



**AUDIT REPORT
ON
THE ACCOUNTS OF
CHIEF OFFICER, DISTRICT COUNCIL,
MUNICIPAL CORPORATION/COMMITTEES
& TOWN COMMITTEES
HYDERABAD DIVISION
AUDIT YEAR 2014-15**

AUDITOR-GENERAL OF PAKISTAN

TABLE OF CONTENTS

ABBREVIATIONS AND ACRONYMS	i
PREFACE	iii
EXECUTIVE SUMMARY	iv
SUMMARY TABLES & CHARTS	vii
Table 1: Audit Work Statistics	vii
Table 2: Audit Observations Classified by Categories	vii
Table 3: Outcome Statistics	viii
Table 4: Irregularities Pointed Out	ix
1.1 DISTRICT HYDERABAD	1
1.1.1 INTRODUCTION	1
1.1.2 Comments on Budget and Accounts (Variance Analysis).....	2
AUDIT PARAS	4
1.3 DISTRICT MATIARI	14
1.3.1 INTRODUCTION	14
1.3.2 Comments on Budget and Accounts (Variance Analysis).....	15
AUDIT PARAS	17
1.5 DISTRICT SHAHEED BENAZIRABAD	24
1.5.1 INTRODUCTION	24
1.5.2 Comments on Budget and Accounts (Variance Analysis).....	25
AUDIT PARAS	27
1.7 DISTRICT THATTA	33
1.7.1 INTRODUCTION	33
1.7.2 Comments on Budget and Accounts (Variance Analysis).....	34
AUDIT PARAS	36
1.9 DISTRICT JAMSHORO	42
1.9.1 INTRODUCTION	42
1.9.2 Comments on Budget and Accounts (Variance Analysis).....	43
AUDIT PARAS	45
1.11 DISTRICT BADIN	54

1.11.1	INTRODUCTION	54
1.11.2	Comments on Budget and Accounts (Variance Analysis).....	55
	AUDIT PARAS	57
1.13	DISTRICT TANDO ALLAHYAR.....	66
1.13.1	INTRODUCTION	66
1.13.2	Comments on Budget and Accounts (Variance Analysis).....	67
	AUDIT PARAS	69
1.15	DISTRICT TANDO MUHAMMAD KHAN.....	76
1.15.1	INTRODUCTION	76
1.15.2	Comments on Budget and Accounts (Variance Analysis).....	77
	AUDIT PARAS	79
1.17	DISTRICT DADU.....	86
1.17.1	INTRODUCTION	86
1.17.2	Comments on Budget and Accounts (Variance Analysis).....	87
	AUDIT PARAS	89
	ANNEXURES.....	97
I.	Memorandum for departmental accounts Committee (MFDAC).....	98
	i. Part-i Paras related to current Audit Year 2014-15	98
	ii Part-ii Paras related to previous Audit Year 2013-14.....	103
II.	Audit Impact Summary.....	104
III.	Non-Production of Record.....	106
IV.	Non-Achievement of Targeted Receipts.....	106
V.	Non-Transparency in Govt. Spending	107
VI.	Non-posting of Bid evaluation report on SPPRA website.....	107
VII.	Unathorized Payment through Open Cheques	108
VIII.	Non-Recovery of Government Dues	108
IX.	Disposal of Untreated Sewage Water in Canals	108
X.	Irregular Use of Government Vehicles beyond Entitlement.....	109
XI.	Mis-utilization of Fire Brigade Vehicles	109

XII.	Non-Production of Record.....	110
XIII.	Non-Transparency in Govt. Spending	110
XIV.	Unauthorized Award of Work to Un-registered Contractor by PEC.....	111
XV.	Unauthorized Expenditure	111
XVI.	Non-Production of Record.....	112
XVII.	Non Realization of Target Recovery	112
XVIII.	Illegal appointments.....	113
XIX.	Non-Transparency in Govt. Spending	113
XX.	Non-Recovery of Dues of shops rent.....	114
XXI.	Irregular Payment through Open Cheques.....	114
XXII.	Non-posting of Bid Evaluation Report on SPPRA website.....	115
XXIII.	Unauthorized Award of Work to Un-registered Contractor by PEC.....	116
XXIV.	Unauthorized Expenditure of Development Schemes without Technical Sanction	116
XXV.	Non-Achievement of Targeted Receipts.....	117
XXVI.	Non-Transparency of Government Spending	117
XXVII.	Expenditure without Execution of Agreement	118
XXVIII.	Payment of Bills without Pre-Audit.....	119
XXIX.	Non-Production of Record.....	120
XXX.	Unauthorized expenditure.....	120
XXXI.	Less-Realization of Targeted Receipts	121
XXXII.	Non-Transparency in Govt. Spending	121
XXXIII.	Un-authorized Appointments.....	122
XXXIV.	Non-posting of Bid evaluation report on SPPRA website.....	122
XXXV.	Unauthorized Expenditure without Revised Administrative Approval	124
XXXVI.	Non Deduction of Sales Tax	125
XXXVII.	Non-Hoisting of Bid Evaluation Reports on SPPRA website	126
XXXVIII.	Non-transparency in Govt. Spending	126
XXXIX.	Technical Sanction beyond Financial Powers	127

XL.	Unauthorized Expenditure	128
XLI.	Irregular expenditure without revised Technical Sanction	130
XLII.	Non-Production of Record.....	131
XLIII.	Un-authorized Procurement	132
XLIV.	Less-Realization of Receipts.....	132
XLV.	Unauthorized Expenditure without Technical Sanction from competent authority	133
XLVI.	Payment of Bills without Pre-Audit.....	133
XLVII.	Non-transparency in Govt. Spending.....	134
XLVIII.	Unauthorized Payment through open cheques.....	134
XLIX.	Unauthorized Expenditure	136
L.	Non-Recovery of Dues of Shops Rent.....	140
LI.	Non-production of Record	141
LII.	Transgression of financial power.....	142
LIII.	Expenditure without execution of agreement	144
LIV.	Non-hoisting of bid evaluation report on SPPRA website	144
LV.	Un-authorized Appointments.....	145
LVI.	Non-transparency in Govt. Spending.....	145
LVII.	Irregular Expenditure without Technical Sanction	146
LVIII.	Less-Realization of Targeted Receipts	147
LIX.	Un-authorized expenditure on POL	147

ABBREVIATIONS AND ACRONYMS

ADP	Annual Development Programme
CC	Cement Concrete
CMA	Constitutional Miscellaneous Application
CCB	Citizen Community Board
CMO	Chief Municipal Officer
CPWD	Central Public Works Department
CTR	Central Treasury Rules
DAC	Departmental Accounts Committee
DC	Deputy Commissioner
DGA, LC	Director General Audit, Local Councils
FD	Finance Department
HMC	Hyderabad Municipal Corporation
M&R	Maintenance & Repair
MFDAC	Memorandum for Departmental Accounts Committee
NIT	Notice Inviting Tender
NBP	National Bank of Pakistan
NSUSC	North Sindh Urban Services Corporation
NTN	National Tax Number
NIT	Notice Inviting Tender
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
POL	Petroleum Oil and Lubricants
PWD	Public Works Department
S&GAD	Services and General Administration Department
SBP	Sindh Bank Pakistan/ State Bank of Pakistan
SFR	Sindh Financial Rules

SLGO	Sindh Local Government Ordinance
SPPRA	Sindh Public Procurement Regulatory Authority
SRO	Statutory Rules and Orders
TMA	Taluka / Town Municipal Administration
TMO	Taluka / Town Municipal Officer
TO (F)	Taluka/Town Officer (Finance)
TO (I&S)	Taluka/Town Officer (Infrastructure & Services)
TO (P&C)	Taluka/Town Officer (Planning & Coordination)
TO (R)	Taluka/Town Officer (Regulation)
TS	Technical Sanction
TSE	Technically Sanctioned Estimate
UC	Union Council

PREFACE

Articles 169 & 170 (2) of the Constitution of the 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 the receipts and expenditures of the Secretary Local Government Department, Karachi Metropolitan Corporation, Karachi Water & Sewerage Board, Municipal Corporation/Committees, Town Committees and Union Councils.

The report is based on audit of Municipal Corporations, Municipal Committees / Town Committees of Hyderabad Division for the year 2011-14. The Directorate General of Audit Local Councils Sindh, Karachi, conducted audit during 2013-14 & 2014-15 on test check basis with a view to reporting significant findings to relevant stakeholders. The main body of Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annexure-I of the Audit Report. The Audit observations listed in the Annexure-I shall be pursued with the Principal Accounting Officer 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.

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

The observations included in this Report have been finalized without written response.

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

Islamabad
Dated:

(Muhammad Akhtar Buland Rana)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

The DG Audit, Local Councils, Sindh, Karachi is responsible to carry out the audit of 105 Municipal Committees / Town Committees. This Directorate General has a human resource of 40 officers and staff, resulting in 9,960 mandays and annual budget amounted to Rs 60.840 million for the financial year 2014-15. The office has a mandate to conduct regularity audit (compliance with authority audit) on test check basis with a view to report significant findings to the relevant stakeholders. This office also conducts performance audit of programmes / projects.

Hyderabad Division constituted of 09 districts. Each Corporation / District Council / Municipal Committee / Town Committee in Hyderabad Division is headed by an Administrator/ Municipal Commissioner /Chief Officer / Chief Municipal Officer/ Town officer who carries out operations as per Sindh Local Government Ordinance, 1979. It comprises one Principal Accounting Officer (PAO), Taluka Administrative Officer acts as coordinating and administrative officer and is responsible to control land use, its division and development and to enforce all laws including Municipal Laws, Rules and Bye-laws.

Audit of Municipal Corporation/Committees & Town Committees of Hyderabad Division was carried out with the view to ascertain that the expenditure was incurred with proper authorization, in conformity with laws, rules, regulations and economy was ensured in procurement of assets and hiring of services and to review, analyze and comment on various Government policies regarding different sectors.

Audit of receipts was conducted to verify that the assessment, collection, reconciliation and allocation of revenue was made in accordance with laws and that there was no leakage of revenue and also that revenue did not remain outside Government account.

a) Scope of Audit

Out of total budget of the Hyderabad Division for the financial years 2012-13 & 2013-14, auditable expenditure under the jurisdiction was Rs 4,946.054, out of which an expenditure of Rs 2,720.330 million was audited which in terms of percentage, was 55%. Total receipts of the TMAs for the financial year 2012-2014 were Rs 3,514.979 million out of this, an amount of Rs 1,933.239 million was audited which was 55% of the total receipt.

b) Recoveries at the Instance of Audit

Recovery of Rs 615.495 million was pointed out during the audit but no recovery was affected till the time of compilation of this Report. Total recoverable amount of Rs 615.495 million was not in the notice of the executive before audit.

c) Audit Methodology

Audit was performed through understanding of the business process of Municipal Corporation, District Councils, Municipal Committees and Town committees with respect to internal control structure, prioritization of risk areas determining significance and identification of key internal controls. This helped auditors in understanding the systems, procedures, environment, and the audited entity before starting field activity. The audit used intensive application of desk audit techniques facilitated through compiled data and review of permanent files/record. Desk Audit facilitated identification of high risk areas for substantive testing in the field.

d) Audit Impact

On the pointation of audit, Municipal Corporation, District Councils, Municipal Committees & Town Committees have streamlined their work in accordance with rules & regulations (Annexure-II).

e) Comment on Internal Control and Internal Audit Department

Several loopholes in the internal control system were noticed during the audit years. Major internal control weaknesses have been reported in Chapter-1. Moreover, other internal control weaknesses have been incorporated in Annexure-I.

f) The Key Audit Findings of the Report

- i. Non- Production of record was noted in 09 cases – Rs 880.345 million.¹
- ii. Non-Compliance was noted in 71 cases - Rs 3,476.246 million.²

¹ Para 1.2.1.1, 1.4.1.1, 1.6.1.1, 1.8.1.1, 1.10.1.1, 1.12.1.1, 1.14.1.1, 1.16.1.1, 1.18.1.1

² Para 1.2.2 1, 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.2.2.5, 1.2.2.6, 1.2.2.7, 1.2.2.8, 1.2.2.9, 1.2.2.10, 1.4.2 1, 1.4.2.2, 1.4.2.3, 1.4.2.4, 1.4.2.5, 1.4.2.6, 1.4.2.7, 1.6.2 1, 1.6.2.2, 1.6.2.3, 1.6.2.4, 1.6.2.5, 1.8.2 1, 1.8.2.2, 1.8.2.3, 1.8.2.4, 1.8.2.5, 1.8.2.6, 1.10.2.1, 1.10.2.2, 1.10.2.3, 1.10.2.4, 1.10.2.5, 1.10.2.6, 1.10.2.7, 1.10.2.8, 1.10.2.9, 1.10.2.10, 1.12.2 1, 1.12.2.2, 1.12.2.3, 1.12.2.4, 1.12.2.5, 1.12.2.6, 1.12.2.7, 1.12.2.8, 1.12.2.9, 1.14.2 1, 1.14.2.2, 1.14.2.3, 1.14.2.4, 1.14.2.5, 1.14.2.6, 1.14.2.7, 1.16.2.1, 1.16.2.2,1.16.2.3, 1.16.2.4, 1.16.2.5, 1.16.2.6, 1.16.2.7, 1.16.2.8, 1.18.2 1, 1.18.2.2, 1.18.2.3, 1.18.2.4, 1.18.2.5, 1.18.2.6, 1.18.2.7, 1.18.2.8, 1.18.2.9

Audit paras for the audit year 2014-15 involving procedural violations including internal control weaknesses and irregularities not considered worth reporting to the Public Accounts Committee (PAC) are included in MFDAC in Annexure-I, Part-i. Besides, MFDAC for the audit year 2013-14 has been reproduced vide Annexure-I, Part-ii since paras were not discussed in DAC meeting and no compliance was reported by auditee departments.

g) Recommendations

Audit recommends the Municipal Corporation, District Councils, Municipal Committees and Town Committees to focus on the following issues:

- i. Head of the Municipal Corporation, District Councils, Municipal Committees and Town Committees need to conduct physical stock taking of fixed and current assets.
- ii. The Municipal Corporation, District Councils, Municipal Committees and Town Committees needs to comply with the Public Procurement Rules for economical and rational purchase of goods and services.
- iii. Inquiries need to be held to fix responsibility for fraud, misappropriation, losses, theft and wasteful expenditure.
- iv. The Municipal Corporation, District Councils, Municipal Committees and Town Committees need to make efforts for expediting the realization of various Government receipts.
- v. The Municipal Corporation, District Councils, Municipal Committees and Town Committees and their teams need to ensure implementation of proper monitoring system.
- vi. The Municipal Corporation, District Councils, Municipal Committees and Town Committees need to take appropriate action against non-production of record.
- vii. The Municipal Corporation, District Councils, Municipal Committees and Town Committees need to rationalize their budget with respect to utilization.

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

[Rupees in Million]

Sr.	Description	No.	Budget	
			Expenditure	Revenue
1.	Total Entities / (PAOs) in Audit Jurisdiction	45	4,946.054	3,514.979
2.	Total formations Audited including PAO	33	4,946.054	3,514.979
3.	Audit & Inspection Reports	33	2,720.330	1,933.239
4.	Special Audit Reports	-	-	-
5.	Performance Audit Reports	-	-	-
6.	Other Reports (relating to TMAs)	-	-	-

Table 2: Audit Observations Classified by Categories

(Rupees in Million)

Sr.	Description	Amount under audit observation
1	Asset Management	0
2	Financial Management	615.495
3	Internal Controls	226.761
4	Violation of rules	2,633.990
5	Others	880.345
Total		4,356.591

Table 3: Outcome Statistics

[Rupees in Million]

Sr.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Salary	Non-Salary	Civil Works	Receipts (Revenue Targets)	Others	Total Current year	Total Last year
1	Outlays Audited	-	741.908	890.290	2,225.724	3,514.979*	1,088.132	8,461.034	-
2.	Amount Placed under Audit Observation	-	226.761	533.200	2,100.790**	615.495	880.345	4,356.591	-
3.	Recoveries Pointed Out at the instance of Audit	-	-	-	27.558	587.937		615.495	-
4.	Recoveries Accepted /Established at the instance of Audit	-	-	-	27.558	587.937		615.495	-
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-	-	-

*The amount mentioned against serial No. 1 in column of “Total Current Year” is the sum of Budget and Receipts whereas the total expenditure is Rs 4,946.054 million for the current year.

**The amount placed under observations is more than the outlays audited for the current year because the audit observations include observations pertaining to previous year also.

Table 4: Irregularities Pointed Out

(Rupees in Million)

Sr.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	2,633.990
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	0
3	Accounting Errors (accounting policy departure from NAM ¹ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	0
4	Quantification of weaknesses of internal control systems.	226.761
5	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public monies	615.495
6	Non-production of record.	880.345
7	Others, including cases of accidents, negligence etc.	0
Total		4,356.591

¹ The Accounting Policies and Procedures prescribed by the Auditor General of Pakistan which are IPSAS (Cash) compliant.

1.1 DISTRICT HYDERABAD

1.1.1 INTRODUCTION

District Hyderabad comprises of One District Council, one Municipal Corporation Hyderabad and Two Town Committees namely Hyderabad Rural and, Qasimabad. Business of Municipal Corporation/Committees is run through the Administrator, CO, & four Town officers and TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal Corporation/Committees are as following:

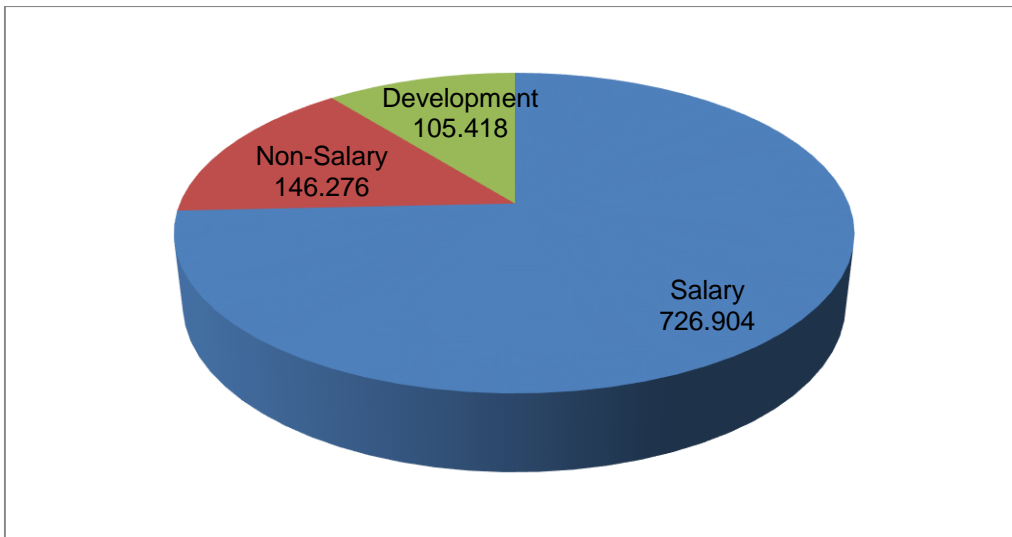
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal Corporation/Committees is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal Corporation/Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal Corporation/Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
2	Chief Officer Hyderabad	Salary	625.126	461.530	-163.596
		Non-Salary	177.351	67.146	-110.205
		Development	195.784	53.188	-142.596
		Revenue	998.261	-	-998.261
1	Hyderabad Municipal Corporation	Salary	28.342	1.419	-26.923
		Non-Salary	98.000	-	-98.000
		Development	257.066	-	-257.066
		Revenue	28.342	1.419	-26.923
3	TMA Hyderabad Rural	Salary	90.102	87.647	-2.455
		Non-Salary	48.894	35.900	-12.994
		Development	66.000	52.230	-13.770
		Revenue	204.996	-	-204.996
4	TMA Qasimabad	Salary	266.903	176.308	-90.595
		Non-Salary	77.347	43.230	-34.117
		Development	75.000	-	-75.000
		Revenue	419.250	-	-419.250
		Salary	1,010.473	726.904	-283.569
		Non-Salary	401.592	146.276	-255.316
		Development	593.850	105.418	-488.432
		Revenue	1,650.849	1.419	-1,649.430

Budget 2013-14



Original budget of Rs 1,650.849 million was allocated to Municipal Corporation & Town Committees of District Hyderabad under various grants and no supplementary grants/re-appropriation was provided. Variance analysis of the revised/final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was saving of Rs 1,649.430 million.

1.1.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	19	Nil
2013-14	06	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Hyderabad.

AUDIT PARAS

1.2.1 Non-Production of Record

1.2.1.1 Non-Production of Record – Rs 200.597 Million

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Administrator, Hyderabad Municipal Corporation (City & Latifabad), Town Officers, Town Committees, Qasimabad& Rural, incurred expenditure of Rs 200.597 million from various heads of accounts, during 2012-14, but failed to open up auditable record (Partial) to audit parties deputed for the purpose of conducting audit, in violation of the above rule. Detail is provided in Annexure-III.

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported between April to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on managements for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Paras: 1, 1, 1, 1, 10]

1.2.2 Irregularity / Non-Compliance

1.2.2.1 Less Realization of Targeted Receipts – Rs 189.368 Million

Section 96 (1) of Sindh Local Government Act 2013, states that, “A council may levy, in the prescribed manner all or any taxes, rates, tolls, and fees mentioned in Schedule V”.

Further, Rule 41 (a) of SFR Vol-I, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Administrator, Hyderabad Municipal Corporation (City & Latifabad), during 2012-14, levied taxes / fees on different accounts but failed to realize estimated revenue targets by short recovery of Rs 189.368 million, in violation of the above rules. Detail is provided in Annexure-IV.

Audit was of the view that due to non-realization of estimated receipts authority was deprived of genuine public revenue resulting into less revenue and weak financial management.

Deviation from prescribed rules resulted into less availability of funds and weak internal control.

The matter was reported during March to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of laxity to realize targeted revenues, under intimation to audit.

[AIR Paras: 36, 11, 12, 13, 14, 15, 16, 17, 18, 22]

1.2.2.2 Non-Transparency in Govt. Spending – Rs 183.552 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Officer, District Council, Hyderabad, Administrator, Hyderabad Municipal Corporation (City & Latifabad) and Town Officers, Town Committees, Hyderabad Rural & Qasimabad, incurred an expenditure amounting to Rs 183.552 million, during 2012-14,

on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers, in violation of above rule. Detail is provided in Annexure-V.

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed procedure resulted into unauthorized expenditure and weak internal control.

The matter was reported during March, 2013 & December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 1, 14, 8, 6, 16, 22, 1, 18, 3]

1.2.2.3 Non-Hoisting of Bid Evaluation Reports on SPPRA Website Rs 153.918 Million

Rule 45 of SPPRA Rules 2010, states that, “Procuring agencies shall announce the results of bid evaluation in the form of a report giving reasons for acceptance or rejection of bids. The report shall be hoisted on website of the Authority and that of the procuring agency if its website exists and intimated to all the bidders at least seven (07) days prior to the award of contract”.

Further, Rule 10 of SPPRA Rules 2010, states that, “The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement to public through hoisting on the Authority’s website as well as on procuring agency’s website, if the procuring agency has such a website.”

Administrator, Hyderabad Municipal Corporation(City & Latifabad) and Town Officer, Town Committee, Hyderabad Rural, invited open tenders costing Rs 153.918 million, during 2012-14, for various development works but failed to hoist bid evaluation reports on the SPPRA website, in violation of above rules. Detail is provided in Annexure-VI.

Audit was of the view that violation of SPPRA rules resulted into non-transparency in the award of contracts and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during February to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on the departments on account of non-transparency in awarding of contracts and non-hoisting of bid evaluation reports on authority's website, under intimation to audit.

[AIR Paras: 3, 2, 12, 3, 4, 8]

1.2.2.4 Unauthorized Payments through Open Cheques – Rs 30.869 Million

Rule 157 (1) & (2) of CTR, “The cheques for more than Rs 200/- drawn in favor of Corporate or Local Bodies, firms, private persons or Government servants (in respect of their personal claims) shall always be crossed”.

Administrator, Hyderabad Municipal Corporation (City & Latifabad), Town Officers, Town Committees, Rural and Qasimabad, made payments of Rs 30.869 million, during 2013-14, to various suppliers through open cheques instead of crossed cheques, in violation of rule. Detail is provided in Annexure-VII.

Audit was of the view that payments made through cheques resulted into doubtful transactions and weak financial management. Besides, chances of misappropriation of public money cannot be ruled out.

Deviation from prescribed rule resulted into non-transparency in expenditure from public funds and weak internal control.

The matter was reported during June to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on official(s) at fault on account of payments through open cheques, under intimation to audit.

[AIR Paras: 02, 10, 4, 1]

1.2.2.5 Non-Recovery of Government Dues - Rs 12.248 Million

Section 96 (1) of Sindh Local Government Act 2013, states that, “A council may levy, in the prescribed manner all or any taxes, rates, tolls, and fees mentioned in Schedule V”.

Further, Rule 41 (a) of SFR Vol-1, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Chief Officer, District Council, Hyderabad, Town Officers, Town Committees, Hyderabad Rural and Qasimabad, failed to recover arrears amounting to Rs 12.248 million, during 2012-14, from various defaulters, in violation of above rules. Detail is provided in Annexure-VIII.

Audit was of the view that managements failed to recover outstanding arrears from various defaulters resulted into loss to government revenue and weak financial management.

Deviation from prescribed rules resulted into less availability of funds and weak internal control.

The matter was reported during February to December, 2014 but managements failed to provide departmental points of view The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on account of laxity of managements, besides, recovery of arrears may be affected without further delay, under intimation to audit.

[AIR Paras: 05, 12,11,16]

1.2.2.6 Non-Deduction of Sales Tax - Rs 6.481 Million

Sub Section (1) of Section 8 of Sindh Sales Tax on Services Act, 2011, states that, “Subject to the provision 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 16% specified in the schedule in which the taxable service is listed”.

