

Performance Audit Report
on
Production and Efficacy of Vaccine by
Sindh Institute of Animal Health
Livestock & Fisheries Department
Government of Sindh, Karachi
(FY 2019-20 to 2022-23)

Audit Year 2023-24



AUDITOR-GENERAL OF PAKISTAN

**SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE
IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES**

FOR THE CITIZENS OF PAKISTAN

PREFACE

The Auditor-General of Pakistan conducts audits in accordance with Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973, read with Sections 8 and 17 of the Auditor-General's (Functions, Powers, and Terms and Conditions of Service) Ordinance 2001. Audit is conducted in accordance with the International Standards for Supreme Audit Institutions - 3000 (ISSAIs) and other guidance issued by my department. The Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health (SIAH), Karachi, formerly Sindh Poultry Vaccine Centre (SPVC), was carried out accordingly.

The Directorate General of Audit Sindh conducted Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi, formerly known as Sindh Poultry Vaccine Centre Karachi, during March 2024 for the financial years 2019-20 to 2022-23 with a view to reporting significant findings to stakeholders. Audit examined the economy, efficiency, and effectiveness aspects of the Sindh Institute of Animal Health, Karachi. In addition, the audit also assessed on a test-check basis whether the management complied with applicable laws, rules, and procedures. The audit report indicates specific actions that, if taken, may help the management strengthen its internal controls to achieve the intended purpose.

Audit findings indicate the need for adherence to the regularity framework besides instituting and strengthening internal controls to avoid recurrence of similar violations and irregularities. The Audit Report has been finalized in the light of discussions in the DAC meeting and written responses of the Department.

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

Islamabad
Dated: 05 JUN 2025

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

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Abbreviations & Acronyms

ADP	Annual Development Plan
APT	Appointment, Promotion and Transfer Rules
BER	Bid Evaluation Report
BPS	Basic Pay Scale
DAC	Departmental Accounts Committee
DMEM	Dulbecco's Modified Eagle Medium (Cell Culture)
DRAP	Drug Regularity Authority of Pakistan
EMEM	Eagle's Minimum Essential Medium (Cell Culture)
EOI	Expression of Interest
FAM	Financial Audit Manual
F.Y	Financial Year
FMD	Foot & Mouth Disease
GFR	General Financial Rule
GMP	Good Manufacturing Practices
GoS	Government of Sindh
HEC	Higher Education Commission
ISO	International Organization for Standardization
ISSAI	International Standards of Supreme Audit Institutions
KVA	Kilo-volt-amperes
LSD	Lumpy Skin Disease
MoUs	Memorandum of Understandings
NIT	Notice Inviting Tender
NOC	No Objection Certificate
PC-I	Planning Commission Proforma I

P&D	Planning & Development
PD	Project Director
PhD	Doctor of Philosophy
POL	Petrol Oil & Lubricants
PPR	Pets des Petitis Rominants
R&D	Research & Development
RPMI	Roswell Park Memorial Institute (Cell Culture)
SIAH	Sindh Institute of Animal Health
SNEs	Statement of New Expenditures
SPPRA	Sindh Public Procurement Regulatory Authority
SPVC	Sindh Poultry Vaccine Centre
VPU	Vaccine Production Unit

Executive Summary

The Directorate General of Audit Sindh, Karachi, conducted Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health (SIAH), Karachi, formerly Sindh Poultry Vaccine Centre (SPVC), Karachi, for the financial years 2019-20 to 2022-23 during February 2024. The main objectives of the performance audit were to evaluate the economy, efficiency, and effectiveness of the production of vaccines. The audit also focused on the efficacy of the internal control system and procedures followed. The audit was conducted in accordance with relevant provisions of the Performance Audit Manual and the International Standards of Supreme Audit Institutions (ISSAIs).

The Sindh Poultry Vaccine Centre, Pakistan's largest vaccine production unit, was upgraded into "The Sindh Institute of Animal Health" in 2018 and the Center has the production capacity of over 500 million doses annually, working under the Department of Livestock & Fisheries.

Significant time and resources have been utilized for understanding the management structure, internal control environment and applicable laws and regulations to identify high-risk areas.

Key audit findings

The main findings are as under:

1. Vaccine production at minimum capacity due to poor marketing strategy
2. Non-establishment of Provincial Drug Regulatory Authority and Feed Control
3. Non-provision of services for wildlife and pet animals
4. Non-development of FMD and PPR vaccines
5. Non-framing of a well-defined policy in terms of departmental procurements
6. Non-marketing/awareness program to Veterinary Hospital's Doctors for Vaccine
7. Non-registration of manufactured Vaccines / Drugs with regulatory bodies
8. Non-appointment/posting of officers on essential posts
9. Non-establishment of regional offices, branches, or centers
10. Non-imparting of training courses and non-award of degrees and certificates

Conclusion

The audit of the Sindh Institute of Animal Health (SIAH) revealed significant deficiencies in governance, financial management, and operational efficiency, which have impeded the institution's ability to fulfill its mandate effectively. From a professional judgment standpoint, the institute has not demonstrated adequate capacity to ensure the economic, efficient, and effective use of resources. The inability to secure timely registrations, develop necessary vaccines, and comply with public procurement rules reflects poor internal controls and weak administrative oversight. Additionally, the audit follow-up process indicates that despite directives from the Departmental Accounts Committee (DAC), minimal progress has been made in addressing key audit findings, further highlighting deficiencies in accountability mechanisms. The failure to shift towards modern production techniques, establish regulatory bodies, and integrate a resilient financial model raises concerns about the long-term sustainability of the institute's operations.

