab items	71.637

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Irregularity</b>	<b>Amount</b>
	Malnutrition Sindh (Health sector) Karachi				
5	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Fisheries sector) Karachi	2019-20	4.2.8	Expenditure was incurred on the head of cost of other stores without tender and plan	0.588
6	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Livestock sector) Karachi	2019-20	4.3.6	Expenditure was incurred on the head of cost of other stores without tender and plan	23.081
7	Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Livestock sector) Karachi	2018-19	4.2.3	Expenditure was incurred on the head of cost of other stores without tender and plan	1.974
8	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Health sector) Karachi	2018-19	4.4.1	Expenditure was incurred on the account of printing. Tender was not invited.	1.811
9	Programme Coordinator, Sindh Growth & Rural Revitalization	2018-19	34	Expenditure was incurred on account of printing and stationery. Purchases were split	0.205

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Irregularity</b>	<b>Amount</b>
	Program (PMU, PPRP Karachi)			up to avoid calling of open tender.	
10	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Agriculture sector) Karachi	2019-20	4.2.16	Expenditure was incurred on account of printing and stationery. Purchases were split up to avoid calling of open tender.	44.558
11	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Health sector) Karachi	2019-20	4.2.19	Expenditure was incurred on account of printing and stationery. Purchases were split up to avoid calling of open tender.	11.795
<b>Total</b>					<b>369.349</b>

## 25.5.12 Irregular payment through DDO account – Rs.5.124 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Irregularity	Amount
1	Director General Bureau of Statistics, Karachi	2018-19	13	An amount was retained unauthorized in the DDO account as on 30th June 2019	0.642
			14	An amount was received in and paid from DDO account. However, the following observations were notice The audit was of the view that the funds of Rs1.50 million pertained to financial year 2017-18, which were utilized in 2018-19 without production of relevant record payments. The audit was of the view that the same was done to avoid from the lapse of budget.	1.675
			15	An amount of Rs1.548 million was drawn in DDO account against various heads of accounts. The payment was made through DDO account (in cash or cheque) instead of direct payment.	1.548
			16	Under the scheme “Sixth round of Sindh Multiple Indicator Cluster Survey-MICS” and amount of Rs.0.269 million were drawn in cash from SBP DDO account from the funds received from the UNICEF during 2018-19. There were chances of misuse/misappropriation of funds as the adopted procedure of payment was not transparent. Moreover, the payment on account of “life insurance”, “Fees”, Payment Principal” and IBTs were noticed in the bank	0.269



(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Irregularity</b>	<b>Amount</b>
				statement, which need justification.	
2	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Fisheries sector) Karachi	2018-19	4.2.5	funds were deposited into DDO accounts instead of payment to actual payee/vendors	0.990
<b>Total</b>					<b>5.124</b>

**Annex-6**

**25.5.17 Non-recovery of various taxes at applicable taxes – Rs75.777 million**

(Rs. in million)

Sr.#	Name of Formation	Financial Year	AIR Para #	Particulars	Amount
1	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Fisheries sector) Karachi	2019-20	4.2.3	SST	37.019
2	Karachi Neighborhood Improvement Project	2018-19	4.2.6	GST	1.231
		2019-20	4.2.2	Less deduction Income tax	0.355
		2019-20	4.2.3	Motor Vehicle Tax	0.422
3	Secretary Planning & Development Government of Sindh Karachi	2019-20	08	Rates & Taxes	0.260
4	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Fisheries sector) Karachi	2019-20	4.2.9	Less deduction Income tax	0.222
5	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU,PPRP) Karachi	2018-19	02	Less deduction Income tax	1.295
			04	SST	6.4
			03	Income tax	10.561
			06	Less deduction Income tax	0.242
			51	Income tax	2.441
			56	Less deduction Income tax	0.391
			70	SST	1.912
6	Director General, Bureau of Statistics, Karachi	2018-19	18	Non deduction Income tax	2.182
7	PD, Sindh Municipal Services Delivery Program	2018-19	60	Less deduction Income tax	7.234
8	Programme Coordinator, Sindh Growth & Rural Revitalization Program (PMU,PPRP) Karachi	2018-19	07	Stamp duty	1.959
9	Karachi Neighborhood Improvement Project	2018-19	4.2.7	Stamp duty	0.956
		2019-20	4.2.4	Stamp duty	0.695
<b>Total</b>					<b>75.777</b>

**Annex-7**

**25.5.19 Irregular/Excess execution of items of work – Rs1,030.677 million**

(Rs. in million)

<b>Sr. #</b>	<b>Name of Formation</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Irregularity</b>	<b>Amount</b>
1	Program Director, Sindh Municipal Services Delivery Program	2018-19	4.4.2	Execution of excess items of work	17.716
2	Karachi Neighborhood Improvement Project	2018-19	4.4.1	Irregular execution of work “Redevelopment of Cultural and Educational Area in Saddar Downtown”	663.292
			4.4.2	Excess execution of items of works (Underground Basement Parking)	28.339
			4.4.3	Irregular execution of works (Art Council Civil Work)	33.115
			4.4.4	Irregular execution of works (Civil Work: Stretchen road, Road Work) – Rs17.856 million	17.856
			4.4.5	Irregular execution of works (Civil Work: MR Kiyani road, Road Work)	34.733
			4.4.6	Non-execution of works	0
			4.4.8	Irregular execution of work “Automation of construction permits and business registration in Karachi”	51.960
			4.4.9	Irregular execution of works (Civil Work)	22.586
			4.4.10	Irregular execution of works (Plumbing Work)	1.171
			4.4.11	Irregular execution of works (Electrical Work)	13.684
4.4.12	Irregular execution of works (Air Conditioning Work)	9.053			

			4.8.1	Execution of work without obtaining approval of environmental impact assessment	0
		2019-20	4.4.1	Excess Execution of components	132.258
			4.4.7	Irregular payment on excess execution of items of work	4.415
			4.4.8	Excess execution of steel items of works	0.499
<b>Total</b>					<b>1030.677</b>

**Annex-8**

**25.5.21 Irregular procurement of various medicines - Rs.671.819 million**

(Rs.in million)

<b>Sr.#</b>	<b>Name of Formation</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Irregularity</b>	<b>Amount</b>
1	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Livestock sector) Karachi	2018-19	4.3.6	Medicine purchase through General order supplier instead of direct company/medicine suppliers (drugs license holder). Manufacturing date, expiry date and batch No was not shown in the bill/invoice. Inspection was not carried out by inspection committee.	88.000
2	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Health sector) Karachi	2018-19	4.3.4		111.919
3	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Health sector) Karachi	2019-20	4.3.1		278.216
4	Provincial Program Coordinator Accelerated Action Plan for Reduction of stunting and Malnutrition Sindh (Livestock sector) Karachi	2019-20	4.3.4		193.684
<b>Total</b>					<b>671.819</b>

**Annex-9****25.5.27 Unauthorized payment on account of gratuity and medical insurance of employees to SRSO - Rs9.642 million**

(Rs. in million)

<b>Sr. #</b>	<b>Cheque No. / JV #</b>	<b>Date</b>	<b>Name of Payee</b>	<b>Description</b>	<b>Amount</b>
1	23584621	19.07.18	M/s SRSO	Transferred funds on account of Medical health insurance of employees	0.601
2	25177704	30.01.19	-do-	-do-	1.831
3	25177771	26.03.19	-do-	-do-	0.404
4	26792986	28.06.19	-do-	-do-	1.795
5	23584650	31.7.18	-do-	On account of gratuity of employees	0.428
6	23584688	31.8.18	-do-	-do-	0.430
7	24397334	30.09.18	-do-	-do-	0.500
8	24397379	31.10.18	-do-	-do-	0.475
9	25170167	31.12.18	-do-	-do-	0.461
10	25177707	31.01.19	-do-	-do-	0.909
11	26646264	30.3.19	-do-	-do-	0.443
12	26646282	30.4.19	-do-	-do-	0.445
13	26646337	31.5.19	-do-	-do-	0.459
14	JV# 01470	28.6.19	-do-	-do-	0.461
<b>Total</b>					<b>9.642</b>

## Annex-10

### 25.5.35 Doubtful excess expenditure on training – Rs.44.579 million

(Amount in Rupees)

Sr. #	Nature of Training provided	As per SoE charged			As per MPR June,2019			Variation / excess expenditure		
		No. of Trainees	Rate	Expenditure	No. of Trainees	Rate	Expenditure	Excess No. of Trainees	Rate	Excess Amount
1	Vocational Trainings	6,630	15000	99,450,000	4,764	15000	71,460,000	1,866	15000	27,990,000
2	CMST of Cos	37,920.50	1200	45,504,600	30015	1200	36,018,000	7,906	1,200	9,486,600
3	Mgt & Planning Trg: for Vos	4,679	1800	8,422,200	3651	1,800	6,571,800	1,028	1,800	1,850,400
4	CIF Book keeping & CO Accounts & Audit Trg for Vos	5,017	1800	9,030,000	4087	1800	7,356,600	930	1,800	1,673,400
5	CIF appraisal & Monitoring Trg Vos	4,543	1800	8,177,400	3610	1,800	6,498,000	933	1,800	1,679,400
6	LSO Manager Trg:	721	2500	1,802,500	387	2,500	967,500	334	2,500	835,000
7	Manager Activist conf: for Vos	13,283	75	996,225	12451	75	933,825	832	75	62,400
8	Honorarium CRP	5	192000	1,001,530	0	-	-	5	192,000	1,001,530
<b>Total</b>		<b>72,798</b>		<b>174,384,455</b>	<b>58,965</b>		<b>129,805,725</b>	<b>13,833</b>		<b>44,578,730</b>

**Annex-11**

**25.5.36 Unauthorized payment on account of Provident Fund & Leave encashment to SRSO without provision in contract agreement/P.C.I - Rs5.086 million**

(Rs. in million)

<b>Sr.#</b>	<b>Cheque No. / JV #</b>	<b>Date</b>	<b>Name of Payee</b>	<b>Description</b>	<b>Amount</b>
1	23584653	31.07.18	M/s SRSO	Transferred funds on account of provident fund (employer side)	0.223
2	23584690	31.08.18	-do-	-do-	0.250
3	24397335	30.9.18	-do-	-do-	0.319
4	24397381	31.10.18	-do-	-do-	0.312
5	25170168	31.12.18	-do-	-do-	0.312
6	25177708	31.1.19	-do-	-do-	0.596
7	25177744	28.2.19	-do-	-do-	0.285
8	25177785	30.3.19	-do-	-do-	0.349
9	26646283	30.4.19	-do-	-do-	0.296
10	26646340	31.05.19	-do-	-do-	0.317
11	JV# 01470	28.6.19	-do-	-do-	0.373
12	25177744	28.2.19	-do-	Paid for PF Employee and Employer PPRP staff amount to M/s SRSO ECPF Account for the m/o Feb, 19	0.107
13	25177785	30.3.19	-do-	-do-	0.107
14	26646283	30.4.19	-do-	-do-	0.111
15	25177747	28.2.19	-do-	Paid for PPRP Leave encashment amount to M/s SRSO for m/o Feb,19	0.223
16	26646242	31.3.19	-do-	-do-	0.221
17	26646280	30.4.19	-do-	-do-	0.223
18	26646338	31.5.19	-do-	-do-	0.230
19	JV# 01470	28.6.19	-do-	-do-	0.232
<b>Total</b>					<b>5.086</b>



## Chapter-27 Services, General Administration & Coordination Department

### Annex-I

#### 27.5.1 Non-production of record - Rs.940.979 million

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
1	Secretary, Services, General Administration & Coordination Department, Karachi	06	2018-19	Advertisement copy, hoisting evidence, tender documents, fee collected, procurement committee, contractors record, registration, etc	385.800
		09	2018-19	Supporting record of deployment of army general election 2018	250.000
		07	2019-20	Supporting vouchers of financial assistance like death certificate, medical reports, heirship certificate, NOC, obituary, acknowledgement	15.800
		01	2018-19	i. Promotions Cases ii. Auction Sales Proceeds iii. List of Condemn Vehicles iv. Entertainment & Gifts (KQ-0013) v. Pay of Contract Staff vi. Federal Funded Projects Special Travelling Allowance	0
2	Chief Pilot, Chief Minister Helicopter Flight, Karachi	06	2019-20	Repair & maintenance of Helicopter	115.378
		01		Supporting record	18.376
		07		Inspection report and requisition	4.038
3	Deputy Commissioner, Shaheed Benazirabad	20	2019-20	Supporting vouchers of bank payments	38.920
		05	2018-19	Record of AC. Daur	37.664
		35	2019-20	Adjustment, quotation, DC, Acknowledgement	0.196

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
		12	2018-19	Record of Hardware and repair of machinery head	0.050
		19	2019-20	HR related record	0
4	Commissioner, Karachi	15	2019-20	Record of tax challan	14.665
		17	2018-19	Record pertaining to opening balances in NBP DDO account	12.918
		06	2018-19	Consumption account of steel, invoice of steel purchased & vehicle No. & date of transported material	12.912
		07	2018-19	IT challan	5.851
		16	2018-19	Record pertaining to govt. vehicles	4.500
		5	Deputy Commissioner, Khairpur	01	2019-20
6	Commissioner, Larkana	09	2019-20	POL slips not attached and allocation of officer not produced	4.593
7	Deputy Commissioner, T.M. Khan	33	2019-20	Venue of anti-covid spray, specifications of medicine used, laborers record of engagement, hire of vehicles details, etc	1.656
		56	2019-20	Contingency record of AC Bulri Shah Karim	0.677
		60	2019-20	Various record	0
8	Director, Enquiries & Anticorruption Establishment, Karachi	01	2018-19	--	1.267
9	Managing Director, Sindh Public Procurement Regulatory Authority, Karachi	06	2019-20	Supporting record of conference / seminar	1.212
10	Deputy Commissioner, Sajawal	11	2019-20	Details of quarantine/isolation facility and patient's details, quotations, supply order and stock register	1.017

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
		10	2019-20	Supporting vouchers of M/s Al-Imran Contractor	0.465
11	Deputy Commissioner, Kandhkot @ Kashmore	04	2019-20	supporting documents not attached for unforeseen and services rendered head	0.999
12	Deputy Commissioner, Hyderabad	03	2019-20	Supporting documents/invoices/tour diaries	0.514
		47	2019-20	Tour register/program and approval of competent authority	0.486
13	Deputy Commissioner, West Karachi	14	2019-20	POL and others	0.495
14	Deputy Commissioner, Matiari	01	2019-20	Supporting documents	0.388
15	Deputy Commissioner, Jamshoro	49	2019-20	Various record	0
<b>Total</b>					<b>940.979</b>

**Annex-2**

**27.5.7 Irregular payment of inadmissible allowances – Rs.86.041 million**

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
1	Secretary, Services, General Administration & Coordination Department, Karachi	03	2018-19	Non-Practicing Allowance	41.726
		02	2018-19	Various allowances	7.200
2	Chief Pilot, Chief Minister Helicopter Flight, Karachi	05	2019-20	CM Secretariat allowance	17.349
3	Deputy Commissioner, Jamshoro	36	2019-20	House rent allowance	1.974
		39	2019-20	Conveyance & Computer allowance	0.019
4	Deputy Commissioner, Ghotki	10	2019-20	House rent allowance	1.626
5	Commissioner, Karachi	08	2018-19	Utility/secretariat and Adhoc relief allowance	1.188
		09	2019-20	Secretariat allowance	0.395
		05	2019-20	Conveyance allowance	0.245
		10	2019-20	Utility allowance	0.165
6	Deputy Commissioner, Larkana	02	2019-20	Secretariat, utility, incentives allowances, etc	1.149
7	Director Anti Encroachment Karachi	18	2018-19	Fixed DA, Ration and Risk Allowance	1.026
8	Deputy Commissioner, Umerkot	08	2019-20	Utility/secretariat allowance	0.860
		20	2019-20	Conveyance allowance	0.060
9	Commissioner, Larkana	03	2019-20	Project allowance	0.700
		05	2019-20	Special Education allowance	0.370
		04	2019-20	Special allowance	0.096
10	Commissioner, Hyderabad	13	2019-20	--	0.689
		14	2019-20	House maintenance charges	0.168
		08	2019-20	Various	0.681

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
11	Deputy Commissioner, West Karachi	30	2019-20	Conveyance allowance	0.065
12	Deputy Commissioner, Khairpur	01	2018-19	Adhoc relief allowance 2013	0.636
		24	2019-20	Conveyance allowance	0.300
		25	2019-20	House rent charges	0.179
		02	2018-19	Various allowances	0.094
13	Deputy Commissioner, Badin	01	2019-20	Conveyance allowance	0.530
		02	2019-20	House rent allowance	0.313
		03	2019-20	Fixed daily allowance	0.107
14	Deputy Commissioner, East Karachi	09	2019-20	Various allowances	0.506
		08	2019-20	Conveyance allowance	0.135
15	Deputy Commissioner, Malir Karachi	08	2019-20	Conveyance allowance	0.485
		03	2019-20	Utility and secretariat allowance	0.238
16	Commissioner, Shaheed Benazirabad	09	2019-20	Conveyance allowance	0.475
		02	2019-20	Adhoc Relief allowance 2010	0.156
		10	2019-20	Adhoc Relief allowance 2013	0.041
		05	2019-20	Utility allowance	0.040
17	Director, Enquiries & Anticorruption Establishment, Karachi	10	2018-19	Utility/secretariat allowance	0.454
		11	2018-19	Conveyance allowance	0.353
18	Deputy Commissioner, Jacobabad	0weed4	2019-20	Incentive allowance, Spl Additional charge allowance and Health care allowance	0.414
		02	2019-20	Adhoc Allowance 2013 15% & 10%	0.092
		03	2019-20	House rent allowance	0.020

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
19	Deputy Commissioner, Naushehro Feroze	28	2019-20	Adhoc Relief allowance 2013	0.322
20	Deputy Commissioner, Sanghar	29	2019-20	Conveyance allowance	0.247
		04	2019-20	Utility/secretariat allowance	0.044
		33	2019-20	House rent allowance	0.025
21	Deputy Commissioner, Dadu	03	2018-19	Conveyance allowance	0.230
		35	2019-20	Conveyance allowance	0.060
		36	2019-20	Adhoc Allowance 2010	0.022
22	Deputy Commissioner, South Karachi	11	2019-20	Conveyance allowance	0.175
23	Deputy Commissioner, Central, Karachi	10	2019-20	Conveyance allowance	0.165
24	Deputy Commissioner, Kandhkot @ Kashmore	03	2019-20	Adhoc Allowance 2013 15% & 10%	0.151
		02	2019-20	Risk, Ration, Fixed D.A, Teaching, Washing, Un-attractive area allowance and Disturbance	0.046
25	Deputy Commissioner, Thatta	02	2019-20	Adhoc Allowance 2010 @50%	0.149
		01	2019-20	Conveyance allowance	0.110
26	Deputy Commissioner, Tando Allahyar	02	2019-20	Conveyance allowance	0.120
27	Deputy Commissioner, Matiari	10	2019-20	Conveyance allowance	0.120
28	Deputy Commissioner, Hyderabad	37	2019-20	Conveyance allowance	0.119
29	Deputy Commissioner, T.M. Khan	42	2019-20	Conveyance allowance	0.115
		49	2019-20	Conveyance charges	0.064
		49	2019-20	Adhoc allowance 2010	0.025

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
30	Deputy Commissioner, Tharparkar	23	2019-20	Conveyance allowance	0.113
31	Deputy Commissioner, Shikarpur	01	2019-20	Computer allowance and house rent allowance	0.054
32	Deputy Commissioner, Korangi Karachi	24	2019-20	Conveyance allowance	0.050
		09	2019-20	Various allowances	0.029
33	Deputy Commissioner, Qamber @ Shahdadkot	20	2019-20	Conveyance Allowance	0.035
		21	2019-20	Utility allowance	0.016
34	Deputy Commissioner, Shaheed Benazirabad	08	2018-19	Conveyance allowance	0.035
		13	2018-19	5% house maintenance charges	0.022
		11	2018-19	Computer allowance	0.009
35	Commissioner, Sukkur	06	2019-20	Health allowance	0.032
36	Secretary cum Director, LARMIS, Karachi	03	2018-19	Computer allowance	0.018
<b>Total</b>					<b>86.041</b>

**Annex-3**

**27.5.9 Irregular expenditure on purchase of various articles & repair work – Rs.118.339 million**

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Amount
1	Deputy Commissioner, Mirpurkhas	12	2019-20	20.033
		14	2019-20	5.455
		17	2019-20	0.515
		18	2019-20	0.452
		19	2019-20	0.356
2	Commissioner, Shaheed Benazirabad	16	2017-18 to 2019-20	13.397
		08	2017-18 to 2019-20	9.573
3	Commissioner, Mirpurkhas	01	2019-20	12.780
		04	2019-20	0.518
4	Deputy Commissioner, West Karachi	04	2019-20	7.741
		24	2019-20	4.374
		15	2019-20	3.922
		17	2019-20	2.904
		23	2019-20	1.400
		18	2019-20	0.811
5	Deputy Commissioner, Naushehro Feroze	20	2019-20	7.720
		25	2019-20	0.353
		33	2019-20	0.146
6	Deputy Commissioner, Qamber @ Shahdadkot	01	2019-20	2.243
		14	2019-20	0.182
7	Deputy Commissioner, Hyderabad	17	2019-20	1.871
		22	2019-20	0.276
		19	2019-20	0.144
		25	2019-20	0.142
		21	2019-20	0.103
8	Commissioner, Hyderabad	06	2019-20	1.711
		10	2019-20	0.358
9	Deputy Commissioner, shaheed Benazirabad	28	2019-20	1.563
		36	2019-20	1.168
		32	2019-20	0.575
		37	2019-20	0.170
10	Commissioner, Sukkur	03	2019-20	1.485
11	Commissioner, Karachi	15	2018-19	1.400
12	Deputy Commissioner, Korangi Karachi	15	2019-20	1.166



(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Amount
		17	2019-20	0.175
		21	2019-20	0.152
13	Deputy Commissioner, Central Karachi	14	2019-20	1.077
14	Deputy Commissioner, Dadu	27	2019-20	1.053
		08	2018-19	0.297
15	Deputy Commissioner, T.M. Khan	23	2019-20	0.904
		59	2019-20	0.205
		57	2019-20	0.160
16	Deputy Commissioner, Sanghar	13	2019-20	0.822
17	Deputy Commissioner, East Karachi	11	2019-20	0.665
		17	2019-20	0.444
		20	2019-20	0.173
		18	2019-20	0.109
		22	2019-20	0.063
18	Deputy Commissioner, Jamshoro	35	2019-20	0.599
		52	2019-20	0.160
19	Deputy Commissioner, Sukkur	28	2019-20	0.573
		31	2019-20	0.323
		34	2019-20	0.202
20	Commissioner, Larkana	12	2019-20	0.477
		10	2019-20	0.296
21	Director Anti Encroachment Karachi	04	2018-19	0.350
22	Managing Director, Sindh Public Procurement Regulatory Authority, Karachi	06	2018-19	0.344
		04	2018-19	0.199
		10	2019-20	0.199
23	Deputy Commissioner, Matiari	37	2019-20	0.244
		38	2019-20	0.198
		36	2019-20	0.150
24	Deputy Commissioner, Badin	08	2019-20	0.210
25	Deputy Commissioner, Kandhkot @Kashmore	10	2019-20	0.199
26	Deputy Commissioner, Khairpur	11	2018-19	0.100
27	Deputy Commissioner, Tharparkar	09	2018-19	0.080
28	Secretary, Services, General Administration & Coordination Department, Karachi	17	2019-20	0.070
29	Deputy Commissioner, Larkana	12	2019-20	0.060
<b>Total</b>				<b>118.339</b>