Further, Sub Section (2) of Section (9), states that, “Where a service is taxable by virtue of sub section (2) of section (3), the liability to pay the tax shall be on the persons receiving the service”.

Administrator Municipal Corporation Hyderabad (City) and Town Officer, Town Committee, Qasimabad, paid an amount of Rs 40.506 million, during 2012-14, to various contractors against services rendered but failed to deduct Sales tax @ 16% amounting to Rs 6.481 million, in violation of above rules. Detail is as under:

[Amount in Rupees]					
Sr. No	Name of Formation	Para	Year	Expenditure	GST 16%
1	HMC (City)	13	2011-13	35,886,559	5,741,849
2	TMA Qasimabad	04	2013-14	4,619,558	739,129
Total				40,506,117	6,480,978

Audit was of the view that due to failure of managements on account of non-deduction of tax government sustained loss of public revenue and weak financial management.

Deviation from prescribed rules resulted into short receipt of public revenue and weak internal control.

The matter was reported during June to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for non-deduction of sales tax from contractor's bills. Besides, same may be recovered and deposited into government account, under intimation to audit.

[AIR Paras: 13, 4]

1.2.2.7 Failure to Safeguard & Equip Fire Brigade Station, Latifabad Hyderabad

Para 45 (i) of Sindh Local Government Act 2013, states that, "For the prevention and extinction of fire and Corporation, Municipal Committee or Town Committee may, and if so required by Government, shall maintain a fire brigade, consisting of such staff and such number of fire stations, and such implements, machinery, equipment and means of communicating intelligence as may be prescribed.

Further, ibid, (f), "Generally, take such measures as may appear necessary for the preservation of life and property".

DGA, LC, Sindh inspected Fire Brigade Station HMC, Latifabad, Hyderabad, during the course of audit to ascertain readiness and capability of Fire Fighting Vehicles and security arrangements to safeguard government assets but observed that some

important issues related to operational capabilities of vehicles & safety of premises were found missing since vehicles were without extended ladders to access high rise buildings in case of fire incidence and premises were without compound wall and open to any eventuality, in violation of above rules.

Audit was of the view that management failed to take necessary measures i.e. to procure essential equipment, ladders to reach high rise buildings and construct compound wall around fire brigade station resulting into compromise on safety of public residing in high rise buildings & human resources / assets and weak administrative / financial management.

Deviation from prescribed rules resulted into weak internal control.

Matter was reported during December, 2014 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing of responsibility on account of laxity of management of HMC. Besides, measures may be taken to redress the lapses, under intimation to audit.

[AIR Para: 05]

1.2.2.8 Disposal of Untreated Sewage Water in Canals

Schedule-II, Part-II, (3) of Sindh Local Government Act 2013, “A Corporation, Municipal Committee or Town Committee shall make adequate arrangements for the removal of refuse from all public streets, public latrines, urinals, drains and all buildings and lands vested in the Council concerned and for the collection and proper disposal of such refuse”.

Further, Rule 16 Environment Protection Act 1997(1), duly adopted by GoS, states that, “Where the Federal Agency or a Provincial Agency is satisfied that the discharge or emission of any effluent, waste, or the disposal of waste, or the handling of hazardous substances, is occurring, or has occurred, in violation of the provisions of this Act, the Federal Agency or, as the case may be, the Provincial Agency may impose penalty”.

Moreover, Rule 16 Environment Protection Act 1997(3), duly adopted by GoS, states that, “Where the person, to whom directions under sub-section (1) are given, does not comply therewith, the Federal Agency or Provincial Agency may, in addition to the proceedings initiated against him under this Act”.

In addition, Para 17 Penalties (1) Whoever contravenes or fails to comply with the provisions of section 11, 12, 13 or section 16 or any order issued there under shall be punishable with fine which may extend to one million rupees and in the case of continuing contravention or failure, with an additional fine which may extend to one hundred thousand rupees for every day during which such contravention or failure continues”.

Administrator, Hyderabad Municipal Corporation (City) allowed untreated city sewage through pumping stations into the Phuleli and Pinyari Canals supplying water for drinking purpose to city, in violation of above rules. Besides, Sindh Environmental Protection Agency failed to impose penalty of Rs 1.000 million in compliance to rules 2, 3 & 4. Detail is provided in Annexure-IX.

Audit was of the view that discharge of untreated sewage into canals by management which are providing water to huge population for drinking purposes resulted into supply of untreated (poisonous) water to population and weak administrative/financial management.

Discharge of sewage without treatment into canals resulted into spread of Hepatitis B & C and weak internal control.

Matter was reported during June, 2014 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management of HMC for disposal of untreated sewage into canals and required action may be taken by Environmental Agency, under intimation to audit.

[AIR Para: 04]

1.2.2.9 Unauthorized Use of Government Vehicles beyond Entitlement

S&GAD, Government of Sindh, O.M No.CTC(S&GAD)5(238)/97 dated 05-04-1997 (ii) All officers in BPS: 19 and 20 like Head of attached Departments/Regional Heads or equivalent in Autonomous Bodies/Corporations and Deputy Commissioners to use 1000 cc locally manufactured car.(iii)All officers pertaining to field duties in BPS:17 and 18 not included in above said categories who are otherwise entitled to Govt. vehicles to use 800 cc cars/Suzuki Jeep. Para No.88 of Sindh Financial Rules Volume-I, states, “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”.

Administrator, Hyderabad Municipal Corporation (City) allotted government vehicles to officers beyond their entitlement, during 2011-13, in violation of above rule. Detail is provided in Annexure-X.

Audit was of the view that management failed to observe Govt. directives and mis-utilized the facility resulted into undue favour and weak financial management. Besides, Municipal Commissioner, HMC is utilizing three official vehicles at a time.

Deviation from prescribed rule resulted into unauthorized utilization of vehicles and weak internal control.

Matter was reported during December, 2014 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing of responsibility on management on account of allotment of vehicles beyond entitlement. Besides, POL consumption in excess of entitlement may be worked out in respect of each officer/vehicle for affecting recovery from individuals, under intimation to audit.

[AIR Para: 16]

1.2.2.10 Mis-Utilization of Fire Brigade Vehicles

Rule (45) (1) of SLGA 2013, states that, “For the prevention and extinction of fire a Corporation, Municipal Committee or Town Committee may, and if so required by Government, shall maintain a fire brigade, consisting of such staff and such number of fire stations, and such implements, machinery, equipment and means of communicating intelligence as may be prescribed”.

Further, Para 88 of SFR Volume-I, states that, “every Government Officer should realize fully and clearly that he will be held personally responsible for any loss sustained by the 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”.

Administrator, Hyderabad Municipal Corporation (City), responsible to provide fire fighting services for city and required to keep machinery /equipment in state of readiness to face any emergency but record of fire brigade vehicles transpire that vehicles were used to supply water to agencies / persons, during 2011-13, in violation of above rules. Detail is provided in Annexure-XI.

Audit was of the view that management engaged fire brigade vehicles unauthorizedly in activities other than prescribed resulted into non-availability for emergency / fire fighting service to public and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during June, 2014 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of misutilization of fire brigade vehicles, under intimation to audit.

[AIR Para: 21]

1.3 DISTRICT MATIARI

1.3.1 INTRODUCTION

The Matiari District comprises One District Council, One Municipal Committee, Hala and Two Town Committees namely Matiari & New Saeedabad. Business of Municipal Committee/Town Committee is run through the CO, CMO and four officers namely TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal Committee/Town Committee are as following:

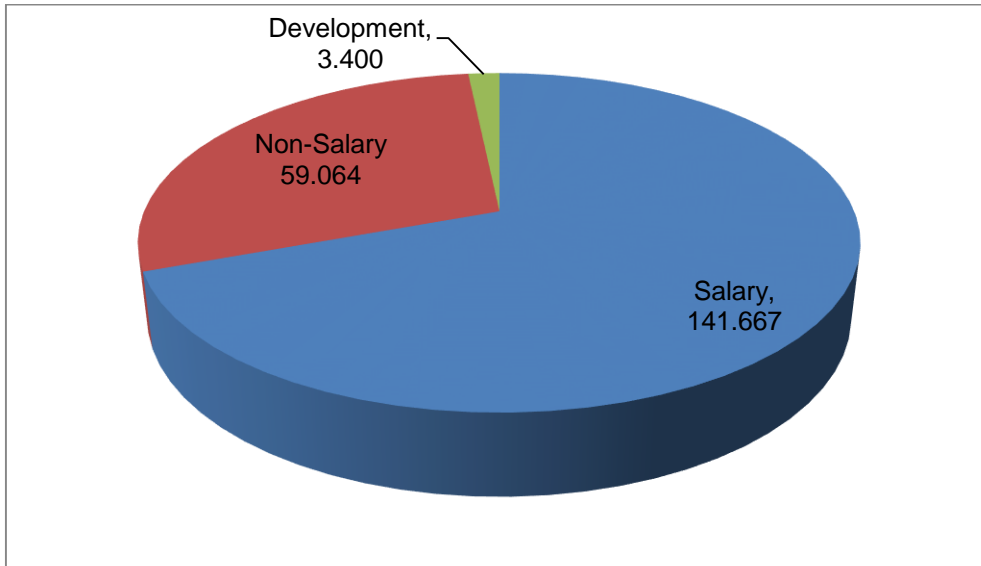
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal Corporation/Committees is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal Corporation/Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal Corporation/Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.3.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
1	Chief Officer Matiari	Salary	38.090	25.200	-12.890
		Non-Salary	24.910	6.970	-17.940
		Development	102.700	-	-102.700
		Revenue	1.100	-	-1.100
2	TMA Matiari	Salary	73.146	Non-Production	
		Non-Salary	12.191	10.000	-2.191
		Development	36.573	Non-Production	
		Revenue	122.850	Non-Production	
3	TMA Hala	Salary	110.280	80.687	-29.593
		Non-Salary	54.800	31.584	-23.216
		Development	37.070	-	-37.070
		Revenue	13.634	8.240	-5.394
4	TMA New Saeedabad	Salary	41.080	35.780	-5.300
		Non-Salary	32.530	10.510	-22.020
		Development	42.190	3.400	-38.790
		Revenue	0.950	1.090	0.140
Salary			262.596	141.667	-120.929
Non-Salary			124.431	59.064	-65.367
Development			218.533	3.40	-215.133
Revenue			138.534	9.330	-129.204
Total			744.094	213.461	-530.633

Budget 2013-14



Original budget of Rs 744.094 million was allocated to Chief Officer, Municipal Committee & Town Committees of District Matiari under various grants and no supplementary grants / re-appropriation was provided. Variance analysis of the revised / final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was a saving of Rs 530.633 million.

1.3.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	Nil	Nil
2013-14	12	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Matiari.

AUDIT PARAS

1.4.1 Non-Production of Record

1.4.1.1 Non-Production of Record – Rs 107.720 Million

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Chief Municipal Officer, Municipal Committee, Hala and Town Officers, Town Committees, Matiari, Saeedabad, failed to open up complete/partial auditable record to audit parties deputed for the purpose for financial year 2012-14, in violation of the above rules. Detail is provided in Annexure-XII.

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during June to December 2014 and February 2015, but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on managements for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Paras: 1, 1, 1]

1.4.2 Irregularity / Non-Compliance

1.4.2.1 Non-Transparency in Govt. Spending – Rs 44.358 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Municipal Officer, Municipal Committee, Hala and Town Officer, Town Committee, Matiari, Saheedabad, incurred an expenditure amounting to Rs 44.358 million, during 2011-14, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers, in violation of above rule. Detail is provided in Annexure-XIII.

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed rule resulted into unauthorized expenditure and weak internal control.

The matter was reported during December, 2013 and February 2015, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 11, 9, 7]

1.4.2.2 Unauthorised Award of Work to Un-registered Contractor by PEC Rs 31.577 Million

Rule 46 of SPPRA Rules 2010, states that, “Save as otherwise provided in these rules, the following procedures shall be permissible for open competitive bidding;

(iii) Registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable)”.

Further, Pakistan Engineering Council letter No. PEC/Consult/EF/1900017 dated 01-09-2005, states that, “No engineering work shall be constructed except by a constructor or operated except by an operator licensed as such by the Council (PEC). All consulting engineering services in Pakistan shall be entrusted only to consulting engineers duly registered as such with the Council (PEC).”

Chief Municipal Officer, Municipal Committee, Hala and Town Officer, Town Committee, Saeedabad, awarded works amounting to Rs 31.577 million, during 2011-14, to contractors not registered with Pakistan Engineering Council (PEC), in violation of the above rules. Detail is provided in Annexure-XIV.

Audit was of the view that execution of work through unregistered contractors resulted into compromise on quality of work and weak financial management.

Deviation from prescribed rules resulted into execution of work by unauthorized contractors and weak internal control.

The matter was reported during June to December 2014, but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of award of works to contractors not registered with PEC, under intimation to audit.

[AIR Paras: 4, 4]

1.4.2.3 Expenditure by way of Splitting – Rs 24.685 Million

Rule-17(1) of SPPRA Rules 2010, states 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 in print media in the manner and format prescribed in these rules”.

Rule 12(1) of SPPRA Rules 2010, states that, “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”.

Town Officers, Town Committees, Matiari, Saeedabad, awarded works amounting to Rs 24.685 million, during 2012-14, to various contractors without inviting tenders and advertising on authority’s website & print media and amount splitted to avoid tender, in violation of the above rules. Detail is provided in Annexure-XV.

Audit was of the view that management failed to invite tenders to obtain competitive rates resulting into non-transparency in award of contracts and weak financial management.

Deviation from prescribed rules resulted into unauthorized expenditure and weak internal control.

The matter was reported during December, 2014 and February 2015 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends for fixing of responsibility on managements on account of execution of works / procurement without tenders and non-achievement of competitive rates, under intimation to audit.

[AIR Paras: 13, 10, 11]

1.4.2.4 Expenditure without Execution of Agreement – Rs 5.000 Million

Para 514 (A) of Public Works Departmental Manual Vol-I, states that, “normally no work should be permitted to be started unless the tender on prescribed forms is invited and got sanctioned by the competent authority.” In an emergent case, when agreement cannot be concluded before order to start the work is given, a statement showing the terms on which the work is to be done should be obtained from the contractor. The memorandum of terms (agreement in prescribed form A-I, A-2, B-I & B-2) should be signed by the contractors, as well as by the authority competent to sanction the tender, before the work is permitted to be started.

Town Officer, Town Committee, Saeedabad, awarded contract costing Rs 5.000 million, during 2012-13, on account of “Construction of Meat & Fish Market @ Saeedabad City” to M/s Shakeel Ahmed, without execution of contract agreement on prescribed proforma, in violation of above rule.

Audit was of the view that department failed to execute agreement with contractor resulted into non-safeguard of government interests and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during December 2013, but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on the department on account of non-execution of contract agreement, under intimation to audit.

[AIR Para: 13]

1.4.2.5 Technical Sanction beyond Financial Powers - Rs 1.500 Million

As per Director General (Technical) Local Government Department, Govt. of Sindh Hyderabad letter No.DB/ 329/ 2005 Hyderabad Dated 16-08-2005, “officers of grade-18 and above have the powers as under: -

S. No.	Category	Financial Powers
1	Assistant Engineer/ TO (I&S) (of B-17/ Below)	No Powers
2	Executive Engineer/ TO (I&S) (of B-18)	The work having A.A cost of Rs.0.6 Million.
3	Superintending Engineer (of B-19)	The work having A.A cost of Rs.3.0 Million
4	Director General/ Chief Engineer (of B-20)	No limit (full powers)

Town Officer, Town Committee, Saeedabad, obtained Technical Sanction of work “Repair & Renovation & Construction of TMA office” costing Rs 1.500 million, during 2012-13, from District Engineer (BPS-18), instead of competent authority, in violation of the above rule.

Audit was of the view that exercise of powers by authority without delegation of financial powers resulted into unauthorized sanction and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during December, 2013, but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of execution of work without technical sanction from the competent authority, under intimation to audit.

[AIR Para: 2]

1.4.2.6 Unauthorized Expenditure on Non-Schedule Items – Rs 1.397 Million

Schedule of Rates serial No.8(3), states that, “The Superintending Engineers shall sanction rate analysis for non-schedule items up to Rs. 1,000 per standard unit and the rates exceeding this amount shall be sanctioned by the Chief Engineer/officers exercising the powers of Chief Engineer”.

Town Officer, Town Committee, Saeedabad, incurred an expenditure of Rs 1.397 million, during 2012-13, on non-schedule items without referring to competent authority, in violation of above rule. Detail is as under:

(Amount in Rupees)

Name of work	Quantity	Rate	Amount
Providing & Fixing of Street Light HRC with 02 Nos Saver Bulb 25 Watts i/c Internal wiring with 7/029 Single core PVC with steel pipe bracket board with clamp nuts wire etc. (at Market rate)	326	3,060/each	997,560
Supply of Tables, Almirah, Chairs, computer tables etc.	72 items	Items value exceeding 1,000/-	400,000
Total			1,397,560

Audit was of the view that expenditure was incurred on non-scheduled items by Town Officer beyond delegation of financial powers resulted into unauthorized expenditure and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during December, 2013, but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing of responsibility on management for incurring expenditure on non-scheduled items beyond financial powers, under intimation to audit.

[AIR Para: 11]

1.4.2.7 Non-Deduction of Income Tax – Rs 0.872 Million

Section 153 (1) (Payments for goods and services) of Income Tax Ordinance 2001 states that, “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 supply of goods or the rendering of services shall, at the time of making the payment, deduct tax at 3.5% of the gross amount payable of any goods (other than rice, cotton seed or edible oil), 6% of gross amount payable in case of services rendered, 6% of the gross amount payable if contract value exceeding Rs30 (m) and 5% in any other case”.

Chief Officer, District Council Matiari and Town Officer, Town Committee, Matiari, incurred expenditure of Rs 20.662 million, during 2012-14, on account of development schemes but failed to deduct income tax amounting to Rs 0.872 million on prescribed rates from the contractors/suppliers, in violation of the above rule. Detail is as under:

[Rupees in Million]

S. No.	Name of office	Para	Year	Amount
1	Chief Officer District Council Matiari	3	2013-14	0.101
2	Town Committee, Matiari	24	2012-13	0.306
3	Town Committee, Matiari	3	2013-14	0.465
TOTAL				0.872

Audit was of the view that due to failure of management government sustained loss of public revenue and weak financial management.

Deviation from prescribed rules resulted into less public receipts and weak internal control.

The matter was reported from February to October, 2014 but managements failed to provided departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for non-deduction of income tax from contractors/supplier's bills. Besides, same may be recovered, under intimation to audit.

[AIR Paras: 3, 24, 3]

1.5 DISTRICT SHAHEED BENAZIRABAD

1.5.1 INTRODUCTION

Shaheed Benazirabad District comprises of One District Council, one Municipal Committee, Nawabshah and Three Town Committees namely, Sakrand, Daulatpur & Daur. Business of District Council, Municipal / Town Committees is run through the CO, CMO and TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal / Town Committees are as following:

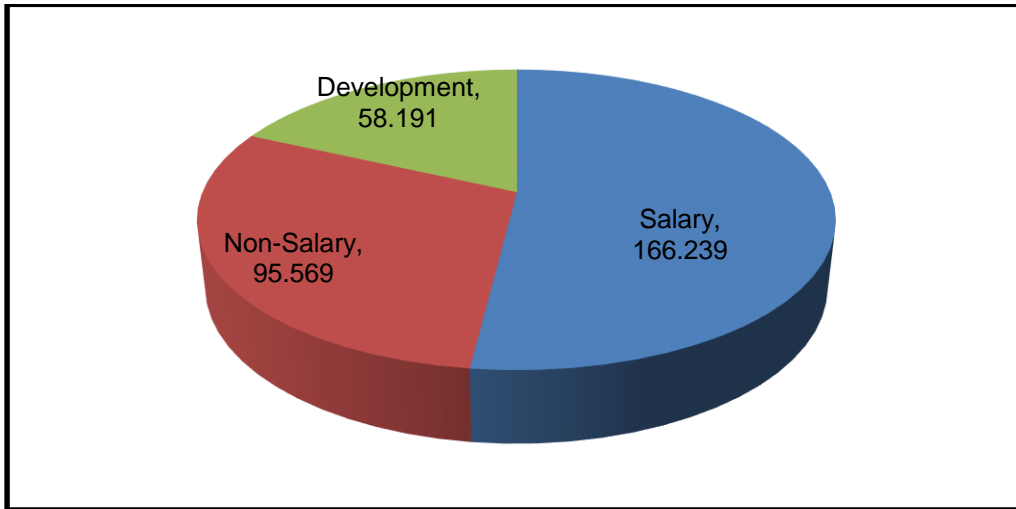
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal / Town Committees is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal / Town Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal / Town Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.5.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
1	Chief Officer Shaheed Benazirabad	Salary	50.284	45.713	-4.571
		Non-Salary	5.719	4.290	-1.429
		Development	5.996	5.046	-0.950
		Revenue	-	-	0.000
2	TMA Nawabshah	Salary	163.695	120.526	-43.169
		Non-Salary	87.328	91.280	3.952
		Development	98.635	53.145	-45.490
		Revenue	378.939	278.880	-100.059
3	TMA Sakrand	Salary		Non-Production	
		Non-Salary		Non-Production	
		Development		Non-Production	
		Revenue		Non-Production	
4	TMA Daulatpur	Salary		Non-Production	
		Non-Salary		Non-Production	
		Development		Non-Production	
		Revenue		Non-Production	
5	TMA Daur	Salary		Non-Production	
		Non-Salary		Non-Production	
		Development		Non-Production	
		Revenue		Non-Production	
		Salary	213.979	166.239	-47.740
		Non-Salary	93.047	95.569	2.523
		Development	104.631	58.191	-46.440
		Revenue	378.939	278.880	-100.059
		Total	790.596	598.880	-191.716

Budget 2013-14



Original budget of Rs 790.596 million was allocated to Municipal Corporation & Town Committees of District Shaheed Benazirabad under various grants and no supplementary grants / re-appropriation were provided. Variance analysis of the revised / final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was a saving of Rs 191.716 million.

1.5.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	05	Nil
2013-14	Nil	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMA Nawabshah.

AUDIT PARAS

1.6.1 Non-Production of Record

1.6.1.1 Non-Production of Record

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Chief Officer, District Council, Shaheed Benazirabad, Chief Municipal Officer, Municipal Committee, Nawabshah and Town Officers, Town Committees, Daulatpur, Daur & Sakrand, failed to open up complete auditable record to audit parties deputed for the purpose for financial year 2011-14, in violation of the above rule. Detail is as under:

S. No.	Name of Entity	Financial Years	Remarks
1	Town Officers, Town Committees, Daulatpur, Daur & Sakrand	2011-14	Complete Non-production
2	CMO, Municipal Committee, Nawabshah, Chief Officer District Council, Shaheed Benazirabad	2013-14	Complete Non-production

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during December, 2014, but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on managements for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Paras: 1, 1, 1, 1, 1, 1, 1, 1]

1.6.2 Irregularity / Non-Compliance

1.6.2.1 Unauthorised Award of Work to Un-registered Contractor by PEC - Rs 19.952 Million

Rule 46 of SPPRA Rules 2010, states that, “Save as otherwise provided in these rules, the following procedures shall be permissible for open competitive bidding:

- (iii) Registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable)”.

Further, Pakistan Engineering Council letter No. PEC/Consult/EF/1900017 dated 01-09-2005, states that, “No engineering work shall be constructed except by a constructor or operated except by an operator licensed as such by the Council (PEC). All consulting engineering services in Pakistan shall be entrusted only to consulting engineers duly registered as such with the Council (PEC).”

Chief Municipal Officer, Municipal Committee, Nawabshah, awarded works amounting to Rs 19.952 million to contractors not registered with Pakistan Engineering Council (PEC), during 2012-13, in violation of the above rules. Detail is provided as under:

(Amount in Rupees)

Sr.	Name of work (special grant)	Contractor	Estimate
1	Providing laying jointing RCC sewer 12“ dia& 18“ in various places of UC-1 to 9 Nawabshah	M.Fahad	4,026,000
2	Raising main holes in various places of UC 1 to 9 Nawabshah	M.Fahad	3,013,000
3	Providing CC Topping in various places UC-2 Nawabshah	M/s Al-Asad	3,927,500
4	Providing CC Topping in various places UC-6 Nawabshah	M/s Al-Asad	8,985,000
Total			19,951,500

Audit was of the view that execution of work through unregistered contractors resulted into compromise on quality of work and weak financial management.

Deviation from prescribed rules resulted into execution of work by unauthorized contractors and weak internal control.

The matter was reported during December, 2014, but management failed to

provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of award of works to contractors not registered with PEC, under intimation to audit.

[AIR Para: 4]

1.6.2.2 Non-Transparency in Govt. Spending – Rs 19.313 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Officer, District Council, Shaheed Benazirabad and Chief Municipal Officer, Municipal Committee, Nawabshah, incurred an expenditure amounting to Rs 19.313 million, during 2012-13, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers, in violation of above rule. Detail is as under:

(Rupees in Million)

Name of office	Expenditure	Remarks
C.O, District Council	0.371	Expenditure Statement
CMO. MC, Nawabshah	18.942	Expenditure Statement
Total	19.313	

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed procedure resulted into unauthorized expenditure and weak internal control.

The matter was reported during December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on official(s) for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 6, 11]

1.6.2.3 Less Realization of Receipts- Rs 15.526 Million

Section 96 (1) of Sindh Local Government Act 2013, states that, “A council may levy, in the prescribed manner all or any taxes, rates, tolls, and fees mentioned in Schedule V”.