For meaningful reform, it is imperative that management prioritize the implementation of DAC directives, strengthens financial oversight, and improves institutional planning. The institute must expedite the completion of ongoing initiatives, ensure the timely appointment of essential personnel, and adopt a structured approach to vaccine production, marketing, and regulatory compliance. Establishing a well-defined procurement policy, securing accreditation, and enhancing transparency in financial transactions are critical steps toward achieving institutional objectives. Compliance with audit recommendations will be instrumental in improving the institute's governance framework, ultimately enhancing its role in disease prevention and livestock health management in Sindh.

Recommendations

Audit recommends:

1. Develop a comprehensive marketing strategy and obtain necessary certifications from ISO, DRAP, and other relevant authorities to enhance vaccine production and expand market reach. Responsibility should be fixed for the lapses, and proactive measures should be taken to capitalize on domestic and international demand.
2. To take immediate steps to establish a Provincial Drug Regulatory Authority and Feed Control Authority to ensure proper oversight and compliance with regulatory standards. Responsibility should be fixed for the delay, and necessary legislation should be expedited to safeguard the quality and safety of vaccines, biologics, medicines, and feed.
3. Take immediate steps to establish the Wildlife and Pet Health Division as mandated by the Act. Responsibility should be fixed for the delay, and measures should be implemented to ensure the provision of essential veterinary services for wildlife and pet animals across the province.
4. Take immediate steps to develop and manufacture FMD and PPR vaccines to reduce reliance on imports and sustain foreign exchange. Responsibility should be fixed for the delay, and a comprehensive plan should be devised to ensure timely vaccine production and preparedness for future outbreaks.
5. Formulate a well-defined procurement policy to facilitate direct vaccine supply to government departments, ensuring efficiency and optimal utilization of production capacity. Responsibility should be fixed for the lapse, and necessary approvals should be obtained to streamline department.
6. Develop and implement a comprehensive marketing and awareness program for veterinary doctors and field hospitals to enhance the effective use and sale of vaccines. Measures should be taken to improve coordination, outreach, and promotional efforts to maximize vaccine deployment.

7. Ensure immediate registration of manufactured vaccines and drugs with DRAP and other relevant regulatory bodies to establish standardized oversight and compliance. Responsibility should be fixed for the lapse, and necessary steps should be taken to strengthen regulatory mechanisms and enhance the credibility of vaccine production.
8. Immediate appointment and posting of essential officers as mandated by the Act. Responsibility should be fixed for the delay, and necessary steps should be taken to strengthen the institute's operational capacity and achieve its objectives effectively.
9. Take immediate steps to establish the required regional offices, branches, and centers as mandated by the Act. Responsibility should be fixed for the delay, and a concrete implementation plan should be developed to ensure timely service delivery and accessibility to the public.
10. take immediate steps to initiate training programs, refresher courses, and postgraduate degrees as mandated by the Act. Responsibility should be fixed for the delay, and necessary resources should be allocated to ensure the institute fulfills its role in capacity building and research development.

1. Introduction and Methodology

1.1 Background

The Centre was established under Sindh Assembly Act of 1995 working under the department of Livestock & Fisheries, Government of Sindh. The Sindh Poultry Vaccine Centre (SPVC) was the largest vaccine production unit in Pakistan, with the production capacity of over 300 million doses of poultry vaccines per annum to prevent from different diseases of livestock.

Sindh Poultry Vaccine Center (SPVC) was upgraded into “The Sindh Institute of Animal Health” by the Act of Provincial Assembly of Sindh passed on 27th April, 2018. The upgradation came into force in the financial year 2019-20, with the wider scope and objectives, production capacity of over 500 million doses per annum. The institute has powers to develop, manufacture and produce vaccines, drugs and biologicals for prevention and treatment of livestock, poultry, wildlife and pets, and of veterinary public health importance.

The manufacturing unit of SPVC is equipped with hi-tech facility and highly qualified staff and dynamic leadership. The Research and Development (R&D) department of the Centre has led to success in the field of vaccines and immunology. It is equipped with cutting-edge technology, engaged in vaccine research and field diagnosis for the continuous improvement in the quality of vaccines and generation of novel vaccines. The diagnostic facility covers postmortem diagnosis, serology, biochemistry, pathology and molecular characterization of field pathogens. The quality vaccines manufactured by the unit are marketed in Pakistan and overseas.