## 27.5.10 Non-invitation of tender – Rs.204.278 million

Sr. #	Name of Office	Financial year	AIR Para #	Particulars	Amount
<b>Non-invitation of tender</b>					
1	Deputy Commissioner, Malir, Karachi	2019-20	04	Solid waste/garbage cleaning services	45.910
2	Commissioner, Karachi	2019-20	13	M&R of various schemes	23.475
3	Deputy Commissioner, South, Karachi	2019-20	09	Rented containers & transportation charges	11.885
4	Deputy Commissioner, Kandhkot @ Kashmir	2019-20	06	On repair of building	11.000
5	Deputy Commissioner, Shaheed Benazirabad	2019-20	26	On flower show	4.806
6	Commissioner, Karachi	2018-19	01	M&R works	4.664
		2019-20	03	Fumigation and chemical spray	2.324
7	Deputy Commissioner, Jamshoro	2019-20	50	Hire of vehicles & generator	1.551
8	Deputy Commissioner, Thatta	2019-20	10	Monsoon Rain 2019	1.357
9	Deputy Commissioner, Sajawal	2019-20	07	Monsoon rain 2019	1.058
10	Deputy Commissioner, Matiarai	2019-20	24	Open katchehri event	1.009
11	Deputy Commissioner, Dadu	2019-20	19	Hardware for polling stations like CCTV cameras – where about after election not known	0.998
12	Deputy Commissioner, West, Karachi	2019-20	16	-	0.900
<b>Sub-Total</b>					<b>110.937</b>

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
<b>Splitting of expenditure to avoid tenders</b>					
1	Deputy Commissioner, Malir, Karachi	07	2019-20	Purchase of article, hiring of services and M/R of machinery/ transport	19.325
		37	2019-20	Various occasions expenditure	1.832
		36	2019-20	Eradication of dengue	1.322
2	Deputy Commissioner, Jamshoro	38	2019-20	Miscellaneous purchases	10.106
		19	2019-20	Fair & Exhibition	2.402
		31	2019-20	Polio control room expenditure	1.161
		30	2019-20	Uniform – over actual requirements	0.854
		18	2019-20	Entertainment & Gifts	0.426
3	Deputy Commissioner, Hyderabad	16	2019-20	Various purchases	8.808
4	Deputy Commissioner, Shaheed Benazirabad	23	2019-20	Purchase of articles etc	7.158
5	Commissioner, Mirpurkhas	02	2019-20	Miscellaneous purchases	5.455
6	Commissioner, Shaheed Benazirabad	12	2017-18 to 2019-20	Fair & Exhibition	3.945
		07	2019-20	Repair of office building	3.749
7	Commissioner, Karachi	12	2019-20	--	2.473
8	Deputy Commissioner, T.M. Khan	21	2019-20	Services rendered	2.085
		31	2019-20	Physical assets	0.760
		19	2019-20	Purchase of Uniform	0.743
9	Deputy Commissioner, Sanghar	09 & 10	2019-20	Exhibition / feeding	1.843
10	Deputy Commissioner, Larkana	01	2019-20	Unforeseen	1.414
		07	2019-20	Uniform	0.646
11	Deputy Commissioner, Kandhkot @Kashmore	09	2019-20	Others	1.359
12	Deputy Commissioner, Central, Karachi	15	2019-20	Containers installation	1.166
13	Deputy Commissioner, Tharparkar	03	2018-19	Various articles	1.060
		22	2019-20	Various purchases	0.238
14	Deputy Commissioner, Tando Allahyar	08	2019-20	Unforeseen exp	1.057
15	Deputy Commissioner, Naushehro Feroze	29	2019-20	Exhibition & fair	0.999

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
16	Deputy Commissioner, Korangi Karachi	08	2019-20	Various articles purchase	0.931
		05	2019-20	Refreshment articles	0.578
17	Deputy Commissioner, West Karachi	06	2019-20	Refreshment articles	0.929
		10	2019-20	Various articles	0.750
18	Deputy Commissioner, Naushehro Feroze	21	2019-20	CCTV and Jammer installation	0.838
19	Deputy Commissioner, Sajawal	06	2019-20	Polio campaign expenditure	0.783
		08	2019-20	Muharam-ul-haram	0.596
20	Deputy Commissioner, Dadu	20	2019-20	Earth work	0.750
		21	2019-20	Furniture repair	0.499
21	Chief Pilot, Chief Minister Helicopter Flight, Karachi	09	2019-20	Janitorial services	0.735
22	Deputy Commissioner, Thatta	11	2019-20	Polio campaign expenditure	0.730
23	Commissioner, Larkana	06	2019-20	Uniform	0.646
24	Commissioner, Hyderabad	08	2019-20	Uniform	0.598
25	Deputy Commissioner, Shikarpur	04	2019-20	Unfirm & Liveries	0.418
26	Deputy Commissioner, Sukkur	03	2019-20	Purchase of bed sheets, etc	0.401
27	Deputy Commissioner, Qamber @ Shahdadkot	16	2019-20	Hiring of cameras on rent	0.392
28	Director, Enquiries & Anticorruption Establishment, Karachi	03	2018-19	Uniform	0.381
<b>Total</b>					<b>93.341</b>
<b>G-Total</b>					<b>204.278</b>

**27.5.14 Irregular expenditure on organizing events – Rs31.079 million**  
(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Amount
1	Deputy Commissioner, West, Karachi	27	2019-20	5.250
2	Deputy Commissioner, Central Karachi	13	2019-20	3.917
3	Deputy Commissioner, T.M. Khan	22	2019-20	1.970
4	Deputy Commissioner, Badin	07	2019-20	1.739
5	Deputy Commissioner, East Karachi	04	2019-20	1.401
6	Commissioner, Shaheed Benazirabad	11	2019-20	1.388
7	Deputy Commissioner, Mirpurkhas	03	2019-20	1.319
		21	2019-20	0.379
8	Managing Director, Sindh Public Procurement Regulatory Authority, Karachi	01	2018-19	1.201
9	Deputy Commissioner, Tharparkar	15	2019-20	1.084
		06	2018-19	0.299
		13	2018-19	0.075
10	Commissioner, Mirpurkhas	07	2019-20	1.062
		06	2019-20	0.362
11	Deputy Commissioner, Hyderabad	24	2019-20	0.955
		23	2019-20	0.149
12	Deputy Commissioner, Malir Karachi	44	2019-20	0.858
13	Deputy Commissioner, Dadu	28	2019-20	0.846
		40	2019-20	0.190
		34	2019-20	0.075
14	Deputy Commissioner, Sanghar	14	2019-20	0.816
15	Deputy Commissioner, shaheed Benazirabad	04	2018-19	0.773
16	Commissioner, Sukkur	08	2019-20	0.736
		04	2019-20	0.383
17	Deputy Commissioner, Korangi, Karachi	19	2019-20	0.713
18	Deputy Commissioner, Sukkur	33	2019-20	0.585
		32	2019-20	0.125
19	Deputy Commissioner, Qamber @ Shahdadkot	10	2019-20	0.530
20	Deputy Commissioner, Sajawal	09	2019-20	0.522
21	Deputy Commissioner, Umerkot	11	2019-20	0.379
22	Deputy Commissioner, Tando Allahyar	09	2019-20	0.299
23	Deputy Commissioner, Naushehro Feroze	30	2019-20	0.298
24	Deputy Commissioner, Matiari	40	2019-20	0.202
25	Deputy Commissioner, Thatta	12	2019-20	0.199
			<b>Total</b>	<b>31.079</b>

**Annex-6**

**27.5.15 Irregular expenditure on feeding charges – Rs21.188 million**

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Amount
1	Commissioner, Shaheed Benazirabad	13	2017-18 to 2019-20	3.941
2	Deputy Commissioner, Qamber @ Shahdadkot	03	2019-20	2.001
		12	2019-20	0.928
		09	2019-20	0.662
3	Deputy Commissioner, Larkana	04	2019-20	1.500
4	Deputy Commissioner, West, Karachi	12	2019-20	1.331
5	Deputy Commissioner, Naushehro Feroze	17	2019-20	1.245
6	Deputy Commissioner, Tharparkar	04	2018-19	1.030
7	Deputy Commissioner, Sanghar	02	2019-20	0.855
8	Deputy Commissioner, Korangi Karachi	10	2019-20	0.751
9	Deputy Commissioner, Sajawal	02	2019-20	0.750
10	Deputy Commissioner, Jamshoro	34	2019-20	0.657
11	Deputy Commissioner, Shikarpur	03	2019-20	0.580
12	Deputy Commissioner, T.M. Khan	41	2019-20	0.572
13	Deputy Commissioner, Shaheed Benazirabad	33	2019-20	0.441
		31	2019-20	0.330
14	Commissioner, Hyderabad	09	2019-20	0.440
15	Deputy Commissioner, Dadu	31	2019-20	0.432
		41	2019-20	0.150
16	Commissioner, Mirpurkhas	08	2019-20	0.426
17	Commissioner, Sukkur	05	2019-20	0.380
18	Deputy Commissioner, Matiari	31	2019-20	0.372
19	Deputy Commissioner, East Karachi	15	2019-20	0.331
20	Deputy Commissioner, Sukkur	21	2019-20	0.330
21	Deputy Commissioner, Mirpurkhas	20	2019-20	0.329
22	Deputy Commissioner, Hyderabad	26	2019-20	0.311
23	Deputy Commissioner, Tando Allahyar	04	2019-20	0.113
<b>Total</b>				<b>21.188</b>

## 27.5.16 Non/less-recovery of various taxes – Rs13.900 million

(Rs. in million)

Sr. #	Name of Office	AIR Para #	Financial year	Particulars	Amount
1	Secretary cum Director, LARMIS, Karachi	02	2018-19	Less deduction of SST	6.126
2	Deputy Commissioner, T.M. Khan	51	2019-20	Non-deduction of GST	2.342
		48	2019-20	Less deduction of Income Tax	0.160
3	Chief Pilot, Chief Minister Helicopter Flight, Karachi	11	2019-20	Non-deduction of Income Tax	2.228
		12	2019-20	Non-deduction of Income Tax	0.317
4	Deputy Commissioner, Sanghar	28	2019-20	Non-deduction of GST	0.539
5	Commissioner, Karachi	10	2018-19	Less deduction of Income Tax	0.481
				Less deduction of SST	0.130
6	Deputy Commissioner, Thatta	05	2019-20	Non-deduction of SST	0.318
		06	2019-20	Less deduction of Income Tax	0.053
7	Deputy Commissioner, Dadu	23	2019-20	Non-deduction of GST	0.238
8	Deputy Commissioner, Jamshoro	42	2019-20	Less deduction of Income Tax	0.176
9	Director Anti Encroachment Karachi	01	2018-19	Less deduction of Income Tax	0.143
10	Deputy Commissioner, Qamber @ Shahdadkot	19	2019-20	Non-deduction of GST	0.133
		18	2019-20	Non-deduction of Income Tax	0.033
11	Commissioner, Shaheed Benazirabad	06	2017-18 to 2019-20	Less deduction of Income Tax	0.112
12	Deputy Commissioner, Kandhkot@ Kashmore	14	2019-20	Non-deduction of Income Tax	0.094
13	Deputy Commissioner, Sanghar	31	2019-20	Less deduction of Income Tax	0.066
		32	2019-20	Non-deduction of SST	0.038
14	Managing Director, Sindh Public Procurement Regulatory Authority, Karachi	11	2018-19	Non-deduction of SST	0.065
		11	2018-19	Non-deduction of Income Tax	0.048

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>AIR Para #</b>	<b>Financial year</b>	<b>Particulars</b>	<b>Amount</b>
15	Secretary, Services, General Administration & Coordination Department, Karachi	14	2019-20	Non-deduction of SST	0.034
16	Deputy Commissioner, shaheed Benazirabad	07	2018-19	Less deduction of SST	0.026
<b>Total</b>					<b>13.900</b>



## 28.5.8 Recovery of Sindh Sales Tax from defaulters – Rs.223.341 million

(Rs. in million)

Sr.#	Name of Agency/Registered Persons	OM. #	Financial Year	Amount
01	Intellexal Solutions (Pvt.) Limited	01	2018-19	9.298
02	Linkdotnet Telecom Limited	02	2018-19	7.284
03	Core Gym.	07	2018-19	0.738
04	N-Gents Private Limited	08	2018-19	0.325
05	Maximum Travels & Tour (Pvt.) Limited	10	2018-19	0.037
06	Map Holidays & Tours	12	2018-19	0.346
07	China Energy Engineering Group Tianjin Electric Power Const. Co. Ltd	13	2018-19	1.953
08	Ascend Talent Private Limited	14	2018-19	0.367
09	Capture Media	16	2018-19	5.909
10	Gentec	23	2018-19	0.005
11	Market 786 (Private) Limited	24	2018-19	0.395
12	Al-Habib Capital Markets (Private) Limited	25	2018-19	0.226
13	Innovative (Private) Limited	26	2018-19	0.780
14	LPG Engineering & Services Company	27	2018-19	0.952
15	Feasible Solutions	28	2018-19	0.119
16	Astrotech International	29	2018-19	26.746
17	Shafiq& Company (Pvt) Limited	30	2018-19	16.702
18	Rashid Ali & Co	31	2018-19	000
19	Ice Land Air-conditioning	32	2018-19	0.388
22	Asian Constructors-Mr. Muhammad Latif	33	2018-19	2.719
20	Vibrant	34	2018-19	0.560
21	Siddiqui Contracting Co.	35	2018-19	1.728
22	Zia Khaleeli	38	2018-19	9.531
23	Kashish Television Networks (Pvt) Ltd	57	2018-19	5.200
24	Millennium Security (Pvt.) Limited	58	2018-19	000
25	Muhafiz Security (Pvt.) Limited	59	2018-19	000
26	World Avionic's	61	2018-19	0.016
27	Various Registered persons	06	2019-20	3.221
28	Various Registered persons	13	2019-20	127.796
<b>Total</b>				<b>223.341</b>

**Annex-2**

**28.5.10 Non-deposit of tax-deducted & profit earned in appropriate bank account – Rs.105.997 million**

(Rs. in million)

<b>Sr. #</b>	<b>Doc. ID &amp; Date</b>	<b>Summary of transaction</b>	<b>Amount</b>	<b>Doc. ID &amp; Date</b>	<b>Particulars</b>	<b>Amount</b>
01	1st July.2016	Profit paid to account # 03033838046100	0.049	23rd Dec. 2016	Reversal of Tax on profit DTD 1st Dec. 2016	0.225
02	1st Aug. 2016	Profit paid to account # 03033838046100	0.736	1st Aug.2017	Tax deduction on account 03033838046100	0.240
03	1st Sept.2016	Profit paid to account # 03033838046100	1.062	1st Sept. 2017	Tax deduction on account 03033838046100	0.241
04	1st Oct-2016	Profit paid to account # 03033838046100	1.056	1st Oct. 2017	Tax deduction on account 03033838046100	0.234
05	1st Nov.2016	Profit paid to account # 03033838046100	1.322	1st Nov.2017	Tax deduction on account 03033838046100	0.243
03	1st Dec.2016	Profit paid to account # 03033838046100	1.284	1st Dec.2017	Tax deduction on account 03033838046100	0.235
04	1st Jan.2017	Profit paid to account # 03033838046100	1.332	1st Jan.2018	Tax deduction on account 03033838046100	0.244
05	1st Feb.2017	Profit paid to account # 03033838046100	1.340	1st Feb.2018	Tax deduction on account 03033838046100	0.245
06	1st Mar.2017	Profit paid to account # 03033838046100	1.215	1st March 2018	Tax deduction on account 03033838046100	0.234
07	1st Apr.2017	Profit paid to account # 03033838046100	1.350	1st April 2018	Tax deduction on account 03033838046100	0.259
08	1st May 2017	Profit paid to account # 03033838046100	1.312	1st May 2018	Tax deduction on account 03033838046100	0.252
09	1st June.2017	Profit paid to account # 03033838046100	1.361	1st June 2018	Tax deduction on account 03033838046100	0.261

10	1st July 2017	Profit paid to account # 03033838046100	1.323	1st July 2018	Tax deduction on account 03033838046100	0.254
11	1st Aug. 2017	Profit paid to account # 03033838046100	1.372	1st Aug.2018	Tax deduction on account 03033838046100	0.289
12	1st Sep.2017	Profit paid to account # 03033838046100	1.377	1st Sept. 2018	Tax deduction on account 03033838046100	0.343
13	1st Oct-2017	Profit paid to account # 03033838046100	1.337	1st Oct. 2018	Tax deduction on account 03033838046100	0.334
14	1st Nov.2017	Profit paid to account # 03033838046100	1.386	1st Nov.2018	Tax deduction on account 03033838046100	0.346
15	1st Dec.2017	Profit paid to account # 03033838046100	1.346	1st Dec.2018	Tax deduction on account 03033838046100	0.389
16	1st Jan.2018	Profit paid to account # 03033838046100	1.395	1st Jan.2019	Tax deduction on account 03033838046100	0.429
17	1st Feb.2018	Profit paid to account # 03033838046100	1.399	1st Feb.2019	Tax deduction on account 03033838046100	0.433
18	1st Mar.2018	Profit paid to account # 03033838046100	1.335	1st March 2019	Tax deduction on account 03033838046100	0.405
19	1st Apr.2018	Profit paid to account # 03033838046100	1.483	1st April 2019	Tax deduction on account 03033838046100	0.479
20	1st May 2018	Profit paid to account # 03033838046100	1.440	1st May 2019	Tax deduction on account 03033838046100	0.469
21	1st June.2018	Profit paid to account # 03033838046100	1.493	1st June 2019	Tax deduction on account 03033838046100	0.484
22	1st July 2018	Profit paid to account # 03033838046100	1.450	1st July 2019	Tax deduction on account 03033838046100	0.552
23	1st Aug. 2018	Profit paid to account # 03033838046100	1.654	1st Aug.2019	Tax deduction on account 03033838046100	0.985
24	1st Sep.2018	Profit paid to account # 03033838046100	1.962	1st Sept. 2019	Tax deduction on account 03033838046100	1.112

25	1st Oct-2018	Profit paid to account # 03033838046100	1.908	1st Oct. 2019	Tax deduction on account 03033838046100	1.084
26	1st Nov.2018	Profit paid to account # 03033838046100	1.979	1st Nov.2019	Tax deduction on account 03033838046100	1.127
27	1st Dec.2018	Profit paid to account # 03033838046100	2.220	1st Dec.2019	Tax deduction on account 03033838046100	1.098
28	1st Jan.2019	Profit paid to account # 03033838046100	2.450	1st Jan.2020	Tax deduction on account 03033838046100	1.143
29	1st Feb.2019	Profit paid to account # 03033838046100	2.473	1st Feb.2020	Tax deduction on account 03033838046100	1.147
30	1st Mar.2019	Profit paid to account # 03033838046100	2.317	1st March 2020	Tax deduction on account 03033838046100	1.081
31	1st Apr.2019	Profit paid to account # 03033838046100	2.735	-	-	-
32	1st May 2019	Profit paid to account # 03033838046100	2.663	-	-	-
33	1st June.2019	Profit paid to account # 03033838046100	2.768	-	-	-
34	1st July 2019	Profit paid to account # 03033838046100	3.157	-	-	-
35	1st Aug. 2019	Profit paid to account # 03033838046100	3.285	-	-	-
36	1st Sep.2019	Profit paid to account # 03033838046100	3.708	-	-	-
37	1st Oct-2019	Profit paid to account # 03033838046100	3.613	-	-	-
38	1st Nov.2019	Profit paid to account # 03033838046100	3.758	-	-	-
39	1st Dec.2019	Profit paid to account # 03033838046100	3.662	-	-	-

40	1st Jan.2020	Profit paid to account # 03033838046100	3.809	-	-	-	
41	1st Feb.2020	Profit paid to account # 03033838046100	3.824	-	-	-	
42	1st Mar.2020	Profit paid to account # 03033838046100	3.602	-	-	-	
<b>Total Profit</b>			<b>89.102</b>		<b>Tax deducted</b>	<b>16.895</b>	
						<b>Profit</b>	<b>89.102</b>
						<b>Total</b>	<b>105.997</b>

## Chapter-29 Sports & Youth Affairs Department

### Annex-1

#### 29.5.1 Non-production of record – Rs.150.875 million

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
1	Secretary, Sports & Youth Affairs Department, Karachi	2019-20	3	Cash Book	98.007
			4	Record pertains to grant-in-aid	11.042
			6	Supporting Vouchers	1.226
			5	CNIC, Press Clipping, Registration Certificate	0.400
			1	Year book of sports & youth affairs	0
2	Executive Engineer, Engineering Wing, Sports & Youth Affairs Department, Karachi	2019-20	9	Irregular Payments On Account Of Various Construction Works Made Without Maintenance Of Drawing / Design	17.078
			2	Irregular Payment Due To Non-Maintenance / Production Of Measurement Book	11.198
			5	Irregular Refund Of Security Deposit To Contractors	6.107
			4	Irregular Execution Of Works Without Laboratory Test Reports	5.817
			11	Irregular Expenditure Without Preparation Of Procurement Plan For Engineering Wing	0
<b>Total</b>					<b>150.875</b>

## Chapter – 31 Universities and Boards Department

### Annex-1

#### 31.5.1 Non-production of auditable record – Rs.7,264.983 million

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
01.	Vice Chancellor, Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	83	Payment details of different accounts of university without any justification and payment	3,468.972
			85	Details of payment made from HBL Islamic PLS A/c & rate of return	1,906.388
			84	Non-availability of payment details from Daily Munafa A/C	238.166
			89	1. Original Investment Agreements with schedule banks along with Transfer Vouchers (TVs) of the funds with transfer details. 2. Details of profit on investments transferred to University fund with utilization. 3. Sanction Strength of each cadre approved by Senate and Syndicate. 4. Notification / list of members appointed in various authorities / committees. 5. Audit Reports of Auditing Firms i.e Chartered Accountants Firm 6. Detailed Budget Estimates prepared before the presenting of annual budget 7. Copies of approved annual report, annual statement of accounts, and the annual and revised budget estimates approved by the senate. 8. Approval of Budget from Senate for the period of	0

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				<p>2015 and minutes of syndicate meeting 148<sup>th</sup> on 30<sup>th</sup> August 2019)</p> <p>9. Record of Investment shifted from J/S Bank Cloth Market Branch to Sindh Bank, Market Area Branch, Hyderabad.</p> <p>10. Original Copy of agreement with banks along-with reconciliation statements of the investments</p> <p>11. Income from V.C House declared as Guest House and Hostels.</p> <p>12. Sales tax @13% on services from M/S Deen Muhammad &amp; Sons for providing transport service and M/S Dogma Security Service for providing Security Services.</p> <p>13. Complete details of Scholarship accounts disbursed / invested in last ten years.</p> <p>14. Audit code of the University.</p> <p>15. Master Plan of University</p> <p>16. Previous Internal Audit report.</p> <p>17. File of instructions issued by Higher Education Commission</p> <p>18. Detail and files of Grants-in-Aid from HEC &amp; Government of Sindh to University and Campus @ Khairpur w.e.f. 2013-14 to onward.</p> <p>19. Details of Colleges and Department which are affiliated with the University.</p>	



(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				<p>20. Sanctioned posts against each &amp; every grade / cadre duly approved by senate and concurrence of Finance Department.</p> <p>21. Details of Posts Created during audit year (BPS wise)</p> <p>22. Details with complete procedure for Selection / Recruitment and Short-listing procedure of Candidates.</p> <p>23. Working strength of Permanent, Contractual and Contingent Paid Staff.</p> <p>24. Details of appointments of daily wages staff with full justification since 2016-17.</p> <p>25. Details of total appointments from 2009 to onward with all codal formalities.</p> <p>26. Agreements of Contractual employees</p> <p>27. Details of Lecturers and Professors working under tenure track system.</p> <p>28. Details of promotions, up-gradations, allowed higher grades, time scales etc.</p> <p>29. List of retired employees re-appointed on contract basis or any other mode of appointment</p> <p>30. Details of staff acquired by deputation along with Personal Files</p> <p>31. Details regarding the Lecturers and Professors learning abroad for the period of five years.</p>	

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				<p>32. Details &amp; files of 16 retired employees from NDFC joined the University.</p> <p>33. Up-to date progress of Research Projects and details of Research Grants.</p> <p>34. Details of outstanding books issued to various members / teaching / non-teaching staff / students / other persons.</p> <p>35. Receipts against penalty of library books (late / non-receipt of books).</p> <p>36. Receipts against laboratory tests along with vouchers.</p> <p>37. Details regarding the allotment of plots to the employees (Permanent and Contractual)</p> <p>38. Details of Land, its utilization along with supporting record.</p> <p>39. Details of Land / property of the university illegally occupied.</p> <p>40. Allotment of Quarters &amp; Bungalows for list five years with complete details and allotment committee's approval and decisions.</p> <p>41. Allotment of Bungalow to Vice Chancellor, S.A.L.A. University, Tandojam</p> <p>42. Details &amp; files of approved House Building Loan to the Employees Since 2012.</p> <p>43. Details along with tender files of Boys and Girls Hostel, MUET, Jamshoro.</p>	

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				44. Details of Medical Bills with complete justification passed since last five years. 45. Details & Files of ORIC Project. 46. Appointments in ORIC Project at Innovation & Entrepreneurship (IEC) of the University. 47. Case file of Pakistan Education & Research Network (PERN). 48. Detail of Remuneration Payments in last Five years. 49. Details of commercial units under premises of MUET and SZAB Campus i.e. Banks, Schools, Canteens. Shops etc along with supporting record. 50. Details of Receipts against Rental Properties. 51. Total Number of Allocated Seats (District & Department wise). 52. Seats for Foreign Students may be provided separately. 53. Criteria / Standard Procedure of Selection of Students. 54. Migration of Students from Other Universities OR Campuses. 55. Reconciliation of Fee from Bank. 56. Details of Prospectus Print / Sold / Balance during audit year. 57. Details of Degree Certificates Print / Issued / Balance during audit year.	