Rule 41 (a) of SFR Vol-I, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Chief Municipal Officer, Municipal Committee, Nawabshah, failed to recover outstanding dues amounting to Rs 15.526 million, during 2012-13, in violation of above rules. Detail is as under:

(Amount in Rupees)

Particulars	Defaulters	Recoverable	Recovered	Outstanding
Katcha Piri	Mr.M.Azam	27,74,000	1,384,890	1,389,110
Parking Fee	Mr. Ali Raza Aslam Aadil	3,665,000	1,877,390	1,787,610
Cattle Piri	Mr.Habib	1,148,000	796,800	351,200
Water Supply Connection	Water Users	13,000,000	2,772,810	10,227,190
Shop Rent	Tenants	5,000,000	3,228,705	1,771,295
Total		22,887,027	10,060,595	15,526,405

Audit was of the view that due to non-realization of estimated receipts authority was deprived of genuine public revenue resulting into less revenue and weak financial management.

Deviation from prescribed rules resulted into less availability of funds and weak internal control.

The matter was reported during December, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on account of laxity of management to realize targeted revenues, under intimation to audit.

[AIR Paras: 14, 16, 17]

1.6.2.4 Expenditure without Execution of Agreement – Rs 2.628 Million

Para 514 (A) of Public Works Departmental Manual Volume-I, states that, “normally no work should be permitted to be started unless the tender on prescribed forms is invited and got sanctioned by the competent authority.” In an emergent case, when agreement cannot be concluded before order to start the work is given, a statement showing the terms on which the work is to be done should be obtained from the contractor. The memorandum of terms (agreement in prescribed form A-I, A-2, B-I & B-2) should be signed by the contractors, as well as by the authority competent to sanction the tender, before the work is permitted to be started.

Chief Municipal Officer, Municipal Committee, Nawabshah, awarded contracts costing Rs 2.628 million, during 2012-13, without execution of contract agreement with contractors on prescribed proforma, in violation of above rule. Detail is as under;

(Amount in Rupees)

S. No.	Name of work	Contractor	Est:cost
1	Providing RCC (pre-cast) main hole covers for UC No. 6 M.C Nawabshah	Shakeel Ahmed	899,535
2	Supply of earth filling of feeding channel from Rohri canal to storage tank for scheme Nawabshah	M. Arif Qureshi	833,000
3	Providing RCC (pre-cast) main hole covers for UC No. 6 to 9 M.C Nawabshah	Rehman & Rehman	895,387
TOTAL			2,627,922

Audit was of the view that department failed to execute agreement with contractors resulting into non-safeguard of government interests and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during December, 2014, but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on the department on account of non-execution of contract agreement, under intimation to audit.

[AIR Para: 06]

1.6.2.5 Award of Contracts without Bank Guarantees - Rs 1.342 Million

Local Government Department, GoS, Notification No.SOV/MC-V(25)/2000 dated 24-06-2002, states that, “the contractor shall furnish Bank Guarantee equal to fifteen percent of contractual amount before entering into Contract agreement for proper performance of the contract”.

Chief Municipal Officer, Municipal Committee, Nawabshah, during 2012-13, awarded various contracts without obtaining Bank Guarantee @ 15% of the contractual amount, in violation of the above rule. Detail is as under:

(Amount in Rupees)

Title of Contract	Name of Contractor	Contract Value	Bank Security
Sign Board	Mr. Ghulam Shabir	850,000	127,500
Katcha Piri	Mr. M.Azam	2,774,000	416,100
Sullage Water main disposal	Ch: M. Hussain	513,000	76,950
Parking Fee	Mr. Ali Raza Aslam Aadil	3,665,000	549,750
Cattle Piri	Mr. Habib	1,148,000	172,200
Total		8,950,000	1,342,500

Audit was of the view that award of contracts without obtaining bank guarantees resulted into non-safeguarding of Government interest and weak financial control.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported on December, 2014 but management failed provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of award of work without obtaining bank guarantee, under intimation to audit.

[AIR Para: 13]

1.7 DISTRICT THATTA

1.7.1 INTRODUCTION

District Thatta comprises One District Council, One Municipal Committee Thatta and six Town Committees namely, Sujawal, Ghorabari, Jati, Mirpur Bathoro, Mirpur Sakro& Shah Bandar. Business of District Council, Municipal / Town Committees is run through the CO, CMO & Town officers and TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal Committee/Town Committee are as following:

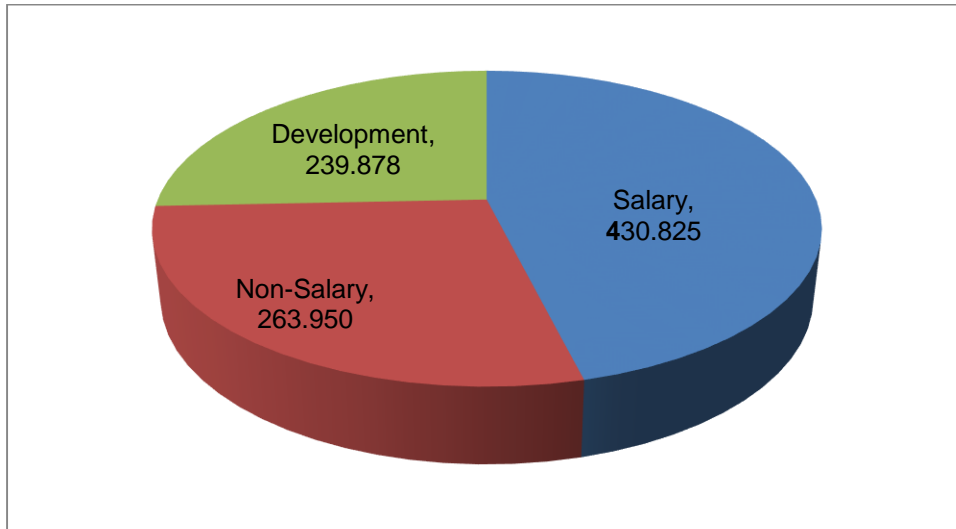
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal / Town Committees is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal / Town Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal / Town Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.7.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
1	Chief Officer Thatta	Salary	101.825	77.746	-24.079
		Non-Salary	8.350	8.338	-0.012
		Development	6.847	6.699	-0.148
		Revenue	1.000	-	-1.000
2	TMA Thatta	Salary	133.212	133.212	0.000
		Non-Salary	84.773	83.787	-0.986
		Development	36.006	36.006	0.000
		Revenue	3.894	-	-3.894
3	TMA Sajwal	Salary		Non-Production	
		Non-Salary		Non-Production	
		Development		Non-Production	
		Revenue		Non-Production	
4	TMA Ghorabari	Salary	37.459	26.903	-10.555
		Non-Salary	25.949	21.997	-3.952
		Development	70.400	56.534	-13.866
		Revenue	135.075	129.434	-5.641
5	TMA Jati	Salary	55.561	50.196	-5.366
		Non-Salary	55.316	51.420	-3.896
		Development	160.000	49.623	-110.377
		Revenue	270.402	151.872	-118.530
6	TMA Mirpur Bathoro	Salary	69.910	63.555	-6.355
		Non-Salary	27.964	25.422	-2.542
		Development	41.946	38.133	-3.813
		Revenue	127.150	127.150	0.000
7	TMA Mirpur Sakro	Salary	80.126	79.213	-0.913
		Non-Salary	177.610	72.986	-104.624
		Development	53.680	52.883	-0.797
		Revenue	212.029	-	-212.029
8	TMA Shah Bandar	Salary		Non-Production	
		Non-Salary		Non-Production	
		Development		Non-Production	
		Revenue		Non-Production	
Salary			478.093	430.825	-47.268
Non-Salary			379.962	263.950	-116.012
Development			368.879	239.878	-129.001
Revenue			749.550	408.456	-341.094
Total			1,976.484	1,343.109	-633.375

Budget 2013-14



Original budget of Rs 1,976.448 million was allocated to Municipal Corporation & Town Committees of District Thatta under various grants and no supplementary grants/re-appropriation was provided. Variance analysis of the revised/final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was a savings of Rs 633.375 million.

1.7.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	22	Nil
2013-14	Nil	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Thatta.

AUDIT PARAS

1.8.1 Non-Production of Record

1.8.1.1 Non-Production of Record

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Chief Officer, District Council, Thatta, CMO, Municipal Committee, Thatta and Town Officers, Town Committees, Jati, Ghorabari, Mirpur Sakro, Sujawal, Mirpur Bathoro & Shah Bandar, failed to open up auditable record (complete/partial) to audit parties deputed for the purpose of conducting audit for financial years 2011-14, in violation of the above rules. Detail is provided in Annexure-XVI.

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on managements for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Paras: 1, 1, 1, 1, 1, 1, 1, 1, 1]

1.8.2 Irregularity / Non-Compliance

1.8.2.1 Less Realization of Targeted Receipts – Rs 65.270 Million

Section 96 (1) of Sindh Local Government Act 2013, states that, “A council may levy, in the prescribed manner all or any taxes, rates, tolls, and fees mentioned in Schedule V”.

Further, Rule 41 (a) of SFR Vol-I, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Chief Officer District Council, Thatta, Chief Municipal Officer, Municipal Committee, Thatta and Town Officers, Town Committees, Jati, Mirpur Bathoro & Mirpur Sakro, during 2013-14, levied taxes / fees on different accounts but failed to realize estimated revenue targets by short recovery of Rs 65.270 million, in violation of the above rules. Detail is provided in Annexure-XVII.

Audit was of the view that due to non-realization of estimated receipts authority was deprived of genuine public revenue resulting into less revenue and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during March to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of their laxity to realize targeted revenues, under intimation to audit.

[AIR Paras: 1, 7, 10, 6, 09]

1.8.2.2 Illegal Appointments – Rs 46.107 Million

Notification issued from Local Government Department, Government of Sindh vide No.SOA/(LG)1(27)/2011 dated 6-6-2011, states that, “no appointment in any grade shall be made henceforth without consolidated advertisement and fresh approval of the Government. Approval, if any, earlier issued in this regard may be treated cancelled / withdrawn”.

Further, Government of Sindh, Services, General Administration & Cooperation Department notification No.SOV(S&GAD)X-15/90-98 dated 12-02-2008, states that, “Advertisement should be given for all vacant posts & for Posts in BP-5 & above, there shall be a written test followed by interview, whereas, for posts in BS-1 to BS-4 only interviews shall be conducted through departmental selection committee”.

Chief Officer, District Council, Thatta and Town officers, Town Committees, Jati, Ghorabari & Mirpur Sakro, incurred an expenditure of Rs 46.107 million, during 2012-14, on the salaries of newly appointed staff without going through prescribed procedure, in violation of the above rules. Detail is provided in Annexure-XVIII.

Audit was of the view that payments made on account of salaries to employees appointed without going through prescribed procedure resulted into unauthorized expenditure and weak financial management.

Deviation from prescribed rules resulted into unauthorized payment and weak internal control.

The matter was reported during October to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends investigation for fixing of responsibility on managements on account of expenditure incurred on employees appointed without following prescribed procedure, under intimation to audit.

[AIR Paras: 10, 11, 10, 3, 14]

1.8.2.3 Non-Transparency in Govt. Spending – Rs 39.310 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Officer, District Council, Thatta, Chief Municipal Officer, Municipal Committee, Thatta and Town Officers, Town Committees, Ghorabari, Jati, Mirpur Sakro and Mirpur Bathoro, incurred an expenditure amounting to Rs 39.310 million, during 2013-14, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers, in violation of above rule. Detail is provided in Annexure-XIX.

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed procedure resulted into unauthorized expenditure and weak internal control.

The matter was reported during March to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 08, 11, 09, 09, 10, 7]

1.8.2.4 Non-Deduction of Sales Tax – Rs 11.421 Million

Section 2 and 3 of the Sindh Sales Tax Special Procedure (Withholding) Rules, 2011, states that, federal and provincial government including local and district government, department and offices have been prescribed as Withholding Agent for the purpose of deduction and deposit of Sales Tax at applicable rate from unregistered persons and one fifth of applicable rate from registered persons.

Further, Part-B of Second Schedule annexed to Sindh Sales Tax on Services Act 2011, prescribed applicable rate of sales tax at 16% against services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.

Chief Officer, District Council, Thatta, Town Officer, Town Committees, Ghorabari & Jati, paid an amount of Rs 71.385 million, during 2012-14, to various contractors, but failed to deduct Sales tax @ 16% amounting to Rs 11.421 million, in violation of above rules. Detail is as under:

[Amount in Rupees]

Sr.	Name of office	Para	year	Expenditure	GST Amount
1	Chief Officer, District Council	02	2012-13	28,508,996	4561,441
2	TC, Ghorabari	06	2013-14	40,000,000	6,400,000
3	TC, Jati	02	2013-14	2,876,904	460,304
Total				71,385,900	11,421,745

Audit was of the view that due to failure of managements on account of

non-deduction of tax government sustained loss of public revenue and weak financial management.

Deviation from prescribed rules resulted into short receipt of public revenue and weak internal control.

The matter was reported during February to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for non-deduction of sales tax from contractor's bills. Besides, same may be recovered, under intimation to audit.

[AIR Paras: 2, 6, 2]

1.8.2.5 Non-Recovery of Dues of Shops Rent – Rs 11.047 Million

Rule 41 (a) of SFR Volume-1, "The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller".

Chief Officer, District Council, Thatta, Chief Municipal Officer, Municipal Committee, Thatta and Town Officer, Town Committee, Jati, failed to recover outstanding rent of shops from various tenants amounting to Rs 11.047 million, during 2012-14, in violation of above rule. Detail is provided in Annexure-XX.

Audit was of the view that due to failure of managements huge amount of public revenue remained outstanding resulting into short receipt of revenue and weak financial management.

Deviation from prescribed rules resulted into less collection of revenue and weak internal control.

The matter was reported during October to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on official(s) at fault and outstanding public revenue may be recovered, under intimation to audit.

[AIR Paras: 52, 1, 3, 8]

1.8.2.6 Payment through Open Cheques – Rs 10.972 Million

Rule 157 (1) & (2) of CTR, “The cheques for more than Rs 200/- drawn in favor of Corporate or Local Bodies, firms, private persons or Government servants (in respect of their personal claims) shall always be crossed”.

Town officers, Town Committees, Ghorabari, Jati & Mirpur Sakro, made payments of Rs 10.972 million to various suppliers through open cheques instead of crossed cheques, in violation of above rule. Detail is provided in Annexure-XXI.

Audit was of the view that payments made through open cheques resulted into doubtful transactions and weak financial management. Besides, chances of misappropriation of public money cannot be ruled out.

Deviation from prescribed rule resulted into non-transparency in expenditure from public funds and weak internal control.

The matter was reported during June to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on official(s) at fault on account of payment through open cheques, under intimation to audit.

[AIR Paras: 08, 02, 12]

1.9 DISTRICT JAMSHORO

1.9.1 INTRODUCTION

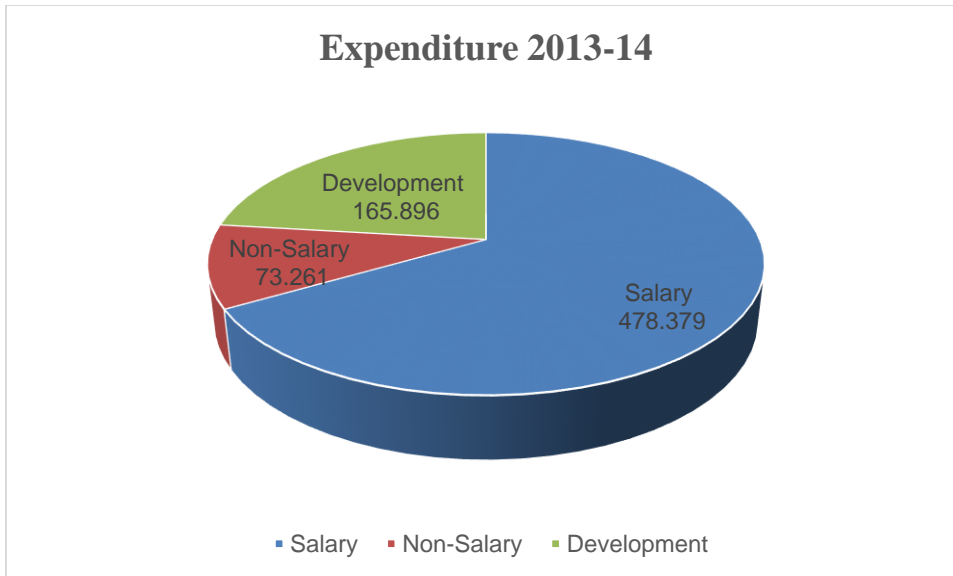
District Jamshoro comprises One District Council, One Municipal Committee, Kotri and Three Town Committees namely, Manjhand, Sehwan Sharif & Thana Bola Khan. Business of District Council, Municipal / Town Committees is run through the CO, CMO & Town officers and TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal Committee/Town Committee are as following:

1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal / Town Committees is responsible.
2. Exercise control over land-use, land sub-division, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal / Town Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal / Town Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.9.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
1	Chief Officer Jamshoro	Salary	69.549	43.900	-25.650
		Non-Salary	193.090	0.570	-192.520
		Development	376.000	-	-376.000
		Revenue	49.367	41.139	-8.228
2	TMA Kotri	Salary	177.469	115.641	-61.828
		Non-Salary	51.911	10.261	-41.650
		Development	74.588	59.084	-15.504
		Revenue	252.004	113.968	-138.036
3	TMA Manjhand	Salary	80.9424	81.234	0.292
		Non-Salary	13.4904	13.4904	-
		Development	40.4712	40.4712	-
		Revenue	135.135	135.135	-
4	TMA Sehwan	Salary	180.186	158.564	-21.622
		Non-Salary	57.660	47.858	-9.802
		Development	17.000	14.450	-2.550
		Revenue	249.910	243.460	-6.450
5	TMA Thana Bula Khan	Salary	113.214	79.040	-34.174
		Non-Salary	0.800	1.082	0.282
		Development	73.299	51.891	-21.408
		Revenue	186.566	157.076	-29.490
Salary			621.361	478.379	-142.981
Non-Salary			316.951	73.261	-243.690
Development			581.358	165.896	-415.462
Revenue			872.982	690.778	-182.204
Total			2,392.652	1,408.315	-984.337



Original budget of Rs 2,352.182 million was allocated to Municipal Corporation & Town Committees of District Jamshoro under various grants and no supplementary grants/re-appropriation was provided. Variance analysis of the revised/final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was a saving of Rs 984.338 million.

1.9.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	07	Nil
2013-14	21	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Jamshoro.

AUDIT PARAS

1.10.1 Non-Production of Record

1.10.1.1 Non-Production of Revenue Record – Rs 19.582 Million

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Chief Municipal Officer, Municipal Committee, Kotri and Town Officer, Town Committee, Manjhand, failed to open up partial auditable record to audit parties deputed for the purpose of conducting audit for financial year 2013-14, in violation of the above rules. Detail is as under:

[Rupees in Million]				
S. No.	Name of Formation	Para	Year	Amount
1	Municipal Committee, Kotri	1	2013-14	1.932
2	Town Committee, Manjhand	3	2013-14	17.65
Total				19.582

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during October to December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on managements for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Paras: 01, 03]

1.10.2 Irregularity / Non-Compliance

1.10.2.1 Non-Hoisting of Bid Evaluation Reports on SPPRA Website Rs 431.166 Million

Rule 45 SPPRA Rules 2010, states that, “Procuring agencies shall announce the results of bid evaluation in the form of a report giving reasons for acceptance or rejection of bids. The report shall be hoisted on website of the Authority and that of the procuring agency if its website exists and intimated to all the bidders at least seven (07) days prior to the award of contract”.

Rule 10 of SPPRA Rules 2010, states that, “The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement to public through hoisting on the Authority’s website as well as on procuring agency’s website, if the procuring agency has such a website.”

Town Officer, Town Committee, Sehwan, invited open tenders costing Rs 431.166 million, during 2011-13, for various development works but failed to hoist bid evaluation reports on the SPPRA website, in violation of above rule. Detail is provided in Annexure-XXII.

Audit was of the view that violation of SPPRA rules resulted into non-transparency in award of contracts and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during February to December, 2014 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on the department on account of non-transparency in awarding of contracts and non-hoisting of bid evaluation report on authority’s website, under intimation to audit.

[AIR Paras: 15, 08]

1.10.2.2 Unauthorized Award of Work to Un-registered Contractors by PEC Rs 274.024 Million

Rule 46 of SPPRA Rules 2010, states that, “Save as otherwise provided in these rules, the following procedures shall be permissible for open competitive bidding;

- (iii) Registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable)”.

Further, Pakistan Engineering Council letter No. PEC/Consult/EF/1900017 dated 01-09-2005, states that, “No engineering work shall be constructed except by a constructor or operated except by an operator licensed as such by the Council (PEC). All consulting engineering services in Pakistan shall be entrusted only to consulting engineers duly registered as such with the Council (PEC).”

Town Officers, Town Committees, Sehwan Sharif and Thana Bola Khan, awarded works amounting to Rs 274.024 million to contractors not registered with Pakistan Engineering Council (PEC), during 2013-14, in violation of the above rules. Detail is provided in Annexure-XXIII.

Audit was of the view that execution of work through unregistered contractors resulted into compromise on quality of work and weak financial management.

Deviation from prescribed rules resulted into execution of work by unauthorized contractors and weak internal control.

The matter was reported during December, 2014, but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of award of works to contractors not registered with PEC, under intimation to audit.

[AIR Paras: 03, 03]

1.10.2.3 Unauthorized Expenditure of Development Schemes without Technical Sanction – Rs 244.886 Million

Para 56 of CPW departmental code, states that, “For each individual work proposed to be carried out, except petty works petty repairs and repairs for which a lump sum provision has been sanctioned under paragraph 106, a properly detailed estimate

must be prepared for sanction of competent authority this sanction is known as the technical sanction to the estimate”.

Para-527 of PWD Manual, Volume-I, states that, “no work shall begin unless proper detailed design and estimate have been sanctioned, allotment of funds made and order for its commencement issued by the competent authority”.

Chief Municipal Officer, Municipal Committee, Kotri and Town Officer, Town Committee, Sehwan Sharif executed development works/schemes costing Rs 244.886 million, during 2012-14, without obtaining technical sanctions of the works/schemes from competent authority, in violation of above rules. Detail is provided in Annexure-XXIV.

Audit was of the view that non-obtaining of technical sanction resulted into unauthorized expenditure and weak financial management.

Deviation from prescribed rule resulted into sanction without validity and weak internal control.

The matter was reported during December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of execution of work without technical sanction from competent authority, under intimation to audit.

[AIR Paras: 2, 10, 2]

1.10.2.4 Non-Achievement of Targeted Receipts – Rs 47.961 Million

Section 96 (1) of Sindh Local Government Act 2013, states that, “A council may levy, in the prescribed manner all or any taxes, rates, tolls, and fees mentioned in Schedule V”.

Further, Rule 41 (a) of SFR Vol-I, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Chief Officer, District Council, Jamshoro, Chief Municipal Officer, Municipal Committee Kotri and Town Officer, Town Committee, Thana Bola Khan, failed to recover outstanding revenue from various contractors/tenants on account of levied

taxes/fees on different accounts and rents but resulting into short recovery of Rs 47.961 million, during 2013-14, in violation of above rules. Detail is provided in Annexure-XXV.

Audit was of the view that due to non-realization of estimated receipts authority was deprived of genuine public revenue resulting into less revenue and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of laxity to realize targeted revenues, under intimation to audit.

[AIR Paras: 5, 6, 2, 8]

1.10.2.5 Non-Transparency of Government Spending –Rs 18.438 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Municipal Officer, Municipal Committee, Kotri and Town Officers, Town Committees, Sehwan Sharif, Manjhand and Thana Bola Khan, incurred an expenditure amounting to Rs 18.438 million, during 2012-14, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers, in violation of above rule. Detail is provided in Annexure-XXVI.

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed procedure resulted into unauthorized expenditure and weak internal control.

The matter was reported during December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 9, 6, 11, 11, 16, 15]

1.10.2.6 Expenditure without Execution of Agreements– Rs 12.900 Million

Para 514 (A) of Public Works Departmental Manual Volume-I, states that, “normally no work should be permitted to be started unless the tender on prescribed forms is invited and got sanctioned by the competent authority.” In an emergent case, when agreement cannot be concluded before order to start the work is given, a statement showing the terms on which the work is to be done should be obtained from the contractor. The memorandum of terms (agreement in prescribed form A-I, A-2, B-I & B-2) should be signed by the contractors, as well as by the authority competent to sanction the tender, before the work is permitted to be started.

Town Officer, Town Committee, Sehwan Sharif, incurred expenditure amounting to Rs 12.900 million, during 2011-13, on various heads of accounts, without execution of contract agreements on prescribed proforma, in violation of above rule. Detail is provided in Annexure-XXVII.

Audit was of the view that department failed to execute agreement with contractors resulted into non-safeguarding of government interest and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during December, 2014, but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on the department on account of non-execution of contract agreement, under intimation to audit.

[AIR Para: 08]

1.10.2.7 Unauthorized Appointments – Rs 6.024 Million

Notification issued from Local Government Department, Government of Sindh vide No.SOA/(LG)1(27)/2011 dated 6-6-2011, states that, “no appointment in any grade

shall be made henceforth without consolidated advertisement and fresh approval of the Government. Approval, if any, earlier issued in this regard may be treated cancelled / withdrawn”.

Further, Government of Sindh, Services, General Administration & Cooperation Department notification No.SOV(S&GAD)X-15/90-98 dated:12-02-2008, states that, “Advertisement should be given for all vacant posts & for Posts in BP-5 & above, there shall be a written test followed by interview, whereas, for posts in BS-1 to BS-4 only interviews shall be conducted through departmental selection committee”.

Town Officer, Town Committee, Sehwan Sharif, incurred an expenditure of Rs 6.024 million, during 2011-13, on the salaries of 480 newly appointed staff without going through prescribed procedure, in violation of the above rules.

Audit was of the view that payments made on account of salaries to employees appointed without going through prescribed procedure resulted into unauthorized expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during January, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends investigation for fixing of responsibility on management on account of expenditure incurred on employees appointed without following prescribed procedure, under intimation to audit.