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				58. Details of Revenue Generated through Self Finance Scheme 59. Details of Endowment and other funds. 60. List of Payments along with Cheque No. 61. Details of Liabilities / Arrear Bills / T.A. Bills 62. Encashment of Leave. 63. Fitness Certificates of vehicles under the Administrative Control of MUET / SZAB along with payment against insurance and vehicle tax. 64. Details of accidents / theft of vehicles during audit year. 65. Liveries Register, Dead Stock Register and Stationery Articles Register 66. Details of payments against loan / advances along with criteria / entitlement of Grant of loan / advance. 67. Advances & Recovery Register along with upto date details of outstanding advances against employees / contractors /suppliers. 68. The details of contingency & advances	
02.	University of Karachi	2016-17 to 2018-19	04	Journal ledger, bank scroll, monthly collection statement & yearly statement, detail & description of each head of account of income, Nos. of student increases, increased in fees scheduled, increased in accounts receivable & amount	605.560

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				of missing of evening program and income of Karachi University School of business to authenticate the actual excess in income.	
			02	Complete record of admission fees along bank scroll, bank challans & No. of students admitted in all shifts to authenticate the income generated from fees	303.335
03.	Secretary, Universities & Boards, Karachi	2018-19	04	Disbursement account, bank statements and verification of the degrees from the concerned universities.	307.215
		2018-19	05	(i) Approval of Establishment of funds from Finance Department not produced. (ii) Bank statement was not available on record in order to ascertain that interest earned was utilized and amount received was credited into endowment fund. (iii) Record of payment made to the students	250.00
		2018-19	18	Appointment record of Directors Finance, and cash book & bank statement	0
		2019-20	01	Record of closing balances and utilization reports of grant-in Aid released to various Universities	0
04.	Vice Chancellor,	2018-19	89	PEC certificates of contractors	105.841

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
	Shaheed Zulfiqar Ali Bhutto University of Law (SZABUL), Karachi		50	Medical certificate duly issued by medical officer / medical practitioner/doctor was not found associated with the medical claims	6.276
			46	01.PHD students domicile/ local certificates who belong to the less developed areas 2. qualifying eligibility criteria set for fee reimbursement	1.500
			51	Quality assurance certificate from PSQCA & PCSIR Laboratories to certify quality assurance of drinking mineral	0.292
			73	1.TORs and Agreement with the institutions providing training 2. Management's decision for selection of trainees to conducted training 3.Training course material and conduct date with time. 4. Trainee's attendance	0.028
			01	Record of 47 new appointment	0
05.	Vice Chancellor, Dawood University of Engineering & Technology, Karachi	2018-19	02	Distribution details, Tender/bid documents, & Contract agreement were not provided.	28.777
06.	Vice Chancellor, Shaheed Benazir Bhutto University of Veterinary and Animal Sciences, Sakrand	2018-19	01	Payments made on LC) & record of revenue receipts	26.636
			17	Purchase of various articles, printing work and repair work	1.280
07.	Vice chancellor, Shah Abdul Latif University, Khairpur	2018-19	22	detail measurements/ measurement book of Development Schemes (PSDP)	14.717

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
			01	<p>1. Personal Files of the following officers:</p> <ul style="list-style-type: none"> <li>i. Vice Chancellor Prof: Dr Parveen Shah</li> <li>ii. PS to VC Imran Soomro</li> <li>iii. Maqsood Memon</li> <li>iv. Ali Nawaz Chandio</li> <li>v. Dr. Zulifqar Ali Malik</li> <li>vi. Prof: Amir Hussain Shar</li> <li>vii. Registrar</li> <li>viii. Deputy Registrar</li> <li>ix. Controller Examination</li> <li>x. Deputy Controller Examination</li> <li>xi. Accounts officer</li> <li>xii. Chairman of Teaching Departments</li> <li>xiii. Chief Accountant</li> <li>xiv. All Coaches</li> <li>xv. All Executive Engineers and their Staff</li> <li>xvi. Remaining 45 files of Professor</li> <li>xvii. Remaining 10 files of Associate Professors</li> <li>xviii. Remaining 75 files of Assistant Professors</li> <li>xix. Remaining 40 Files of Lecturers</li> </ul> <p>2. Annual Accounts Statement for the F.Ys 2018-19.</p> <p>3. Detail of SST on services deducted &amp; deposited.</p> <p>4. Complete record of contract agreements.</p> <p>5. Complete record of Sanctioned posts Vs filled Posts.</p> <p>6. Detail List of Court cases/ Nab cases/ FIA Inquiries/ Anti-Corruption cases.</p>	0

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				<p>7. Annual Budget Estimates (duly approved by Senate) for the period under audit.</p> <p>8. Detail of appointment of External Auditor and Annual Audited Accounts.</p> <p>9. Total number of students enrolled in different colleges (affiliated with SALU) Number of meetings of FPC, Syndicate and Senate conducted along with minutes of meeting for the period under audit review Rules and Regulations of the institute.</p> <p>10. Detail of Publish research papers and studies taken up by the institute.</p> <p>11. Details of Bank accounts along with bank statement of the F.Y 2018-19.</p> <p>12. Approved Sanctioned and working strength of SALU along with Complete list of Employees (Officers / Officials) also showing permanent or contractual, drawing pay and allowances from your office and their designation, BPS, place of posting along-with their monthly pay slips / pay roll</p> <p>13. Detail of different types of investments made by universities authorities.</p> <p>14. By-laws of your organization</p> <p>15. Details of Grants / Additional Grants received from HEC.</p>	



(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				<p>16. Fee Structure of various disciplines during the period under audit.</p> <p>17. Details regarding the Lecturers and Professors learning abroad during the period under audit</p> <p>18. Files of Contracts and Agreements made with different parties/agencies for last ten years</p> <p>19. E-data of all the employees working (Extracted data of people's soft).</p> <p>20. File of instructions issued by Higher Education Commission.</p> <p>21. Details of Revenue Generated through Self Finance Scheme.</p> <p>22. Details of seats available annually (District wise), Seats for foreign Students may be provided separately.</p> <p>23. Cash Books</p> <p>24. The entity has provided list of 09 nos. of bank accounts while produce only detail / bank statement of 05 accounts.</p> <p>25. Bank Reconciliation Statements of every bank a/c.</p> <p>26. Complete information about the collection from various sources / receipts / revenue like misc. charges /etc and refundable / non-refundable amounts detail, etc</p> <p>27. Details of rental incomes from various sources</p>	

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				<p>like shops, canteens, land, premises, bank, etc</p> <p>28. Detail of revenue or income generated from sale proceeds of land, shops, vehicles, equipment, etc</p> <p>29. List of employees (officers / officials) availing Ex-Pakistan Leave, Without Pay / EOL, LHP, LFP, without intimation, etc</p> <p>30. List of employees (officers / officials) who are on deputation, detailment, etc</p> <p>31. Measurement Books / detail estimates maintained under PSDP</p> <p>32. List of employees (officers / officials) appointed during the F.Y under audit review</p> <p>33. List of contractual employees (officers / officials) &amp; List of work charged staff</p> <p>34. List of vehicles purchased during the F.Y under audit review.</p> <p>35. Complete list of machinery and equipment showing the name, type, and cost, purchased during the F.Y under audit review</p> <p>36. Depreciation Accounts of Machinery and Equipment, Vehicles, etc.</p> <p>37. Complete detail of store items purchased during F.Y under review.</p> <p>38. Stock Registers, Dead Stock Registers, Liveries / Uniform Register &amp; Dietary items</p>	

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				<p>39. Utility Bills (paid / unpaid) including Electricity, Gas, Water, Telephone, Taxes, etc.</p> <p>40. Complete detail of Sales Tax (both on goods &amp; services) / withholding tax (WHT) deducted and remitted to Govt. treasury during F.Ys along with deposit receipt / bank challans.</p> <p>41. Complete detail of Income Tax deducted and remitted to Govt. treasury during F.Ys along with deposit receipt / bank challans</p> <p>42. Certificate of Defalcation or losses incurred during the period under audit review</p> <p>43. Detail of outstanding dues / liabilities against an individual, organization, department, office, etc.</p> <p>44. Allotment orders of Vehicles.</p> <p>45. Audit conducts by the Internal Audit for the F.Y 2017-18 &amp; 2018-19.</p> <p>46. Detail of Disciplinary Cases against the officers / officials of the department.</p> <p>47. Total number of M.Phil and PhDs scholars passed during the year under review.</p> <p>48. Detail of G.P fund, Group Insurance, Employees association fee, Officers welfare fee</p> <p>49. Total number of departments / faculties along</p>	

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				with number of professors / staff posted thereon 50. Detail of fresh appointments made during last three years. 51. Complete record of all hostel under the premises of SALU 52. Complete original case files of affiliations of all colleges 53. Complete record of Law affiliated colleges 54. Detail of Visiting-faculty. 55. Detail of off-road vehicle, use lubricant / oil, total number of newly purchased batteries, tyres, old spare parts etc during the period under review. 56. Number of Air conditioners installed in government accommodations and recovery made on account of electricity charges 57. Record of Generator, log books, average consumption of fuel per hour/liter schedule of load shedding from SEPCO 58. Details of absconders (absentees) employees of SALU since long 59. Detail of allowing Additional charges to various officers in respect of their own duties. 60. Issued cheques counter leaves to verify the expenditure	
08.		2018-19	01	1. Tendering process for insurances	0

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
	Vice Chancellor, NED University of Engineering & Technology, Karachi			2. Details of financial assistance 3. Endowment Fund Accounts 4. bank accounts & statements 5. Reserve funds 6. UDWP account. 7. HEC need base scholarship. 8. Record of General store, Student sports funds, Student activities Funds, Funds of ORICS, Funds of FADs, Misc. Receipts / Others, Eid Advance 9. Petty cash / imprest account of 10. (1) Civil Engineering Department (2) Controller of Student Affairs, (3) Urban Engineering Department. 11. Procurement of vehicles 12. Files regarding DSC& (DPC) 13. Procurements of CCTV cameras 14. Record of income through conduction of N.T.S. 15. Record relating to TIETS i.e. Agreement file of law / legal consultant (Khalid Jawaid Iqbal) 16. Pre-entry tests conducted. 17. Procurement of weapon (if any), Appointment files of security guards. 18. Agreement file of Marksman Advertising Agency	

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
				19. Personal Files of: Director Procurement, Asst. Dir. Procurement, Controller of Examination, Asst. Dir. Finance, Ms. Shaheen Atique (ex-chief librarian) 20. Record related to income generated from passes (vehicle pass issued to students) 21. Register of registered graduates 22. Details of constitution of faculty board 23. Record relating to constructions / projects. 24. Donations & loans 29. Details of assignment account 30. Details of allotment of boys hostel building to Pakistan Rangers. 31. Details of civil works amounting to Rs. 7.151 million. 32. Details of award of scholarship under Mega M-III project. 33. Details of conduct of any inquiry of university officers & staff. 34. Details of land/property of the university illegally occupied Details of recovery of rent and electricity charges from	
			36	1. Tour diary program. 2. Sanction order of the competent authority. 3. Supporting vouchers & hotel bills claimed by the Mr. Khalid Mahmood Makhdoom, Deputy Registrar.	0

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
09.	Board of Intermediate & Secondary Education, Mirpurkhas	2014-15 to 2019-20	01	Appointment record of 113 employees	0
10.	Chairman, Sindh Higher Education Commission Karachi	2019-20	01	<p>1.Record of fee charged/received on account of Inspection, Monitoring &amp; Evaluation from private sector Universities and degree awarding institutes for Rs220,000 in each case – obtained by Chairman Chartered Inspection &amp; Evaluation Committee (CIEC).</p> <p>2.The record of amount received in bank account(s), its utilization along with bank account details and bank statements.</p> <p>3.Grant of scholarships</p> <p>4.Re-appropriation of funds.</p> <p>5.Bank accounts operated.</p> <p>6.Minutes of meetings of the Finance Committee</p> <p>7.Detail of previous balance utilization with justification of store &amp; stock items and closing balance on 30<sup>th</sup> June 2020.</p> <p>8.Contingent register.</p> <p>9.List of employees working or appointed</p> <p>10.Sanctioned/working strength</p> <p>11. Record of transfer posting.</p> <p>12.Personal files of officers/officials</p> <p>13.Report of defalcation and losses</p>	0

(Rs. in million)

<b>Sr. #</b>	<b>Name of entity</b>	<b>Financial Year</b>	<b>AIR Para#</b>	<b>Particulars</b>	<b>Amount</b>
				14.Old spar part account/detail of dispose of. 15.Internal audit report.	
			03	Approval for change of Personal Data i.e CNIC numbers. Service books, personal files, office orders & FO-II form.	0
<b>Total</b>					<b>7,264.983</b>



**Annex-2**

**31.5.2 Irregular expenditure without supporting details - Rs.1,846.671 million**  
(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
01.	University of Karachi	2016-17to 2018-19	10	Details of consumption account & up to date recovery position	815.720
			14	Consumption details, details of meager recovery from house holds	226.860
			18	Approval of syndicate/senate for newly created head of a/c EID allowance, withheld cases of last year/month, fresh cases, pending cases under litigation & arears of leave encashment to authenticate the expenditure incurred under leave encashment	134.270
			11	Details of cases, process of hiring of legal consultant & record of expression of interests were not attached with bills	14.685
02.	Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	86	Expenditure from HBL Daily Munafa Account	492.943
03.	Vice chancellor, Shah Abdul Latif University, Khairpur	2018-19	83	POL & CNG charges	54.556
			67	Re-imbusement of medical charges	9.589
04.	VC, DUHS, Karachi	2019-20	28	Arrears / adjustments paid without supporting vouchers	26.330
05.	Director, Third World Centre for Chemical Sciences, University of Karachi	2019-20	12	Bills/vouchers of Electricity charges	20.273
		2018-19	13	Security Charges	3.185
06.	Director, H.E.J, Research Institute of	2018-19	06	Various heads of accounts without supporting documents of tender	11.604

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para#	Particulars	Amount
	Chemistry, University of Karachi				
07.	Chairman Board of Secondary Education, Karachi	2017-18& 2018-19	22	Bills of Electricity Charges	9.049
08.	Vice Chancellor, Dawood University of Engineering & Technology, Karachi	2018-19	07	Irregular payment of Pension commutation without obtaining supporting	7.728
09.	VC, SAU, Tandojam	2018-19	01	Supporting vouchers, details of students, teachers & ratio of payment per student etc.	6.990
10.	Vice Chancellor, Shaheed Benazir Bhutto University of Veterinary and Animal Sciences, Sakrand	2018-19	03	Expenditure incurred on various heads of accounts without supporting documents	6.549
			05	Supporting vouchers of TA/DA and student activities	0.476
11.	Chairman, Sindh Higher Education Commission Karachi	2019-20	04	Approval of Finance Department, Separate budget, Separate estimate for allocation of budget, Copy of Service books/LPC, Personal files were not attached.	1.700
			16	Medical re-imburement	0.428
			02	Payment made on account of Telephone charges	0.287
12.	Director, Dr. Panjwani Center for Molecular Medicine and Drug Research (PCMD), Karachi for the financial year 2019-20,	2019-20	23	Payment of arrears of pay & allowances	1.284
		2018-19	15	Security Services	0.820
		2018-19	09	Re-imburement of medical charges	0.504
13.	Shaheed Mohtarma Benazir Bhutto Chair, University of Karachi	2018-19	08	Head of account "National conference"	0.500

(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para#</b>	<b>Particulars</b>	<b>Amount</b>
14.	Secretary, Universities & Boards, Karachi	2018-19	17	Medical charges	0.144
15.	Principal Government Vocational Institute for boys, Jacobabad	2018-19	04	Transportation of goods & cost of other store	0.129
16.	Principal, Government Institute of Business & Commercial Education, Hala	2009 to 2018-19	14	Without vouched record	0.068
<b>Total</b>					<b>1,846.671</b>

### Annex-3

#### 31.5.7 Unauthorized payment of inadmissible allowances – Rs.674.045 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
01.	Vice Chancellor, Dow University of Health Sciences, Karachi	2019-20	13	Various allowances	248.460
02.	Chairman, Board of Secondary Education, Karachi	2017-18 & 2018-19	13	Various allowances	203.833
03.	University of Karachi	2016-17 to 2018-19	30	Overtime allowance	65.290
			07	Utility allowances	0.112
04.	Vice Chancellor, NED University of Engineering & Technology, Karachi	2018-19	04	Cost of living allowance	40.925
			03	Computer Allowance	12.135
			05	Non-practicing allowance paid to all teaching and non-teaching staff in violation of NED Code Book, Volume III, Item No. 3.3.8 section 3.	1.654
05.	Vice chancellor, Shah Abdul Latif University, Khairpur	2018-19	42	Qualification/Ph.D allowance	31.960
			74	Charge Allowance & Additional post allowance	12.702
			69	Driver, chowkidar, Malhi, Pesh Imam, & Moazin Allowances	3.526
			41	Computer allowance	1.749
			19	Vice Chancellorship Allowance to Prof: Dr. Parveen Shah, Vice Chancellor in SALU, Khairpur	0.589
06.	Chairman, Sindh Higher Education Commission Karachi	2019-20	18	Integrated allowance, special allowance, incentive, mobile & orderly allowances	14.221

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
09.	Vice Chancellor, Benazir Bhutto Shaheed University, Lyari, Karachi	2018-19	03	Special pay allowance	10.380
10.	Board of Intermediate & Secondary Education, Mirpurkhas	2014-15 to 2019-20	16	Overtime allowance	9.222
11.	Vice Chancellor, Shaheed Zulfiqar Ali Bhutto University of Law (SZABUL), Karachi	2018-19	06	Non-practicing allowance	9.207
			05	Entrainment, Computer & POL Allowances	2.107
			07	PhD allowance	0.725
			04	Additional Charge Allowance	0.455
12.	Director, H.E.J Research Institute of Chemistry, University of Karachi	2019-20	02	Overtime allowance	1.654
13.	Liaquat University of Medical & Health Sciences, Jamshoro	2018-19	14	Other Allowance	0.805
			09	Additional charges allowance for non-academic post held by Professors	0.622
			11	Driver Allowance to the employees	0.355
			13	Non-Practicing allowance other than Medical Officer	0.216
14.	Vice Chancellor, Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	78	Computer Allowance	0.504
15.	Director, Dr. Panjwani Center for Molecular Medicine and Drug Research (PCMD), Karachi	2019-20	22	Honorarium to employees of other office who were not posted/worked in this institute	0.394
			26	Overtime allowance	0.243
<b>Total</b>					<b>674.045</b>

### 31.5.8 Appointments, promotions & up-gradation on various posts without observing codal formalities – Rs.305.312 million

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
01.	University of Karachi	2016-17 to 2018-19	29	Engagement of teaching staff was hired on contractual/part time basis without advertisements & other any public notice, resulted into non-transparency & favouritism to nears & dears.	159.373
			23	Creations of posts, appointments, promotions, upgraded of posts & appointments on contractual basis were made without framing job description of the posts.	15.251
			26	Up-gradation of posts were allowed by acting VC without observing the status & justification of such up-gradations of posts	0
			28	Rapidly Promotion/absorption of Doctors, Professors, lecturers of the higher post from the next day of appointment/joining vide resolution No.02 of syndicate dated 20.05.2006 without observing vacancy position for such post.	0
			31	Holding of key positions through appointments, promotions & Up-gradations without Codal formalities.	0
			20	Non endorsement & notifying of promotion & up-gradation policies through the Chancellor	0
			27	Various officers/officials were appointed through change of cadre post on the basis of assigning the work on higher post instead of observing proper merit system and seniority list, Joining was considered from the date of assigning the work instead of from appointment order issued after	0

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				selection board of 2016 & also pay was fixed from the date of assign to work instead of appointing order. Approved rules & criteria for allowing assign to work of higher post/grade through change of cadre was also not produced.	
02.	Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	40	without mentioning of total number of applicants and short-listing criteria for written test and interview.	8.000
			44	Appointment of Mr. Sajjad Ali Memon was made as junior Engineer/ Assistant Engineer as per PC-I without fulfilment of Codal formalities, furthermore his post was redesignated as Assistant Executive Engineer (Civil) at the consolidated package without any provision in PC-I & approval from competitive forum. One the completion of one-year contractual period he was awarded the charge of Project Director without having required experience & criteria Further, he was regularized on the same post without any provision & codal formalities of the post.	6.000
			47	Appointment of Mr. Waseem Ahmed Bhatti as a IT assistant BPS-14 without observing Codal formalities & against appointment as Assistant Controller BPS-17 having 2 <sup>nd</sup> position/no. in result of testing service & without working paper & evaluation criteria & lien of previous post was maintained without any provision of maintain in the same department after his selection for the post as an Assistant Controller BPS-17, his post was redesignated as Assistant Registrar (MIS) without any provision & working paper.	6.000
			43	Mr. Imtiaz Ahmed Solangi was appointed as Assistant PBS-14 in	6.000