[AIR Para: 14]

1.10.2.8 Payment of Bills without Pre-Audit – Rs 3.159 Million

Sub-Para 32(2) of the Local Government Accounts Manual, states that, “Every bill shall be pre-audited by the Accounts Office. The pre-audit shall ensure that the bill has been sanctioned and that funds are available to make payment. The pre-audit shall also involve scrutinizing the bill to identify possible fraud and irregularities”.

Further, Rule 111(4) & (5) of Sindh Local Government Act 2013, states that, “the Provincial Director, Local Fund Audit shall pre-audit all the payments from the Local Funds of the Councils and a Council shall not with draw or disburse money from the Local Fund unless it is pre-audited in the prescribed manner”.

Town Officer, Town Committee, Sehwan Sharif, incurred expenditure of Rs 3.159 million, during 2011-13, on account of payments to contractors without pre audit by the Local Fund Audit, in violation of the above rules. Detail is provided in Annexure-XXVIII.

Audit was of the view that payments without pre-audit of bills resulted into non-transparency in public spending and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported from during January, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility against the official(s) at fault for incurring expenditure without pre-audit, under intimation to audit.

[AIR Paras: 14, 7]

1.10.2.9 Non-deposit of Income Tax – Rs 1.968 Million

Rule 77 of CTR Volume-I, states that, “All money received on behalf of Government should be without undue delay be credited into Government account”.

Further, Para 41(a) of SFR Vol-I, states that, “The departments controlling office should see that all sums due to government are regularly received and checked against demands and that they are paid into the treasury”.

Chief Municipal Officer, Municipal Committee, Kotri, paid an amount of Rs 12.415 million, during 2013-14, to contractors for execution of different development works and deducted income tax, at source, amounting to Rs 1.968 million, but failed to deposit the same into government treasury, in violation of the above rules.

Audit was of the view that non-deposit of deducted income tax into government treasury resulted into loss of public revenue and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported in December, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of

unauthorized retention of income tax. Besides, same may be deposited into government treasury, under intimation to audit.

[AIR Para: 3]

1.10.2.10 Non-Utilization of Water Desalination Plant

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

Further, Rule II (I) of Appendix 18, *ibid*, states that, "all losses must be reported forthwith by the officer concerned, not only to the Audit Officer, but also to his own immediate official superior. Reports must be submitted as soon as reasonable ground exists for believing that a loss has occurred; they must not be delayed while detailed enquiries are made".

Town Officer, Town Committee, Sehwan Sharif, failed to utilize the Water Desalination Plant constructed at the cost of Rs 236.080 million, during 2012-13, located at Mancher Lake for supplying drinkable water to Bubak Town and 68 Villages Located in the vicinity of Taluka Sehwan Sharif, in violation of the above rule.

Audit was of the view that management's failure to utilize desalination project resulted into non-supply of clean drinking water to general public and weak administrative/financial management.

Deviation from prescribed rule resulted into wastage of public money and weak internal control.

The matter was reported during January, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of non-operation of desalination plant, under intimation to audit.

[AIR Para: 5]

1.11 DISTRICT BADIN

1.11.1 INTRODUCTION

District Badin comprises One District Council, One Municipal Committee, Badin and four Town Committees namely, Matli, Shaheed Fazil Rahu, Talhar & Tando Bago. Business of District Council, Municipal / Town Committees is run through the CO, CMO & Town officers and TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal Committee/Town Committee are as following:

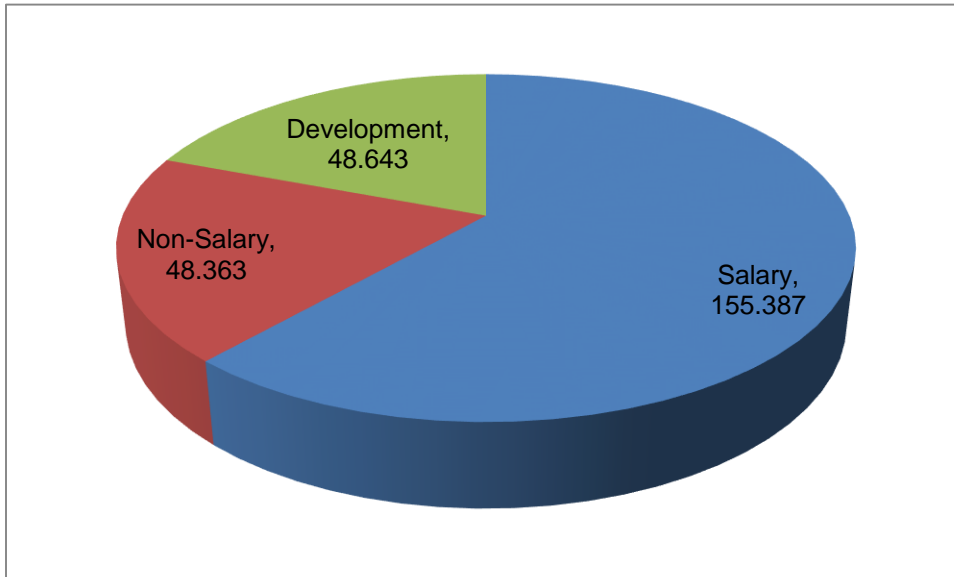
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal / Town Committees is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal / Town Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal / Town Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.11.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
1	Chief Officer Badin	Salary	540.840	56.892	-483.948
		Non-Salary	Non-Production		
		Development	Non-Production		
		Revenue	540.840	540.840	0.000
2	TMA Badin	Salary	105.177	98.495	-6.682
		Non-Salary	48.506	48.363	-0.143
		Development	37.588	48.643	11.055
		Revenue	259.989	205.730	-54.259
3	TMA Matli	Salary	Non-Production		
		Non-Salary	Non-Production		
		Development	Non-Production		
		Revenue	Non-Production		
4	TMA Shaheed Fazil Rahu	Salary	Non-Production		
		Non-Salary	Non-Production		
		Development	Non-Production		
		Revenue	Non-Production		
5	TMA Talhar	Salary	Non-Production		
		Non-Salary	Non-Production		
		Development	Non-Production		
		Revenue	Non-Production		
6	TMA Tando Bago	Salary	Non-Production		
		Non-Salary	Non-Production		
		Development	Non-Production		
		Revenue	Non-Production		
Salary			646.017	155.387	-490.630
Non-Salary			48.506	48.363	-0.143
Development			37.588	48.643	11.055
Revenue			800.829	746.570	-54.259
Total			1,532.940	998.963	-533.977

Budget 2013-14



Original budget of Rs 1,532.940 million was allocated to Municipal Corporation & Town Committees of District Badin under various grants and no supplementary grants/re-appropriation was provided. Variance analysis of the revised/final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was a savings of Rs 533.977 million.

1.11.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	07	Nil
2013-14	Nil	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Badin.

AUDIT PARAS

1.12.1 Non-Production of Record

1.12.1.1 Non-Production of Record – Rs 405.048 Million

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Chief Officer, District Council, Badin, Chief Municipal Officers, Municipal Committees, Badin and Matli, Town Officers, Town Committees, Talhar, Shaheed Fazil Rahu & Tando Bago, failed to open up auditable record (Partial/complete) of Rs 405.048 million to audit parties deputed for the purpose of conducting audit for financial years 2011-14, in violation of the above rules. Detail is provided in Annexure-XXIX.

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during April to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on managements for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Paras: 1, 1, 1, 1, 1, 1, 1, 1]

1.12.2 Irregularity / Non-Compliance

1.12.2.1 Unauthorized Expenditure –Rs 63.903 Million

Rule-17(1) of SPPRA Rules 2010, states 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 in print media in the manner and format prescribed in these rules”.

Further, Rules (11)(1), *ibid*, states that, “All procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer term rolling plan, detailing the procurement methods applicable for specific procurements (12)(1) all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping”.

Chief Municipal Officer, Municipal Committee, Badin & Town Officer, Town Committee Tando Bago & Shaheed Fazil Rahu, incurred an expenditure of Rs 49.939 million, without calling tender and incurred Rs 13.964 million by way of splitting to avoid tender, during 2012-14, in violation above rules. Detail is provided in Annexure-XXX.

Audit was of the view that managements failed to invite tenders/split work orders to avoid tenders resulted into non-achievement of competitive rates and weak financial management.

Deviation from prescribed rules resulted into unauthorized expenditure and weak internal control.

The matter was reported during June to December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends for fixing of responsibility on managements on account of execution of works without tenders /by way of splitting, under intimation to audit.

[AIR Paras: 2, 2, 1, 4]

1.12.2.2 Less-Realization of Targeted Receipts – Rs 50.513 Million

Section 96 (1) of Sindh Local Government Act 2013, states that, “A council may levy, in the prescribed manner all or any taxes, rates, tolls, and fees mentioned in Schedule V”.

Further, Rule 41 (a) of SFR Vol-I, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Chief Municipal Officer, Municipal Committee, Badin & Town Officer, Town Committee, Shaheed Fazil Rahu, levied taxes/fees on different accounts to Rs 66.458 million but failed to realize estimated revenue targets by short recovery of Rs 50.513 million, during 2012-14, in violation of the above rules. Detail is provided in Annexure-XXXI.

Audit was of the view that due to non-realization of estimated receipts authority was deprived of genuine public revenue resulting into less revenue and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during June to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of laxity to realize targeted revenues, under intimation to audit.

[AIR Paras: 18, 08, 14]

1.12.2.3 Non-Transparency in Govt. Spending – Rs 53.559 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Municipal Officer, Municipal Committee, Badin & Town Officers, Town Committees, Shaheed Fazal Rahu & Tando Bago, incurred an expenditure amounting to Rs 53.559 million, during 2012-14, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account

Registers, in violation of above rule. Detail is provided in Annexure-XXXII.

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed procedure resulted into unauthorized expenditure and weak internal control.

The matter was reported during June to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 15, 04, 12, 18, 6]

1.12.2.4 Unauthorized Appointments – Rs 51.048 Million

Notification issued from Local Government Department, Government of Sindh vide No.SOA/(LG)1(27)/2011 dated 6-6-2011, states that, no appointment in any grade shall be made henceforth without consolidated advertisement and fresh approval of the Government. Approval, if any, earlier issued in this regard may be treated cancelled / withdrawn.

Further, Government of Sindh, Services, General Administration & Cooperation Department notification No.SOV(S&GAD)X-15/90-98 dated:12-02-2008, stated that, Advertisement should be given for all vacant posts & for Posts in BP-5 & above, there shall be a written test followed by interview, whereas, for posts in BS-1 to BS-4 only interviews shall be conducted through departmental selection committee.

Chief Municipal Officer, Municipal Committee Badin & Matli and Town Officers, Town Committees, Shaheed Fazil Rahu and Tando Bago, incurred an expenditure of Rs 51.048 million, during 2012-13, on the salaries of newly appointed staff without going through prescribed procedure, in violation of the above rules. Detail is provided in Annexure-XXXIII.

Audit was of the view that payments made on account of salaries to employees appointed without going through prescribed procedure resulted into unauthorized expenditure and weak financial management.

Deviation from prescribed rules resulted into unauthorized payment and weak internal control.

The matter was reported during June to December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends investigation for fixing of responsibility on managements on account of expenditure incurred on employees appointed without following prescribed procedure, under intimation to audit.

[AIR Paras: 14, 02, 11, 18]

1.12.2.5 Non-Hoisting of Bid Evaluation Reports on SPPRA Website Rs 46.258 Million

Rule 45 of SPPRA Rules 2010, states that, “Procuring agencies shall announce the results of bid evaluation in the form of a report giving reasons for acceptance or rejection of bids. The report shall be hoisted on website of the Authority and that of the procuring agency if its website exists and intimated to all the bidders at least seven (07) days prior to the award of contract”.

Further, Rule 10 of SPPRA Rules 2010, states that, “The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement to public through hoisting on the Authority’s website as well as on procuring agency’s website, if the procuring agency has such a website.”

Chief Municipal Officer, Municipal Committee, Badin, during 2012-13, invited open tenders costing Rs 46.258 million, but failed to hoist bid evaluation reports on the SPPRA website, in violation of above rules. Detail is provided in Annexure-XXXIV.

Audit was of the view that violation of SPPRA rules resulted into non-transparency in the award of contracts and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during December, 2014 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on the department on account of

non-transparency in awarding of contracts and non-hoisting of bid evaluation reports on authority's website, under intimation to audit.

[AIR Para: 10]

1.12.2.6 Unauthorized Expenditure Without Revised Administrative Approval Rs 17.214 Million

Rule (16)(1) of SPPRA Rules 2010, states that, "Repeat Orders means procurement of additional quantities of the item(s) from the original contractor or supplier, where, after the items originally envisaged for the project or scheme have been procured through open competitive bidding, 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: - (i) the cost of additional quantities of item(s) shall not exceed 15% of the original contract amount".

Chief Municipal Officer, Municipal Committee, Badin, revised seven development schemes from Rs 29.000 million to 46.214 million resulting into excess of Rs 17.412 million which was 23% to 260% exceeding permissible limit of 15% of the original contract without revised administrative approval, in violation of above rule. Detail is provided in Annexure-XXXV.

Audit was of the view that schemes were revised above the original contract beyond permissible limit without revised administrative approval from competent authority resulting into unauthorized expenditure and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during June 2014, but the management failed to provide their departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of non-revision of schemes beyond permissible limit without revised administrative approval, under intimation to audit.

[AIR Para: 04]

1.12.2.7 Loss Due to Non-Revision of Rent – Rs 5.411 Million

Sub-section (1) of section (8) of the Sindh Rented Premises Ordinance 1979, “The controller shall, on application by the tenant or landlord determines fair rent of the premises after taking into consideration the following factors;

- a) The raise in cost of construction and repair charges;
- b) The imposition of new taxes, if any, after commence;
- c) The annual value of the premises to sub-section (1) of 9 “Where the fair of any premises has been fixed, no further increase thereof shall be effected unless a period of three years has been elapsed from the date of such fixation or commencement of this ordinance whichever is less”.

Further, sub section (2) of Rule 9 states that, “the increase is allowed @ 10% per annum on the existing rent”.

Chief Municipal Officer, Municipal Committee, Badin & Matli and Town Officer, Town Committee, Shaheed Fazil Rahu, failed to revise shop rents, during 2011-13, resulting into loss of Rs 5.411 million, in violation of above rules. Detail is as under;

[Rupees in Million]

Sr.	Name of Formation	Para	Year	No of Shops	Amount
1	MC, Badin	17	2011-13	177	3.258
2	MC, Matli	03	2012-13	110	0.969
3	TC, Fazal Rahu	15	2012-13	39	1.184
Total					5.411

Audit was of the view that non-increase of rent in accordance with provisions of rental act resulted into loss to public revenue and weak financial management.

Deviation from prescribed rules resulted into less realization of public revenue and weak internal control.

The matter was reported during June to December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of non-enhancement of rent. Besides, same may be enhanced and recovered, under intimation to audit.

[AIR Paras: 17, 03, 15]

1.12.2.8 Doubtful Expenditure without Supporting Vouchers Rs 4.000 Million

Rule 23 of SFR Vol-I, states that, “Every Payment including repayment of money previously lodged with Government for whatever purpose, must be supported by a voucher setting forth full and clear particulars of the claim”

CMO, Municipal Committee Badin, paid Rs 4.000 million, during 2012-13, to Deputy Commissioner, Badin on account of municipal works which was outside the purview of DC and without obtaining supporting vouchers to justify the expenditure, in violation of above rule. Detail is as under:

(Amount in Rupees)

S. No.	Cheque No.	Date	Amount
1	004732	24-08-2011	3,000,000
2	820332	20-12-2011	500,000
3	4793791	24-03-2012	500,000
	Total		4,000,000

Audit was of the view that management failed to obtain supporting vouchers resulting into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed rules resulted into undue favour to DC and weak internal control.

The matter was reported during June, 2014 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing of responsibility on management on account of extending undue favour to Deputy Commissioner and failure in obtaining supporting vouchers to justify the expenditure, under intimation to audit.

[AIR Para: 1]

1.12.2.9 Non-Deduction of Sales Tax –Rs 1.403 Million

Sub Section (1) of Section 8 of Sindh Sales Tax on Services Act, 2011, states that, “Subject to the provision 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 16% specified in the schedule in which the taxable service is listed”.

Further, Sub Section (2) of Section (9), states that, “Where a service is taxable by virtue of sub section (2) of section (3), the liability to pay the tax shall be on the persons receiving the service”.

Chief Municipal Officer, Municipal Committee, Badin, paid an amount of Rs 8.774 million, during 2013-14, to various contractors against services rendered but failed to deduct Sales tax @ 16% amounting to Rs 1.403 million, in violation of above rules. Detail is provided in Annexure-XXXVI.

Audit was of the view that due to failure of management on account of non-deduction of tax resulted into loss of public revenue and weak financial management.

Deviation from prescribed rules resulted into short receipt of public revenue and weak internal control.

The matter was reported during June, 2014 but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of non-deduction of sales tax from contractor’s bills. Besides, same may be recovered, under intimation to audit.

[AIR Para: 05]

1.13 DISTRICT TANDO ALLAHYAR

1.13.1 INTRODUCTION

District Tando Allahyar comprises One District Council, One Municipal Committee Tando Allahyar and Two Town Committees namely, Chamber & Jhando Mari. Business of District Council, Municipal / Town Committees is run through the CO, CMO & Town Officers and TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal Committee/Town Committee are as following:

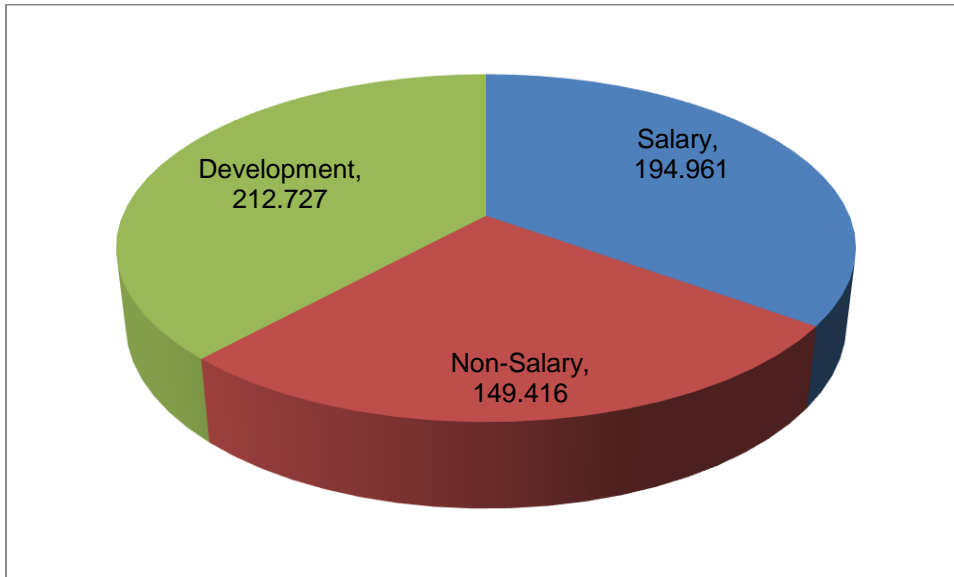
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal / Town Committees is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal / Town Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal / Town Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.13.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
1	Chief Officer Tando Allahyar	Salary	38.039	18.730	-19.309
		Non-Salary	10.290	7.481	-2.809
		Development	6.000	5.218	-0.782
		Revenue	305.888	29.314	-276.574
2	TMA Tando Allahyar	Salary	147.533	139.305	-8.228
		Non-Salary	22.955	18.037	-4.918
		Development	37.874	30.941	-6.933
		Revenue	-	-	-
3	TMA Chamber	Salary	Non-Production		
		Non-Salary	Non-Production		
		Development	Non-Production		
		Revenue	Non-Production		
4	TMA Jando Mari	Salary	48.733	36.927	-11.806
		Non-Salary	65.238	123.897	58.659
		Development	129.000	176.569	47.569
		Revenue	246.920	230.566	-16.354
Salary			234.305	194.961	-39.344
Non-Salary			98.483	149.416	50.933
Development			172.874	212.727	39.853
Revenue			552.808	259.880	-292.928
Total			1,058.470	816.984	-241.486

Budget 2013-14



Original budget of Rs 1,058.470 million was allocated to Municipal Corporation & Town Committees of District Tando Allahyar under various grants and no supplementary grants / re-appropriation were provided. Variance Analysis of the revised / final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was a saving of Rs 241.486 million.

1.13.2 Brief Comments on the Status of Compliance with PAC Directives

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	12	Nil
2013-14	Nil	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Tando Allahyar.

AUDIT PARAS

1.14.1 Production of Record

1.14.1.1 Non-Production of Record

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Town Officer, Town Committee, Chambar, during 2013-14, failed to open up complete auditable record to audit party deputed for the purpose of conducting audit, in violation of the above rules.

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during December, 2014, but management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing of responsibility on management for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Para: 01]

1.14.2 Irregularity / Non-Compliance

1.14.2.1 Non-Hoisting of Bid Evaluation Reports on SPPRA Website Rs 115.189 Million

Rule 45 of SPPRA Rules 2010, states that, “Procuring agencies shall announce the results of bid evaluation in the form of a report giving reasons for acceptance or rejection of bids. The report shall be hoisted on website of the Authority and that of the procuring agency if its website exists and intimated to all the bidders at least seven (07) days prior to the award of contract”.

Further, Rule 10 of SPPRA Rules 2010, states that, “The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement to public through hoisting on the Authority’s website as well as on procuring agency’s website, if the procuring agency has such a website.”

Chief Officer, District Council, Tando Allahyar, Town Officers, Town Committees, Chambar & Jhando Mari, invited open tenders costing Rs 115.189 million, during 2012-14, for various development works but failed to hoist bid evaluation reports on the SPPRA website, in violation of above rules. Detail is provided in Annexure-XXXVII.

Audit was of the view that violation of SPPRA rules resulted into non-transparency in the award of contracts and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during March to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on the departments on account of non-transparency in awarding of contracts and non-hoisting of bid evaluation report on authority’s website, under intimation to audit.

[AIR Paras: 9, 11, 23]

1.14.2.2 Non-Transparency in Govt. Spending – Rs 21.505 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Officer, District Council, Tando Allahyar, Chief Municipal Officer, Municipal Committee, Tando Allahyar and Town Officers, Town Committees, Chambar & Jhando Mari, incurred an expenditure amounting to Rs 21.505 million, during 2012-14, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers, in violation of above rule. Detail is provided in Annexure-XXXVIII.

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed procedure resulted into unauthorized expenditure and weak internal control.

The matter was reported during March to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 15, 20, 09, 13, 5, 7, 5]

1.14.2.3 Un-authorized Appointments – Rs 13.426 Million

Notification issued from Local Government Department, Government of Sindh vide No.SOA/(LG)1(27)/2011 dated 6-6-2011, states that, “no appointment in any grade shall be made henceforth without consolidated advertisement and fresh approval of the Government. Approval, if any, earlier issued in this regard may be treated cancelled / withdrawn”.

Further, Government of Sindh, Services, General Administration & Cooperation Department notification No.SOV(S&GAD)X-15/90-98 dated:12-02-2008, states that, “Advertisement should be given for all vacant posts & for Posts in BP-5 & above, there shall be a written test followed by interview, whereas, for posts in BS-1 to BS-4 only interviews shall be conducted through departmental selection committee”.

Chief Officer, District Council, Tando Allahyar and Town Officer, Town Committee, Chambar, incurred an expenditure of Rs 13.426 million, during 2012-13, on

the salaries of 100 newly appointed staff on contract basis without going through prescribed procedure, in violation of the above rules.

Audit was of the view that payments made on account of salaries to employees appointed without going through prescribed procedures resulted into unauthorized expenditure and weak financial management.

Deviation from prescribed rules resulted into unauthorized payment and weak internal control.

The matter was reported during March to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends investigation for fixing of responsibility on managements on account of expenditure incurred on employees appointed without following prescribed procedures, under intimation to audit.

[AIR Paras: 16, 17]

1.14.2.4 Technical Sanction beyond Financial Powers – Rs 8.770 Million

As per Director General (Technical) Local Government Department, Govt. of Sindh Hyderabad letter No.DB/ 329/ 2005 Hyderabad Dated 16-08-2005 “officers of grade-18 and above have the powers as under: -

S. No.	Category	Financial Powers
01	Assistant Engineer/ TO (I&S) (of B-17/ Below)	No Powers
02	Executive Engineer/ TO (I&S) (of B-18)	The work having A.A cost of Rs.0.6 M.
03	Superintending Engineer (of B-19)	The work having A.A cost of Rs.3.0 M
04	Director General/ Chief Engineer (of B-20)	No limit (full powers)

Chief Officer, District Council, Tando Allahyar, Chief Municipal Officer Municipal Committee, Tando Allahyar, obtained technical sanction of works worth Rs 8.770 million, during 2012-13, from different officials instead of competent authority, in violation of the above rule. Detail is provided in Annexure-XXXIX.

Audit was of the view that exercise of powers by authority without delegation of financial powers resulted into weak financial management.

Deviation from prescribed rule resulted into unauthorized expenditure and weak internal control.

The matter was reported during March to December, 2014, but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of execution of work without technical sanction from the competent authority, under intimation to audit.

[AIR Paras: 10, 02]

1.14.2.5 Non-Deduction of Income Tax – Rs 5.413Million

Section 153 (1) (Payments for goods and services) of Income Tax Ordinance 2001 states that, “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 supply of goods or the rendering of services shall, at the time of making the payment, deduct tax at 3.5% of the gross amount payable of any goods (other than rice, cotton seed or edible oil), 6% of gross amount payable in case of services rendered, 6% of the gross amount payable if contract value exceeding Rs.30 (m) and 5% in any other case”.

Town Officers, Town Committees, Chambar & Jhando Mari, incurred expenditure of Rs 91.305 million, during 2012-14, on account of development schemes but failed to deduct income tax amounting to Rs 5.413 million on prescribed rates from the contractors/suppliers, in violation of the above rule.