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				violation of rules on 02.01.2010 and was promoted in BS-16 as superintendent within two years on 06.04.2012 in which following irregularities were also observed in the process. 1. He did not apply for the post of Assistant (BPS-14). 2. He was aver-age by 05 years at the time of joining. His post was up graded to BPS-17 on date 11.03.2013 & his cadre was changed and was posted as Assistant Registrar on 16 <sup>th</sup> December,2013, when he possesses 09 months length of service instead of three years.	
			38	Appointment of Mr. Zeeshan Memon as internal check officer BPS-18 without requires qualification & experience i.e. (six years in & accounting & Finance). Further, he was appointed by posting as a Deputy Director Finance on a post reserved for promotional quota set/post and violation/ blocking of promotion & seniority rules of such post.	1.200
			55	Appointment of Mr. Iqbal Ahmed as adjunct Professor without sanctioned post & competitive process.	0.862
03.	Liaquat University of Medical & Health Sciences, Jamshoro	2018-19	18	Appointment of Demonstrator BPS-17 without advertisement and 3 <sup>rd</sup> grades in academic career, without conducting test & interview & later on was upgraded from BPS-18 to BPS19 on hardship basis, without qualification and defined policy/provision of upgradation	14.400
			16	Appointment of Ms. Parjina Khan Computer Programmer BPS-17 without required qualification Master's in computer science & experience of the post as per LUMHS Statutes	10.000



(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
			17	Regularization of 05 Nos employees without any provision and against the merit principals	10.000
			19	Absorption & promotion of Dr. Shahlah Balouch Women Medical Officer B-17 to B-21 was irregular as: 01. She was appointed/absorbed without advertisement and criteria recommendation of selection board & syndicate. 02. Appointment was made in violation of PM&DC and HEC criteria of the post. 03. Appointment was made beyond the executive/appointment powers vice chancellor. 04. No-any test and interview were conducted by the Selection Board & recommendations was obtained from Selection Board. She does not possess M.Phil. degree at the time of her promotions.	3.123
			21	That Dr. Salma Farukh Memon was appointed as Associate Professor BPS-19 on Locum basis without any provision in rules and codal formalities of the appointment vide # LUMHS/ESTT(E-I)/-23979/87 dated 15 <sup>th</sup> September 2011. She was regularized on the post w.e.f. 05 <sup>th</sup> April 2013 without any provision/criteria. Not withstand She was further promoted as Associate Professor BPS-20 without qualification/experience recognized by the PMDC along-with required publications.	0

			20	Absorption & promotion of Dr. Khalida Naz Memon, Women Medical Officer B-17 to Professor B-21 was irregular as: that she was transferred on deputation to LUMHS from Health Department Government of Sindh without any post of Women Medical Officer dated 13 <sup>th</sup> May2000. She was posted against her original cadre as a Demonstrator in BPS-17. Further added that she was transferred without last pay certificate and charge relinquish certificate or even previous service history. She was appointed Assistant Professor BPS-19 on OPS basis without fulfilment of HEC& PM&DC requirement. She was further appointed as Assistant Professor BPS-19 without having PMDC Level-IIb and Level-III qualification and codal formalities ie advertisement of the post, selection board for the post with working papers on29-03-2013. She was again appointed as Associate Professor BPS-19 without PMDC level-II b and Level-III with #5years experience as Asstt Professor and at least three research papers in HEC/PMDC recognized journals and codal formalities on 19-02-2014. It is further added that She was again appointed against the post of Professor BPS-20 without having required qualification i.e., PH.D or M.Phil. with three(3) years' experience as Associate Professor and total eight years' experience as Astd. Professor and Associate professor or nine-year experience as Asstt. Professor with at least 5 research publications, required in PM&DC criteria.	3.123
			22	Irregular award of BPS-21 to Dr. Khalida Naz without any criteria that	0

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				As per condition of the order he was selected under PMDC criteria which is more relaxed/easier as compare to HEC criteria for the post. Further as per condition he cannot claim for BPS-21 in future. In violation of the conditions of her appointment, she claimed for BPS-21 and irregularly she was elevated within one year and nine months from BPS-20 to BPS-21 without fulfilment of HEC and PMDC criteria and condition of his appointment in BPS 20 vide # LUMHSE/ESTT/(E-I)/-3084/91 dated 21-01-2019.	
			23	<p>Dr. Farhana Shaikh was appointed as Senior Registrar, in violation of PMDC rules as</p> <ol style="list-style-type: none"> <li>01. She possesses MBBS and FCPS</li> <li>02. She was allowed to work for the post of Asstt. Professor BPS-19 and again she was re-appointed as Asstt. Professor (BPS-19) without falling on the criteria and codal formalities</li> <li>03. she was again appointed Associated Professor (BPS-20) without codal formalities and required qualification and experience</li> <li>04. She was appointed/absorbed without advertisement and criteria.</li> <li>05. She was absorbed without recommendation of selection board.</li> <li>06. Approval of syndicate was not available in this regard.</li> <li>07. Her appointment was made in violation of PM&amp;DC and HEC criteria of the posts.</li> <li>08. Her appointment was made beyond the executive/appointment powers of the post of vice chancellor.</li> </ol>	3.123

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>09. No-any test and interview were conducted by the Selection Board.</p> <p>10. Her recommendation by the selection board for BPS-19&amp;20 with working papers were not available. She does not possess M.Phil. degree at the time of her promotions.</p>	
			24	<p>Irregular 3<sup>rd</sup> up-gradation of Demonstrator/Lecturers form BPS-17 to BPS-20 without criteria as the post of the Lecturers were upgraded by HEC from BPS-17 to BPS-18. The management further upgraded the same following lecturers on personal basis from BPS-18 to BPS-19. Not withstand these lecturers were again upgraded from BPS-19 to BPS-20 on personal basis without having required qualification (M.Phil/Ph.D) for BPS-19 and BPS-20 in accordance with HEC criteria,\.</p>	0
			25	<p>Absorption and promotion of women Medical Officer BS-17 to Assistant Professor BPS</p> <p>01. Dr. Khalida Shaikh Women Medical Officer BPS-17 was transferred on deputation to LUMHS from Health Department Government of Sindh without any post of Women Medical Officer on dated 25<sup>th</sup> February 1999. She was posted against her original cadre as a Demonstrator in BPS-17.</p> <p>02. Later on, she was appointed Assistant Professor BPS-19 without fulfilment of HEC&amp; PM&amp;DC requirement vide#. LUMHS/PGMC/2406/09 dated 05-03-2005. without having PMDC Level-IIb and Level-III qualification and codal formalities i.e.</p>	3.123

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				advertisement, selection board with working papers later on,she was again appointed as Associate Professor BPS-20 without PMDC level-II b and Level-III with 5years experience as Asstt Professor with at least three research papers in PMDC recognized journals and codal formalities vide# LUMHS/REG/1587/17 dated 22-02-2017.	
			26	Appointment of Dr. Mubina as Associate Professor (Biochemistry) without required criteria That she was appointed as Associate Professor Bio-Chemistry in the university without following the required criteria, qualification /experience of the post. It is pertinent to mention that Dr. Mubeena Laghari mentioned in his proforma/biodata that she got M.Phil. (Specialized Degree) in Biochemistry. Further she could not produce mandatory teaching/research experience required by HEC/PM&DC from recognized University in the relevant field i.e. "at least 5 years Post M.Phil level experience in an HEC recognized university or postgraduate Institution or professional experience".	0
			27	Absorption and promotion of Dr. Shoaib Ansari Sr. Registrar BS-17 to Professor BPS-21 was made without fulfillment of Codal formalities as under:	3.123

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>That, he was appointed as Senior Registrar BPS-18 from Health Department Government of Sindh, who was adjusted in the University without any post in grade-19. He was posted against his original cadre as Senior Lecturer in BPS-19. Later on, he was re-appointed Associate Professor BPS-20 without fulfilment of HEC&amp; PM&amp;DC requirement. i.e. PMDC Level-IIb and Level-III qualification and codal formalities i.e. advertisement, selection board with working papers vide# LUMHS/REG/20391/400 dated 28-12-2010. He was again re-appointed as Associate Professor BPS-20 without PMDC level-II b and Level-III with 5 years experience as Asstt Professor with at least three research papers in HEC/PMDC recognized journals and codal formalities. He was further, re-appointed as a Professor of General Medicine in BPS-21 vide # LUMHSE/ESTT/(E-I)-19258/61 dated; 02-07-2018, without having required qualification PH.D or M.Phil. with three(3) years' experience as Associate Professor and total eight years' experience of as Astt. Professor and Associate professor or nine-year experience as Asstt. Professor with at least 5 research publications as required in PM&amp;DC.</p>	
04	Vice Chancellor, Shah Abdul Latif University, Khairpur	2018-19	63	<p>Appointed of contingent paid staff / daily wages staff without fulfillment of Codal formalities.</p> <p>1. No proper procedure was adopted before making appointments like availability of sanctioned posts, approvals for appointments, advertisements, evaluating of</p>	22.270

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>candidatures, short listings, conduct of tests, interviewing, preparing marking sheets, final short listings, final approval from competent authorities.</p> <p>2. The appointments were not made on the merit and without proper competitive examination.</p> <p>3. Reason for non-appointment of regular staff was not provided.</p> <p>Contingent paid employee's terms and conditions were not defined.</p>	
			47	<p>contractual staff was appointed without observing the following codal formalities:</p> <p>1. No Departmental Selection Committee was formed to recommend the selection of staff.</p> <p>2. Posts / vacancies were not advertised in the leading newspapers.</p> <p>3. Required Educational Qualification and Experienced criteria was not fulfilled.</p> <p>4. Police verification of the character of the contract staff was not done.</p> <p>Verification of the credentials, degrees, domicile, and PRC was not done from the concerned issuing universities / offices.</p>	2.276
			09	<p>while reviewing personal file of Mr. Khalil-ur-Rehman Shaikh, presently posted as Administrative Officer BPS-18, was appointed as Assistant Engineer (Civil) BPS-17 w.e.f. 05.08.2008 till 30.06.2019 found irregular on the following grounds:</p> <p>(1) That was appointed as Assistant Engineer (Civil) BPS-17 on 05.08.2008 at the age of 44 years 8</p>	1.173

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>months while at that time the prevailing rules for upper age limit for appointment in Federal &amp; Sindh Government were 28 years. Moreover, the clearance of the competent authority was also not obtained for relaxation of upper age limits, before his appointment.</p> <p>(2) That University authorities appointed him as Assistant Engineer (Civil) BPS-17 but he does not fulfill the required eligibility criteria prescribed for “Assistant Engineer”. As per statutes regarding recruitment of “Assistant Engineer”, at least 04 years practical experience in a post equivalent to BPS-16 was required, but according to his two experience certificates which he produced on his appointment, in which first experience certificate was in the capacity of sub-engineer which is equivalent to a BPS-11 post while in other experience certificate his working capabilities in engineering field were not described.</p> <p>(3) That University authorities again defied the law by transferred him to work as Administrative Officer (Building) Section just after two days of his appointment as Assistant Engineering (Civil), ignored the fact that he does not have education qualification &amp; relevant experience in Administration.</p> <p>(4) That it was also noticed that on few occasions during his entire career from 2008 to 2019 he was transferred back to his original post as Assistant Engineer (Civil), but most part of his service was consists as Administrative Officer (Building).</p>	



(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
			10	<p>Mr. Khadim Hussain Mangnejo, presently posted as Computer Operator BPS-16, w.e.f. 01.07.2018 to 30.06.2019 found irregular on the following grounds:</p> <p>1. That he was initially appointed as Peon in BPS-01 w.e.f. 13.02.2006 by the authorities of SALU, Khairpur.</p> <p>2. That on 01.06.2009 the authorities of SALU, Khairpur appointed him as Computer Operator (BPS-11) against a vacant post of Computer Operation in violation of the rules and regulation laid down in Civil Servants (Appointment, Promotion and Transfer) Rules, 1973” for “appointment” i.e. Advertisement and complete recruitment procedures.</p> <p>3. That University authorities awarded him ‘Personal Grade BPS-16’ w.e.f. 10.01.2013, as there is no such rule prescribed in Federal Government / Provincial Government.</p>	0.672
			11	<p>Mr. Bagh Ali Jalbani, presently posted as Superintendent (BPS-17), w.e.f. 01.07.2018 to 30.06.2019. found irregular on the following grounds.</p> <p>(1) That through his written application applied for the post of Assistant, but it was surprised to see that on his written application favorable office note dated 14.05.1990 was put-up by Assistant Registrar to Vice Chancellor with remarks that “there will be one vacant post of Assistant BPS-11 in Finance Wing, similarly as per ratio that post of Assistant is to be filled in by internal promotion, amongst of the senior Clerk-Cum-Typists already</p>	1.105

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>working,” but surprisingly with the consent of the then worthy Vice Chancellor his appointment order as Assistant (BPS-11) was issued on the same date on which office note was put-up (i.e. 14.05.1990). The authorities also defied the law by appointed him on the post which was allocated and has to be filled-in by internal promotion.</p> <p>(2) No advertisement for recruitment was published by SALU, Khairpur, so that his appointment was also in sheer violation of the rules and regulation laid down in Civil Servants (Appointment, Promotion and Transfer) Rules, 1973” for “appointment” and “re-designation” i.e. Advertisement and complete recruitment procedures.</p> <p>(3) That he also does not have the relevant experience prescribed for the above post.</p> <p>(4) That through his entire service since 14.05.1990 he was found involved in un-lawful activities and misconduct behavior with his superiors and other staff members, as number of complaints were lodged against him by the university staff during his service, resulting of which he was terminated from service as Assistant (BPS-11) w.e.f. 28.01.2002 but surprisingly six months later, the authorities of University un-lawfully reinstated him on his regular post w.e.f. date of termination i.e. 28.01.2002 on “unconditional apology before the competent authority”. In addition to above violation the University authorities after one year of his reinstatement on service not only allowed his salaries</p>	

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				for the period of termination w.e.f. 28.01.2002 to 31.07.2002 but also allowed the annual increments for the year 2001 and 2002 which were withheld at the time of his reinstatement. That despite the fact of his unsatisfactory performance and indulgence of unlawful activities during service he was promoted as Superintendent (BPS-16) on 18.03.2013 and further allowed BPS-17 w.e.f. 27.10.21014.	
			12	<p>Appointment of Mr. Mureed Hussain, presently posted as Additional Controller of Examinations (BPS-19), found irregular on the following grounds:</p> <p>(1) That through his written application dated: 04.10.1989 to Vice Chancellor, applied for the post of Stenographer, but it was surprised to see that on the same day of his application a favorable office note was put-up by Assistant Registrar to Vice Chancellor and after only four days (i.e. 08.10.1989) with the consent of V.C. his appointment order as Stenographer (BPS-15) was issued. The authorities also defied the law by appointed him without adopted the rules and regulation laid down in Civil Servants (Appointment, Promotion and Transfer) Rules, 1973” for “appointment” i.e. Advertisement and complete recruitment procedures.</p> <p>(2) That the V.C. on recommendation of the Syndicate meeting awarded him selection grade BPS-16 on 17.03.1991.</p> <p>(3) That he was appointed as Part-time Superintendent w.e.f.</p>	1.896

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>29.09.1998 at his own request vide dated 01.06.1998 on usual part-time allowance viz equal to his half basic pay, despite the fact that he does not have any experience of Administration during his service.</p> <p>(4) That the authorities again extended undue favor to him on appointing him as Secretary to V.C. in BPS-17 w.e.f. 07.03.2002 as he was holding selection grade BPS-16 since 17.03.1991 and was not promoted on regular basis in BPS-16 till his appointment in BPS-17.</p> <p>(5) That the authorities again defied the law by transferred him from his actual post (i.e. Secretary to V.C.) to Administrative Officer w.e.f. 22.08.2007.</p> <p>(6) In addition to this violation, three months later he was further transferred and posted as Assistant Controller of Examination (Secret.) w.e.f. 17.11.2007 but it was also astonished to see that since his posting as Administrative Office w.e.f. 22.08.2007 he had drawn his salary against the post of Assistant (Electronic) till 17.05.2008.</p> <p>(7) That the very next year he was further promoted/appointed irregularly as Deputy Registrar (Teach) BS-18 against the vacant post of Deputy Director Planning &amp; Development w.e.f. 27.06.2008.</p> <p>(8) That the authorities of University further posted him as Deputy Controller of Examination (Semester) on 16.01.2012.</p>	

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				That on 12.08.2015 he was promoted as Additional Controller of Examinations BPS-19 but again undue favour was extended to allow him to work as Controller of Examination w.e.f. his date of his appointment as Additional Controller of Examination	
			13	Mr. Zain-ul-Abid Arijo presently working as Assistant Professor was initially appointed as Lecturer (BPS-18) on 24.01.2010, possessed Master's Degree (M.A.), while as per Higher Education Commission's required conditions for All disciplines "MS / M.Phil" Degree was required for recruitment / appointment of "Lecturer",	1.415
			14	Mr. Santosh Kumar presently working as Assistant Professor was initially appointed as Lecturer (BPS-18) on 15.08.2008, possessed Master's Degree (Sociology.), while as per Higher Education Commission's required conditions for All disciplines "MS / M.Phil" Degree was required for recruitment / appointment of "Lecturer",	1.857
			15	Appointment of Mr. Shahnawaz Channa, Accounts Officer BPS-18, found irregular on the following grounds: 1) That through his written application dated 11.03.1996 to Vice Chancellor, applied for the post of "Resident Auditor" but after ten days Vice Chancellor irregularly exercised his powers by appointed him on the above said post w.e.f. 21.03.1996 on adhoc basis for a period of six months, while as per University Statutes, "Syndicate" has the authority for appointments of BPS-17	1.640

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>and above posts. No advertisement for recruitment was published so that his appointment was also made in violation of the rules and regulation laid down in Civil Servants (Appointment, Promotion and Transfer) Rules, 1973” for “appointment” i.e. Advertisement and complete recruitment procedures.</p> <p>2) That after completion of adhoc period of six months, was extended till 10.01.2010 when he was appointed as Accounts Officer which was clear violation of “extension of adhoc period” under Sindh Civil Servants Rules, 1974.</p> <p>3) It was also important to notice here that according to statutes of SALU University the post of “Auditor” was Grade-18 post but the management appointed a person as Resident Auditor in Grade-17 and on adhoc basis which was sheer violation of SALU, Khairpur’s own rules and regulations.</p> <p>4) That on 15.04.1998 he was transferred from his actual post (i.e. Resident Auditor) and posted as Budget Officer (B-17).</p> <p>5) That on 08.05.1998 he was further transferred and posted on Administrative Post as Assistant Registrar (Admn) despite the fact that he does not have any relevant experience in administration.</p> <p>6) That it was also astonished to see that after two year’s service from his appointment as “Resident Auditor” the University Authorities posted him from time to time as Bursar, Accounts Officer and Assistant Registrar (Admn.) instead</p>	

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				of his actual post i.e. "Resident Auditor". 7) That after rendering his services on Adhoc basis since his date of appointment i.e. 11.03.1996 to 10.01.2010 he was appointed as "Accounts Officer" w.e.f. 11.01.2010.	
			16	Initial Appointment of Mr. Irfan Ali, presently working as Assistant Professor (BPS-19), found irregular on the following grounds: That Mr. Irfan Ali was initially appointed as Lecturer (BPS-18) on 13.01.2007 possessed Master Degree in Business Administration and six year later he was re-appointed as Assistant Professor (BPS-19) on the same qualification, while as per HEC's required conditions for All disciplines, "PhD" Degree for recruitment / appointment of "Lecturer", which treats to extension of undue favour.	2.201
			17	1) The appointment of Mr. Saif-ur-Rehman Kalhoro was found irregular as under; 2) That through his application dated 21.10.1985 to V.C. applied for the post of "Typist Clerk" and after ten days he was appointed as Attendant "B-1" for a period of three months. It is also important to note here that at that time no advertisement for recruitment was published, 3) That the Authorities re-appointed him as 'Clerk-Cum-Typist' (BPS-05) on 04.08.1986 through an internal promotion policy. 4) That undue favor was extended to him on vacation of the post of "Assistant" in Planning	1.499

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>&amp;Development Department of University w.e.f. 01.07.1990, the management promoted/re-appointed him on the said post without any delay on the same date. It was also noticed that his appointment as “Assistant” was also made in violation of rules and regulations prescribed in university statutes for appointment of “Assistant”, as 04 years’ experience in Office work in BPS-05 was required, while at the time of his appointment as “Assistant” he had only 4 years’ experience instead of required 6 years.</p> <p>5) That again the authorities of University extended him undue favor by appointing him as P.A. to Vice Chancellor in BPS-15 w.e.f. 19.05.1994 subject to the condition in appointment order that “he will improve his speed of Short-hand to the required level” against the vacant post of P.A. to V.C. His appointment was also made in violation of the rules and regulation laid down in Civil Servants (Appointment, Promotion and Transfer) Rules, 1973” for “appointment” i.e. Advertisement and complete recruitment procedures. He was promoted in BPS-16 w.e.f. 08.11.1995 against the same post (P.A. to V.C.).</p> <p>6) That in the budget provision for the year 2005-2006 one post of “Assistant Administrative Officer (BPS-17)” was created and it was surprised to see that Mr. Saif-ur-Rehman was allowed to work on the said post at his own request vide his application dated 27.01.2006 to</p>	



(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>Registrar. The authorities defied the law by extended undue favor to Mr. Saif-ur-Rehman to appoint him on the newly created post of "Assistant Administrative Officer of BPS-17 while he was holding Grade-16. It was also noticed that the post should have to filled out through complete fresh recruitment procedure.</p> <p>7) That he was allowed to draw 20% of his basic pay as higher post allowance for officiating the above post.</p> <p>8) That in addition to above violation, further undue favor was extended to him on allowing to work as Assistant Controller of Examination (Secret) w.e.f. 07.02.2009 instead of his original duties i.e. P.A. to V.C.</p> <p>9) That he was further re-appointed to work on the post of Assistant Registrar (AC-II) against the vacant post of A.O. Building.</p>	
			18	<p>Appointment of Mr. Farooq Shah Rashidi, presently working as Director (on Additional Charge) was initially appointed as Teaching Assistant on contract basis, later on he was re-appointed as Lecturer in BPS-18 without adopting proper prescribed procedure. His appointment is treated as unjustified and doubtful on the basis of following observations:</p> <p>(1) That he was initially appointed as Teaching Assistant in sheer violation of Civil Servants (Appointment, Promotion and Transfer) Rules, 1973" for "appointment" i.e. Job Advertisement and complete recruitment procedures.</p>	1.214

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				<p>(2) That later on he was re-appointed as Lecturer 'BPS-18' without adopting prescribed procedure as the following record of his appointment was concealed from audit for further audit scrutiny purpose:</p> <ul style="list-style-type: none"><li>i) Advertisement of the said post (Lecturer)</li><li>ii) Application of Mr. Farooq Shah Rashidi (candidate) for the said post.</li><li>iii) Education and experienced certificates</li><li>iv) S.P.S.C.'s recommendations for selected candidates.</li><li>v) Minutes of meeting of Syndicate of University regarding Approval of selection.</li><li>vi) Availability of sanctioned posts / Clear vacancy position of the post of "Lecturer (BPS-18)".</li></ul> <p>(3) That the verification of degrees, character antecedence and medical certificate from Civil Surgeon was also not found available.</p> <p>(4) That he was appointed as a Lecturer particularly for Shahdadkot Campus of SALU but management of SALU extended undue favor to him by transfer his services to Institute of Gender Studies (established at main campus of SALU) without approval of Syndicate.</p> <p>(5) That the university authorities also defied the law by assigned him additional charge of Incharge / Deputy Director of Institute of Gender Studies of SALU, later on he was again assigned additional charge of Director of a</p>	

(Rs. in million)

Sr. #	Name of Entity	Financial Year	AIR Para #	Description	Amount
				campus without any legal entitlement and justification as the post of Director & Dy. Director is an administrative post while Mr. Rashidi was originally appointed on a teaching faculty post i.e. "Lecturer.	
			45	Appointment by non-observing civil servant rules as the staff appointed / working under umbrella of SALU against newly appointed teaching and non-teaching staff kept under following observations; 1 Verification of the credentials was not done from the concerned universities. 2 Verification of the Domicile and PRC, Medical fitness & character verification were not done from the concerned authorities.	0.00
05	Chairman, Board of Intermediate Education, Karachi	2018-19	04	The Drivers, Chowkidars, Malhi, Daftri, Guardsmen & Naib Qasid who were directly promoted to the post of Junior clerks (BPS-07) while their appointments were made against specified posts.	13.393
06	Vice Chancellor, Shaheed Zulfiqar Ali Bhutto (SZABUL) University of Law Karachi	2018-19	29	Amendment in sanction strength without approval of competent authority.	0.00
<b>Total</b>					<b>305.312</b>