Audit was of the view that due to managements’ failure government sustained loss of public revenue and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported from February to December, 2014 but managements failed to provided departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for non-deduction of income tax from contractors/supplier’s bills. Besides, same may be recovered, under intimation to audit.

[AIR Paras: 7, 13]

1.14.2.6 Unauthorized Expenditure –Rs 4.685 Million

Rule 12(1) of SPPRA Rules 2010, state that, “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”.

Town Officer, Town Committee, Chamber, awarded works amounting to Rs 4.685 million, during 2012-13, to various contractors by splitting to avoid tender, in violation of the above rules. Detail is provided in Annexure-XL.

Audit was of the view that management failed to invite tenders to obtain competitive rates resulting into non-transparency in award of contracts and weak financial management.

Deviation from prescribed rules resulted into unauthorized expenditure and weak internal control.

The matter was reported during April, 2014, but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends for fixing of responsibility on managements on account of execution of works / procurement without tenders and non-achievement of competitive rates, under intimation to audit.

[AIR Para: 20]

1.14.2.7 Unauthorized Expenditure without Revised Technical Sanction Rs 3.724 Million

Para 532 of PWD Manual Volume-I, states that, “A revised estimate must be submitted duly approved by the competent authority when a sanctioned estimate is likely to exceed by more than 5% either due to rate being found insufficient or for any other reason”.

Further, SPPRA guidelines 11.2.2 Revised Technical Sanction (RTS): - Detailed Estimate needs revision when during execution it is anticipated that cost of completion is to exceed beyond the permissible limit (5%). Revised detailed estimate is timely prepared incorporating the work done and required to be done along with deviation statement for submission to competent authority”.

Town Officer, Town Committee, Jhando Mari, awarded various works at the estimated cost of Rs 3.800 million and incurred expenditure of Rs 7.524 million, during 2012-13, ranging from 21% to 818% exceeding permissible limit of estimated cost resulting into excess payment of Rs 3.724 million, in violation of above rules. Detail is provided in Annexure-XLI.

Audit was of the view that expenditure was incurred without revised technical sanction resulting into unauthorized expenditure and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during March 2014, but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management for incurring expenditure beyond permissible limit without revised technical sanction, under intimation to audit.

[AIR Para: 02]

1.15 DISTRICT TANDO MUHAMMAD KHAN

1.15.1 INTRODUCTION

District Tando Muhammad Khan comprises One District Council, One Municipal Committee, Tando Muhammad Khan and two Town Committees namely, Tando Ghulam Hyder & Bulri Shah Karim. Business of District Council, Municipal / Town Committees is run through the CO, CMO and TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal Committee/Town Committee are as following:

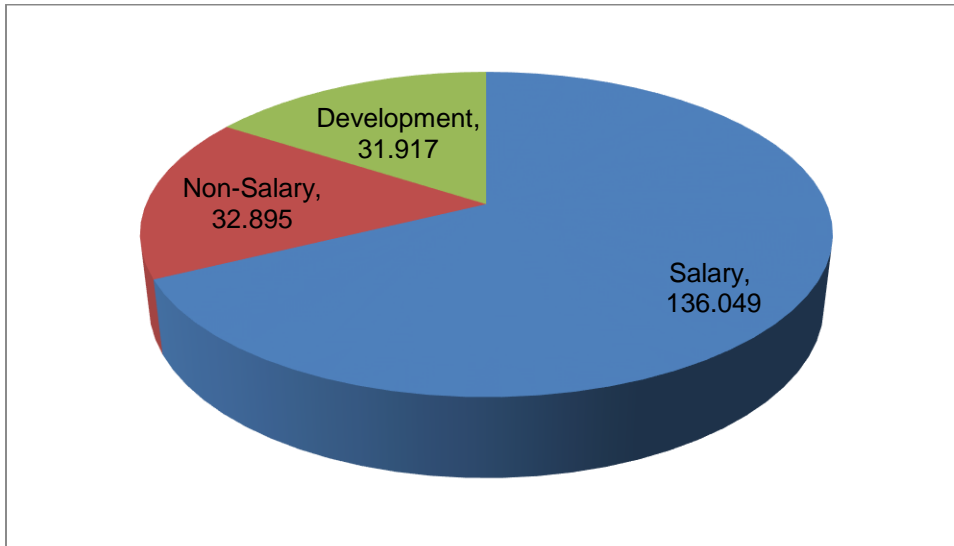
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal / Town Committees is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal / Town Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal / Town Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.15.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
1	Chief Officer Tando Muhammad Khan	Salary	24.076	21.887	-2.189
		Non-Salary	14.404	13.094	-1.309
		Development	-	-	0.000
		Revenue	38.516	35.014	-3.501
2	TMA Tando Muhammad Khan	Salary	636.898	114.162	-522.736
		Non-Salary	132.959	19.800	-113.159
		Development	187.272	31.917	-155.355
		Revenue	972.308	197.991	-774.317
3	TMA Tando Ghulam Hyder	Salary	Non-Production		
		Non-Salary	Non-Production		
		Development	Non-Production		
		Revenue	Non-Production		
4	TMA Bulri Shah Karim	Salary	Non-Production		
		Non-Salary	Non-Production		
		Development	Non-Production		
		Revenue	Non-Production		
		Salary	660.974	136.049	-524.924
		Non-Salary	147.363	32.895	-114.468
		Development	187.272	31.917	-155.355
		Revenue	1,010.823	233.005	-777.818
		Total	2,006.432	433.866	-1,572.565

Budget 2013-14



Original budget of Rs 2,006.432 million was allocated to Municipal Corporation & Town Committees of District Tando Muhammad Khan under various grants and no supplementary grants / re-appropriation were provided. Variance analysis of the revised / final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was a Savings of Rs 1,572.565 million.

2011.C.L **Brief Comments on the Status of Compliance with PAC Directives**

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	Nil	Nil
2013-14	Nil	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Tando Muhammad Khan.

AUDIT PARAS

1.16.1 Non-Production of Record

1.16.1.1 Non-Production of Record – Rs 2.600 Million

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection.

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Chief Officer, District Council, Tando Muhammad Khan, Chief Municipal Officer, Municipal Committee, Tando Muhammad Khan and Town Officers, Town Committees, Bulri Shah Karim & Tando Ghulam Hyder, during 2012-14, failed to open up complete/partial auditable record to audit parties deputed for the purpose of conducting audit, in violation of the above rules. Detail is provided in Annexure-XLII.

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during March to December, 2014, but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on managements for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Paras: 1, 1, 1, 5]

1.16.2 Irregularity / Non-Compliance

1.16.2.1 Unauthorized Procurement - Rs 185.520 Million

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

Chief Municipal Officer, Municipal Committee, Tando Muhammad Khan and Town Officer, Town Committee, Bulri Shah Karim, awarded works amounting to Rs 185.520 million, during 2011-13, without constitution of procurement committee, in violation of above rule. Detail is provided in Annexure-XLIII.

Audit was of the view that non-constitution of procurement committee resulted into non-transparency in public spending and weak financial management.

Deviation from prescribed rule resulted into unauthorized expenditure and weak internal control.

The matter was reported during December, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management for non-constitution of procurement committee, under intimation to audit.

[AIR Para: 7]

1.16.2.2 Less-Realization of Targeted Receipts – Rs 178.698 Million

Section 96 (1) of Sindh Local Government Act 2013, states that, “A council may levy, in the prescribed manner all or any taxes, rates, tolls, and fees mentioned in Schedule V”.

Rule 41 (a) of SFR Vol-I, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Chief Municipal Officer, Municipal Committee, Tando Muhammad Khan & Town Officer, Town Committee, Bulri Shah Karim, levied taxes / fees on different accounts to Rs 407.881 million but failed to realize estimated revenue targets by short recovery of Rs 178.698 million, during 2012-13, in violation of above rules. Detail is provided in Annexure-XLIV.

Audit was of the view that due to non-realization of estimated receipts authority was deprived of genuine public revenue resulting into less revenue and weak financial management.

Deviation from prescribed rules resulted into less availability of funds and weak internal control.

The matter was reported during March to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of laxity to realize targeted revenues, under intimation to audit.

[AIR Paras: 14, 30]

1.16.2.3 Unauthorized Expenditure without Technical Sanction from Competent Authority – Rs 25.576 Million

Director General (Technical) Local Government Department, Govt. of Sindh Hyderabad letter No.DB/ 329/ 2005 Hyderabad Dated 16-08-2005 states that, “officers of grade-18 and above have the powers as under: -

S. No.	Category	Financial Powers
1	Assistant Engineer/ TO (I&S) (of B-17/ Below)	No Powers
2	Executive Engineer/ TO (I&S) (of B-18)	Rs.0.6 Million.
3	Superintending Engineer (of B-19)	Rs.3.0 Million
4	Director General/ Chief Engineer (of B-20)	No limit (full powers)

Further, Para-527 of Public Works Departmental Manual, Volume-I, states that, “no work shall begin unless proper detailed design and estimate have been sanctioned, allotment of funds made and order for its commencement issued by the competent authority.”

Town Officer, Town Committee, Bulri Shah Karim, executed different development schemes amounting to Rs 25.576 million, during 2012-13, by sanctioning

authority that was not competent, in violation of above rules. Detail is provided in Annexure-XLV.

Audit was of the view that exercise of powers by authority without delegation of financial powers resulted into weak financial management.

Deviation from prescribed rules resulted into unauthorized expenditure and weak internal control.

The matter was reported during June 2014, but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on management on account of execution of work without technical sanction from the competent authority, under intimation to audit.

[AIR Para: 18]

1.16.2.4 Payment of Bills without Pre-Audit –Rs 20.373 Million

Sub-Para 32(2) of the Local Government Accounts Manual, states that, “Every bill shall be pre-audited by the Accounts Office. The pre-audit shall ensure that the bill has been sanctioned and that funds are available to make payment. The pre-audit shall also involve scrutinizing the bill to identify possible fraud and irregularities”.

Further, Rule 111(4) & (5) of Sindh Local Government Act 2013, states that, “the Provincial Director, Local Fund Audit shall pre-audit all the payments from the Local Funds of the Councils and a Council shall not with draw or disburse money from the Local Fund unless it is pre-audited in the prescribed manner”.

Chief Officer, District Council, Tando Muhammad Khan and Town Officer, Town Committee, Bulri Shah Karim, incurred expenditure of Rs 20.373 million, during 2012-14, on account of non-salary expenditure without pre audit by the Local Fund Audit, in violation of the above rules. Detail is provided in Annexure-XLVI.

Audit was of the view that payments without pre-audit of bills constituted non-transparency in public spending and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported from April to December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC

meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility against the official(s) at fault for incurring expenditure without pre-audit, under intimation to audit.

[AIR Para: 3, 2, 4]

1.16.2.5 Non-Transparency in Govt. Spending – Rs 19.115 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Officer, District Council, Tando Muhammad Khan, Chief Municipal Officer, Municipal Committee, Tando Muhammad Khan and Town Officer, Town Committee, Bulri Shah Karim, incurred an expenditure of Rs 19.115 million, during 2012-14, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers, in violation of above rule. Detail is provided in Annexure-XLVII.

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed procedure resulted into unauthorized expenditure and weak internal control.

The matter was reported during March to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 6, 05, 10, 9]

1.16.2.6 Unauthorized Payment through Open Cheques- Rs 14.252 Million

Rule 157 (1) & (2) of CTR, states that, “The cheques for more than Rs 200/- drawn in favor of Corporate or Local Bodies, firms, private persons or Government servants (in respect of their personal claims) shall always be crossed”.

Town Officer, Town Committee, Bulri Shah Karim, made payments of Rs 14.252 million to various suppliers/firms through open cheques instead of crossed cheques, during 2012-13, in violation of above rule. Detail is provided in Annexure-XLVIII.

Audit was of the view that payments made through cheques resulted into doubtful transactions and weak financial management. Besides, chances of misappropriation of public money cannot be ruled out.

Deviation from prescribed rule resulted into non-transparency in expenditure from public funds and weak internal control.

The matter was reported during June, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing of responsibility on official(s) at fault on account of payment through cash/open cheques, under intimation to audit.

[AIR Para: 05]

1.16.2.7 Unauthorized Expenditure – Rs 7.604 Million

Rule 12(1) of SPPRA Rules 2010, states that, “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”.

Chief Officer, District Council Tando Muhammad Khan and Chief Municipal Officer, Municipal Committee, Tando Muhammad Khan, incurred an expenditure of Rs7.604 million, during 2012-13, on execution of development schemes by splitting to avoid tender, in violation of the above rules. Detail is provided in Annexure-XLIX.

Audit was of the view that management failed to invite tenders to obtain competitive rates resulting into non-transparency in award of contracts and weak financial management.

Deviation from prescribed rules resulted into unauthorized expenditure and weak internal control.

The matter was reported during March to December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends for fixing of responsibility on managements on account of execution of works / procurement without tenders and non-achievement of competitive rates, under intimation to audit.

[AIR Paras: 3, 24]

1.16.2.8 Non-Recovery of Shops Rent – Rs 5.880 Million

Rule 41 (a) of SFR Volume-1, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Chief Officer, District Council, Tando Muhammad Khan, allowed to occupy flats / rooms & shops but failed to recover outstanding dues estimated to Rs 5.880 million, on account of rentals, during 2012-13, in violation of above rules. Detail is provided in Annexure-L.

Audit was of the view that due to failure of management huge amount of public revenue remained outstanding resulting into short receipt of revenue and weak financial management.

Deviation from prescribed rule resulted into less collection of revenue and weak internal control.

The matter was reported during April, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on official(s) at fault and outstanding public revenue may be recovered and deposited into government receipt, under intimation to audit.

[AIR Para: 13]

1.17 DISTRICT DADU

1.17.1 INTRODUCTION

District Dadu comprises One District Council, One Municipal Committee, Dadu and three Town Committees namely, Johi, Khairpur Nathan Shah & Mehar. Business of District Council, Municipal / Town Committees is run through the CO, CMO & Town Officers and TO (I&S), TO (Finance), TO (P&C) and TO (Regulations) under Sindh Local Government Ordinance, 1979. The functions of Municipal Committee/Town Committee are as following:

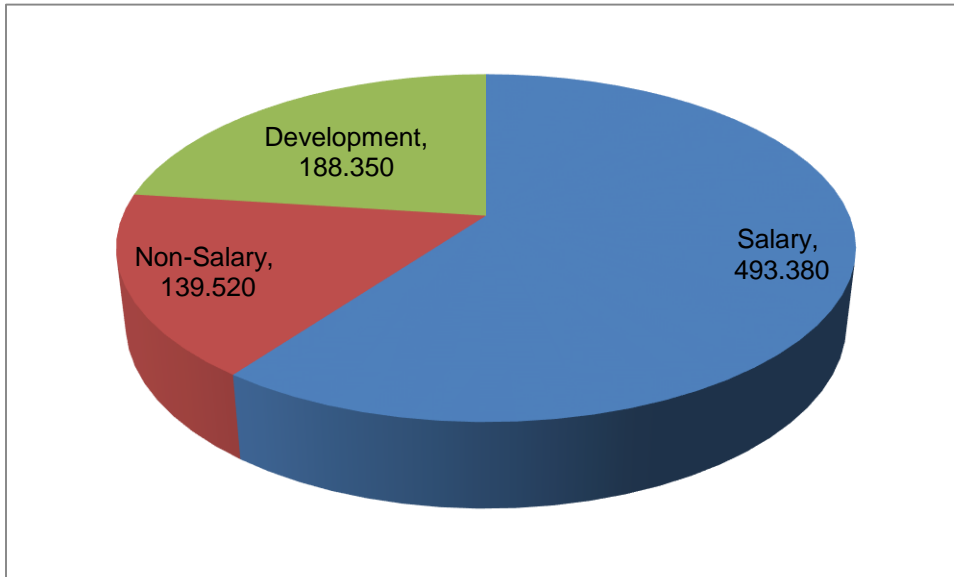
1. Prepare spatial plans for the Town including plans for land use, zoning and functions for which Municipal / Town Committees is responsible.
2. Exercise control over land-use, land-subdivision, land development and zoning by public and private sectors for any purpose, including agriculture, industry, commerce markets, shopping and other employment centers, residential, recreation, parks, entertainment, passenger and transport freight and transit stations.
3. Enforce all municipal laws, rules and bye-laws governing Municipal / Town Committees functioning.
4. Prepare budget, long term and annual municipal development programmes in collaboration with the Union Councils.
5. Collect approved taxes, cesses, user fees, rates, rents, tolls, charges, fines and penalties.
6. Manage properties, assets and funds vested in the Municipal / Town Committees.
7. Develop and manage schemes, including site development in collaboration with Union Administration.
8. Issue notice for committing any municipal offence by any person and initiate legal proceedings for commission of such offence or failure to comply with the directions contained in such notice.
9. Prosecute, sue and follow up criminal, civil and recovery proceedings against violators of Municipal Laws in the courts of competent jurisdiction.
10. Maintain municipal records and archives.

1.17.2 Comments on Budget and Accounts (Variance Analysis)

(Rupees in Million)

S. No.	Entity	Particulars	Budget	Expenditure / Revenue	Excess (+) Savings (-)
1	Chief Officer Dadu	Salary	75.590	76.430	0.840
		Non-Salary	3.870	3.970	0.100
		Development	-	-	0.000
		Revenue	95.000	79.460	-15.540
2	TMA Dadu	Salary	135.190	135.190	0.000
		Non-Salary	51.090	51.080	-0.010
		Development	1.480	1.480	0.000
		Revenue	209.090	209.080	-0.010
3	TMA Johi	Salary	64.790	64.110	-0.680
		Non-Salary	37.500	8.260	-29.240
		Development	89.300	82.950	-6.350
		Revenue	191.650	171.970	-19.680
4	TMA Khairpur Nathan Shah	Salary	100.000	95.650	-4.350
		Non-Salary	54.000	53.210	-0.790
		Development	100.000	88.920	-11.080
		Revenue	237.800	234.110	-3.690
5	TMA Mehar	Salary	101.000	122.000	21.000
		Non-Salary	53.000	23.000	-30.000
		Development	60.000	15.000	-45.000
		Revenue	216.040	192.040	-24.000
Salary			476.570	493.380	16.810
Non-Salary			199.460	139.520	-59.940
Development			250.780	188.350	-62.430
Revenue			949.580	886.660	-62.920
Total			1,876.390	1,707.910	-168.480

Budget 2013-14



Original budget of Rs 1,876.390 million was allocated to Municipal Corporation & Town Committees of District Dadu under various grants and no supplementary grants / re-appropriation were provided. Variance analysis of the revised / final grant and actual expenditure for the financial year 2013-14 for the audited entities depicted that there was a Savings of Rs 168.480 million.

1.17.3 Brief Comments on the Status of Compliance with PAC Directives

The audit reports of pertaining to following years have been submitted to Governor of Sindh. Detail of PAC meetings is given below:

Audit Year	No. of Paras	Status of PAC Meetings
2012-13	14	Nil
2013-14	Nil	Nil

As indicated in the above table, no PAC meeting was convened to discuss the audit report of TMAs Dadu.

AUDIT PARAS

1.18.1 Non-Production of Record

1.18.1.1 Non-Production of Record – Rs 144.798 Million

Section 14 (1) (b) of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, The Auditor-General shall, in connection with the performance of his duties under this Ordinance, have authority to require that any accounts, books, papers and other documents which deal with, or form, the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection

Further, “Chief Secretary vide letter No.DO.NO.SO(C-II)/SGA&CD/1-73/2012 dated 25th October, 2013 duly endorsed by Secretary of LGD vide letter No. SOA/(LG)LG/4/(77)2013, dated 21.11.2013 was pleased to direct to all Municipal organizations / Local Councils for immediately providing record to audit, so that, financial discipline may be restored to respective organizations. In case of failure to provide record to audit by auditee organizations, the cases may be taken up under disciplinary proceedings against officers concerned that may include suspension of officers”.

Chief Municipal Officers, Municipal Committees, Dadu & Khairpur Nathan Shah, and Town Officers, Town Committees, Johi and Mehar, failed to open up auditable record (partial / complete) amounting to Rs 144.798 million to audit parties deputed for the purpose of conducting audit for financial year 2012-14, in violation of the above rule. Detail is provided in Annexure-LI.

Audit was of the view that non-provision of record resulted into non-authenticity of expenditure and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during January to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility on managements for non-provision of record and take action in accordance with express instructions of Chief Secretary, GoS, under intimation to audit.

[AIR Paras: 1, 1, 1, 1, 1, 5, 1, 1]

1.18.2 Irregularity / Non-Compliance

1.18.2.1 Transgression of Financial Powers-Rs 175.750 Million

As per Delegation of Powers under the Financial Rules and the Powers of Re-appropriation Rules, 1962 as amended from time to time the officers of grade 17 and below Town Officers (I & S) have no place to accord Technical Sanction (T.S) of the estimate whereas the officers of grade-18 and above have the powers as under;

Officer's designation	Power to accord TS
Assistant Engineer/TO (I&S) Of B-17/below	No Power
Executive Engineer/TO (I&S) of (B-18)	The work having cost of Rs0.6 million
Superintending Engineer (B-19)	The work having cost of Rs3.0 million
Director General/Chief Engineer (B-20)	No Limit (full powers)

Town Officer, Town Committee, Johi, obtained technical sanction of works worth Rs 175.750 million, during 2012-14, from unauthorized officers instead of competent authority, in violation of the above rule. Detail is provided in Annexure-LII.

Audit was of the view that exercise of powers by authority without delegation of financial powers resulted into weak financial management.

Deviation from prescribed rule resulted into unauthorized expenditure and weak internal control.

The matter was reported during April, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on management on account of execution of work without technical sanction from the competent authority, under intimation to audit.

[AIR Paras: 04, 03]

1.18.2.2 Expenditure without Execution of Agreements–Rs 113.650 Million

Para 514 (A) of Public Works Departmental Manual Volume-I, states that, “normally no work should be permitted to be started unless the tender on prescribed forms is invited and got sanctioned by the competent authority.” In an emergent case, when agreement cannot be concluded before order to start the work is given, a statement showing the terms on which the work is to be done should be obtained from the

contractor. The memorandum of terms (agreement in prescribed form A-I, A-2, B-I & B-2) should be signed by the contractors, as well as by the authority competent to sanction the tender, before the work is permitted to be started.

Chief Municipal Officer, Municipal Committee, Dadu and Town Officers, Town Committees, Johi & Mehar, incurred expenditure amounting to Rs 113.650 million, during 2012-13, on various works without execution of contract agreements on prescribed proforma, in violation of above rule. Detail is provided in Annexure-LIII.

Audit was of the view that department failed to execute agreement with contractor resulted into non-safeguarding of government interests and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported between January to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on the departments on account of non-execution of contract agreement, under intimation to audit.

[AIR Paras: 14, 17, 9, 10]

1.18.2.3 Non-Hoisting of Bid Evaluation Reports on SPPRA website Rs 94.340 Million

Rule 45 of SPPRA Rules 2010, states that, “Procuring agencies shall announce the results of bid evaluation in the form of a report giving reasons for acceptance or rejection of bids. The report shall be hoisted on website of the Authority and that of the procuring agency if its website exists and intimated to all the bidders at least seven (07) days prior to the award of contract”.

Further, Rule 10 of SPPRA Rules 2010, states that, “The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid, and the contract agreement to public through hoisting on the Authority’s website as well as on procuring agency’s website, if the procuring agency has such a website.”

Town Officers, Town Committees, Johi and Khairpur Nathan Shah, invited open tenders costing Rs 94.340 million, during 2012-14, for various development works but failed to hoist bid evaluation reports on the SPPRA website, in violation of above rules. Detail is provided in Annexure-LIV.

Audit was of the view that violation of SPPRA rules resulted into non-transparency in the award of contracts and weak financial management.

Deviation from prescribed rule resulted into weak internal control.

The matter was reported during April to December, 2014 but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on the departments on account of non-transparency in awarding of contracts and non-hoisting of bid evaluation reports on authority's website, under intimation to audit.

[AIR Paras: 14, 15, 10]

1.18.2.4 Unauthorized Appointments – Rs 89.783 Million

Notification issued from Local Government Department, Government of Sindh vide No.SOA/(LG)1(27)/2011 dated 6-6-2011, states that, no appointment in any grade shall be made henceforth without consolidated advertisement and fresh approval of the Government. Approval, if any, earlier issued in this regard may be treated cancelled / withdrawn.

Further, Government of Sindh, Services, General Administration & Cooperation Department notification No.SOV(S&GAD)X-15/90-98 dated:12-02-2008, states that, Advertisement should be given for all vacant posts & for Posts in BP-5 & above, there shall be a written test followed by interview, whereas, for posts in BS-1 to BS-4 only interviews shall be conducted through departmental selection committee.

Chief Municipal Officer, Municipal Committee, Dadu and Town Officers, Town Committees, Johi & Mehar, incurred an expenditure of Rs 89.783 million, during 2012-13, on the salaries of 613 newly appointed contractual staff without going through prescribed procedure, in violation of the above rules. Detail is provided in Annexure-LV.

Audit was of the view that payments made on account of salaries to employees appointed without going through prescribed procedure resulted into unauthorized expenditure and weak financial management.

Deviation from prescribed rules resulted into unauthorized payment and weak internal control.

The matter was reported during January to December, 2014 but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends investigation for fixing of responsibility on managements on account of expenditure incurred on employees appointed without following prescribed procedure, under intimation to audit.

[AIR Paras: 20, 02, 02]

1.18.2.5 Non-Transparency in Govt. Spending – Rs 63.619 Million

Rule 20 of the Staff Car Rules 1980, as amended in 2001, duly adopted by GoS, states that, “The log book, History Sheet, and Petrol Account Register shall be maintained for each official vehicle”.

Chief Officer, District Council, Dadu, Chief Municipal Officer, Municipal Committee, Dadu and Town Officers, Town Committees, Johi, Mehar & Khairpur Nathan Shah, incurred an expenditure amounting to Rs 63.619 million, during 2012-14, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers, in violation of above rule. Detail is provided in Annexure-LVI.