## 31.5.9 Non-recovery of various allowances – Rs. 301.972 million

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
01.	Vice Chancellor, Shah Abdul Latif University, Khairpur	2018-19	21	Excess drawl of medical allowance as compared to Sindh government rates	119.472
			20	Excessive rate of House Rent Allowance drawn @45% instead of 30%.	25.383
			39	Orderly allowance	16.247
			50	Conveyance Allowance paid to officers having Govt. Accommodation	14.851
			49	Conveyance Allowance paid to employees having house accommodation facility	4.860
02.	Secretary, Universities & Boards, Karachi	2018-19	67	Remuneration Fee to employees besides salary	50.439
			66	Qualification Allowance” to technical staff i.e. lab technicians, lab supervisors, lab engineers, lecturer without any provision	11.460
			65	Director Finance Allowance (DFA), Computer Allowance&additional charge allowance	8.134
			68	Qualification allowance to non-teaching staff other than faculty	4.188
			63	Other allowance	3.879
			09	Honorarium Allowance	0.880
			10	Excess payment of Honorarium Allowance	0.586
			79	Conveyance Allowance	0.060
03.	Vice Chancellor, Shaheed Zulfiqar Ali Bhutto University of Law (SZABUL), Karachi.	2018-19	03	Excess House rent Allowance	15.202

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
04.	Liaquat University of Medical & Health Sciences, Jamshoro	2018-19	15	Additional charge allowance	8.227
05.	Vice Chancellor, NED University of Engineering & Technology, Karachi	2018-19	02	Drawl of medical allowance in excess of their entitlement.	4.276
06.	University of Karachi	2016-17 to 2018-19	08	House rent & Utility allowances from pensioners residing in university colony	3.462
07.	Chairman, Board of Secondary Education, Karachi	2017-18 to 2018-19	02	Housing Allowance instead of availing board residency	2.931
			07	Excess payment on A/c of Conveyance allowances	1.224
08.	Director, H.E.J, Research Institute of Chemistry, University of Karachi	2018-19	01	Orderly Allowance, Computer Allowance, Senior Post Allowance, Qualification Allowance & Incentive award to teachers without entitlement or legal justification	1.831
09.	VC, SAU Tando Jam	2018-19	07	Conveyance Allowance	1.300
10.	Chairman Board of Intermediate Education Karachi	2014-15 to 2018-19	07	House Rent Allowance to the officers/officials allotted accommodation	1.267
11.	Director, Third World Centre for Chemical Sciences, University of Karachi	2018-19	01	Orderly Allowance, Computer Allowance, Senior Post Allowance, Qualification Allowance & Incentive award to teachers without entitlement or legal justification	0.609
12.	Vice Chancellor, Shaheed Benazir Bhutto University of Veterinary and Animal Sciences, Sakrand	2018-19	24	House Rent Allowance to employees who were provided Government residential facility at Hostel	0.417
			23	Short- recovery of conveyance allowance from 23 employees having facility of vehicles	0.058

(Rs. in million)

<b>Sr. #</b>	<b>Name of entity</b>	<b>Financial Year</b>	<b>AIR Para#</b>	<b>Particulars</b>	<b>Amount</b>
13.	Vice Chancellor, Dow University of Health Sciences, Karachi	2018-19	10	Conveyance allowance	0.240
14.	Dr. Panjwani Centre for Molecular Medicine & Drug Research, Karachi	2018-19	03	House Maintenance Charges @5% of Basic pay from Prof. Dr. Asmat Saleem	0.137
			01	Honorarium / special allowance paid to Account officer, Resident Auditor & Director Finance	0.115
15.	Chairman, Sindh Higher Education Commission Karachi	2018-19	09	Utility Allowance	0.132
		2018-19	06	Conveyance allowance	0.105
<b>Total</b>					<b>301.972</b>

### 31.5.10 Irregular and unjustified appointments on various posts – Rs105.347 million

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
01	Professor Mr. Ali Raza Jafri	2018-19	14	<ol style="list-style-type: none"> <li>1) That he was initially appointed (i.e. 28.10.1997) as Lecturer (BPS-17) on possessing Bachelor Degree in violation of HEC's required conditions of Masters degree.</li> <li>2) He was appointed as Assistant Professor on 18.07.2002, without having required qualification of Ph.D in violation of HEC requirement.</li> </ol>	22.258
02	Mr. Rizwan-ul-Haq Farooqi, Professor	2018-19	16	<ol style="list-style-type: none"> <li>1) That he was initially appointed on 07.01.2002 as Assistant Professor (BPS-18) on possessing Bachelor Degree instead of Ph.D by extending undue favor .</li> <li>2) The Vice Chancellor exercised his discretionary powers and appointed him as Associate Professor (BPS-20) w.e.f. 18.06.2011 on adhoc basis for a period of six months, in violation of University Act, "Syndicate" could not make appointments of BPS-17 and above posts.</li> </ol>	19.444
03	Professor Dr. Nasir Uddin Shaikh	2018-19	22	<ol style="list-style-type: none"> <li>1) That he was appointed as a Professor on dated 07.01.2002. As per requisite condition of HEC's, the degree of Ph.D in the relevant field must be recognized from HEC in consultation with (PEC), however, the record of recognition of Ph.D. degree from HEC or PEC was not produced to audit.</li> <li>2) That mandatory condition of 15 research publications for</li> </ol>	14.861

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
				<p>appointment was also relaxed by the authorities, as he had only 07 research publications to his credit, this fact could be ascertained by his resume and appointment letter issued by the Registrar. Besides this, the recognition of his 07 research publications from HEC / PEC was also not produced to audit.</p> <p>Hence the appointment on the post of Professor stands Irregular &amp; Un-authenticated.</p>	
04	Mr. Javed Aziz Khan, Registrar (Retired )	2018-19	18	<ol style="list-style-type: none"> <li>1) After having 14 year's experience as a Assistant Professor &amp; 05 years as Associate Professor. Later on In January, 2005 he was appointed as Additional Registrar (BPS-19) on adhoc basis and remained on this post till December 2005.</li> <li>2) That on 31<sup>st</sup> December 2005, Mr. Javed Aziz Khan was appointed as "Registrar" by the Syndicate after due process of recruitment, however, he did not fulfill the required eligibility criteria of "at least 10 years' experience of administrative position "as per NED University statutes but his entire career i.e. 15 years (except last one year) consists of teaching background.</li> <li>3) That in addition to above, he was also awarded "personal grade of BPS-21" w.e.f. 13.12.2011, while as per "Civil Servants (Appointment, Promotion and Transfer) Rules, 1973" there is no such rule in Federal Government / Provincial Government regarding "award personal grade".</li> </ol>	13.014



(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
				<p>4) That during his tenure as “Registrar” from December, 2005 to 05-07.2015 (i.e. date of retirement) five extra increments were awarded to him by the Vice Chancellor on account of his meritorious and dedicated services, while there is no rule in Federal or Provincial Government regarding grant of extra increments.</p> <p>5) That his tenure of three years as “Registrar” (i.e. December 2005) was continuously extended after every three years till his retirement from service (05.07.2015).</p>	
05	Dr. Zahoorul Hussain Awan	2018-19	19	<p>1) On his written application dated 16.09.2008 to VC, applied for the post of “Lecturer” &amp; was appointed by the VC by exercising discretionary powers on adhoc basis for a period of six months, while “Syndicate” has the authority for appointments of BPS-17 and above posts. Moreover, no advertisement for recruitment was published.</p> <p>2) That his appointment as Lecturer (BPS-18) was also in violation of HEC’s prescribed rules and regulations for recruitment of Lecturer, as Master Degree was required for appointment as Lecturer, whereas he possessed Bachelor Degree.</p> <p>3) That six years later he was re-appointed as Assistant Professor (BPS-19) on 23.12.2014 on adhoc basis by V.C instead of “Syndicate”. Moreover, advertisement of the said post</p>	9.560

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
				<p>land recruitment procedure was also not followed.</p> <p>4) That his adhoc periods as Lecturer (i.e. 16.09.2008 to 22.12.2014) and as Assistant Professor (i.e. 23.12.2014 to January 2017) were extended from time to time in violation of Sindh Civil Servants Rule 1974.</p>	
06	Mr. Irfan Ali, presently posted as Assistant Registrar (Acad.) BPS-18	2018-19	15	<p>Since his appointment as L.D.C (BPS-05) w.e.f. 28.10.1998 till 30.06.2019 as Assistant Registrar (BPS-18) found irregular on the following grounds:</p> <p>(1) That he was initially appointed as L.D.C (BPS-05) at his written request by Vice Chancellor on adhoc basis on 28.10.1998 for a period of six months without advertisement and adopting recruitment procedure of the said post.</p> <p>(2) That his adhoc period as L.D.C/typist was extended to further three years since his initial appointment (i.e. 28.10.1998 to 04.05.2001) in violation of Sindh Civil Servants Rule.</p> <p>(3) It was surprised to see that on 05.05.2001 he was unauthorizedly re-appointed as Jr. Data Entry Operator (BPS-11) without having any educational degree or diploma in I.T. related field, the authorities ignored the fact that his initial appointment as L.D.C/typist was based on possessing degree of H.S.C and typing criteria. Later on, after one and half year of his appointment he submitted a certificate of one year diploma in I.T. requisite for his appointment as Jr. Data Entry Operator which he got in January,</p>	9.046

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
				<p>2003. This fact also proves his appointment as suspicious.</p> <p>(4) That after period of two years again through an office order dated 19.07.2003 he was further re-appointed as Data Entry Operator (BPS-15) on adhoc basis for a period of six months by Vice Chancellor against a vacant post of P.A. to Chairman (BPS-15) without any justification. His appointment was made without advertisement and necessary recruitment procedure. His adhoc period as Data Entry Operator (BPS-15) was extended from time to time for further four and half years (i.e. 19.01.2004 to 17.08.2008) in violation of above quoted "Sindh Civil Servants Rule 1974".</p> <p>(5) That in addition to above violations against recruitment from L.D.C. to Data Entry Operator, the Vice Chancellor again exercised his discretionary powers and appointed him as PS to Pro-Vice Chancellor (BPS-17) w.e.f. 18.08.2008 on adhoc basis for a period of six months, while as per NED University Act., "Syndicate" could make appointments of BPS-17 and above posts. While his adhoc period as PS to Pro-Vice Chancellor (BPS-17) was unlawfully extended from time to time.</p> <p>(6) It was astonished to see that in addition to above favoritism policy, the management in January 2015 changed his cadre from Data Entry Operator and re-</p>	

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
				designated / posted him as Assistant Registrar (Acad) BPS-17, whereas, during his entire career in NED University (since 28.10.1998) he has not hold any administrative post.	
07	Mr. Fawad-ul-Hassan, Assistant Director Finance (BPS-17)	2018-19	17	<p>Since his initial appointment as Procurement Officer (BPS-17) i.e. 03.12.2007 till 30.06.2019 found irregular on the following grounds.</p> <p>(1) That he was initially appointed as Procurement Officer (BPS-17) on contract basis on 03.12.2007 by Vice Chancellor instead of Syndicate. without advertisement and recruitment process.</p> <p>(2) That later on in May 2011, he was re-appointed as Assistant Director (Finance) BPS-17 on adhoc basis for a period of six months at his written application dated 25.11.2010 to Vice Chancellor. In response to his application, the Vice Chancellor exercised his discretionary powers and allowed him to be appointed as Assistant Director (Finance) BPS-17, while as mentioned above it was the authority of “Syndicate” who could make the appointment of BPS-17 and above posts. Moreover, advertisement of the said post and recruitment procedure was also not followed.</p> <p>(3) It was also important to note that his adhoc period as Assistant Director (Finance) was extended to further seven years since his initial appointment (i.e. 25.11.2010 to 01.03.2018) in violation of Sindh Civil Servants Rule 1974.</p>	6.725

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
08	Syed Muhammad Hassan Shamsie Assistant Director Finance	2018-19	13	<ol style="list-style-type: none"> <li>1) That management of University handed over the duties of Resident Auditor in addition to his own duties since 30.04.2013 instead to appoint a regular Resident Auditor from Provincial Audit Department.</li> <li>2) In addition to that, University authorities again defied the law by assigned full-fledged charge of “Resident Auditor” to him without adopting recruitment process and relieved him from his regular post (i.e. Assistant Director Finance) w.e.f. 02.06.2013.</li> <li>3) It was also important to note that in compliance to requisite information about “Resident Auditor” by Higher Education Commission, the University authorities deliberately hide the facts and figures about “Resident Auditor” post and furnished incomplete and incorrect information to Higher Education Commission.</li> <li>4) That as per statutes of University, appointment of “Resident Auditor” shall be the duty of Provincial Audit Department who could make the appointment of “Resident Auditor”, but the management of University handed over the duties of Resident Auditor to an Assistant Director Finance (Syed Muhammad Hassan Shamsie) in addition to his own duties since 30.04.2013 instead to appoint a regular Resident Auditor from Provincial Audit Department,</li> </ol>	5.722

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
				<p>which was clearly violation of the rule</p> <p>5) That in addition to above violation, the University authorities again defied the law by assigned full-fledged charge of “Resident Auditor” to Syed Muhammad Hassan Shamsie without adopting recruitment process and relieved him from his regular post (i.e. Assistant Director Finance) w.e.f. 02.06.2013.</p> <p>6) It was also important to note here that in compliance to requisite information about “Resident Auditor” by Higher Education Commission, the University authorities deliberately hide the facts and figures about “Resident Auditor” post and furnished incomplete and incorrect information to Higher Education Commission.</p>	
09	Mr. Ghazanfar Hussain, Assistant Professor	2018-19	10 & 11	<p>1) that in the year 2002 an advertisement for recruitment of teaching and non-teaching posts was published in which eligibility criteria for Assistant Professor was “Ph.D degree” in the relevant field, but later on, the same condition was omitted in the advertisement dated 25.02.2006, &amp; he was appointed in December, 2006 as Assistant Professor on possessing Master Degree, instead of possessing Ph.D degree.</p> <p>2) That further he was assigned the Additional charge of “Registrar” w.e.f. 01.01.2015 which was extended up to end of 2015, surprising that a junior rank</p>	2.397

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
				<p>faculty teacher (Assistant Professor) was assigned the Additional charge of “Registrar” while a whole-time officer was required to be appointed on regular basis to carry out the administrative and faculty related matters. Audit is of the view that keeping additional charge of for such a long period without permanent arrangement was treated as irregular and unjustified.</p>	
10	Mr. Muhammad Sajeeruddin, Director Finance	2018-19	09 & 20	<p>He was initial appointment as Cost Officer (BPS-17) w.e.f.22.01.2002 &amp; re-appointment as Senior Cost Officer (BPS-18) i.e. 23.01.2003 found irregular and unjustified on the following grounds:</p> <ol style="list-style-type: none"> <li>1) That through his written application dated 21.01.2002 to VC, applied for a suitable post, the Vice Chancellor exercised his powers by creating a new post of Cost Officer (BPS-17) and appointed him on on adhoc basis for a period of six months without advertisement for which “Syndicate” has the authority for appointments on such post.</li> <li>2) That after completion of adhoc period the VC extended his adhoc period for further six month. Undue favor was extended by the Vice Chancellor by violating Rule 28(v) of University Act. under powers and duties of V.C. that “to create temporary posts for a period not exceeding six months and fill such posts”.</li> <li>3) That after completion of one year on 22.01.2003, as Cost Officer (BPS-17) He was again re-</li> </ol>	1.664

(Rs. in million)

Sr. #	Name of officer/Official	Financial Year	AIR Para #	Details of observation	Amount
				<p>appointed as Cost Officer (BPS-17) along with awarding of five extra increments without showing any justification while there is no rule in Federal Government / Provincial Government regarding grant of extra increments to its employees.</p> <p>4) That two and a half years later, post of Cost Officer (BPS-17) was upgraded to Senior Cost Officer (BPS-18) by VC dated 27-6-2005 and again he was appointed on newly upgraded post on adhoc basis dated 2-11-2005. in violation of the University Act. In addition to that during his tenure as Cost Officer (BPS-17) and Senior Cost Officer (BPS-18) he also assigned the additional charge of posts like Resident Auditor and Director Finance, besides this other perks and privileges like Computer Allowance, Additional Charge Allowance and Honorarium were also awarded to him.</p> <p>5) That he was granted three extra increment with effect from the date of appointment as Director Finance i.e. 31.05.2006 on account of meritorious service and dedicated performance under statutes of NED University vide office order No. DR.(Estab)/(PF-1579)Vol-II/5066 dated 20-5-2006.</p> <p>6) That all the public sector Universities, are being governed under HEC &amp; follows the pay structure of Federal Government / Provincial Government for its employees, and there is no rule of</p>	



(Rs. in million)

<b>Sr. #</b>	<b>Name of officer/Official</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Details of observation</b>	<b>Amount</b>
				Govt. regarding grant of extra increments to its employees on account of meritorious service and dedicated performance.	
11	Syed Muhammad Sheraz, I.T. Manager (BPS-17)	2018-19	23	He was grant four advance increments on passing Master Degree w.e.f. 09.06.2010 (i.e. the date of announcement of result), found in violation of orders of Finance Division. Got. of Pakistan.	0.656
<b>Total</b>					<b>105.347</b>

## 31.5.12 Irregular procurement in violation of SPPRA rules – Rs.917.321 million

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Description	Amount
01.	Liaquat University of Medical & Health Sciences, Jamshoro	2018-19	01	Lease of University own busses in violation of various SPPRA rules	253.500
			03	Leasing University Busses without obtaining market rates in violation of SPPRA rule # 16	19.500
			12	Hire of Security Services for D.R Lab without approved evaluation criteria in violation of SPPRA 2010 Rule#46(2)	8.532
			29	Bid evaluation report was not hoisted for Supply of telephone exchange system on SPPRA website	0.792
			28	Purchase and supply of category (B) Latest Automatic Rizo, printing machine, photo copier machines & heavy-duty printer in violation of SPPRA rules	0.410
02.	Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	24	Mis-procurement for work "Extension & construction" under rule No.32A as violation of Rule No.17(1A)(2)(4)	137.641
03.	Vice Chancellor, IBA Sukkur	2018-19	12	Construction of senior faculty residence	129.672
			05 & 06	Hiring of security & fixed Assets without calling Tender	10.482
			14	Hiring of building for students hostel without entering into agreements	2.284
04.	Vice Chancellor, Dow University of Health Sciences, Karachi	2018-19	02	Non-inviting of tender for Procurement of Medicines in violation of Rule 16 (1) of SPPRA 2010	119.692
			24	Hiring of cash collectors from collection points Without competitive process	0
05.			16	Non-inviting of tender for hiring of furniture and vehicles for	44.728

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Description	Amount
	Chairman, Board of Secondary Education, Karachi	2017-18 and 2018-19		conductance of examinations in violation of Rule 16 (1) of SPPRA 2010	
			03	Only single bidder quoted the rates for purchase of uniform on single bid basis in violation of rule 48 of Sindh Public Procurement Rules, 2010	0.823
06.	Vice chancellor, Shah Abdul Latif University, Khairpur	2018-19	52	Hiring of private busses in violation of sub-rule (2) of Rule 46 & sub-rule (1) of Rule 21 of SPP Rules, 2010	42.331
07.	Vice Chancellor, Shaheed Zulfiqar Ali Bhutto University of Law (SZABUL), Karachi.	2018-19	87 & 88	Non-hoisting of bid evaluation report & without execution of contract agreement for the Construction of additional facilities auditorium hall on SPPRA website	33.464
			85	Satisfactory work completion report of development work	6.863
			64	Repair of building without tender in violation of SPPRA	3.946
			60	Award of work to 2 <sup>nd</sup> lowest bidder	3.600
			75	Procurement of books & journals without inviting tender	1.720
			62	Expenditure without open tender under various heads	1.528
			63	Procurements from single participant bidder instead of re-tender in violation of Para 22 (1)	1.400
			54	Non-constitution of procurement committee for contingent expenditure in violation of SPPRA Clause 7.	0
		55	Non-preparation of annual procurement plan	0	
08.	Chairman, Board of Intermediate Education, Karachi	2014-15 to 2018-19	09	Printing of various material without inviting tender	20.839
09.	Vice Chancellor, Shaheed Benazir Bhutto University	2018-19	07	Non-inviting of tender Repair of transport and purchase of various articles, hiring of security services	12.981

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Description	Amount
	of Veterinary and Animal Sciences, Sakrand			in violation of Rule 16 (1) of SPPRA 2010	
			15	Splitting up of expenditure in violation of Rule 12 (1) of SPPR 2010	3.341
			08	Splitting up of expenditure for Maintenance & repair of buildings works in violation of Rule 12 (1) of SPPR 2010	0.604
10.	Vice Chancellor, NED University of Engineering & Technology, Karachi	2018-19	37	Splitting up of expenditure to avoid tender	12.094
			31	Collusive tendering in arrangement of convocation 2019 by showing huge/unjustified different in bid rates in violation of Para-2 (1)(q) of general provisions of SPPRA Rules, 2010	6.842
			30	Printing of Convocation Souvenir 2019 in violation of Rule 4, 22 (1), 45, & 50 of SPPRA 2010 (amended 2019)	0.198
			49	Non-inviting of tender for Printing of pre-admission entry test question papers in violation of Rule 16 (1) of SPPRA 2010	0
11.	Director, Third World Centre for Chemical Sciences, University of Karachi	2018-19	03	Non-inviting of tender for security services in violation of Rule 16 (1) of SPPRA 2010	7.045
12.	Vice Chancellor, Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2018-19	20	Purchase of machinery and furniture without conducting inspection by the procuring agency	4.459
			19	Expenditure on purchase of machinery and equipment without obtaining delivery Challans	0.907
13.	Board of Intermediate & Secondary	2014-15 to	15	Procurement of printer, photocopier machine and Ups without inviting of tender in violation of Rule 17 (1) of SPPRA 2010	3.713

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Description	Amount
	Education, Mirpurkhas	2019-20	22	Non-inviting of tender for hiring of vehicles for conductance of examinations in violation of Rule 17 (1) of SPPRA 2010	2.816
			28	Procurement of Uniforms & liveries without obtaining three quotations from market	1.158
14	Vice Chancellor, Dawood University of Engineering & Technology, Karachi	2018-19	14	Procurements of Furniture & Fixture without conducting of Inspection& Physical verification	3.338
15.	Director, H.E.J Research Institute of Chemistry, University of Karachi	2018-19	05	Splitting up of expenditure for procurements /maintenance of IAC in violation of rule #12(1) of SPPRA	2.846
		2019-20	07	Auction of sale of waste/Scrape material through tender but Advertisement was appeared in only one daily newspaper Daily AMN dated 14 <sup>th</sup> of Oct. 2019 instead of at least three widely circulated and leading daily newspapers in violation of Rule 17 (1) & (2).	1.056
			12	Non-obtaining of three quotations on repair of furniture & fixtures in violation of SPPRA 2010	0.956
			10	Award of work without obtaining Bidder/ contractor documents for qualification/ eligibility in violation of rule-42(1) SPPRA Rules,2010 read with Rule 2 (x).	0.934
16	Chairman, Sindh Higher Education Commission Karachi	2019-20	05	Splitting up of expenditure to avoid tender in various head	2.640
			12	Splitting up of expenditure for Stationery, printing & others to avoid tender	1.413
			32	Non-inviting of tender for Seminar on Digitization Initiative in Universities, Gaps, Suggestion and Way Forward in violation of Rule 16 (1) of SPPRA 2010	0.510