Audit was of the view that expenditure incurred on POL without preparation of log books, history sheets and petrol consumption account resulted into non-transparency in spending from public funds and weak financial management.

Deviation from prescribed procedure resulted into unauthorized expenditure and weak internal control.

The matter was reported during January to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements for incurring expenditure without supporting record. Besides, same may be prepared to justify the expenditure, under intimation to audit.

[AIR Paras: 2, 3, 9, 12, 3, 6, 5, 5, 2]

1.18.2.6 Unauthorized Expenditure without Technical Sanction Rs 26.473 Million

Para-527 of Public Works Departmental Manual, Vol-I, states that, “no work shall begin unless proper detailed design and estimate have been sanctioned, allotment of funds made and order for its commencement issued by the competent authority.”

Chief Municipal Officer, Municipal Committee, Dadu and Town Officer, Town Committee Mehar, executed development works/schemes costing Rs 26.473 million, during 2012-13, without obtaining technical sanction of the works/schemes from competent authority, in violation of rule. Detail is provided in Annexure-LVII.

Audit was of the view that non-obtaining of technical sanction resulted into unauthorized expenditure and weak financial management.

Deviation from prescribed rule resulted into unauthorized expenditure and weak internal control.

The matter was reported during January to December, 2014, but managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of execution of work without technical sanction from competent authority, under intimation to audit.

[AIR Paras: 21, 12]

1.18.2.7 Payment of Bills without Pre-Audit – Rs 13.256 Million

Sub-Para 32(2) of the Local Government Accounts Manual, states that, “Every bill shall be pre-audited by the Accounts Office. The pre-audit shall ensure that the bill has been sanctioned and that funds are available to make payment. The pre-audit shall also involve scrutinizing the bill to identify possible fraud and irregularities”.

Further Rule 111(4) & (5) of Sindh Local Government Act 2013, states that, “the Provincial Director, Local Fund Audit shall pre-audit all the payments from the Local Funds of the Councils and a Council shall not with draw or disburse money from the Local Fund unless it is pre-audited in the prescribed manner”.

Town Officer, Town Committee, Mehar, incurred expenditure of Rs 13.256 million, during 2012-14, on account of non-salary expenditure without pre audit by the Local Fund Audit, in violation of the above rules. Detail is as under:

[Rupees in Million]

S. No.	Name of Formation	Para	Year	Amount
1	Town Committee, Mehar	14	2012-13	11.774
2	Town Committee, Mehar	8	2013-14	1.482
TOTAL				13.256

Audit was of the view that payments without pre-audit of bills constituted non-transparency in public spending and weak financial management.

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during December, 2014 but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing of responsibility against the official(s) at fault for incurring expenditure without pre-audit, under intimation to audit.

[AIR Paras: 14, 8]

1.18.2.8 Less-Realization of Targeted Receipts – Rs 6.015 Million

Section 96 (1) of Sindh Local Government Act 2013, states that, “A council may levy, in the prescribed manner all or any taxes, rates, tolls, and fees mentioned in Schedule V”.

Further, Rule 41 (a) of SFR Vol-I, states that, “The departmental controlling officer should see that all sums due to Government are regularly received and checked against demands and that they are paid into treasury claiming credit for so much paid into the treasury and compare with the figures in the statements supplied by the comptroller”.

Chief Officer, District Council, Dadu, Chief Municipal Officer, Municipal Committee, Dadu and Town Officer, Town Committee, Johi, during 2012-14, levied taxes / fees on different accounts but failed to realize estimated revenue targets by short recovery of Rs 6.015 million, in violation of above rules. Detail is provided in Annexure-LVIII.

Audit was of the view that due to non-realization of estimated receipts authority was deprived of genuine public revenue resulting into less revenue and weak financial management.

Deviation from prescribed rules resulted into less availability of funds and weak internal control.

The matter was reported during January to December, 2014, but the managements failed to provide departmental points of view. The PAO failed to convene the DAC meeting to discuss audit paras despite pursuance by audit.

Audit recommends fixing responsibility on managements on account of laxity to realize targeted revenues, under intimation to audit.

[AIR Paras: 07, 05, 04, 05]

1.18.2.9 Unauthorized Expenditure on POL –Rs1.082 Million

Rule 88 of SFR Vol-I, states that, “every public officer should 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”.

Chief Officer, District Council, Dadu, incurred expenditure of Rs 1.082 million, during 2013-14, on purchase of POL for Deputy Commissioner un-authorizedly, in violation of rule. Detail is provided in Annexure-LIX.

Audit was of the view that management extended undue favor to Deputy Commissioner since office has separate budget for POL resulted into unauthorized expenditure and weak financial management

Deviation from prescribed rules resulted into weak internal control.

The matter was reported during December, 2014, but the management failed to provide departmental point of view. The PAO failed to convene the DAC meeting to discuss audit para despite pursuance by audit.

Audit recommends fixing responsibility on the management on account of expenditure incurred for Deputy Commissioner, under intimation to audit.

[AIR Para: 3]

ANNEXURES

Annexure-I
(f of Executive Summary, page vi)

I. Memorandum for departmental accounts Committee (MFDAC)

i. Part-i Paras related to current Audit Year 2014-15

[Amount in Rupees]

Sr.	Name of Formation	Para No.	Title of Para	Amount under observation
District Hyderabad (2013-14)				
1	District Council	2	Doubtful expenditure incurred on national & religious celebration	118,600
2	- do -	8	Non-execution of rent agreements with tenants	-
3	Hyderabad (City)	9	Unjustified expenditure on non-practice allowance	216,000
4	- do -	14	Non-accountal of procured articles into stock register	1,618,000
5	- do -	16	Wasteful release of salaries to staff of the closed dispensaries	2,235,192
6	Hyderabad (Latifabad)	13	Wasteful release of salaries to staff of the closed dispensaries	8,241,000
7	- do -	17	Unjustified appointment of contractual staff	51,622,740
8	- do -	19	Un-authorized donation of govt vehicle of amounting to	7,000,000
9	Hyderabad (Rural)	2	Irregular payment to contractors without maintaining the work and tender registers	28,146,000
10	- do -	3	Irregular execution of electrical installation works	2,550,000
11	Qasimabad	4	Irregular use of government vehicle beyond entitlement	-
12	- do -	5	Irregular pol beyond prescribed ceiling (limit) per month.	216,381
13	- do -	6	Doubtful expenditure incurred on pol on off road vehicles	327,911
14	District Hyderabad (2012-13)			
15	Hyderabad (Rural)	9	Missing Lap Top	126,000
16	-do-	21	Unjustified payment of hire charges	3,397,000
17	-do-	24	Loss to Government on possession of unregistered vehicle	695,000

[Amount in Rupees]

Sr.	Name of Formation	Para No.	Title of Para	Amount under observation
18	Latifabad	3	Hiring of consultants without setting up consultant selection committee	429,000
19	-do-	25	Loss to Government on possession of unregistered vehicle	5,711,000
20	Hyderabad City	6	Hiring of Consultants without Setting Up Consultant Selection Committee	3,388,000
21	-do-	15	Exorbitant Expenditure on Administrator Vehicle	841,000
22	Qasimabad	23	Doubtful expenditure on Repair of Vehicles.	2,048,000
23	-do-	26	Doubtful expenditure on arrangements of festivals.	1,051,000
24	District Matiari (2013-14)			
25	District Council	3	Unauthorized expenditure on electric material purchased	305,000
26	Matiari	9	Un authorized refund of security deposit	131,000
27	- do -	10	Non-adjustment of advance salary paid to sanitation staff.	389,000
28	- do -	20	Doubtful expenditure on repair of vehicles	704,000
29	Saeedabad	14	Un authorized expenditure on salaries of contracted legal advisor	-
30	- do -	16	Irregular & un authorized expenditure of TA/DA	-
31	District Matiari (2012-13)			
32	New Saeedabad	9	Unjustified expenditure on silt clearance	5,388,813
33	-do-	18	Doubtful expenditure on purchase of hand pumps	288,000
34	-do-	34	Loss of revenue due to non-registration Government vehicles with Excise and Taxation Department	600,000
35	Matiari	22	Recovery / unauthorized payment to Mr. Faheem Shaikh (PRO)	504,540
36	-do-	29	Unauthorized expenditure on account of quotation works	12,187,857
37	-do-	33	Unjustified expenditure on silt clearance	6,820,712
38	District Shaheed Benazirabad (2012-13)			
39	Nawabshah	7	Doubtful expenditure on purchase of street light material	601,684
40	-do-	10	Non accountal/ maintenance of dead stock register	2,664,027
41	District Thatta (2013-14)			
42	Ghorabari	15	Non-deduction of shrinkage charges	539,000
43	- do -	16	Unauthorized direct release of advertisements to media	24,000

[Amount in Rupees]

Sr.	Name of Formation	Para No.	Title of Para	Amount under observation
44	Jati	4	Provision of development schemes in budget without approval of development plan	160,000,000
45	- do -	15	Unauthorized payment of salary without verified record	111,000
46	- do -	16	Unjustified appointment of legal adviser	200,000
47	District Thatta (2012-13)			
48	Thatta	18	Waste of Public Money due to out-sourcing of garbage removal	471,000
49	-do-	40	Expenditure on development without maintaining the work register	72,929,000
50	Mirpur Sakro	11	Failure to clear HESCO liabilities	57,489,000
51	-do-	22	Non Accountal of Hand Pumps	2,613,000
52	-do-	23	Non-accountal of water supply material	2,503,000
53	Mirpur Bathoro	6	Recovery of default surcharge on unpaid Income Tax	52,000
54	-do-	13	Payment for lifting of garbage without maintaining record	1,433,000
55	-do-	24	Non accountal of water supply material	316,000
56	District Jamshoro (2013-14)			
57	Manjhand	7	Unauthorized posting of Town Officer	-
58	- do -	9	Un-justified procurement without purchase committee	6,597,000
59	- do -	14	Non-production of shop rent record	225,000
60	Thana Bola Khan	4	Non-provision 10% share for the maintenance of Immovable Property out of Development Budget	7,330,000
61	- do -	7	Non-maintenance of Tendering process record	6,800,000
62	- do -	13	Non-accountal of purchased items in relevant Stock Register	8,602,000
63	Kotri	5	Non-maintenance of Security Deposit Register	1,186,000
64	- do -	11	Irregular expenditure incurred on unsigned Quotation & Work orders	555,500
65	Sehwan	7	Unjustified expenditure on account of rent for Cattle Piri Plot without Rent agreement	205,000
66	- do -	9	Unjustified payment to consultant without supporting documents	390,000
67	District Jamshoro (2012-13)			
68	Sehwan (2011-12)	1	Extra payment due to Quantities of work executed beyond permissible Limit.	1,803,275
69	-do-	11	Not deposition of 2% call deposit into bank	7,365,100

[Amount in Rupees]

Sr.	Name of Formation	Para No.	Title of Para	Amount under observation
70	Sehwan	6	Unapproved differentiate cost of cement due to not referring matter to standing rates committee	957,812
71	-do-	10	Irregular procurement of material due to non-constitution procurement committee	4,520,880
72	District Badin (2012-13)			
73	Matli	4	Irregular award of auction of animal piri ridumbalo M.C Matli	136,500
74	-do-	6	Irregular award of work auction a parking fee M.C Matli	400,000
75	-do-	8	Irregular award of auction of a fruit Dalal fee defunt T.C Tando Ghulam Ali fee M.C Matli	845,000
76	Badin	5	Non-deposit of 2% security deposit from contractors	1,809,440
77	-do-	25	Non-account for purchased items in stock register	5,924,019
78	-do-	28	Non-revision of 10% share for the maintenance of immovable property out of development budget	19,850,236
79	Tando Bago	2	Doubtful execution of work without work order	8,146,600
80	-do-	31	Non-allocation of for CCBS schemes from annual development budget	89,008,601
81	-do-	32	Non-provision 10% share for the maintenance of immovable property out of development budget	35,603,440
82	District Tando Allahyar (2013-14)			
83	Tando Allahyar	12	Irregular expenditure without constitution of procurement committee	3,570,000
84	- do -	13	Undue favour to contractor by reducing the rent of marriage hall / garden	200,000
85	- do -	16	Non-account for purchased items in relevant stock register	2,123,000
86	District Tando Allahyar (2012-13)			
87	Tando Allahyar	7	Non-maintenance of tendering process record	34,800,000
88	-do-	8	Non-deposit of 2% security deposit from contractors bills	696,000
89	-do-	19	Non-clearing of liabilities of expired employees	2,825,000
90	Jhando Mari	7	Non-deposit of 2% security deposit from contractors bills	276,000
91	-do-	8	Non-maintenance of tendering process record	11,100,000
92	-do-	10	Undue favour to contractor due to less deduction of stamp duty	174,000
93	District Tando Muhammad Khan (2012-13)			
94	T.M. Khan	1	Doubtful & unjustified balances	9,621,000
95	-do-	5	Mollified expenditure	102,638,000
96	-do-	13	Unjustified payment of pay & allowances to staff of Fire Brigade	3,368,000

[Amount in Rupees]

Sr.	Name of Formation	Para No.	Title of Para	Amount under observation
97	Burli Shah Kareem	12	Irregular Expenditure on Purchase Of Uniform / Liveries	854,000
98	-do-	17	Irregular Expenditure on Purchase Of Uniform / Liveries	854,000
99	-do-	23	Doubtful Expenditure on Account of Purchases of Electric Material	6,863,000
100	District Dadu (2013-14)			
101	Mehar	17	Non-recovery of conveyance allowance	101,000
102	- do -	18	Non accountal of security deposits in the relevant register	1,907,000
103	Dadu	15	Non-maintenance of pre audit register	187,750,000
104	- do -	16	Unjustified payment without vouched account	915,000
105	- do -	24	Irregular execution of works in parts to avoid tender	378,000
106	District Dadu (2012-13)			
107	Mehar	11	Non-Recovery of conveyance allowance	60,000
108	Dadu	3	Unauthorized clearance of liabilities	3,521,050
109	-do-	4	Unauthorized clearance of liabilities	3,521,050
110	Johi	6	Irregular payment of bitumen in absence of invoice from national refinery	2,712,807
111	-do-	18	Non-imposition of penalty on delay completion	3,000,000
112	-do-	19	Irregular expenditure incurred on repair of vehicle	634,330

Annexure-I
(f of Executive Summary, page vi)

ii. Part-ii Paras related to previous Audit Year 2013-14

(Amount in Rupees)

Sr.	Name of entity	Para	Description	Amount
Hyderabad District				
1	Chief Officer, District Council, Hyderabad	5	Non-maintenance of contractor register	0
2		9	Unauthorized expenditure on account of TA/DA without counter signature	46,125
Jamshoro District				
1	Chief Officer, District Council, Kotri	09	Non-deduction of professional tax of contractor	25,000
2	-do-	11	Non-deduction of sale tax on non-scheduled item	291,456
4	TMA, Kotri	04	Non-deduction of GST 16% on taxable supplies from unregistered persons	4,33,606
5	-do-	09	Non-depositing of 02% security deposit	280,710
7	TMA, Manjhand	03	Non-deduction of GST on the purchases of taxable supplies.	89,4073
8	-do-	05	Loss to govt. due to non-depositing call deposit.	230,000
9	-do-	10	Non-remittance of govt taxes into public exchequer.	789,386
11	TMA Thana Bula Khan	07	Not deposition of 2% call deposit into bank	157,000
12	-do-	11	Non-remittance of govt taxes Rs. 20,9461/- into public exchequer.	20,9461
Matiari District				
1	Chief Officer, District Council, Matiari	2	Non-accountal of stock & store	946,696
2	-do-	3	non-recovery of income tax	3787
4	-do-	6	Expenditure from irrelevant head	607,000
5	TMA, Matiari	19	Doubtful payment to for purchase of laptop	95447
6	-do-	24	Non-recovery of income tax	306,077
7	TMA, Saheedabad	27	Recovery / non-deduction of professional tax	24,000
8	-do-	29	Less recovery of rent of government shops	380,617

II. Audit Impact Summary

1. Less Realization of Receipts – Rs 189.368 Million

Administrator, Hyderabad Municipal Corporation (City & Latifabad), during 2012-14, levied taxes / fees on different accounts but failed to realize estimated revenue targets by short recovery of Rs 189.368 million.

2. Non-Transparency in Govt. Spending – Rs 183.552 Million

Chief Officer, District Council Hyderabad, Administrator, Hyderabad Municipal Corporation (City & Latifabad) and Town Officers, Town Committees, Hyderabad Rural & Qasimabad, incurred an expenditure amounting to Rs 183.552 million, during 2012-14, on purchase of POL for official vehicles but failed to justify the expenditure by preparation of Log Books, History Sheets and Petrol account Registers.

3. Non-posting of Bid Evaluation Reports on SPPRA website - Rs 153.918 Million

Administrator, Hyderabad Municipal Corporation (City & Latifabad) and Town Officer, Town Committee, Hyderabad Rural, during 2012-14, invited open tenders costing Rs 153.918 million for various development works but failed to hoist results of bid evaluation report on the SPPRA website.

4. Non-Deduction of Sales Tax – Rs 6.527 Million

Administrator Municipal Corporation Hyderabad (City) and Town Officer, Town Committee, Qasimabad, paid an amount of Rs 10.505 million, during 2012-13 & 2013-14, to various contractors against services rendered but failed to deduct Sales tax @ 16% amounting to Rs 6.527 million.

5. Unauthorised Award of Work to Un-registered Contractor by PEC Rs 31.577 Million

Chief Municipal Officer, Municipal Committee, Hala and Town Officer, Town Committee, Saeedabad, awarded works amounting to Rs 31.577 million, during 2012-14, to contractors not registered with Pakistan Engineering Council (PEC).

6. Unauthorized Expenditure – Rs 24.685 Million

Town Officers, Town Committees, Matiari and Saeedabad, awarded works amounting to Rs 24.685million, during 2012-14, to various contractors without inviting tenders and advertising on authority's website and print media and amount splitted to avoid tender.

7. Less Realization of Receipts – Rs 15.526 Million

Chief Municipal Officer, Municipal Committee, Shaheed Benazirabad, failed to recover outstanding dues amounting to Rs 15.526 million, during 2012-13.

8. Illegal appointments – Rs 46.107 Million

Chief Officer, District Council Thatta and Town officers, Town Committees, Jati, Ghorabari & Mirpur Sakro, incurred an expenditure of Rs 46.107 million, during 2012-14, on the salaries of newly appointed staff without going through prescribed procedure.

9. Irregular Payment through Open Cheques – Rs10.972 Million

Town officers, Town Committees, Ghorabari, Jati & Mirpur Sakro, made payments of Rs 10.772 million to various suppliers through open cheques instead of crossed cheques.

10. Unauthorized Expenditure of Development Schemes without Technical Sanction – Rs 244.886 Million

Chief Municipal Officer, Municipal Committee, Kotri and Town Officer, Town Committee, Sehwan, executed development works/schemes costing Rs244.886 million, during 2012-14, without obtaining technical sanction of the works/schemes from competent authority.

District Hyderabad

Annexure-III
[Para No.1.2.1.1]

III. Non-Production of Record

(Rupees in Million)

Sr. No	Name of Formation	Para	Audit Year	Amount
1	HMC (City)	01	2011-13	107.863
2	HMC (Latifabad)	01	2011-13	25.734
3	HMC (Latifabad)	01	2013-14	-
4	Town Committee, Qasimabad	01	2011-13	-
5	Town Committee, Hyd. Rural	10	2011-13	67.000
Total				200.597

Annexure-IV
[Para No.1.2.2.1]

IV. Non-Achievement of Targeted Receipts

[Amount in Rupees]

Sr.	Name of office	Estimated Target	Amount Collected	Less Realization
1	HMC, 2011-13 (Para-36)	1,005,595,068	887,604,342	144,201,410
2	TMA, Latifabad, Hyderabad (Para No. 11 to 18)	30,006,929	30,006,929	28,456,629
3	TMA Latifabad, 2013-14 (Para-22)	19,111,015	2,399,718	16,711,297
Total		1,054,713,012	920,010,989	189,369,336

Annexure-V
[Para No. 1.2.2.2]

V. Non-Transparency in Govt. Spending

(Rupees in Million)

S. No.	Name of Formation	Para	Year	Amount
1	Chief Officer District Council, Hyderabad	01	2013-14	0.700
2	HMC (City)	14	2011-13	51.847
3	HMC (City)	08	2013-14	42.111
4	HMC (Latifabad)	06	2012-13	36.858
5	HMC (Latifabad)	16	2013-14	32.198
6	TMA Hyderabad Rural	22	2012-13	4.325
7	TMA Hyderabad Rural	01	2013-14	2.149
8	TMA Qasimabad	18	2012-13	12.312
9	TMA Qasimabad	03	2013-14	1.052
Total				183.552

Annexure-VI
[Para No. 1.2.2.3]

VI. Non-posting of Bid evaluation report on SPPRA website

(Rupees in Million)

Sr.No	Name of Formation	Para No	Audit Year	Expenditure
1	HMC (City)	03	2012-13	18.555
2	HMC (Latifabad)	02	2012-13	50.415
3	HMC (Latifabad)	12	2013-14	27.198
4	TMA Hyderabad Rural	03,04	2012-13	15.600
5	TMA Hyderabad Rural	08	2013-14	42.150
Total				153.918

Annexure-VII
[Para No. 1.2.2.4]

VII. Unauthorized Payment through Open Cheques

(Amount in Million)

Sr. No	Name of Formation	Para	Year	Mode of payment	Paid amount
1	Administrator, City	02	2011-13	Cash	5.355
2	Administrator, Latifabad	10	2013-14		5.567
3	TMA Hyderabad Rural	04	2013-14		10.029
4	TMA Qasimabad	01	20113-14		9.918
Total					30.869

Annexure-VIII
[Para No. 1.2.2.5]

VIII. Non-Recovery of Government Dues

(Amount in Million)

Sr. No	Name of Formation	Para	Year	Amount
1	Chief Officer, District Council Hyderabad	05	2013-14	1.799
2	TMA, Hyderabad Rural	12	2012-13	3.000
3	TMA, Hyderabad Rural	11	2012-13	3.050
4	TMA Qasimabad	16	2013-14	4.398
Total				12.247

Annexure-IX
[Para No. 1.2.2.8]

IX. Disposal of Untreated Sewage Water in Canals

Pumping Stations	Pumps	No.	Disposal
Pinyari	Electric Motor	2	Pinyari
Bhatti Village	-do-	2	Phulelli
Hyder Shah	-do-	1	Pinyari
Sultan Shah	-do-	1	Pinyari
Satar Shah	-do-	2	Phulelli
Rashi Ghat	-do-	1	Phulelli
Old Power House	-do-	2	Phulelli

Annexure-X
[Para No.1.2.2.9]

X. Irregular Use of Government Vehicles beyond Entitlement

Name	Designation	Veh#	Make	Engine Capacity	Entitlement
Qamaruddin Shaikh	Administrator	GL-0141	Toyota Corolla GLI	1600 cc	1000 cc
Zahid Hussain	MC	GL-5030	Double Cabin	2500 cc	Officer is already availing vehicle GS-0536 (cultus)at DLG Hyd office
Zahid Hussain	MC	GL-5832	Suzuki Pickup	800 cc	
Afaqe Ahmed	ADE	GL-0041	Toyota Corolla XLI	1300 cc	800 cc
Arshad Saeed	TO (I&S)	GS-5012	Mazda	1000 cc	800 cc

Annexure-XI
[Para No. 1.2.2.9]

XI. Mis-utilization of Fire Brigade Vehicles

Sr	Working	FV-6 City		FV-4 City		FV-47 City		Total
		11-12	12-13	11-12	12-13	11-12	12-13	
1	Water Supply	87	19	212	126	158	94	696
2	Sprinkle/Washing	32	15	0	0	27	46	120
3	Other Duties	33	15	24	35	14	17	138
4	Paid Water Supply	0	0	0	0	0	15,120	15,120

District Matiari

Annexure-XII
[Para No. 1.4.1.1]

XII. Non-Production of Record

(Rupees in Million)

S.No.	Name of office	Para	Year	Record	Amount
1	Municipal Committee, Hala	1	2012-14	Construction of Pavent Block / Tuff Tiles and Drains / C.C.Block @ Various Streets of Hala Town	25.000
2	Town Committee, Matiari	1	2013-14	Expenditure from OZT	82.720
3	Town Committee, Saeedabad	1	2013-14	Rent agreements & contract agreements, Challans of Sindh Sales Tax & Income Tax, Sanctioned V/s Working Strength of Employees, Promotion and transfer of Staff.	-
Total					107.720

Annexure-XIII
[Para No. 1.4.2.1]

XIII. Non-Transparency in Govt. Spending

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Amount (Million)
1	Municipal Committee, Hala	7	2011-14	33.529
2	Town Committee, Saeedabad	11	2012-13	2.263
3	Town Committee, Saeedabad	9	2013-14	2.776
Total				38.567

Annexure-XIV
[Para No. 1.4.2.2]

XIV. Unauthorized Award of Work to Un-registered Contractor by PEC

(Rupees in Million)

S.No.	W.No.	Name of work	Name of contractor	Revised Estimate
Town Committee, Saeedabad (Para-04) 2012-13				
1	01/2011	Const: of Surface drain ABC type at city Saeedabad.	M/s Zulfiqar Sehto	5.800
2	02/2011	Const: of Meat & Fish Market at Saeedabad city	M/s Shakeel Ahmed	5.000
3	04/2011	Const: of New office Block @ TMA office New Saeedabad	M/s Shafiqur Rehman	4.110
4	05/2011	Const: of Council Upper Hall Story TMA office Saeedabad	M/s Abdullah Mehar	3.300
5	12/2011	Const: of CC Blocks @ city Saeedabad	M/s Yaseen Kaka	4.500
TOTAL				22.710
Municipal Committee, Hala (Para-04) 2011-14				
	18/04/2011	Beautification & Surface Drains I/c CC Block @ Various Places of Hala Town	Ms Irshad Dahri	4.657
	30/04/2011	Construction of Surface Drains I/c Blocks at Different Places of Taluka Hala	Ms Muhammad Uris	4.210
Total				8.867
Grand Total				31.577