(Rs. in million)

<b>Sr. #</b>	<b>Name of entity</b>	<b>Financial Year</b>	<b>AIR Para#</b>	<b>Description</b>	<b>Amount</b>
17.	Vice Chancellor, Benazir Bhutto Shaheed University Lyari, Karachi	2018-19	12	Non-inviting of tender for procurement of stationery in violation of rule 16(1) of SPPRA 2010	1.392
			13	Non-inviting of tender for Procurement of chemicals in violation of rule 16(1) of SPPRA 2010	1.031
18.	Director, Dr. Panjwani Center for Molecular Medicine and Drug Research (PCMD), Karachi	2019-20	16	Non-inviting of tender for hiring of security services in violation of Rule 16 (1) of SPPRA 2010	0.776
			13	Refund of Security Deposit without satisfactory work completion report	0.053
19.	University of Sufism & Modern Science Bhitshah Hala	2018-19	04	Splitting up of expenditure for procurement of furniture in violation of Rule 12 (1) of SPPR 2010	0.471
<b>Total</b>					<b>917.321</b>

**Annex-8**

**31.5.14 Non-recovery of various taxes at applicable taxes - Rs.100.815 million**

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
01	Vice chancellor, Shah Abdul Latif University, Khairpur	2018-19	62	Non deduction of GST from payment under various heads of accounts	12.686
			37	Non-deduction of Sindh Sales Tax	11.849
			36		5.503
02	VC, LUMHS, Jamshoro	2018-19	08	Non-deduction of Sindh Sales Tax	17.561
			09		0.676
03	Vice Chancellor, Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	87	Sindh Sales Tax on transportation Services	17.561
			80	Income Tax	0.516
			88	Sindh Sales Tax on event management services	0.139
04	Vice Chancellor, Dow University of Health Sciences, Karachi	2019-20	14	WHT was short deducted on salaries	6.129
		2019-20	15	GST on various supplies	3.668
		2019-20	16	WHT on various supplies	1.503
		2018-19	08	GST on Supply of Lab Equipment and Furniture	1.282
		2019-20	19	SST on convocation expenses	0.414
05	Vice Chancellor, NED University of Engineering & Technology, Karachi	2018-19	60	Non-deduction of GST@17% on procurements	4.118
		2018-19	56	Non –deduction of Income Tax on payment of hiring facility under the head of account “House Rental Ceiling payment of rental ceiling of residential accommodation	2.267
		2018-19	58	Non-deduction of SST on law charges	0.314
		2018-19	57	Short-deduction of income tax on expenditure from advertisement & publicity head of account	0.147

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
		2018-19	61	Non-deduction of professional tax from suppliers / vendors	0.074
		2018-19	59	Non-deduction of SST@13% from payment made to M/s Amtech Pakistan	0.043
06	Director, SMBB Chair & Convention Center University of Karachi	2019-20	04	Non-deduction of Sindh Sales Tax	2.275
07	Secretary, BBSHRRD Karachi	2018-19	07	WHT was short deducted on salaries	2.070
			06	Withholding tax & SST were not deducted on rental building & training costs	1.578
08	Vice Chancellor, Shaheed Zulfiqar Ali Bhutto University of Law (SZABUL), Karachi.	2018-19	17	Non-withholding of 1/5 <sup>th</sup> GST on purchase of vehicles	0.580
			21	Sindh sales tax on repair of buildings	0.513
			18	Non-deduction of GST on stationery& consumable items	0.437
			20	income tax on security services	0.371
			19	Income Tax on repair work	0.318
			57	Non-deduction of Income & General Sales Tax from the payment of water boozers	0.172
09	Chairman, BISE, Mirpurkhas	2014-15 to 2019-20	08	Non deduction of Sindh Sales Tax on Services	0.472
10	Vice Chancellor, Shaheed Benazir Bhutto University of Veterinary and Animal Sciences, Sakrand	2018-19	21	Non deduction of Sindh Sales Tax on Services	0.471
			22	Non deduction of income tax	0.161
11	Director, Dr. Panjwani Center for Molecular Medicine and Drug Research (PCMD), Karachi for the financial year 2019-20,	2019-20	25	Income Tax, GST & SST	0.395



(Rs. in million)

<b>Sr. #</b>	<b>Name of entity</b>	<b>Financial Year</b>	<b>AIR Para#</b>	<b>Particulars</b>	<b>Amount</b>
12	Chairman, Board of Secondary Education, Karachi	2017-18 & 2018-19	17	Nor recovery of Income Tax	0.229
<b>Sub-total</b>					<b>96.492</b>
<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Cost of Contract</b>	<b>Stamp Duty</b>
13	Secretary, BBSHRRD Karachi signed contract agreements with various PMUs	2018-19	05	543.554	1.902
14	Chairman, Board of Secondary Education, Karachi	2017-18 & 2018-19	21	159.702	0.558
15	VC, DUHS, Karachi	2019-20	17	144.329	0.505
16	Chairman, Sindh Higher Education Commission, Karachi (Ded.@1.5%)	2018-19	04	32.154	0.482
17	Board of Intermediate & Secondary Education, Mirpurkhas	2014-15 to 2019-20	12	107.310	0.376
18	Chairman, Board of Intermediate Education, Karachi	2014-15 to 2018-19	14	78.493	0.235
18	Vice chancellor, Shah Abdul Latif University, Khairpur	208-19	48	42.331	0.148
29	Vice Chancellor, Shaheed Zulfiqar Ali Bhutto University of Law (SZABUL), Karachi	2018-19	23	32.150	0.117
<b>Sub-Total</b>					<b>4.323</b>
<b>Grand-Total</b>					<b>100.815</b>

**Annex-9**

**31.5.20 Unjustified/Irregular expenditure on various head of account & allowances - Rs.513.360 million**

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
01.	Board of Intermediate & Secondary Education, Mirpurkhas	2014-15 to 2019-20	10	Printing of various items	101.947
			26	Purchase of stationery	5.219
			24	Repair of vehicles	0.911
02.	Vice Chancellor, Mehran University of Engineering & Technology (MUET) Jamshoro	2018-19	56	Appointments of Staff without merit principles and codal formalities	100.00
			73	Appointment of contingent paid staff	14.460
			82	Honorarium charges	10.354
			46	Mr. Muhammad Rakhail Bhutto as pure temporary Executive Engineer BPS-18	6.000
			45	Appointment of System Administrator (BPS-17)	6.000
			51	Appointment of 10 Nos. "Beldars"	4.800
			49	Appointment of contractual staff	4.800
			50	Appointment staff on old advertisement published in 2016	4.560
			53	Re-employment of retired employees on contract	3.260
			48	Appointment of contingent paid staff	1.920
			52	Appointment of Teaching Assistant without following hiring criteria	1.457
		25	Rent of building	0.720	
03.	Chairman, Board of Secondary Education, Karachi	2017-18 to 2018-19	12	Overtime/Examination Allowance	56.217
04.	Vice Chancellor, Benazir Bhutto Shaheed	2018-19	01	Rent of residential Building	33.153
			02	Contract employees	24.035

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
	University, Lyari, Karachi		06	Purchase of Machinery & equipment	7.087
			07	Conduct of examination	5.149
			08	Purchase of I. T Equipment	3.069
			09	Payments on account of Need Based Scholarship	2.160
			10	Purchase of furniture	2.128
			11	Printing & publication	1.931
05.	Director, H.E.J, Research Institute of Chemistry, University of Karachi	2018-19	03	Appointment of Contractual Faculty / Officers	17.388
			07	Appointment of Contingent paid staff	3.724
06.	Director, Third World Centre for Chemical Sciences, University of Karachi	2018-19	03	Appointment of Contractual Faculty / Officers	12.554
		2019-20	07	Material for establishment of new Laboratory	3.255
		2018-19	07	Conferences & Seminars	0.715
07.	Vice Chancellor, Shah Abdul Latif University, Khairpur	2018-19	77	Unforeseen/contingencies	9.098
08.	University of Karachi	2016-17 to 2018-19	22	Expenditure on Conference & Seminars head of account	8.403
09.	Dr. Panjwani Centre for Molecular Medicine & Drug Research, Karachi	2018-19	04	Appointment of Contractual Faculty / Officers	7.894
			10	R & M of Instruments spares Safety & Security equipment	3.824
			17	library book and journals subscription	1.772
			08	Contingent Paid Staff	1.152
			05	Science Conferences & Workshops	0.768
			13	Travelling allowance	0.703
			06	Experimental Gases	0.558
			16	Over-time Allowance	0.471
			11	Repair of Transport	0.411
			19	Un-foreseen Head of A/c	0.100
			07	Animal Research Facility	0.099
				12	Repair of furniture & fixture
		2019-20	30	Appointment of staff on contract	0
10.		2019-20	15	Rent of office building	7.748

(Rs. in million)

Sr. #	Name of entity	Financial Year	AIR Para#	Particulars	Amount
	Chairman, Sindh Higher Education Commission Karachi	2018-19	03	Rent of Office building	7.260
		2019-20	21	On account of Search Committee Meetings	1.281
			17	Repair of transport	0.587
			11	Conference & seminars	0.139
11.	Vice Chancellor, Shaheed Zulfiqar Ali Bhutto University of Law (SZABUL), Karachi.	2018-19	08	Honorarium head of account	4.167
			69	Repair of mach:& Equip:	0.604
			70	Repair of transport not carried out in govt workshop	0.335
			71	Repair of transport	0.335
12.	Vice Chancellor, Dawood University of Engineering & Technology, Karachi	2018-19	08	Payments made for conduct of examination	4.080
13.	Secretary, Universities & Boards, Karachi	2019-20	19	Seminars head of account	2.360
		2018-19	08	Others	1.200
		2019-20	22	Repair of furniture and machinery	0.206
14.	Vice Chancellor, Shaheed Mohtarma Benazir Bhutto Medical University, Larkana	2018-19	04	Repair of machinery & equipment	2.245
			08	Repair of transport	1.566
15.	Board of Intermediate and Secondary Education, Larkana	2018-19 & 2019-20	10	Purchase of examination Stationery & printing Material	2.051
16.	Vice Chancellor, LUMHS, Jamshoro	2018-19	07	Purchase of Kits & Chemical	1.241
			06	Purchase of furniture for laboratories	1.208
17.	Vice Chancellor, Shaheed Benazir Bhutto University of Veterinary and Animal Sciences, Sakrand	2018-19	30	Appointment of Contingent paid staff	0.216
18.	Principal Government Vocational Training Institute for boys, Jacobabad	2018-19	07	Purchase of Machinery & equipment	0.203
19.	Principal, Government Institute of Business & Commercial Education, Hala	2009-10 to 2018-19	11	Others head of account	0.026
<b>Total</b>					<b>513.360</b>

## Chapter-32 Women Development

Annex-1

### 32.5.2 Irregular payment of inadmissible allowances – Rs0.394 million

#### Statement of Adhoc Relief Allowance 2013

(Amount in Rupees)

Sr.#	Personal_no	Name	Designation	Amount
<b>Adhoc Relief Allowance 2013</b>				
1	10085439	SYED IBRAHIM	SENIOR CLERK	830
2	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
3	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
4	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
5	10739156	LIAQUAT ALI	DRIVER	687
6	10751400	GHULAM FAREED	DRIVER	687
7	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
8	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
9	10049220	MOHAMMAD SHARIF	ASSISTANT	974
10	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
11	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
12	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
13	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
14	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
15	10642302	ANAND	SWEEPER	582
16	10742510	AURANGZEB	DRIVER	687
17	10742544	NADEEM AHMED	DRIVER	687
18	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
19	10049353	ABDULLAH	CHOWKIDAR	658
20	10085439	SYED IBRAHIM	SENIOR CLERK	830
21	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
22	10049220	MOHAMMAD SHARIF	ASSISTANT	974
23	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
24	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
25	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
26	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
27	10742510	AURANGZEB	DRIVER	687
28	10742544	NADEEM AHMED	DRIVER	687
29	10751400	GHULAM FAREED	DRIVER	687
30	10049353	ABDULLAH	CHOWKIDAR	658
31	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
32	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
33	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
34	10642302	ANAND	SWEEPER	582
35	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
36	10739156	LIAQUAT ALI	DRIVER	687
37	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
38	10046215	MUHAMMAD AKRAM BEZINJO	NAIB QASID	533
39	10049220	MOHAMMAD SHARIF	ASSISTANT	974
40	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
41	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
42	10531646	ABDUL QADIR	NAIB QASID	533

(Amount in Rupees)

Sr.#	Personal no	Name	Designation	Amount
<b>Adhoc Relief Allowance 2013</b>				
43	10642302	ANAND	SWEEPER	582
44	10742510	AURANGZEB	DRIVER	687
45	10742544	NADEEM AHMED	DRIVER	687
46	10751400	GHULAM FAREED	DRIVER	687
47	10085439	SYED IBRAHIM	SENIOR CLERK	830
48	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
49	10531646	ABDUL QADIR	NAIB QASID	533
50	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
51	10232624	JAVEED HUSSAIN	JUNIOR CLERK	783
52	10531646	ABDUL QADIR	NAIB QASID	533
53	10531646	ABDUL QADIR	NAIB QASID	533
54	10739156	LIAQUAT ALI	DRIVER	687
55	10531646	ABDUL QADIR	NAIB QASID	533
56	10531646	ABDUL QADIR	NAIB QASID	533
57	10049353	ABDULLAH	CHOWKIDAR	658
58	10085439	SYED IBRAHIM	SENIOR CLERK	830
59	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
60	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
61	10531646	ABDUL QADIR	NAIB QASID	533
62	10742510	AURANGZEB	DRIVER	687
63	10742544	NADEEM AHMED	DRIVER	687
64	10531646	ABDUL QADIR	NAIB QASID	533
65	10049353	ABDULLAH	CHOWKIDAR	658
66	10049220	MOHAMMAD SHARIF	ASSISTANT	974
67	10531646	ABDUL QADIR	NAIB QASID	533
68	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
69	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
70	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
71	10531646	ABDUL QADIR	NAIB QASID	533
72	10531646	ABDUL QADIR	NAIB QASID	533
73	10739156	LIAQUAT ALI	DRIVER	687
74	10751400	GHULAM FAREED	DRIVER	687
75	10531646	ABDUL QADIR	NAIB QASID	533
76	10049220	MOHAMMAD SHARIF	ASSISTANT	974
77	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
78	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
79	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
80	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
81	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
82	10642302	ANAND	SWEEPER	582
83	10751400	GHULAM FAREED	DRIVER	687
84	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
85	10049353	ABDULLAH	CHOWKIDAR	658
86	10085439	SYED IBRAHIM	SENIOR CLERK	830
87	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
88	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
89	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
90	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
91	10739156	LIAQUAT ALI	DRIVER	687
92	10742510	AURANGZEB	DRIVER	687
93	10742544	NADEEM AHMED	DRIVER	687

(Amount in Rupees)

Sr.#	Personal no	Name	Designation	Amount
<b>Adhoc Relief Allowance 2013</b>				
94	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
95	10085439	SYED IBRAHIM	SENIOR CLERK	830
96	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
97	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
98	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
99	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
100	10751400	GHULAM FAREED	DRIVER	687
101	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
102	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
103	10049353	ABDULLAH	CHOWKIDAR	658
104	10049220	MOHAMMAD SHARIF	ASSISTANT	974
105	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
106	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
107	10047453	MUHAMMAD IMRAN	JUNIOR CLERK	783
108	10762655	ASADULLAH	JUNIOR CLERK	783
109	10642302	ANAND	SWEEPER	582
110	10628361	YOUNUS MUHAMMAD	NAIB QASID	533
111	10739156	LIAQUAT ALI	DRIVER	687
112	10742510	AURANGZEB	DRIVER	687
113	10742544	NADEEM AHMED	DRIVER	687
114	10762655	ASADULLAH	JUNIOR CLERK	783
115	10739151	MUNAWAR ALI	NAIB QASID	533
116	10756261	SAAD IQBAL	NAIB QASID	533
117	10742510	AURANGZEB	DRIVER	687
118	10742544	NADEEM AHMED	DRIVER	687
119	10751400	GHULAM FAREED	DRIVER	687
120	10085439	SYED IBRAHIM	SENIOR CLERK	830
121	10762655	ASADULLAH	JUNIOR CLERK	783
122	10739151	MUNAWAR ALI	NAIB QASID	533
123	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
124	10762655	ASADULLAH	JUNIOR CLERK	783
125	10762655	ASADULLAH	JUNIOR CLERK	783
126	10642302	ANAND	SWEEPER	582
127	10756261	SAAD IQBAL	NAIB QASID	533
128	10739156	LIAQUAT ALI	DRIVER	687
129	10739151	MUNAWAR ALI	NAIB QASID	533
130	10756261	SAAD IQBAL	NAIB QASID	533
131	10049353	ABDULLAH	CHOWKIDAR	658
132	10754302	MUHAMMAD JAWED	DRIVER	687
133	10762655	ASADULLAH	JUNIOR CLERK	783
134	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
135	10762655	ASADULLAH	JUNIOR CLERK	783
136	10739151	MUNAWAR ALI	NAIB QASID	533
137	10756261	SAAD IQBAL	NAIB QASID	533
138	10739156	LIAQUAT ALI	DRIVER	687
139	10756261	SAAD IQBAL	NAIB QASID	533
140	10739151	MUNAWAR ALI	NAIB QASID	533
141	10049353	ABDULLAH	CHOWKIDAR	658
142	10085439	SYED IBRAHIM	SENIOR CLERK	830
143	10756261	SAAD IQBAL	NAIB QASID	533
144	10762655	ASADULLAH	JUNIOR CLERK	783

(Amount in Rupees)

Sr.#	Personal no	Name	Designation	Amount
<b>Adhoc Relief Allowance 2013</b>				
145	10739151	MUNAWAR ALI	NAIB QASID	533
146	10762655	ASADULLAH	JUNIOR CLERK	783
147	10742510	AURANGZEB	DRIVER	687
148	10751400	GHULAM FAREED	DRIVER	687
149	10754302	MUHAMMAD JAWED	DRIVER	687
150	10085439	SYED IBRAHIM	SENIOR CLERK	830
151	10049220	MOHAMMAD SHARIF	ASSISTANT	974
152	10739151	MUNAWAR ALI	NAIB QASID	533
153	10756261	SAAD IQBAL	NAIB QASID	533
154	10739156	LIAQUAT ALI	DRIVER	687
155	10739151	MUNAWAR ALI	NAIB QASID	533
156	10756261	SAAD IQBAL	NAIB QASID	533
157	10762655	ASADULLAH	JUNIOR CLERK	783
158	10739151	MUNAWAR ALI	NAIB QASID	533
159	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
160	10762655	ASADULLAH	JUNIOR CLERK	783
161	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
162	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
163	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
164	10756261	SAAD IQBAL	NAIB QASID	533
165	10642302	ANAND	SWEEPER	582
166	10742510	AURANGZEB	DRIVER	687
167	10751400	GHULAM FAREED	DRIVER	687
168	10049353	ABDULLAH	CHOWKIDAR	658
169	10754302	MUHAMMAD JAWED	DRIVER	687
170	10085439	SYED IBRAHIM	SENIOR CLERK	830
171	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
172	10739151	MUNAWAR ALI	NAIB QASID	533
173	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
174	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
175	10756261	SAAD IQBAL	NAIB QASID	533
176	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
177	10642302	ANAND	SWEEPER	582
178	10739151	MUNAWAR ALI	NAIB QASID	533
179	10739156	LIAQUAT ALI	DRIVER	687
180	10751400	GHULAM FAREED	DRIVER	687
181	10756261	SAAD IQBAL	NAIB QASID	533
182	10754302	MUHAMMAD JAWED	DRIVER	687
183	10049220	MOHAMMAD SHARIF	ASSISTANT	974
184	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
185	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
186	10739151	MUNAWAR ALI	NAIB QASID	533
187	10742510	AURANGZEB	DRIVER	687
188	10756261	SAAD IQBAL	NAIB QASID	533
189	10049353	ABDULLAH	CHOWKIDAR	658
190	10940958	AJMAL KHAN	NAIB QASID	533
191	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
192	10940958	AJMAL KHAN	NAIB QASID	533
193	10940958	AJMAL KHAN	NAIB QASID	533
194	10739156	LIAQUAT ALI	DRIVER	687
195	10742510	AURANGZEB	DRIVER	687



(Amount in Rupees)

Sr.#	Personal no	Name	Designation	Amount
<b>Adhoc Relief Allowance 2013</b>				
196	10751400	GHULAM FAREED	DRIVER	687
197	10085439	SYED IBRAHIM	SENIOR CLERK	830
198	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
199	10049220	MOHAMMAD SHARIF	ASSISTANT	974
200	10957216	ANITA ARZOO	JUNIOR CLERK	783
201	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
202	10957216	ANITA ARZOO	JUNIOR CLERK	783
203	10940958	AJMAL KHAN	NAIB QASID	533
204	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
205	10642302	ANAND	SWEEPER	582
206	10940958	AJMAL KHAN	NAIB QASID	533
207	10940958	AJMAL KHAN	NAIB QASID	533
208	10049353	ABDULLAH	CHOWKIDAR	658
209	10754302	MUHAMMAD JAWED	DRIVER	687
210	10085439	SYED IBRAHIM	SENIOR CLERK	830
211	10049220	MOHAMMAD SHARIF	ASSISTANT	974
212	10940958	AJMAL KHAN	NAIB QASID	533
213	10736220	AKHLAK AHMED	ASSISTANT SUPERINTENDENT	820
214	10957216	ANITA ARZOO	JUNIOR CLERK	783
215	10940958	AJMAL KHAN	NAIB QASID	533
216	10857977	SYEDA SHAZIA HASSAN	JUNIOR CLERK	783
217	10940958	AJMAL KHAN	NAIB QASID	533
218	10940958	AJMAL KHAN	NAIB QASID	533
219	10739156	LIAQUAT ALI	DRIVER	687
220	10742510	AURANGZEB	DRIVER	687
221	10940958	AJMAL KHAN	NAIB QASID	533
222	10049353	ABDULLAH	CHOWKIDAR	658
223	10957216	ANITA ARZOO	JUNIOR CLERK	783
224	10642302	ANAND	SWEEPER	582
225	10940958	AJMAL KHAN	NAIB QASID	533
226	10754302	MUHAMMAD JAWED	DRIVER	687
<b>Total</b>				<b>153758</b>

### Statement of Project Allowance

Sr.#	Personal no	Name	Designation	Grade	Month	Amount
<b>Project Allowance</b>						
1	10178174	ABDUL RAUF	SECTION OFFICER	17	Jun-20	75000

### Statement of Conveyance Allowance 2005

Sr. #	Cost Center	Personal No.	Name	Designation	Grade	Period	Amount	Total
<b>Conveyance Allowance 2005</b>								
1	KQ1892	10178174	Abdul Rauf	Section Officer	17	12 months 01-07-2019 to	5000	60000
2	KQ1892	10043108	Naseem Siddiqui	Deputy Secretary	18		5000	60000
3	KQ1892	10239156	Liaquat Ali	Driver	5	30-06-2020	1932	23184
4	KQ1892	10531646	Abdul Qadir	Naib Qasid	2		1785	21420
<b>Total</b>							<b>13717</b>	<b>164604</b>

## 32.5.3 Non-deduction/less-deduction of Tax - Rs 5.562 million

## Statement of non/less-deduction of General Sales Tax – Rs4.406 million

(Amount in Rupees)