Annexure-XV
[Para No.1.4.2.3]

XV. Unauthorized Expenditure

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Amount	Remarks
1	Town Committee, Matiari	13	2013-14	7.820	Without Tender
2	Town Committee Saeedabad	10	2012-13	14.302	
3	Town Committee, Matiari	13	2013-14	0.587	Splitting
4	Town Committee Saeedabad	11	2013-14	1.976	
Total				24.685	

District Thatta

Annexure-XVI
[Para No. 1.8.1.1]

XVI. Non-Production of Record

(Rupees in Million)

S. No	Name of formation	Para	Year	Amount	Non-Production
1	Chief Officer, District Council	01	2011-13	-	Partial
2	M.C, Thatta	01	2013-14	-	Partial
3	T.C, Jati	01	2011-13	261.528	Partial
4	T.C, Jati	01	2013-14	-	Partial
5	T.C, Ghorabari	01	2012-13	137.276	Partial
6	T.C. Mirpur Sakro	01	2013-14	-	Partial
7	T.C Sujawal	01	2011-14	-	Complete
8	T.C, Shah Bandar	01	2011-14	-	Complete
9	T.C, Mirpur Bathoro	01	2013-14	7.540	Partial
Total				406.344	

Annexure-XVII
[Para No.1.8.2.1]

XVII. Non-Realization of Target Recovery

[Amount in Rupees]

S. No.	Name of office	Recovery Targeted	Recovery Received	Difference
1	District Council, Thatta 2013-14 (Para-01)	2,622,876	287,775	2,335,101
2	Municipal Committee, Thatta 2013-14 (Para-07)	48,162,011	1,089,006	19,739,501
3	Town Committee, Jati 2013-14 (Para-10)	6,896,929	993,212	5,903,717
4	Town Committee, Mirpur Sakro 2013-14 (Para-06)	2,657,000	523,558	2,133,442
5	Town Committee, Mirpur Bathoro, 2013-14 (Para-09)	162,310,092	127,150,000	35,160,092
Total		222,648,908	130,043,551	65,271,853

Annexure-XVIII
[Para No. 1.8.2.2]

XVIII. Illegal appointments

[Rupees in Million]

Sr. No	Name of Formation	Para	Year	No. of employees	Amount
1	Chief Officer, District Council	10	2012-13	30	5.131
2	TC, Jati	11	2013-14	96	17.302
3	TC, Ghorababri	10	2013-14	62	8.941
4	TC, Mirpur Sakro	03,14	2013-14	60	14.733
Total					46.107

Annexure-XIX
[Para No. 1.8.2.3]

XIX. Non-Transparency in Govt. Spending

[Rupees in Million]

S. No.	Name of Formation	Para	Year	Amount
1	Chief Officer, District Council Thatta	08	2013-14	1.754
2	MC. Thatta	11	2013-14	18.549
3	TC, Ghorabari	09	2013-14	2.471
4	TC Jati	09	2013-14	2.915
5	TC Mirpur Sakro	10	2013-14	7.601
6	TC, Mirpur Bathoro	07	2013-14	6.021
Total				39.311

Annexure-XX
[Para No. 1.8.2.5]

XX. Non-Recovery of Dues of shops rent

[Rupees in Million]

Sr. No	Name of Formation	Para	Year	Amount
1	Chief officer, District Council	52	2012-13	3.377
2	Chief officer, District Council	01	2013-14	2.335
3	MC, Thatta	03	2013-14	1.945
4	TC, Jati	08	2013-14	3.390
Total				11.047

Annexure-XXI
[Para No. 1.8.2.6]

XXI. Irregular Payment through Open Cheques

(Rupees in Million)

Sr. No	Name of Formation	Para	Year	Mode of payment	Amount
1	TC, Ghorabari	08	2013-14	Cash	1.189
2	TC, Jati	02	2013-14		5.214
3	TC, Mirpur Sakro	12	2013-14		4.569
Total					10.972

District Jamshoro

Annexure-XXII
[Para No. 1.10.2.1]

XXII. Non-posting of Bid Evaluation Report on SPPRA website

[Amount in Rupees]

TMA, Sehwan Sharif(2011-12) Para # 15				
S. No	Name of Work	Contactoer's Name	Work Order No. & Date	Total Amount
1	Water Desalination Plant Capacity-1 Million Gallons Per Day For Bubak Town And 68 Villages Located in the Vicinity of Taluka Sehwan District Jamshoro	Pak Oasis Industries (pvt) Ltd.,	835 19.8.2011	23,82,80,000
2	Construction of rural w/s scheme jhanara bajara @ join villages (improvement & extension) Taluka Sehwan Sharif district Jamshoro	M/s Technomen Kineties (pvt) ltd:	713 18-8-2008	129,975,000
Total				368,255,000
TMA, Sehwan Sharif(2012-13) Para # 08				
S. No	Description	Supplier	Supply Order No. & Date	Estimated cost
1	Providing Laying Jointing HD-PE Pipe 18" Dia Pumping Machinery 80 BHP (3Sets) & Floating Arrangement At River Indus For Urban Water Supply Scheme Sehwan Sharif (Taluka Sehwan, District Jamshoro)	M/s Abdul Qayoom	1063 18.1.2013	6,291,1000
Total				62,911,000
Grand Total				431,166,000

Annexure-XXIII
[Para No. 1.10.2.2]

XXIII. Unauthorized Award of Work to Un-registered Contractor by PEC

(Amount in Rupees)

S.No	Name of office	Name of Work	Cont Name	Estimated Cost
1	Town Committee, Thana Bola Khan (Para-3) 2012-13	Const. of Water Supply Scheme at Village Essa Dugarani Palari UC Sari	M/s M.K Palari	3,000,000
2	Town Committee, Sehwan Sharif (Para-3) 2012-13	“Urban drainage scheme Sehwan Sharif(Improvement & Extension)	M/s Naseem Enterprises	271,024,452
Total				274,024,452

Annexure-XXIV
[Para No. 1.10.2.3]

XXIV. Unauthorized Expenditure of Development Schemes without Technical Sanction

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Amount
1	Municipal Committee, Kotri	2	2013-14	3.106
2	Town Committee, Sehwan Sharif	10	2011-12	238.280
	Town Committee, Sehwan Sharif	2	2012-13	3.500
Total				244.886

Annexure-XXV
[Para No. 1.10.2.4]

XXV. Non-Achievement of Targeted Receipts

[Amount in Rupees]

Sr.	Name of office	Targeted Recovery	Recovery	Less Recovery
1	C.O. District Council Jamshoro (Para-02) 2013-14	8,116,165	1,300,446	6,815,719
2	Municipal Committee, Kotri (Para- 05, 6) 2013-14	30,009,673	0	30,009,673
3	Town Committee, Thana Bola Khan (Para-08) 2013-14	23,305,120	12,169,656	11,135,464
Total		61,430,958	13,470,102	47,960,856

Annexure-XXVI
[Para No. 1.10.2.5]

XXVI. Non-Transparency of Government Spending

[Rupees in Million]

S.No.	Name of Formation	Para	Year	Amount (Million)
1	Municipal Committee, Kotri	9	2013-14	3.473
2	Town Committee, Sehwan	6	2013-14	6.382
3	Town Committee, Manjhand	11	2013-14	1.100
4	Town Committee, Thana Bola Khan	11	2013-14	3.553
5	Town Committee, Sehwan	16	2011-12	1.171
	Town Committee, Sehwan	15	2012-13	2.759
Total				18.438

Annexure-XXVII
[Para No. 1.10.2.6]

XXVII. Expenditure without Execution of Agreement

(Amount in Rupees)

S. No	File #	Description	Supplier	Supply Order No. & Date	Estimated cost
1	9	Rehabilitation of Rural Water Supply Scheme Tatli	M/S Abdul Qayoom contractor	721 18-8-2011	2,000,000
2	8	Construction of Surface drain type A &B I/C C.C Block for various villages of U.C Tatli	M/S Abdul Qayoom contractor	877 16-8-11	2,000,000
3	12	Paving Tile on footpath from Govt. Degree College Sehwan Sharif Toward Golden Gate	M/S Kainat Construction Company, Govt. company	781 16-8-11	3,000,000
0.4	1	Rehabilitation of surface drain I/C C.C Block for village Gambheer U.C Dal	M/S Ghulam Shabir, Govt. contractor	711 18-08-11	1,000,000
5	6	Rehabilitation of Rural Water Supply Scheme UC Channa	M/S Gulbahar Govt. contractor	Nil 25-08-2011	2,900,000
6	7	Construction of Surface drain type A &B I/C C.C Block for various village UC Bhasn Saeedabad	M/S Ghulam Murtaza, Govt. Contractor	712 18-8-11	2,000,000
Total					12,900,000

Annexure-XXVIII
[Para No. 1.10.2.8]

XXVIII. Payment of Bills without Pre-Audit

[Amount in Rupees]

S. No	File #	Description	Supplier	Estimated cost	Supply Order No. & Date	Cheque Amount	Disbursing Officer	Pre-audited
TMA, Sehwan Sharif (2012-13) Para # 14								
1	9	Rehabilitation of Rural Water Supply Scheme Tatli	M/S Abdul Qayoom contractor	2,000,000	721 18-8-2011	1,705,856	Unsigned	not-done
Total				2,000,000		1,705,856		
TMA, Sehwan Sharif (2012-13) Para # 07								
S. No	File #	Description	Supplier	Estimated cost	Supply Order No. & Date	Cheque Amount	Disbursing Officer	Pre-audited
2	4	Construction of Surface drain type A & B I/C C.C Block for village Kariyani U.C Dal	M/s Mumtaz Ali Memon, Govt. Contractor	1,500,000	947 4-7-12	1,452,798	Unsigned	not-done
Total				3,500,000		1,452,798		
Grand Total				5,500,000		3,158,654		

District Badin

Annexure-XXIX
[Para No. 1.12.1.1]

XXIX. Non-Production of Record

[Rupees in Million]

Sr. No	Name of Formation	Para	Year	Non-Production
1	Chief Officer, District Council, Badin	01	2012-13	Partial
2	Chief Officer, District Council, Badin	01	2013-14	6.648
3	M.C, Badin	01	2013-14	Partial
4	M.C. Matli	01	2012-13	398.400
5	TC, Talhar	01	2011-14	Complete
6	TC, Shaheed Fazal Rahu	01	2013-14	Complete
7	TC, Matli	01	2013-14	Complete
8	TC, Tando Bago	01	2013-14	Complete
Total				405.048

Annexure-XXX
[Para No. 1.12.2.1]

XXX. Unauthorized expenditure

[Rupees in Million]

S.No.	Name of Formation	Para	Year	Amount	Remarks
1	Municipal Committee, Badin	2	2013-14	1.864	Without Tender
2	Municipal Committee, Badin	2	2012-13	14.167	Without Tender
3	Town Committee, S. Fazil Raho	1	2012-13	22.632	Without Tender
4	Town Committee, Tando Bago	4	2011-13	11.276	Without Tender
Sub-total				49.939	
5	Municipal Committee, Badin	2	2013-14	2.226	By Splitting
6	Municipal Committee, Badin	2	2012-13	11.465	By Splitting
7	Town Committee, S. Fazil Raho	1	2012-13	0.273	By Splitting
Sub-total				13.964	
Grand Total				63.903	

Annexure-XXXI
[Para No. 1.12.2.2]

XXXI. Less-Realization of Targeted Receipts

[Amount in Rupees]

S.No.	Tax Name / Fee	Targeted Amount	Received	Balance
1	Municipal Committee Badin 2011-13 (Para-18)	14,884,281	6,427,580	8,456,701
2	Municipal Committee, Badin 2013-14 (Para-08)	36,660,048	6,653,265	30,006,783
3	Town Committee Shaheed Fazal Rahu 2012-13 (Para-14)	14,913,868	2,862,053	12,051,815
Total		66,458,197	15,942,898	50,515,299

Annexure-XXXII
[Para No. 1.12.2.3]

XXXII. Non-Transparency in Govt. Spending

[Rupees in Million]

Sr.No	Name of Formation	Para	Year	Amount
1	MC, Badin	15	2011-13	20.913
2	MC, Badin	04	2013-14	8.344
3	TC, Fazal Rahu	12	2012-13	8.622
4	T.C, Tando Bago	18, 6	2011-13	15.680
Total				53.559

Annexure-XXXIII
[Para No. 1.12.2.4]

XXXIII. Un-authorized Appointments

[Rupees in Million]

Sr. No	Name of Formation	Para	Year	No. of employees	Amount
1	MC, Badin	14	2011-13	231	31.880
2	MC, Matli	02	2012-13	142	1.805
3	TC, Fazal Rahu	11	2012-13	6	0.469
4	T.C, Tando Bago	18	2011-13	164	16.894
Total				543	51.048

Annexure-XXXIV
[Para No. 1.12.2.5]

XXXIV. Non-posting of Bid evaluation report on SPPRA website

[Amount in Rupees]

Sr.	Description	WO & Date	TS Amount
1	Repair of Water Supply Scheme in Ashrafabad	-	1,000,000
2	Const of C.C Streets @ Various Places of U/s I,II & III Badin City	236/ 15/12/2010	7,500,000
3	Const of Pucca Water Pons in Various Villages of U/c Mithi-III (Size 50x40)	248/ 15/12/2010	5,000,000
4	Const of Waiting Room Opposite Village Lal Bux Notkani	28/ 14/1/2012	300,000
5	Constt of Wating Room Opposite Village Umer Khaskheli (Luwari Gurho Road.	26/ 14/1/2012	300,000
1	Bricks Pavement in Village Majno Khaskheli Union Council Seerani	105/ 07/02/2013	1,000,000
2	Const : of Bricks Pavement in Village Jan Muhammad Chang	87/ 07/02/2013	500,000
3	Const : of Bricks Pavement in Village pehlwan Mallah Uc III Badin	81/ 7/02/2013	500,000
4	Const: of Bricks Pavement in Village Allah Bachayo Talpur Uc Bhangra Memon	88/ 07/02/2013	500,000
5	Const: of Bricks Pavement in U/c Nindo	90/ 07/02/2013	1,000,000
6	Const: Of CC Sheet in Seerani City	92/ 07/02/2013	1,000,000
7	Const : of Bricks Pavement in Village Muhammad Siddique Mallah U/c Bhungra Memon	111/ 07/02/2013	500,000
8	Const of CC Shad in Nindo City U/c Nindo	89/ 07/02/2013	1,000,000
9	Const : of Bridge Over Shadi Large Wah Opposite Village Shafi Muhammad Brohi I/C Approach Taluka Badin	239/ 24/7/2012	2,958,000

[Amount in Rupees]

Sr.	Description	WO & Date	TS Amount
10	Const: of Fire Brigade Station in Badin City	220/ 5/7/2012	3,500,000
11	Const: of Bridge/Culverts & R.C.C Pip Construction Nalas in Different Union Councils of Taluka Badin	102/ 7/2/2013	5,000,000
12	Bricks Pavement in Village Hayat Solangi Taluka Badin	219/ 3/7/2012	2,000,000
13	Bricks Pavement from Abdul Sattar Bohar Para Road to Village Misri Thebo Deh Khanbhro U/c Abdullah Shah	242/ 24/7/2012	2,000,000
14	Constt: of R.C.C Slabs in Kadhan, Seerani, Nindo, Lavari Sharif	116/ 7/2/2013	1,200,000
15	Const of CC Street in Badin City	101/ 7/2/2013	2,000,000
16	Const of Brick Pavement Kacha Path in Village Kachar Khan Lund U/c 1 Badin	80/ 7/2/2013	1,000,000
17	Brick Pavement Village Mussa Soomro U/c Muhammad Khan Bhangri	98/ 7/2/2013	1,000,000
18	Const of Water Pond in Village Pehlwan Mallah U/c III Badin	82/ 7/2/2013	1,000,000
19	Const of Bricks Pavement Kacha Path in Various Villages of Taluka Badin	75/ 7/2/2013	1,000,000
20	Const of Pacca Water Pond in Village Allah Bachaiyo Talpur U/c Bhanghra Memon	96/ 7/2/2013	1,000,000
21	Const of Water Pond in Village Sohrab Khan Chandio U/c Kadi Qazia	78/ 7/2/2013	1,000,000
22	Const of Water Pond in Village Baloch Khan Khaso in U/c Muhammad Khan Bhanghri	97/ 7/2/2013	1,000,000
23	Const of Bricks Pavement in Village Baloch Khan Khoso in U/c Muhammad Khan Bhangri	79/ 7/2/2013	500,000
Total			46,258,000

Annexure-XXXV
[Para No. 1.12.2.6]

XXXV. Unauthorized Expenditure without Revised Administrative Approval

[Amount in Rupees]

S. No.	Description	TS Amount	Revised TS	Excess	Excess %
1	Providing the Drinking Water Facility From Rajwah to Benazirabad	10,000,000	13,140,000	3,140,000	23%
2	Const: of Pucca Water Pond of Benazirabad	2,000,000	2,835,500	835,500	42%
3	Bricks Pavement in Village Ghulam Muhammad Khaskheli	500,000	1,800,000	1,300,000	260%
4	Const of Water Tanks @ Various Places of Taluka Badin	10,000,000	17,661,000	7,661,000	77%
5	Const of Pacca Water Pond in Various Villages of U/c Nindo	4,000,000	7,000,000	3,000,000	75%
6	Remaining Work of brick pavement in Village Ishaque Samo	500,000	1,300,000	800,000	160%
7	Bricks Pavement in Village Hayat Solangi Taluka Badin	2,000,000	2,477,500	477,500	24%
Total				17,214,000	

Annexure-XXXVI
[Para No. 1.12.2.9]

XXXVI. Non-Deduction of Sales Tax

[Amount in Rupees]			
Sr.	Head of Account	Expenditure	Sales Tax @ 16%
1	Purchase of seating Arrangements, Motors, Pipes, Gross Cutting, Machines and other Materials of Park.	475,625	76,100
2	Machinery Equipment's Goods Tanker Machine of Fire bridge/Purchase of Tires	263,946	42,231
3	New Sheds, Lights, Rods main Switch Wiring, Street Light, Fans Stabilizer, and other electric Materials.	3,211,225	513,796
4	Poison, Finis, Phenyl, Sweets, Malaria & Other Spray Diesel Oil and other Materials.	772,965	123,674
5	Purchase of Equipment's and Machines, Material Sanitation, Water Supply and Street Light	120,860	19,338
6	Purchase of Chemicals	30,000	4,800
Total		8,774,621	1,403,939

District Tando Allahyar

Annexure-XXXVII
[Para No. 1.14.2.1]

XXXVII. Non-Hoisting of Bid Evaluation Reports on SPPRA website

[Rupees in Million]

S.No.	Name of office	Para	Year	Amount
1	Chief Officer, District Council, Tando Allahyar	9	2013-14	48.689
2	Town Committee, Jhando Mari	11	2013-14	13.800
3	Town Committee, Chamber	23	2012-13	52.700
Total				115.189

Annexure-XXXVIII
[Para No. 1.14.2.2]

XXXVIII. Non-transparency in Govt. Spending

[Rupees in Million]

S.No.	Name of Formation	Para	Year	Amount (Million)
1	Chief Officer, District Council, Tando Allahyar	15	2012-13	0.746
2	Municipal Committee, Tando Allahyar	20	2012-13	6.560
3	Town Committee, Chambar	9	2012-13	3.664
4	Town Committee, Jhando Mari	13	2012-13	1.426
5	District Council Tando Allahyar	5	2013-14	1.067
6	Municipal Committee, Tando Allahyar	7	2013-14	3.223
7	Town Committee, Jhando Mari	5	2013-14	4.819
Total				21.505

Annexure-XXXIX
[Para No. 1.14.2.4]

XXXIX. Technical Sanction beyond Financial Powers

[Amount in Rupees]

S. No	Name of office	Description	Work Order No.	Estimated cost
1	Chief Officer, District Council Tando Allahyar (Para-10) 2012-13	Construction of Link Road from Aali Shah Road to Village Misrishah	125 13.12.2013	1,480,962
2		Construction of C.C Road in Various Streets of in Nasurpur Town	129 13.12.2013	489,000
Sub-Total				1,969,962
3	Municipal Committee, Tando Allahyar (Para-02) 2012-13	Const Of ABC Drain Within Town Limits	1953 10/4/2012	4,300,000
4		Const of CC Block & Culverts Within U/c Shaikh Moosa	1950 10/4/2012	2,500,000
Sub-Total				6,800,000
Grand-Total				8,769,962

Annexure-XL
[Para No. 1.14.2.6]

XL. Unauthorized Expenditure

[Amount in Rupees]			
Sr.	Name of Work	Date	Amount
1	Payment For Pvc Pipe 6"Dia For W/s Scheme Chamber	08-01-2013	100,000
2	Payment For Purchasing of Pvc Pipe 6"Dia	08-01-2013	100,000
3	Payment For Purchasing of Pvc Pipe 6"Dia For W/s Scheme Chamber	08-01-2013	100,000
4	Payment For Purchasing of Pvc Pipe 6"Dia For W/s Scheme Chamber	08-01-2013	100,000
5	Payment of Purchasing of Pvc Pipe of Water Supply Scheme TMA Chamber	17-12-2012	100,000
6	Payment of Purchasing of Pvc Pipe of Water Supply Scheme TMA Chamber	17-12-2012	100,000
7	Payment of Purchasing of Pvc Pipe 6"Dia Taluka Committee Camber Per Bill 209/09x475 Bitt	-do-	99,735
8	Payment of Purchasing of Pvc Pipe 04"Dia Taluka Committee Camber Each Bitt 109.06x910 Bitt	-do-	99,244
9	Payment for Purchasing of Pvc 4" Dia for W/s Scheme Chamber Taluka Committee Chamber	04-08-2011	99,244
10	Payment for Purchasing for Pvc Pipe Delivery 6"Dia	-do-	99,725
11	Payment for Purchasing for Pvc Pipe Delivery 6"Dia	-do-	99,725
12	Payment of Purchasing of Electric Tub Sheed Complete Set	05-04-2013	100,000
13	Payment of Purchasing of Electric Tub Sheed Complete Set	05-04-2013	100,000
14	Payment For Purchasing of Electric Material Taluka Committee Chamber Each No. 8325 x12.Nos	06-07-2011	99,900
15	Payment For Purchasing of Electric Material Taluka Committee Chamber Each No. 8325 x12.Nos	-do-	99,900
16	Payment of Purchasing of Electric Material Town Committee Chamber Each Set 8325x12Nos	04-08-2011	99,900
17	Payment of Purchasing of Electric Martial of Taluka Committee Chamber Each Set 8325x12Nos	04-08-2011	99,900
18	Payment for Purchasing of Electric Tub Sheed Complete Set	-do-	99,975
19	Payment for Purchasing of Electric Tub Sheed Complete Set	-do-	99,975
20	Payment for Purchasing of Electric Tub Sheed Complete Set	-do-	99,975
21	Payment for Purchasing of Tube Light Sheed Complete Set TMA Chamber (each : Nos 10000x10 Nos	29-04-2013	100,000
22	Payment for Purchasing of Tube Sheed Complete Set	21-02-2013	100,000
23	Payment for Purchasing of Tube light sheed Street Light Tma Chamber (each : Nos 6665x15 Nos	19-09-2012	99,975
24	Payment for purchasing of Electric tube Sheed Complete Set for Street Light	04-09-2012	99,975
25	Payment for purchasing of Electric tube Sheed Complete Set for Street Light	04-09-2012	99,975

[Amount in Rupees]

Sr.	Name of Work	Date	Amount
26	Payment for purchasing of Electric tube Sheed Complete Set for Street Light	04-09-2012	99,975
27	Payment for purchasing of Electric tube Sheed Complete Set for Street Light	04-09-2012	99,975
28	Payment for Purchasing of Electric Material for Street Light TMA Chamber	05-06-2013	100,000
29	Payment for Purchasing of Electric Material for Street Light TMA Chamber	-do-	100,000
30	Payment for Purchasing of Electric Material for Street Light TMA Chamber (8325x12 set	25-08-2011	99,900
31	Payment for Purchasing of Electric Material for Street Light TMA Chamber (8325x12 set	-do-	99,900
32	Payment for Purchasing of Electric Material for Street Light TMA Chamber	-do-	99,900
33	Payment for Purchasing of Electric Material	-do-	99,816
34	Payment for Purchasing of Electric Material for Street Light TMA Chamber	09-09-2011	99,900
35	Payment for Purchasing of Electric Material for Street Light TMA Chamber	06-02-2013	99,615
36	Payment for Purchasing of Electric Material for Street Light TMA Chamber	-do-	99,615
37	Payment for Purchasing of Electric Material for Street Light TMA Chamber	19-09-2012	99,975
38	Payment for Purchasing of Electric Material for Street Light TMA Chamber	06-07-2011	99,900
39	Payment for Purchasing of Electric Material for Street Light TMA Chamber	06-07-2011	99,900
40	Payment for Purchasing of Electric Material for Street Light TMA Chamber (8325x12 set	23-08-2011	99,900
41	Payment of Purchasing of Electric Tub Sheed Complete Set	05-04-2013	100,000
42	Payment of Purchasing of Electric Tube Shade Complete Set	05-04-2013	100,000
43	Payment for Purchasing of Hand Pump Complete set TMA Chamber	16-01-2013	100,000
44	Payment for Purchasing of Hand Pump Complete set TMA Chamber	-do-	100,000
45	Payment for Purchasing of Hand Pump Complete set TMA Chamber	-do-	100,000
46	Payment for Purchasing of Hand Pump Complete set TMA Chamber	06-02-2013	100,000
47	Payment for Purchasing of Hand Pump Complete set TMA Chamber	06-02-2013	90,000
Total			4,685,394