Doc #	Doc Date	GL Account	Bill Amount	Actual GST	GST deducted	GST Difference	Name Of The Payee
1900001666	7/19/2019	Printing and publication	17600	2992	0	2992	Ms Heaven Star Traders
1900001678	7/19/2019	Others	41250	7013	-1199	5814	Ms Heaven Star Traders
1900001679	7/19/2019	Stationery	39500	6715	-1148	5567	Ms Heaven Star Traders
1900070914	9/5/2019	Others	10400	1768	-302	1466	Ms Heaven Star Traders
1900070926	9/5/2019	Others	24520	4168	-713	3455	Ms Heaven Star Traders
1900070951	9/5/2019	Others	92700	15759	-2694	13065	Global Enterprises
1900071000	9/5/2019	Stationery	15120	2570	-439	2131	Ms Heaven Star Traders
1900071009	9/5/2019	Stationery	24880	4230	-723	3507	Ms Heaven Star Traders
1900071016	9/5/2019	Stationery	99500	16915	-2891	14024	Global Enterprises
1900074474	9/6/2019	Stationery	57300	9741	-8326	1415	Gem Developers & Promoters
1900074483	9/6/2019	Stationery	77700	13209	-11290	1919	Anand & Company
1900074501	9/6/2019	Others	49302	8381	-1433	6948	Muneer & Co
1900074508	9/6/2019	Others	49927	8488	-1451	7037	Muneer & Co
1900086566	9/19/2019	Others	73593	12511	-10693	1818	Efficient Services
1900086571	9/19/2019	Others	49558	8425	-1440	6985	Muneer & Co
1900086574	9/19/2019	Stationery	25400	4318	-3691	627	Efficient Services
1900086592	9/19/2019	Newspapers periodicals and books	15395	2617	0	2617	Masood Ur Rehman Newspaper
1900138518	10/18/2019	Printing and publication	18000	3060	0	3060	M/S Mehmood & Khalid Enterprises
1900138531	10/18/2019	Stationery	40000	6800	-1162	5638	Muneer & Co
1900139163	10/18/2019	Others	9080	1544	0	1544	S.U Traders
1900139186	10/18/2019	Others	28490	4843	0	4843	Global Enterprises
1900173507	10/29/2019	Newspapers periodicals and books	7400	1258	0	1258	Masood Ur Rehman Newspaper

(Amount in Rupees)

Doc #	Doc Date	GL Account	Bill Amount	Actual GST	GST deducted	GST Difference	Name Of The Payee
1900219853	11/21/2019	Others	6250000	1062500	0	1062500	Committee For The Welfare Of
1900235237	11/27/2019	Newspapers periodicals and books	7614	1294	0	1294	Masood Ur Rehman Newspaper
1900255194	12/11/2019	Newspapers periodicals and books	7325	1245	0	1245	Masood Ur Rehman Newspaper
1900257247	12/12/2019	Others	770	131	-112	19	Nida Enterprises
1900302641	1/7/2020	Others	6250000	1062500	0	1062500	Committee For The Welfare Of
1900312831	1/20/2020	Newspapers periodicals and books	7820	1329	0	1329	Masood Ur Rehman Newspaper
1900312868	1/20/2020	Others	32202	5474	-936	4538	Classic International Trading
1900359672	2/4/2020	Stationery	7770	1321	-226	1095	Classic International Trading
1900413825	2/27/2020	Newspapers periodicals and books	7660	1302	0	1302	Masood Ur Rehman Newspaper
1900429571	3/10/2020	Newspapers periodicals and books	7220	1227	0	1227	Masood Ur Rehman Newspaper
1900429613	3/10/2020	Others	11958	2033	-348	1685	Classic International Trading
1900429625	3/10/2020	Stationery	12000	2040	-1744	296	Muhammad Ramzan & Company
1900546624	6/1/2020	Others	12500000	2125000	0	2125000	Committee For The Welfare Of
1900381070	2/17/2020	Others	45000	7650	-1308	6,342	Classic International Trading
1900383967	2/17/2020	Training - domestic	99000	16830	0	16,830	Global Enterprises
1900383971	2/17/2020	Others	80580	13699	-11708	1,991	Gem Developers & Promoters
1900535567	5/18/2020	Stationery	65500	11135	-9517	1,618	Gem Developers & Promoters
1900535644	5/18/2020	Training - domestic	68000	11560	0	11,560	Classic International Trading
1900539705	5/20/2020	Advertising & Publicity	34500	5865	0	5,865	Classic International Trading
<b>Total</b>						<b>4,405,966</b>	

## Statement of short deduction of income tax at source – Rs 1.129 million

(Amount in Rupees)

Doc #	Doc Date	GL Account	Bill Amount	Actual IT	IT deducted	IT Difference	Name_Of_The_Payee
1900086592	9/19/2019	Newspapers periodicals and books	15395	693	0	693	Masood Ur Rehman Newspaper
1900173507	10/29/2019	Newspapers periodicals and books	7400	333	0	333	Masood Ur Rehman Newspaper
1900219853	11/21/2019	Others	6250000	281250	0	281250	Committee For The Welfare Of
1900235237	11/27/2019	Newspapers periodicals and books	7614	343	0	343	Masood Ur Rehman Newspaper
1900255194	12/11/2019	Newspapers periodicals and books	7325	330	0	330	Masood Ur Rehman Newspaper
1900302641	1/7/2020	Others	6250000	281250	0	281250	Committee For The Welfare Of
1900312831	1/20/2020	Newspapers periodicals and books	7820	352	0	352	Masood Ur Rehman Newspaper
1900413825	2/27/2020	Newspapers periodicals and books	7660	345	0	345	Masood Ur Rehman Newspaper
1900429571	3/10/2020	Newspapers periodicals and books	7220	325	0	325	Masood Ur Rehman Newspaper
1900546624	6/1/2020	Others	12500000	562500	0	562500	Committee For The Welfare Of
1900381071	2/17/2020	Transport	63300	6330	-5602	728	Gem Developers & Promoters
1900383971	2/17/2020	Others	80580	3626	-3624	2	Gem Developers & Promoters
1900539705	5/20/2020	Advertising & Publicity	34500	3450	-3287	163	Classic International Trading
<b>Total</b>						<b>1,128,614</b>	

## Statement of Short deduction of Sindh Sales Tax on Services – Rs0.027 million

(Amount in Rupees)

doc_no	doc_date	GL Account	Bill amount	Actual SST	SST Deducted	SST difference	Name_Of_The_Payee
1900001651	7/19/2019	Machinery and Equipment	22500	3150	-2588	562	Ms Heaven Star Traders
1900001655	7/19/2019	Furniture and Fixture	20400	2856	-2347	509	Ms Heaven Star Traders
1900001663	7/19/2019	Transport	22000	3080	-2531	549	Universal Car Diagnostic Centre
1900071057	9/5/2019	Transport	95300	13342	-10964	2378	Gem Developers & Promoters
1900071064	9/5/2019	Furniture and Fixture	93000	13020	-10699	2321	Anand & Company
1900071073	9/5/2019	Transport	96800	13552	-11136	2416	Ali Enterprises
1900071100	9/5/2019	Furniture and Fixture	19200	2688	-2209	479	Ms Heaven Star Traders
1900071120	9/5/2019	Machinery and Equipment	26400	3696	-3037	659	Ms Heaven Star Traders
1900071127	9/5/2019	Transport	14900	2086	-1714	372	Ms Heaven Star Traders
1900074444	9/6/2019	Transport	38600	5404	-4441	963	M/S Kk Traders
1900074455	9/6/2019	Machinery and Equipment	88000	12320	-10124	2196	Ali Enterprises
1900080416	9/6/2019	Furniture and Fixture	49300	6902	-5672	1230	M/S Kk Traders
1900080418	9/6/2019	Machinery and Equipment	36100	5054	-4153	901	M/S Kk Traders
1900086577	9/19/2019	Furniture and Fixture	38000	5320	-4372	948	M/S Mehmood & Khalid Enterprises
1900138512	10/18/2019	Transport	20000	2800	-2301	499	M/S Mehmood & Khalid Enterprises
1900138521	10/18/2019	Machinery and Equipment	23000	3220	-2646	574	M/S Mehmood & Khalid Enterprises
1900138525	10/18/2019	Furniture and Fixture	18600	2604	-2140	464	M/S Kk Traders
1900312881	1/20/2020	Transport	18240	2554	-2098	456	Classic International Trading
1900312888	1/21/2020	Machinery and Equipment	23000	3220	-2646	574	Sahar Office Equipment
1900366767	2/10/2020	Transport	3760	526	-433	93	Classic International Trading
1900366773	2/10/2020	Furniture and Fixture	17100	2394	-1967	427	Classic International Trading
1900381071	2/17/2020	Transport	63300	8862	-7282	1580	Gem Developers & Promoters
1900521981	5/11/2020	Transport	49200	6888	-5660	1228	Gem Developers & Promoters

(Amount in Rupees)

<b>doc_no</b>	<b>doc_date</b>	<b>GL Account</b>	<b>Bill amount</b>	<b>Acutal SST</b>	<b>SST Deducted</b>	<b>SST difference</b>	<b>Name Of The Payee</b>
1900535519	5/18/2020	Furniture and Fixture	48500	6790	-5580	1210	Classic International Trading
1900535531	5/18/2020	Furniture and Fixture	49600	6944	-5706	1238	Classic International Trading
1900539703	5/20/2020	Machinery and Equipment	49000	6860	-5637	1223	Classic International Trading
1900539704	5/20/2020	Machinery and Equipment	49500	6930	-5695	1235	Classic International Trading
<b>Total</b>						<b>27,284</b>	

## Chapter-33 Works & Services Department

### Annex-1

#### 33.5.1 Non-production of record – Rs.7,013.455 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars of record not produced	Amount
1	Secretary Works & Services Department, Karachi	2018-19 & 2019-20	1	Record pertains to Financial Assistance, government accommodation, list of vehicles and evidence of purchase/receipt of vehicles, allotment orders of vehicles, bank statements alongwith bank accounts, joint inspection reports, delivery challans, cash book, log books, record of development schemes etc.	11.100
2	XEN Building Division, Khairpur	2019-20	1	Bank Statement, Record of schemes which were forced to stop functioning, Register of Recoveries, various registers, DAO objection book, Inspection Report of SE, ect.	0.000
			2	Delivery of materials, viz., CCTV Camera, UPS, Solar, batteries, not produced to audit	14.211
			3	supporting vouchers/detail bills of contractors to various schemes	54.750
			9	Challans and cheques in favor of Income Tax Department	6.120
		2018-19	8	Service Books	27.924
			11	Sales Tax Invoice, Delivery Challans, Physical Inspection Reports & Delivery	10.813

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars of record not produced	Amount
				challans of procured supplies	
			3	Bidding Documents	369.294
			27	Record of operating expenses	0.384
3	XEN District Highway Division, Khairpur	2019-20	1	Bank Statement, Record of schemes which were forced to stop functioning, Register of Recoveries, various registers, DAO objection book, Inspection Report of SE, ect.	54.333
			2	Detail of paid income tax	16.163
			3	Supporting vouchers	0.823
			9	Solar Energy pole items/material	21.159
		2018-19	1	contract case files and detail estimates of works	1152.503
4	XEN Provincial Highway Division, NaushahroFeroze @ Khairpur	2019-20	1	Bank Statement, Record of schemes which were forced to stop functioning, Register of Recoveries, various registers, DAO objection book, Inspection Report of SE, ect.	0.000
			2	Supporting vouchers of establishment side and tax paid to Assistant Commissioner RO Land-II Khairpur	7.300
			23	Requisition record including requisition report, supply order, voucher, dead stock register, receipt acknowledgment, joint inspection report, warranty card	0.197
		2018-19	1	contract case files and detail estimates of works	708.552



(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars of record not produced	Amount
5	XEN Highway Division, T.M. Khan	2019-20	11	Invoices	0.285
		2018-19	2	Relevant record in payment of adjustments of pay & allowances	0.229
6	XEN District Highway Division, Ghotki	2018-19	10	Measurement Books & Bidding documents	11.033
7	XEN Provincial Highway Division, Larkana	2019-20	1	Record pertains to Land acquisition	12.500
			8	Challans of paid income tax	62.820
			9	Measurement book	27.135
		2018-19	1	Land Award Statement & Disbursement Account	18.820
			6	Measurement book of various schemes	20.395
			13	Bitumen invoices purchased from National Refinery, Test reports of laboratory	1.464
			21	Detail estimates of works with audit certificate from concerned authority	2.052
8	XEN Provincial Building Division-III, Karachi	2019-20	13	Supporting vouchers	2.958
9	XEN Provincial Highway Division, Sukkur	2019-20	1	Details of security deposits	202.658
		2018-19	2	compaction test reports with other relevant record	0
			9	PC-1, Cost Estimates, Technical Sanction	29.077
			11	Relevant record to NIT, Bid Evaluation Report, letter to NAB in case of work awarded	382.763
			25	Relevant record of payment to DAO Railway Sukkur	3.742

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars of record not produced	Amount
			32	PC-1, Administrative Approval & tender record	8.000
10	XEN Provincial Highway Division, Mirpurkhas	2019-20	5	Technical sanction, measurement book and bidding documents	213.980
			11	Details of security deposits	131.297
		2018-19	6	Measurement book of 5 schemes	22.097
			10	Drawings and Designs of a scheme	1.153
11	XEN District Building Division, Shaheed Benazirabad	2019-20	13	Agreements of works duly affixed stamps	0
12	XEN Machinery & Maintenance Division, Digri @ Kotdigi	2019-20	1	Misc. auditable record viz., Sr.#1 to 10 as annexed in para	0
			21	Income tax challans	23.078
13	XEN Highway Division, Jamshoro	2019-20	1	Misc. auditable record viz., Sr.#1 to 56 as annexed in para	0
			22	Transfer entry for SST/GST	0
			73	certification of defalcation & losses	0
14	XEN Provincial Building Division-I, Karachi	2019-20	1	Misc. auditable record viz., Sr.#1 to 7 as pointed out in AIR Para	682.649
			11	Expenditure was incurred for repair of residence accommodation of various flats and bungalows without providing any detail	13.328
			57	SST was deducted from the head Maintenance and Repair and the same was debited at the close of financial year without transfer entry order	18.594

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars of record not produced	Amount
			64	work for cutting off trees upto 50'-00" height was executed without disclosing the whereabouts of dismantled trees and its residual wood either being sold or else.	0.150
15	Project Director, Construction of Sindh Secretariat Complex No.7 & 8, Karachi	2017-18 to 2019-20	1	Misc. auditable record viz., Sr.#1 to 13 as pointed out in AIR Para	0
			11	Detailed survey report, Detailed estimate, Detailed drawings and design	74.187
			14	Income tax challans	4.167
			20	Defalcation & Losses	0
14	XEN Provincial Highway Division, Dadu	2018-19	9	Adjustment bills alongwith supporting vouchers	2.957
15	XEN Provincial Highway Division, Hyderabad	2018-19	2	Drawing & Design of scheme	1.533
16	XEN Highway Division, ShaheedBenazirabad	2018-19	2	Bidding Documents	95.061
17	XEN Provincial Highway Division, Shikarpur	2018-19	1	All auditable record of the Division	2257.544
18	XEN District Highway Division, Badin	2018-19	2	Measurement book of a scheme	1.767
			8	Drawings and Designs of 2 schemes	3.832
19	XEN Highway Division, Dadu	2018-19	3	Record of tender	96.401
			10	Measurement book of various schemes	8.759
20	XEN Building Division, Jamshoro	2018-19	11	Record of purchased plot	0.655
21	XEN District Highway Division, Hyderabad	2018-19	4	Adjustment accounts or vouchers	0.426
22	XEN Provincial Building Division, ShaheedBenazirabad	2018-19	7	Drawings and Designs of 2 schemes	3.613

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars of record not produced	Amount
23	XEN Building Division, Umerkot	2018-19	2	Supporting record to arrears/difference of pay bills	0.496
			3	appointment record to new appointment	0
24	XEN Provincial Building Division, Larkana	2018-19	1	Vouchers, Measurement Books, various reports and registers	0
			15	supporting vouchers	0.171
			17	POL issuance slips, consumption accounts & requisitions	0.368
			55	Drawings and Designs of 2 schemes	51.435
			65	Detailed drawing, lead chart, soil test report, certificate of non-availability of earth near site, detailed estimates, cross section and L-section drawing	2.362
			78	Measurement books	1.036
25	XEN District Highway Division, Mirpurkhas	2018-19	48	Record in respect of arrears/difference of pay	1.017
			4	Measurement books	0.801
			15	Geometric design details, survey map, details of structure	13.662
			16	Site Inspection report/certificate	12.500
			39	supporting vouchers	0.063
			1	PC-1 of schemes, contracts, measurement books, case files	0
26	XEN Provincial Highway Division, Badin	2018-19	13	Record in respect of payment to DAO, Railway	0.994
			8	Drawing & Design, survey report, and soil investigation report	13.202

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particulars of record not produced</b>	<b>Amount</b>
27	XEN District Building Division, Hyderabad	2017-18 & 2018-19	28	Relevant record in payment of adjustments of pay & allowances	2.032
28	XEN Building Division, T.M. Khan	2018-19	2	supporting vouchers	0.551
			1	Bank statement, record of schemes, various registers	0
29	XEN District Building Division, Tharparkar @ Mithi	2018-19	24	Auditable record	0
30	XEN District Building Division-I, Karachi	2018-19	5	case file, measurement book, PC-1	13.980
<b>Total</b>					<b>7013.455</b>

**Annex-2**

**33.5.2 Doubtful execution of works – Rs962.885 million**

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Audit Observation	Amount
1	Secretary Works & Services Department, Karachi	2019-20	25	Doubtful payment for purchases of articles	5.238
			8	Doubtful payment for purchase of uniforms	0.117
			4	use of blank vouchers for drawl of funds	0
2	XEN Provincial Building Division-II, Karachi	2019-20	2	As per sales tax return of supplier, no equipment was purchased nor supplied	34.924
			4	Bogus signature of already transfer AEN	20.639
			6	Maintenance & Repairs during lockdown period	21.890
			8	Doubtful payments for repair and maintenance in encroached PHA flats	10.366
		10	Doubtful payments for services rendered during lockdown period	4.859	
		2018-19	2	Doubtful payment without execution	6.375
		2018-19	11	Doubtful payment without measurement	2.258
3	XEN District Highway Division, ShaheedBenazirabad	2019-20	9	Doubtful payments for bills not pre-audited by DAO	1.230
4	XEN Provincial Building Division, Larkana	2019-20	9	Doubtful payments under Maintenance & Repairs during lockdown period	0.462
		2018-19	56	Doubtful payment without measurement	10.872
5	XEN Highway Division, Jamshoro	2019-20	20	Execution of base course quantity more than sub-base quantity	1.617
		2018-19	9	Doubtful payment on different rates	1.229

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Audit Observation	Amount
6	XEN Building Division, Ghotki	2019-20	13	Doubtful expenditure scheme pertains to OZT Sector which started in 2011 and shown as completed as per progress report.	1.370
7	XEN Building Division-I, Karachi	2019-20	1	Doubtful payment on same item of work	6.806
8	XEN Building Division, T.M. Khan	2019-20	1	Doubtful execution for different time periods for the same work	1.176
9	XEN Highway Division, Ghotki	2019-20	10	Doubtful expenditure as the payment was made in 9 <sup>th</sup> RA whereas, as per 8 <sup>th</sup> RA no earth work was carried out up to 8 <sup>th</sup> RA bill but surface dressing and laying asphalt were carried out. How earth work may be done after executing these items	0.706
			20	Doubtful expenditure as the items of works were not executed as per estimate and BoQ. Further one contractor executed extra items of Rs11.822 million out of total cost of work of Rs16.645 million (71% of total cost), which was doubtful.	68.499
		2018-19	8	Doubtful payment through Hand Receipts without providing any documents	1.098
10	XEN Provincial Building Division-I, Karachi	2019-20	4	Doubtful expenditure under Maintenance & Repairs during lockdown period	386.722
			6	Expenditure on purchase of various items incurred under Repair and Maintenance instead of ADP without recording the purchased items in Form 13 which become doubtful / bogus.	18.035
			25	Doubtful payment without detail measurement	3.130

(Rs. in million)

Sr. #	Name of Office	Financial Year	AIR Para #	Audit Observation	Amount
			31	Doubtful expenditure incurred twice on same work "Flat 60, at GOR-I Bath Island, Karachi	0.499
			50	Doubtful expenditure incurred under the head Maintenance and Repair without detail of repair.	3.504
			53	Doubtful payments for huge expenditure under Maintenance & Repairs during lockdown period	15.009
			96	Doubtful payments for huge expenditure under Maintenance & Repairs during lockdown period	0.825
11	Project Director, Construction of Sindh Secretariat Complex No.7 & 8, Karachi	2017-18 to 2019-20	19	Doubtful expenditure as payment of 2 <sup>nd</sup> running bill was not included in 3 <sup>rd</sup> running bill and so on	72.456
12	XEN Provincial Building Division, Mirpurkhas	2018-19	3	Doubtful payment on different rates	1.130
13	XEN District Highway Division, Mirpurkhas	2018-19	52	Doubtful payment without measurement	1.577
14	XEN Provincial Building Division, Sukkur	2018-19	1	Doubtful payment in shape of parts	2.528
15	XEN Building Division-II, Karachi	2018-19	4	Doubtful payment on items of work without work done	14.789
16	XEN Provincial Highway Division, Sukkur	2018-19	4	Doubtful payment for two works	223.395
			3	Doubtful payment without 2 vendor numbers	1.541
			6	Doubtful payment within one day	8.832
17	XEN Highway Division, Matiari	2018-19	7	Doubtful payment for misstatement in date of measurement	1.998



(Rs. in million)

<b>Sr. #</b>	<b>Name of Office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Audit Observation</b>	<b>Amount</b>
18	XEN Provincial Building Division, T.M. Khan	2018-19	30	Doubtful completion of works within 2 days	0.212
19	XEN Building Division, Jamshoro	2018-19	10	Doubtful payment without sanction of DDO	2.700
			3	Doubtful payment without measurement of work within 3 days	2.272
Total					<b>962.885</b>

**Annex-3**

**33.5.11 Un-authorized payment of various allowances – Rs.8.555 million**

(Rs in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particular	Amount
1	Secretary Works & Services Department, Karachi	2019-20	18	Conveyance Allowance	2.253
			11	Inadmissible allowances- Adhoc Allowance 2013 @15%, CM Secretariat Allowance, Twice drawl of utility allowance for same month & AdjAdhoc Allowance 2010 @50%	0.097
2	XEN Highway Division, Thatta	2019-20	12	Conveyance Allowance	0.100
3	XEN Building Division-II, Karachi	2019-20	3	Inadmissible allowances- Adhoc Allowance 2013 @15%	0.299
4	XEN District Highway Division, Khairpur	2019-20	30	Unattractive Area Allowance	0.016
			26	Conveyance Allowance	0.105
5	XEN Provincial Highway Division, NaushahroFeroze @ Khairpur	2019-20	25	Conveyance Allowance	0.075
6	XEN Provincial Highway Division, Larkana	2019-20	14	Conveyance Allowance	0.080
		2018-19	27	Inadmissible Adhoc Relief Allowance-2013	0.057
			33	Conveyance Allowance	0.120
7	XEN Provincial Building Division-III, Karachi	2019-20	1	Session Allowance	1.086
8	XEN District Highway Division, NaushahroFeroze	2019-20	12	Adhoc Relief Allowance 2011	0.092
		2018-19	15	House Rent Allowance	0.040
			13	Undue allowances	0.012