Annexure-XLI
[Para No.1.14.2.7]

XLI. Irregular expenditure without revised Technical Sanction

[Amount in Rupees]

Sr.	Description	Work Order No. & Date	Original TS	Bill Amount	Excess Payment over Estimate Amount	Excess in Percentage
1	Const of CC Block Village Obhaya Khaskheli	31/ 14/2/2011	1,000,000	1,210,448	210,448	21%
2	Const of CC Block in Anwar Mirjat Paro Village Ibrahim Shah	121/ 14/2/2011	400,000	578,178	178,178	45%
3	Const of C Block @ Village Darhoon Sand	117/ 14/2/2011	500,000	709,239	209,239	42%
4	Const of CC Block @ Village Laung Dalpota	113/ 14/2/2011	200,000	593,070	393,070	197%
5	Const of CC Block @ Village Umar Sand	111/ 14/2/2011	200,000	1,836,448	1,636,448	818%
6	Const of CC Block & Surface Drain @ Village Misan Wadi	141/ 14/2/2011	1,000,000	1,608,249	608,249	61%
7	Const of CC Block in Village Gahi Khaskheli	126/ 14/2/2011	500,000	987,940	487,940	98%
Total					3,723,572	

District Tando Muhammad Khan

Annexure-XLII
[Para No.1.16.1.1]

XLII. Non-Production of Record

[Rupees in Million]

Sr.	Name of office	Para	Year	Amount	Non-Production of record
1	Chief Officer, District Council, T. M. Khan	1	2012-13	-	Partial
2	Municipal Committee, T. M. Khan	1	2013-14	-	Complete
3	Town Committee, Bulri Shah Karim	5	2011-12	2.600	Partial
4	Town Committee, Tando Ghulam Hyder	1	2011-14	-	Complete
Total				2.600	

Annexure-XLIII
[Para No.1.16.2.1]

XLIII. Un-authorized Procurement

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Expenditure
1	Municipal Committee, T. M. Khan	2	2013-14	15.000
2	Town Committee, Bulri Shah Karim	7	2012-13	170.520
Total				185.520

Annexure-XLIV
[Para No.1.16.2.2]

XLIV. Less-Realization of Receipts

(Amount in Rupees)

S.No	Major / Minor detail heads	Revised Budget 2012-13	Actual Collection	Difference
1	Municipal Committee, Tando Muhammad Khan (Para-14) 2012-13	231,813,639	119,407,256	112,406,383
2	Town Committee Bulri Shah Karim (Para-30)	176,067,416	109,776,223	66,291,193
Total		407,881,055	229,183,479	178,697,576

Annexure-XLV
[Para No.1.16.2.3]

**XLV. Unauthorized Expenditure without Technical Sanction from
competent authority**

[Amount in Rupees]

W.O No	Work	Contractor	Amount
3/08-06-12	EFW of streets of various village of TMA BSK	Imran Gul Memon	6,375,325
04/08-06-12	EFW of road sides in various places of TMA BSK	Arslan Gul Memon	5,948,958
08/13-06-12	PF RCC pipes in various villages TMA BSK	-do-	4,649,510
7/11-06-12	SF of PVC pipes in various villages in TMA BSK	-do-	6,602,742
11/14-06-12	Constt & Repair of Water Courses /Culverts in TMA BSK	Imran Gul Memon	2,000,000
Total			25,576,535

Annexure-XLVI
[Para No.1.16.2.4]

XLVI. Payment of Bills without Pre-Audit

(Amount in Rupees)

S.No.	Name of Formation	Para	Year	Amount
1	Chief Officer District Council, T. M Khan	3	2012-13	2.500
2	Town Committee, Bulri Shah Karim	2	2012-13	17.585
3	Chief Officer District Council T. M. Khan	4	2013-14	0.288
Total				20.373

Annexure-XLVII
[Para No.1.16.2.5]

XLVII. Non-transparency in Govt. Spending

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Amount
1	Chief Officer District Council T. M. Khan	6	2012-13	1.900
4	Chief Officer District Council, T. M. Khan	5	2013-14	2.889
2	Municipal Committee, Tando Muhammad Khan	10	2012-13	3.533
3	Town Committee, Bulri Shah Karim	9	2012-13	10.792
Total				19.115

Annexure-XLVIII
[Para No.1.16.2.6]

XLVIII. Unauthorized Payment through open cheques

(Amount in Rupees)

Date	Description	Cheque#	Amount
8/7/2011	Cheque	9884335	127,960
8/7/2011	Cheque	9884343	176,720
8/7/2011	Cheque	9884344	93,060
8/7/2011	Cheque	9884345	10,840
8/7/2011	Cheque	9884346	27,330
8/7/2011	Cheque	9884347	164,426
8/7/2011	Cheque	9884348	10,420
25-07-11	Cash	5192401	640,500
25-07-11	Cash	5192415	210,000
25-07-11	Cash	5192416	466,500
25-07-11	Cash	5192417	281,296
25-07-11	Cash	5192420	260,550
9/8/2011	Cash	5192439	185,512
9/8/2011	Cash	5192440	186,606
9/8/2011	Cash	5192444	600,000
16-08-11	Cash	5192545	597,700
16-08-11	Cash	5192455	595,821

(Amount in Rupees)

Date	Description	Cheque#	Amount
16-08-11	Cash	5192459	418,273
16-08-11	Cash	5192416	100,000
16-08-11	Cash	5192462	258,000
16-08-11	Cash	5192463	530,000
16-08-11	Cash	5192464	410,600
16-08-11	Cash	5192465	380,572
16-08-11	Cash	5192466	186,120
16-08-11	Cash	5192467	186,120
16-08-11	Cash	5192468	258,000
16-08-11	Cash	5192469	464,338
11/5/2012	Cash	4423515	300,000
21-05-12	Cash	4423539	160,000
14-06-12	Cash	4423535	100,000
14-06-12	Cash	4423546	100,000
26-07-12	Cash	4423555	102,233
7/8/2012	Cash	4423582	500,000
7/8/2012	Cash	4423583	231,600
7/8/2012	Cash	4423585	300,000
7/8/2012	Cash	4423586	300,000
7/8/2012	Cash	4426593	150,000
17-08-12	Cash	4430415	300,000
17-08-12	Cash	4430422	139,033
17-08-12	Cash	4430424	100,000
17-08-12	Cash	4430425	200,000
17-08-12	Cash	4430426	182,000
17-08-12	Cash	4430429	109,000
18-08-12	Cash	4430411	1,704,258
18-08-12	Cash	4430412	940,499
18-08-12	Cash	4430413	206,586
18-08-12	Cash	4430414	300,000
Total			14,252,473

Annexure-XLIX
[Para No.1.16.2.7]

XLIX. Unauthorized Expenditure

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Amount
1	Chief Officer District Council T. M. Khan	3	2012-13	6.367
2	Chief Municipal Officer Tando Muhammad Khan	24	2012-13	1.237
Total				7.604

1. C.O., District Council, Tando Muhammad Khan (Para-03) 2012-13

[Amount in Rupees]

W.O No	Work	Amount
Nil/02-09-12	EFWof Dhoras & Dabas of Rain Water at Village ali Akbar Deh Jalbani	95,000
Nil/02-09-12	EFWof Dhoras & Dabas of Rain Water at Village Mohsin Shah	95,000
Nil/02-09-12	EFWof Dhoras & Dabas of Rain Water at Village Harj Patel	95,000
Nil/02-09-12	EFWof Dhoras & Dabas of Rain Water at Village Janhan soomro	95,000
Nil/05-09-12	EFWof Dhoras & Dabas of Rain Water at Village Rahu Halepoto Jalalani	95,000
Nil/05-09-12	EFWof Dhoras & Dabas of Rain Water at Village Gahrm Khan Chandio	95,000
Nil/05-09-12	EFWof Dhoras & Dabas of Rain Water at Village Hussain Shah Farm Deh Patar	95,000
Nil/07-09-12	EFWof Dhoras & Dabas of Rain Water at Village Jaman Bagh	95,000
Nil/13-09-12	EFWof Dhoras & Dabas of Rain Water at Village Jado Laghari	95,000
Nil/14-09-12	EFWof Dhoras & Dabas of Rain Water at Village Buxo Burdi	95,000
Nil/13-09-12	EFWof Dhoras & Dabas of Rain Water at Village Ali Akbar Dodo	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Haji M. Janwari	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Haji Yousuf Naik	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Budho Bhatti	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Abdul Ghafoor Magsi	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Hssain Shah	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Rajab Sathio	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Yar M. Kundro	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Pattar	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Rahu Halepoto	95,000
Nil	EFWof Dhoras & Dabas of Rain Water at Village Haji Yar Mohd Deh Patar	95,000
Nil	Spreading & Leveling of earth 190 dumpers in 10 villages at Rs.500 each for filling Dhoras & Dabas of Rain Water during Aug & Sep 2012	95,000
Nil	Spreading & Leveling of earth 114 dumpers in 10 villages at Rs.500 each for filling Dhoras & Dabas of Rain Water during Sep 2012	57,000
Nil	Spreading & Leveling of earth 114 dumpers in 10 villages at Rs.500 each	57,000

[Amount in Rupees]

W.O No	Work	Amount
	for filling Dhoras & Dabas of Rain Water during Aug-Sep 2012	
Nil	Spreading & Leveling of earth 114 dumpers in 10 villages at Rs.500 each for filling Dhoras & Dabas of Rain Water during Oct 2012	57,,000
Nil	Spreading & Leveling of earth 95 dumpers in 10 villages at Rs.500 each for filling Dhoras & Dabas of Rain Water during Oct 2012	47,500
Nil	Spreading & Leveling of earth 171 dumpers in 9 villages at Rs.500 each for filling Dhoras & Dabas of Rain Water during Oct 2012	85,500
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Khuda Bux Deh Pattar	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Maqbool Hangoro	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Shahnawaz Kundra	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Channel Mori	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Asgharabad	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Barchani	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Nabi Bux Laghari	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Chandu Patel	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Shahek Khan Lund	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Dhani Patro Khaskheli	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Ali M. Magsi	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village M. Khan Khoso	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Barchani	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Pir Bux Kundro	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Bhuta	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Mulakatiar	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Qabool Rind	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Qabool Rind	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Haji Soomar Fatepur	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas	100,000

[Amount in Rupees]

W.O No	Work	Amount
	of Rain water in village Janhan Soomro	
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Ahmed Khan	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Dilawar Mallah Fatehpur	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Khamiso Mallah	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Janhan Soomro	100,000
NA	Supply of 25 Dumpers of Earth at Rs.4000 each for filling Dhoras & Dabas of Rain water in village Haji Gahanwar Khan Zounr	100,000
N/28-01-13	Dewatering of rain water for 102 hrs at village Nokurji Farm Mulakatiari	96,900
N/28-01-13	Dewatering of rain water for 102 hrs at village Gulo Markis Janhan Soomro	98,800
N/28-01-13	Dewatering of rain water for 105 hrs at village Haji Hussain Dad	99,750
N/28-01-13	Dewatering of rain water for 105 hrs at village Haji Hussain Dad	99,750
N/28-01-13	Dewatering of rain water for 101 hrs at village Pathan & Budho Bhatti	95,950
N/28-01-13	Dewatering of rain water for 102 hrs at village Hussain Dad & Muhammad	96,900
N/28-01-13	Dewatering of rain water for 104 hrs at village Haji M. Jamali, Janhan Soomro	98800
N/28-01-13	Dewatering of rain water for 102 hrs at village Saeed Khan Lund & Barochani	96,,900
N/28-01-13	Dewatering of rain water for 104 hrs at village Haji M. Jaman & M. Ibrahim Khoso	98800
N/08-11-12	Supply of 1800 Dumpers of Earth of 500 Cft at Rs.5500 each for filling Dhoras & Dabas of Rain water	99,000
N/08-11-12	Supply of 1800 Dumpers of Earth of 500 Cft at Rs.5500 each for filling Dhoras & Dabas of Rain water	99,000
N/08-11-12	Supply of 18 Dumpers of Earth of 500 Cft at Rs.5500 each for filling Dhoras & Dabas of Rain water	99,000
N/08-11-12	Supply of 18 Dumpers of Earth of 500 Cft at Rs.5500 each for filling Dhoras & Dabas of Rain water	99,000
N/08-11-12	Supply of 18 Dumpers of Earth of 500 Cft at Rs.5500 each for filling Dhoras & Dabas of Rain water	99,000
Total		6,213,703

2. Municipal Committee, Tando Muhammad Khan (Para-24) 2012-13

[Amount in Rupees]

WO No	Work	Amount
2051/02-02-12	Constt of CC block near M. Ali Soomro House Soomra Mohalla UC-1	96,935
31-02-2012	Constt of CC block near Bhoro House to Masho House Karimabad TMK	98,663
1916/23-01-12	Constt of CC block near M. Iqbal House Old NBP TMK	73,931
2615/09-07-12	Earth work from Noor Aurangzeb House, Kolachi Mohalla	99736

[Amount in Rupees]

WO No	Work	Amount
9616/09-07-12	Earthwork near Ghulam Chang House Karimabad	99,158
2632/10-09-12	Constt of CC block near Raheem House	99,199
2663/16-07-12	Earth Work & constt of CC block near Maqbool Shop house	99,323
2634/10-07-12	Earth Work near Nawab House Kolachi Mohalla	58,777
2674/03-02-12	Open line GI Pipe line WS line from Dator Dino to Ahmed Rahim Talpur Colony	99,250
2053/2-02-12	Constt of CC block Haroon Kiryana Store Soomra Mohalla	99,619
2793/02-04-09	Replacement of RCC pipe sachalabad tmk	29,994
2710/01-04-09	Replacement of RCC pipe Pir Sain Jan House tmk	29994
752/28-03-11	Constt of RCC pipe drain at Imran Pathan to Saleem Memon Seratul Nabi Chowk	92,852
742/25-03-11	CC block main hole (1.5x1.5) near Seerat-ul Nabi Chowk Soomra Mohalla	62,300
740/25-03-11	Constt of RCC pipe drain at Imran Pathan to Saleem Memon Seratul Nabi Chowk	97,342
Total		1,237,073

Annexure-L
[Para No.1.16.2.8]

L. Non-Recovery of Dues of Shops Rent

(Amount in Rupees)

Property	Quantity	Est rent	Months	Amount
Civic Centre				
Flats	8	5,000	24	960,000
Shops	13	5,000	24	1,560,000
Sub-total				2,520,000
Nazim Secretariat				
Polio Control Room	1 room	5,000	24	120,000
AC BSK	4 room	5,000	24	480,000
DC TMK	12 room	5,000	24	1,440,000
DC TMK	2 Hall	10,000	24	480,000
DO (SW)	5 room	5,000	24	600,000
ADC-1	2 room	5,000	24	240,000
Sub-total				3,360,000
Total				5,880,000

District Dadu

Annexure-LI
[Para No.1.18.1.1]

LI. Non-production of Record

(Rupees in Million)

S.No.	Name of Formation		Amount
1	Municipal Committee, Dadu	Dead Stock Register, Stock Register, Service Book of Staff, Personal Files of Officers, Consumable Register	-
2	Municipal Committee, Dadu	Ongoing schemes own funds, New ADP schemes, Details of new appointment, details of promotion up-gradation, stock registers	12.175
3	Town Committee Johi	Dead Stock & Stock Registers, Tender Register, Call Deposit Register, Work Register, Sales/Income Tax Register, Log Books of Vehicles/Generators	-
4	Town Committee Johi	Details of security deposit account 956-5 (amount of SD deducted) Rs.7,924,316/-, Contingency expenditure vouchers, Details of pension fund account 2517-4, Details of Sindh bank account 0106-080110-1000 and details of Government grant account 5189-3.	7.924
5	Town Committee Mehar	Complete development record i.e. vouchers MBs etc. Complete paid vouchers for July-12 & March to June-13	87.360
6	Town Committee, Khairpur Nathan Shah	Dead Stock/Stock register/Security Deposit Register, Quotation Register, Sales/Income Tax Register, Log Books of Vehicles/Generators	-
7	Town Committee, Khairpur Nathan Shah	Contingency & Grants, Charged Expenditure & Reserve, Liabilities	37.338
Total			144.798

Annexure-LII
[Para No.1.18.2.1]

LII. Transgression of financial power

Summary

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Amount
1	Town Committee, Johi	4	2012-13	102.000
2	Town Committee, Johi	3	2013-14	73.750
Total				175.750

1. Town Committee, Johi (Para-04) 2012-13

(Rupees in Million)

S.No	Name of work	Work order	Revised Cost
1	Constt: of cc block @ Johi city Part-A	476/5.7.12	5.000
2	Constt: of cc block @ Johi city Part-B	477/5.7.12	5.000
3	Supplying installing Hand pump @ various Ucs of Johi, Part-A	478/5.7.12	5.000
4	Supplying installing Hand pump @ various Ucs of Johi, Part-B	479/5.7.12	5.000
5	Repair of metaled road from Phulji station to Thariri Jado	475/5.7.12	6.000
6	Constt: of CC block@UC Kamal Khan	474/5.7.12	5.000
7	Repair of PVC pipe line of WSS G.Hussain Gadehi	481/5.7.12	5.000
8	Constt: of metaled road Hairo khan mori to city Taluka Johi	482/5.7.12	5.000
9	Constt: of CC block@ UC Phulji village	483/5.7.12	5.000
10	Constt: of CC block drain @ village Alhando sheikh	627/7.3.13	5.000
11	Constt: of CC block drain @ village M.Uris Babar UC Bahawalpur	628/7.3.13	5.000
12	Constt: of CC block drain @ village Bahawalpur	629/7.3.13	5.000
13	Providing & installing Hand pumps @ villages of UC TR Khan	630/7.3.13	5.000
14	Providing & installing Hand pumps @ various Ucs of Johi	631/7.3.13	5.000
15	Extension of PVC pipe & LSR for village chapper khan jamali @ Wss Mirza Channa	640/7.3.13	5.000
16	Constt: of cc block & drains @ Johi town	632/7.3.13	5.000
17	Constt: of Circular Pacca/Metaled road @ village Phulji	633/7.3.13	5.000
18	Constt: of cc block & drains & phulji village	634/7.3.13	5.000
19	repair of pacca/metaled road for main rd. Allah Bachayo Jamali to Pir mashaikh,Vill Hyder lund	637/7.3.13	6.000
20	repair of pacca/metaled road from phulji village to Thariri Jado	640/7.3.13	5.000
Total			102.000

2. Town Committee, Johi (Para-03) 2013-14

[Amount in Rupees]

Work No	Name of Work	Amount	Difference
1	Construction of CC Block & Drains @ Village Allah Abad Shaikh	5,000,000	4,000,000
2	Construction of CC Block & Drains @ Village Muhammad Uris Babar UC Bahawalpur	5,000,000	4,000,000
3	Construction of CC Block & Drains @ Village Bahawalpur	5,000,000	4,000,000
4	Providing & Installing Deep Hand Pumps at Various Village of UC T.R Khan	5,000,000	4,000,000
5	Providing & Installing Deep Hand Pumps at Various UCS of Taluka Johi	5,000,000	4,000,000
6	Extension of PVC Pipe & LSR for Village Chhapar Khan Jamali @ Water Supply Scheme Mirza Channa	5,000,000	4,000,000
7	Construction of CC Block & Drains @ Johi Town Taluka Johi	5,000,000	4,000,000
8	Providing, Laying ,Jointing AC Pipe & Repair of Kacha Pond Along Phulji Road Johi Taluka Johi	5,000,000	3,800,000
9	Construction of Circular Pacca/Metaled Road @ Village Phulji Taluka Johi	5,000,000	4,000,000
10	Construction of CC Block & Drains @ Phulji Village	5,000,000	4,000,000
12	Construction of Bus Shade @ Phulji Village	3,250,000	2,000,000
13	Repair of Pacca/Metaled Road for Main Road Allah Bachayo Jamali to Village Pir Mashakh & Village Ghulam Hyder Lund	6,000,000	5,000,000
14	Repair of Pacca/Metaled Road @ Bahawalpur to Village Uris Babar & Aslam Punjabi	9,500,000	8,500,000
15	Repair of Pacca/Metaled Road @ Bahawalpur to Village Uris Babar & Aslam Punjabi	5,000,000	4,000,000
Total			59,300,000

Annexure-LIII
[Para No.1.18.2.2]

LIII. Expenditure without execution of agreement

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Amount
1	Municipal Committee, Dadu	14	2012-13	3.000
2	Town Committee Johi	17	2012-13	102.000
3	Town Committee, Mehar	9, 10	2012-13	8.650
Total				113.650

Annexure-LIV
[Para No.1.18.2.3]

LIV. Non-hoisting of bid evaluation report on SPPRA website

(Rupees in Million)

S.No.	Name of Formation	Para	Year	Expenditure
1	Town Committee, Johi	14	2013-14	29.200
2	Town Committee, Johi	15	2012-13	25.200
3	Town Committee, Khairpur Nathan Shah	10	2013-14	39.940
Total				94.340

Annexure-LV
[Para No.1.18.2.4]

LV. Un-authorized Appointments

(Rupees in Million)

S. No.	Name of Formation	Para	Year	No. of employees	Amount
1	Municipal Committee, Dadu	20	2012-13	79	6.636
2	Town Committee, Johi	2	2011-13	80	58.104
3	Town Committee, Mehar	2	2012-13	376	25.043
Total					89.783

Annexure-LVI
[Para No.1.18.2.5]

LVI. Non-transparency in Govt. Spending

[Rupees in Million]

S.No.	Name of Formation	Para	Year	Amount
1	Chief Officer District Council Dadu	2	2013-14	0.985
2	Chief Officer District Council Dadu	3	2012-13	0.682
3	Municipal Committee, Dadu	9	2013-14	22.415
4	Municipal Committee, Dadu	12	2012-13	12.613
5	Town Committee Johi	3	2012-13	3.481
6	Town Committee, Mehar	6	2012-13	11.161
7	Town Committee, Mehar	5	2013-14	2.413
8	Town Committee, Khairpur Nathan Shah	5	2013-14	3.882
9	Town Committee, Johi	2	2013-14	5.986
Total				63.619

Annexure-LVII
[Para No.1.2.18.26]

LVII. Irregular Expenditure without Technical Sanction

[Amount in Rupees]

Sr.	Name of work	Work order	Contractor	Cost
Town Committee, Mehar (Para-12) 2012-13				
1	Work-75 CC block & drain Village Kisho chandio UC Bali shah	235/5.7.12	Niaz Hussain Mirani	498,546
2	work 299 CC block & drains village sendhal mahesar Brohi Mohalla UC betto	225/4.7.12	Nizakat H Shaikh	499,500
3	work 116 CC block & drains radhan station Meerani Mohalla	251/5.7.12	Rajib Ali Hingoro	497,447
4	work 281 CC block & drains village Mankani UC Bothro	239/5.7.12	G.Sarwar Solangi	499,080
5	work 249 CC block & drains village Kothi Sodhari UC Khan jo goth	233/5.7.12	M.Azam Sodhar	496,810
6	work 32 Main drains at VIP road Mehar city	224/4.7.12	Masroor A Chandio	496,148
7	work 135 CC block & drains @ village Butt sirai UC Thariri Muhabbat	208/4.7.12	Aijaz Ali Jhatial	497,196
8	work 236 CC block & drains @ village Rahim dad Soho UC Baled	219/4.7.12	Mumtaz Ali Soho	497,364
9	work 252 CC block & drains @ UC Khan jo goth	238/5.7.12	G Sarwar Solangi	995,948
10	work 276 CC block & drains @ UC Faridabad	246/5.7.12	Zulfiqar Kalhoro	997,573
11	work 165 CC block & drains @ village Gambo Tunio UC Qazi Arif	240/5.7.12	A.Majeed Tunio	496,904
Sub-Total				6,472,516
Municipal Committee, Dadu (Para-21) 2012-13				
12	Supplying & fixing diesel generators i/c MP pipe, pvc for various water supply schemes @ Dadu	347 4.9.12	Haji Wahid Bux & sons	20,000,000
Sub-Total				20,000,000
Grand Total				26,472,516

Annexure-LVIII
[Para No. 18.2.8]

LVIII. Less-Realization of Targeted Receipts

[Amount in Rupees]

Sr.	Description	Target	Recovery	Outstanding
1	Chief Officer District Council, Dadu (Para-07) 2012-13	3,300,000	2,404,916	895,084
2	Municipal Committee, Dadu (Para-05) 2012-13	3,565,000	1,790,486	1,774,514
3	Municipal Committee, Dadu (Para-04) 2013-14	4,000,376	2,680,013	1,320,363
4	Town Committee, Johi (Para-05) 2013-14	2,200,000	175,150	2,024,850
Total				6,014,811

Annexure-LIX
[Para No.1.18.2.9]

LIX. Un-authorized expenditure on POL

(Amount in Rupees)

S. No.	Payee	Date	Amount
1	M/S Sikandar Petroleum Service, CNG Station Dadu	Jun-13	65,010
2	M/S Sikandar Petroleum Service, CNG Station Dadu	Apr-14	99,225
3	M/S Sikandar Petroleum Service, CNG Station Dadu	May-14	94,000
4	M/S Sikandar Petroleum Service, CNG Station Dadu	March-14	104,520
5	M/S Sikandar Petroleum Service, CNG Station Dadu	July-13	69,970
6	M/S Sikandar Petroleum Service, CNG Station Dadu	Aug-13	71,790
7	M/S Sikandar Petroleum Service, CNG Station Dadu	Sep-13	93,290
8	M/S Sikandar Petroleum Service, CNG Station Dadu	Octob-13	76,010
9	M/S Sikandar Petroleum Service, CNG Station Dadu	Nov-13	75,990
10	M/S Sikandar Petroleum Service, CNG Station Dadu	De-13	88,490
11	M/S Sikandar Petroleum Service, CNG Station Dadu	Jan-14	81,490
12	M/S Sikandar Petroleum Service, CNG Station Dadu	Feb-14	162,280
Total			1,082,065