(Rs in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particular	Amount
9	XEN Machinery & Maintenance Division, Digri @ Kotdigi	2019-20	20	Conveyance Allowance	0.015
10	XEN District Highway Division, Jamshoro	2019-20	18	Conveyance Allowance	0.180
			35	Adhoc Relief Allowance 2014	0.014
			36	Unattractive Area Allowance	0.330
		2018-19	4	Conveyance Allowance	0.160
			7	Inadmissible Unattractive Area Allowance	0.289
			8	Inadmissible Adhoc Relief Allowance-2013	0.018
11	Chief Engineer Highways Hyderabad	2018-19	4	Inadmissible Unattractive Area Allowance	0.064
12	XEN Highway Division, ShaheedBenazirabad	2018-19	15	Various allowances	0.047
13	XEN Provincial Building Division-II, Karachi	2018-19	6	Adhoc Relief Allowance-2009, 2010, 2011, 2013, 2014	1.192
			7	Conveyance Allowance	0.060
14	XEN Provincial Highway Division, Mirpurkhas	2018-19	1	Conveyance Allowance	0.120
15	XEN Building Division, Khairpur	2018-19	30	Conveyance Allowance	0.200
16	XEN Provincial Building Division, Larkana	2018-19	59	Conveyance Allowance	0.300
			82	House Rent Allowance	0.013
			83	Inadmissible Adhoc Relief Allowance-2013	0.055
			84	Payment of medical allowance in duplicate	0.020
17	XEN Highway Division, Larkana	2018-19	2	Undue allowances	0.037
			6	Conveyance Allowance	0.075
18	XEN District Highway Division, Mirpurkhas	2018-19	45	Inadmissible Adhoc Relief Allowance-2013	0.192

(Rs in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particular</b>	<b>Amount</b>
			46	Conveyance Allowance	0.300
19	XEN Highway Division, T.M. Khan	2018-19	1	Undue allowances	0.426
20	XEN Building Division, T.M. Khan	2018-19	34	Inadmissible allowances	0.016
<b>Total</b>					<b>8.555</b>

## Annex-4

### 33.5.15 Non-recovery of various taxes at applicable taxes – Rs.330.112 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particular of recovery	Amount
1	Secretary Works & Services Department, Karachi	2019-20	20	Non/Less deduction of General Sales Tax	1.064
			17	Non/less recovery of income tax	0.135
2	XEN Building Division, Khairpur	2019-20	7	Non deduction of GST	2.415
		2018-19	22	Non deduction of Sales Tax @ 17%	1.838
3	XEN District Highway Division, Khairpur	2019-20	13	Non/Less deduction of Sindh Sales Tax @ 5%	1.557
4	XEN Building Division-I, Karachi	2019-20	4	Non/Less deduction of Sindh Sales Tax @ 5%	15.046
5	XEN Highway Division, T.M. Khan	2019-20	8	Non deduction of Professional Tax	0.055
6	XEN District Highway Division, Ghotki	2018-19	2	Non deduction of Sindh Sales Tax on Services @ 14%	0.189
			6	Non/less deduction of income tax	0.222
7	XEN Building Division, T.M. Khan	2019-20	10	Non deduction of Sindh Sales Tax on Services @ 13%	1.826
		2018-19	4	Non deduction of Sindh Sales Tax on Services @5%	2.138
8	XEN Provincial Highway Division, Sukkur	2019-20	5	Non deduction of Sindh Sales Tax	2.800
			8	short deduction of income tax	0.190
		2018-19	8	Non/Less deduction of SST on services of consultant @15%	0.332

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particular of recovery	Amount
			29	Less deduction of Income Tax	4.306
9	Project Director, Sindh Provincial Road Improvement Project, Hyderabad	2019-20	4.1.1	Non deduction of Sindh Sales Tax from consultant's payments	42.043
			4.1.3	Non deduction of income tax	162.418
10	XEN District Highway Division, Jamshoro	2019-20	31	Non deduction of Sindh Sales Tax @5%	6.056
			56	Income tax and SST	0.340
		2018-19	2	Less deduction of Income Tax	1.426
11	XEN Provincial Building Division-I, Karachi	2019-20	7	Non deduction of General Sales Tax	16.717
			84	Less deduction of General Sales Tax	0.567
			101	Non deduction of Professional Tax	0.158
12	Project Director, Construction of Sindh Secretariat Complex No.7 & 8, Karachi	2017-18 to 2019-20	12	Non deduction of Sindh Sales Tax	9.644
13	Chief Engineer Highways Hyderabad	2018-19	3	Less deduction of General Sales Tax	0.022
			5	Less deduction of Income Tax	0.005
14	XEN Provincial Building Division, Mirpurkhas	2018-19	6	Less deduction of Income Tax	1.357
15	XEN Provincial Highway Division, Mirpurkhas	2018-19	7	Non deduction of Sindh Sales Tax @ 13%	5.876
16	XEN Provincial Highway Division, Larkana	2018-19	17	Less deduction of Income Tax	0.266
17	XEN Provincial Building Division, Thatta	2018-19	11	Less deduction of Income Tax	0.083

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particular of recovery	Amount
			12	Non deduction of Sindh Sales Tax @ 13%	2.169
18	XEN District Highway Division, Hyderabad	2018-19	9	Less deduction of Income Tax	0.748
			10	Less deduction of Income Tax/Security Deposit	0.064
19	XEN Provincial Building Division, Larkana	2018-19	8	Non deduction of sales tax @ 17% on purchase of Air Conditioners	0.218
			12	Non deduction of sales tax @ 17% on purchase of furniture	0.169
			53	Less deduction of Income Tax	0.731
			60	Non deduction of Sindh Sales Tax on Services @15%	5.507
20	XEN District Building Division, Hyderabad	2018-19	2	Non deduction of Sindh Sales Tax @ 13%	15.320
			23	Less deduction of Income Tax	0.034
21	XEN District Highway Division, Mirpurkhas	2018-19	27	Non deduction of Sindh Sales Tax @ 13%	2.730
			21	Less deduction of Income Tax	1.084
1	XEN Highway Division, Umerkot	2019-20	1	Stamp Duty	0.113
		2018-19	13	Stamp Duty	0.088
2	XEN District Highway Division, Badin	2019-20	7	Stamp Duty	0.159
3	XEN District Building DivisionTharparkar @ Mithi,	2019-20	11	Stamp Duty	0.147
		2018-19	16	Stamp Duty	0.487
4	XEN District Highway DivisionTharparkar @ Mithi,	2019-20	11	Stamp Duty	0.103
		2018-19	12	Stamp Duty	0.015
5	XEN District Building Division-I, Karachi	2019-20	3	Stamp Duty	1.053
6	XEN District Building Division-II, Karachi	2019-20	9	Stamp Duty	1.368

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particular of recovery	Amount
7	XEN District Highway Division, Ghotki	2018-19	9	Stamp Duty	0.021
8	XEN Provincial Highway Division, Sukkur	2019-20	6	Stamp Duty	1.830
9	XEN District Building Division, Umerkot	2019-20	2	Stamp Duty	0.409
			3	Stamp Duty	0
		2018-19	8	Stamp Duty	0.151
10	XEN Provincial Highway Division, Hyderabad	2019-20	8	Stamp Duty	1.515
11	XEN District Highway Division, Jamshoro	2019-20	44	Stamp Duty	0.023
12	XEN Building Division, Ghotki	2019-20	15	Stamp Duty	0.137
13	XEN Coastal Highway Division, Hyderabad	2019-20	3	Stamp Duty	2.530
14	XEN Provincial Building Division-I, Karachi	2019-20	76	Stamp Duty	0.513
15	XEN Provincial Highway Division, ShaheedBenazirabad	2018-19	12	Stamp Duty	0.338
16	XEN Provincial Highway Division, Dadu	2018-19	8	Stamp Duty	0.151
17	XEN Provincial Building Division, Mirpurkhas	2018-19	10	Stamp Duty	0.038
18	XEN Building Division, Sukkur	2018-19	10	Stamp Duty	1.191
19	XEN Provincial Building Division, Sukkur	2018-19	9	Stamp Duty	0.828
20	XEN Building Division, Khairpur	2018-19	21	Stamp Duty	2.097
21	XEN Provincial Building Division, ShaheedBenazirabad	2018-19	1	Stamp Duty	0.246
22	XEN Provincial Building Division, Larkana	2018-19	11	Stamp Duty	0.073
			46	Stamp Duty	0.243
23	XEN Highway Division, Larkana	2018-19	4	Stamp Duty	1.694
24	XEN Highway Division, KamberShahdadkot	2018-19	5	Stamp Duty	0.306



(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particular of recovery</b>	<b>Amount</b>
25	XEN Highway Division, Thatta	2018-19	9	Stamp Duty	0.171
26	XEN Building Division, T.M. Khan	2018-19	18	Stamp Duty	0.149
27	XEN Provincial Highway Division, Badin	2018-19	4	Stamp Duty	2.060
<b>Total</b>					<b>330.112</b>

**Annex-5**

**33.5.19 Non-crediting of revenue into government account – Rs.3,053.471 million**

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	Secretary Works & Services Department, Karachi	2019-20	3	Tender fees	0.013
2	XEN Building Division, Thatta	2019-20	2	Income Tax, Professional Tax	5.088
3	XEN Provincial Highways Division, Badin	2019-20	10	Recovered government dues	0.140
4	XEN Building Division, Matiari	2019-20	7	Security Deposits	10.420
5	XEN Building Division, Tharparkar @ Mithi	2019-20	7	Professional tax	0.049
		2018-19	15	Contractor Deposits and Professional Tax	40.293
			27	Unclaimed security deposit for more than three years	40.244
6	XEN Highway Division, Tando Muhammad Khan	2019-20	4	Income Tax	3.258
7	XEN Building Division-II, Karachi	2019-20	12	Security Deposits	176.522
		2018-19	2	Income Tax, Professional Tax	4.548
8	XEN Building Division, T.M. Khan	2019-20	8	Income Tax	0.230
		2018-19	3	Miscellaneous Deposits	1.168
9	XEN Provincial Building Division-III, Karachi	2019-20	14	Income tax	6.738
10	XEN Provincial Highway Division, Sukkur	2019-20	2	Revenue received from road cutting charges, stamp duty	12.679
			3	P.W. Deposits	7.341
		2018-19	21	Call deposits	4.620
			31	Professional Tax & Stamp Duty	5.574
11	XEN Provincial Highways Division, Hyderabad	2019-20	1	Tender fees	1.000
12	XEN District Highway Division, Jamshoro	2019-20	28	Machinery	0.431
			41	Income Tax	1.125
			42		0.202
			43		1.023

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
			80	Call Deposits	32.084
13	XEN Building Division, Ghotki	2019-20	16	Income Tax, Professional Tax and stamp duty	2.068
14	XEN Highway Division, Ghotki	2019-20	1	Various deposits	0.484
		2018-19	1	Misc. Deposits	0.961
15	XEN Coastal Highway Division, Hyderabad	2019-20	1	Short remittance of Toll Tax	1.248
16	XEN Provincial Building Division-I, Karachi	2019-20	67	Call Deposits	3.945
			70	Misc revenue	16.106
			74	Misc revenue	4.725
17	XEN Highways Division, Jamshoro	2018-19	3	Income Tax	0.202
18	XEN District Highway Division, Tharparkar @ Mithi	2018-19	11	Miscellaneous Deposits	12.583
19	XEN Provincial Building Division, Mirpurkhas	2018-19	8	Sindh Services Tax	1.435
20	XEN Highway Division, ShaheedBenazirabad	2018-19	14	Income Tax	1.963
21	XEN Provincial Building Division-II, Karachi	2018-19	9	Income Tax	10.491
22	XEN Provincial Highway Division, Tharparkar @ Mithi	2018-19	5	Call deposits	54.124
			8	Cassh deposits	1244.838
23	XEN Building Division, Sukkur	2018-19	3	Unclaimed security deposit for more than three years	47.636
24	XEN Machinery & Maintenance Division, Digri @ Kotdigi	2018-19	2	Unclaimed security deposit for more than three years	154.704
25	XEN Provincial Building Division, Sukkur	2018-19	4	Income Tax	8.843
26	XEN Highway Division, Umerkot	2018-19	9	Income Tax	1.278
27	XEN Provincial Highway Division, Mirpurkhas	2018-19	13	Miscellaneous Deposits	130.731
			15	Call deposits	13.057
28	XEN Highway Division, Dadu	2018-19	2	Unclaimed security deposit for more than three years	51.461
			15	Miscellaneous Deposits	77.193

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
29	XEN Building Division, Khairpur	2018-19	4	Unclaimed security deposit for more than three years	63.342
			7	Non-remittance of earnest money into treasury	29.960
30	XEN Provincial Building Division, Thatta	2018-19	7	Income Tax, Stamp Duty	3.951
31	XEN Provincial Building Division, ShaheedBenazirabad	2018-19	8	Income Tax, Professional Tax, Stamp Duty & Sales tax	4.637
32	XEN Building Division, Umerkot	2018-19	5	Call deposits	0.518
33	XEN Provincial Buuilding Division, Larkana	2018-19	9	Income Tax	35.352
			14	Unclaimed security deposit for more than three years	3.502
			44	Unclaimed security deposit for more than three years	72.463
34	XEN Highway Division, KamberShahdadkot	2018-19	7	Call deposits	1.300
			9	Professional Tax	0.111
			10	Income Tax	1.093
			11	Stamp Duty	3.659
35	XEN District Highway Division, Thatta	2018-19	10	Income Tax & Misc. deposits	58.290
36	XEN District Highway Division, Larkana	2018-19	15	Tender fee	1.397
37	XEN Highway Division, Badin	2018-19	11	Misc. receipts and taxes	5.547
38	XEN Highway Division, NaushahroFeroze	2018-19	11	Cash deposits from contractors	0.259
39	XEN District Highway Division, Mirpurkhas	2018-19	50	Unclaimed security deposit for more than three years	62.868
			25	Miscellaneous Deposits	0.317
40	XEN Highway Division, Khairpur	2018-19	12	Unclaimed security deposit for more than three years	195.721
41		2018-19	20	Income Tax	3.657

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
	XEN District Building Division, Hyderabad		22	Unclaimed security deposit for more than three years	37.502
42	XEN Provincial Highway Division, NaushahroFeroze @ Khairpur	2018-19	12	Unclaimed security deposit for more than three years	233.122
		2019-20	16	Security Deposits	40.037
<b>Total</b>					<b>3,053.471</b>

**Annex-6**

**33.5.20 Wastage of Public money due to abandoned works – Rs.2,504.945 million**  
(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Amount
1	XEN Highway Division, Ghotki	2019-20	13	222.512
		2019-20	23	169.890
		2019-20	11	157.4
2	XEN Building Division, Ghotki	2019-20	2	51.450
		2019-20	1	91.793
3	XEN Building Division, Thatta	2019-20	1	3.5
4	XEN Highway Division, Thatta	2019-20	3	2.145
		2018-19	6	1.498
5	XEN District Highway Division, Badin	2019-20	1	0
6	XEN Provincial Highway Division, Badin	2019-20	4	0
7	XEN Building Division-I, Karachi	2019-20	10	300.913
8	XEN Building Division-II, Karachi	2019-20	11	251.228
9	XEN District Highway Division, ShaheedBenazirabad	2019-20	4	243.785
		2018-19	6	10.545
10	XEN Provincial Highways Division, Hyderabad	2019-20	4	27.892
11	XEN District Highway Division, Jamshoro	2019-20	16	10.899
			19	4.752
12	XEN Coastal Highway Division, Hyderabad	2019-20	10	23.442
3	XEN Provincial Highway Division, Mirpurkhas	2018-19	9	0.446
14	XEN Highway Division, Dadu	2018-19	8	35.838
15	XEN Building Division, Jamshoro	2018-19	1	29.722
16	XEN Provincial Building Division, Larkana	2018-19	21	10.872
			29	14.661
17	XEN Building Division, T.M. Khan	2018-19	32	31.466
			26	15.104
18	XEN Provincial Building Division, Mirpurkhas	2018-19	4	51.711
19	XEN Provincial Highway Division, Dadu	2018-19	2	214.974
			4	19.600

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Amount</b>
20	XEN Provincial Highway Division, ShaheedBenazirabad	2018-19	7	53.064
		2018-19	3	258.318
21	XEN District Highway Division, Matiari	2018-19	6	1.592
22	XEN Provincial Highway Division, Tharparkar @ Mithi	2018-19	12	59.206
23	XEN District Highway Division, Mirpurkhas	2018-19	5	27.727
24	XEN District Building Division, Tharparkar @ Mithi	2018-19	18	107.000
			<b>Total</b>	<b>2504.945</b>

**Annex-7**

**33.5.21 Excess payment by allowing excess rate – Rs.421.936 million**

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	XEN Building Division, Khairpur	2019-20	17	Excess rates over & above the approved Schedule of Rates 2012	47.534
			4		2.317
2	XEN Provincial Highway Division, NaushahroFeroze @ Khairpur	2019-20	8	Excess rates against the rates provided in Bill of Quantities (BOQ)	10.988
			3	Excess rates over & above the approved Schedule of Rates 2012	87.212
3	XEN District Highway Division, Khairpur	2019-20	4	Excess rates over & above the approved Schedule of Rates 2012	15.57
			5	Excess rates over & above the approved Schedule of Rates 2012	0.665
4	XEN Building Division-I, Karachi	2019-20	7	Excess rates over & above the approved Schedule of Rates 2012	3.037
5	Secretary Works & Services Department, Karachi	2019-20	2	purchases on higher rates instead of lowest offered rates	0.397
6	XEN Building Division-II, Karachi	2019-20	1	Variation in rates for the same item of work in the same RA bills	0.263
		2018-19	5	Allowing rates over & above the adjusted (Due) rate	1.736
7	XEN Provincial Highway Division, Larkana	2019-20	2	Excess rates over & above the approved Schedule of Rates 2012	52.199
		2018-19	31	Allowing rate over & above the due rate as per items of work to be executed	4.016



(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
8	XEN Building Division, T.M. Khan	2019-20	4	Excess rates over & above the approved Schedule of Rates 2012	0.015
		2018-19	6	Excess rates over & above the approved Schedule of Rates 2012	0.696
9	XEN Provincial Building Division-II, Karachi	2019-20	13	Excess rates over & above the approved Schedule of Rates 2012	3.268
			14		4.458
10	XEN Provincial Building Division, Larkana	2019-20	2	Excess rates over & above the approved Schedule of Rates 2012	1.655
11	XEN Machinery & Maintenance Division, Digri @ Kotdigi	2019-20	2	Excess rates over & above the approved Schedule of Rates 2012	8.324
12	XEN District Highway Division, Jamshoro	2019-20	13	payment of difference cost of bitumen to the contractors above the rate instead of below the rate as per invoice issued by the AttockPetroleum Limited	0.230
			32	Excess rates over & above the approved Schedule of Rates 2012	11.214
13	XEN Provincial Building Division-I, Karachi	2019-20	21	Excess rates over & above the approved Schedule of Rates 2012	2.382
			24		1.347
			44		6.833
			51		0.759
			55		3.87
			60		0.135
			61		0.34
			62		2.313
			63		1.629

(Rs. in million)

<b>Sr. #</b>	<b>Name of office</b>	<b>Financial Year</b>	<b>AIR Para #</b>	<b>Particulars</b>	<b>Amount</b>
14	Project Director, Construction of Sindh Secretariat Complex No.7 & 8, Karachi	2017-18 to 2019- 20	4	Excess rates over & above the approved Schedule of Rates 2012	11.011
			7		3.458
			9		51.42
15	XEN Provincial Highway Division, ShaheedBenazirabad	2018-19	11	Excess rates against the rates provided in Bill of Quantities (BOQ)	0.263
16	XEN District Building Division, Tharparkar @ Mithi	2018-19	12	Excess rates over & above the approved Schedule of Rates 2012	0.728
17	XEN Provincial Highway Division, Badin	2018-19	1	Excess rates over & above the approved Schedule of Rates 2012	79.654
<b>Total</b>					<b>421.936</b>

## Annex-8

### 33.5.25 Non-adjustment of advances – Rs.52.760 million

(Rs. in million)

Sr. #	Name of office	Financial Year	AIR Para #	Particulars	Amount
1	XEN District Building Division-II, Karachi	2019-20	5	Advance payment to K-Electric & SSGC	10.863
2	XEN Provincial Highway Division, Sukkur	2019-20	10	PW advances	2.513
		2018-19	17	Miscellaneous PWD Advances against various vendors	2.544
			26	Advance payment to XEN (Operation) SEPCO	4.856
3	XEN Provincial Highway Division, Mirpurkhas	2019-20	10	PW advances	0.072
4	XEN Provincial Building Division, Larkana	2019-20	6	Advance Payments to SEPCO without installation of electric meter	1.456
5	Project Director, Sindh Provincial Road Improvement Project, Hyderabad	2019-20	4.1.4	Advance payment for rent	0.678
6	XEN Provincial Highway Division, Hyderabad	2019-20	11	Advances against Deposit works to be done	3.762
		2018-19	10	Advances against Deposit works to be done	6.532
7	XEN Highway Division, KamberShahdadkot	2018-19	13	Outstanding advances against surcharge and hire charges of road roller	4.031
8	XEN District Building Division, Matiari	2018-19	1	Advances against Deposit works to be done	0.031
9	XEN District Building Division, Hyderabad	2018-19	1	Advance Payments to HESCO offices	3.345
10	XEN Provincial Highway Division, Badin	2018-19	14	Advances against Deposit works to be done	0.546
11	XEN Highway Division, Larkana	2018-19	8	Advances against Deposit works to be done	8.739
12	XEN District Highway Division, Mirpurkhas	2018-19	24	Advances against Deposit works to be done	0.172
13	XEN Building Division, Khairpur	2018-19	19	Miscellaneous PWD Advances against various vendors	2.620
<b>Total</b>					<b>52.760</b>

## Annex-9

### 33.5.28 Unjustified excess payment on purchase of Air Conditioners – Rs.8.814 million

(Rupees in million)

C.V Date	Name of Work	Contractor / W.O. #/ date	Item of Work	Desc.	Rate Allow/ Paid per unit	Rate Due as per market	Qty	Excess Payment	Total Excess
02 / 29-3-2020	M&R Works and Rehabilitation of Various OPDs Civil Hospital, Karachi.	M/S BadarEngg: Work 51518/ 29.12.17	Supply installation & commission of split / AC	4 Tons (D type) 1 Nos.	800,000	200,000	1	600,000	600,000
				3 tons (1 Nos)	600,000	170,000	1	430,000	430,000
				2.5 tons (1 Nos)	400,000	120,000	1	280,000	280,000
				2 tons (1 Nos)	280,000	100,000	1	180,000	180,000
				2 tons (Split) (1 Nos)	400,000	120,000	1	280,000	280,000
				1.5 tons (Split) (1 Nos)	300,000	80,000	1	220,000	220,000
218 / 11-6-2020	M/R to CM House	M/S Pakistan Civil & Electrical Works. 5134/ 31.01.20	Supply installation & commission of split / AC	4 Tons (D type) (7 Nos.)	431,200	200,000	7	231,200	1,618,400
				2 tons (Split) (7 Nos)	318,700	100,000	7	218,700	1,530,900
48 / 20-5-2020	M&R work for emergency department @ Dr. Ruth K.M Civil Hospital	M/S Badar Engineering Works 5895/ 12.05.20	Supply installation & commission of split / AC	15 ton	1,450,000	700,000	1	750,000	750,000
				8 ton	1,200,000	400,000	1	800,000	800,000
				3 tons	600,000	170,000	1	430,000	430,000
46 / 20-5-2020	M&R work for emergency department @ Dr. Ruth K.M Civil Hospital	M/S Glasco Construction. 5896/ 12.05.20	Supply installation & commission of split / AC	2.5 tons	400,000	120,000	2	280,000	560,000
				1.5 tons (Split)	115,000	80,000	5	35,000	175,000
				2 tons floor mounting	310,000	150,000	6	160,000	960,000
<b>Total</b>									<b>8,814,300</b>