Objectives of the Institute

The scope and objectives of the Sindh Institute of Animal Health, as per Provincial Assembly Act, 2018, are narrated below:

- a) To develop, manufacture, and produce vaccines, drugs, and biologicals for prevention and treatment of livestock, poultry, wildlife, and pets, and of veterinary public health importance.
- b) To distribute, sell, and enter into agreements for sale and distribution of such vaccines, drugs, and biologicals.
- c) To conduct surveys, research, tests, and experiments for the composition, safety, potency, and efficacy of such vaccines, drugs, and biologicals, and of those distributed and sold in its jurisdiction.
- d) To collect samples, conduct surveillance studies, and provide diagnostic services for the livestock, poultry, and their products.
- e) To undertake efforts, studies, and research for the prevention of emerging infectious diseases in animals.
- f) To provide a seat of learning for higher education, research, and surveillance for the students of the related field.
- g) To provide trainings, refresher courses, postgraduate degrees, conduct seminars, and grant certificates and diplomas to such persons.
- h) To create posts for research, extension, marketing, administration, and other related purposes and to appoint persons thereto.
- i) To institute and confer fellowships, scholarships, exhibitions, bursaries, medals, and prizes under specified conditions.
- j) To make provisions for research and advisory services and with these objects to enter into arrangements with other institutions or with public bodies under prescribed conditions.

- k) To provide for the printing and publication of research and other works.
- l) Acquire, hold control over, and administer movable or immovable property.
- m) To dispose of any property.
- n) To formulate and enforce any scheme for the purposes of this Act.
- o) To incur any expenditure for carrying out the purposes of this Act.
- p) To enter and execute all such contracts as it may consider necessary or cancel contracts; and
- q) To do all such other acts and things, whether incidental to the powers aforesaid or not, as may be requisite to further the objects of the Institute as a place of manufacturing, research, diagnosis, and learning.

Financing of the Project

The Sindh Poultry Vaccine Centre was a self-financing body that generated funds from the sale proceeds of poultry vaccines, other poultry biological products, or any other property of the Center. However, the institute, after the financial year 2019-20, gets the regular grant from the Government of Sindh besides generating self-financing. The financial position of the institute is as follows:

(Amount in Rupees)					
Sr. #	Particulars	2019-20	2020-21	2021-22	2022-23
1	Grant of GoS	42,096,500	66,341,500	227,212,000	261,007,209
2	Income from deposits	400,308	64,726	88,511	18,000,000
3	Income from Sale	-	-	-	-
i	Vaccine	93,857,028	194,023,621	216,178,507	254,355,325
ii	Contract manufacturing	12,674,275	13,290,750	23,776,385	25,168,190
iii	Eggs	39,880	39,880	17,340	85,250
iv	Birds/Chicks	376,835	376,835	27,060	858,170
v	R&D	1,777,180	1,777,180	1,192,576	525,750
vi	Miscellaneous	9,360	9,360	1,218,340	10,500
	Total Income	151,231,366	275,923,852	469,622,208	560,068,679
1	Pay of officers	8,416,810	8,023,330	7,635,240	9,996,806
2	Pay of officials	17,407,250	21,476,503	28,136,160	33,384,174
3	Regular allowances	18,060,216	19,539,856	27,447,543	17,989,175
4	Provident fund	1,423,560	1,476,220	1,465,190	349,950
5	POL	15,566,804	15,310,690	13,640,398	31,406,591
6	Utilities	4,205,602	2,538,866	380,770	808,520
7	Contingencies	90,237,101	131,804,914	526,041,757	463,691,147
8	Durable goods	595,500	5,385,670	37,100	1,104,000
9	Pension of staff	10,782,180	11,492,676	12,834,960	13,166,192
10	Leave encashment	1,096,800	1,096,440	315,120	1,127,544
11	Gratuity of staff	3,515,380	3,515,381	955,165	3,134,386
	Total expenditure	171,307,203	221,660,546	618,889,403	576,158,485

1.2 Audit Objectives

1. Assess the effectiveness of the government's regulatory framework for animal vaccine production, including law monitoring and enforcement.
2. Evaluating the efficiency and effectiveness of the Institute's management of animal vaccine production programs, focusing on resource allocation, quality control, and overall production.
3. Determine how effectively the vaccine production process meets provincial demand.
4. Review the Institute's ability to respond to emerging animal health threats with timely and effective vaccine development and production.
5. Assess whether animal vaccine production programs meet the needs of stakeholders such as farmers and veterinarians.
6. Examine the government's communication and outreach efforts regarding animal vaccine production, including public education and stakeholder engagement.
7. Whether resources were utilized economically, efficiently, and effectively to achieve the program's objectives.
8. To ascertain that transparency and fairness were maintained in the recruitment and procurement process.

1.3 Audit Scope and Limitation

The scope of the audit was limited to the performance of the Production and Efficacy of Vaccine by Sindh Institute of Animal Health, formerly known as Sindh Poultry Vaccine Centre Karachi, for the period from July 2019 to June, 2023, the audit evaluated economy, efficiency, effectiveness, environment and equity in vaccine production, compliance with laws and regulations (SPPRA Rules, Sindh Financial Rules, DRAP, ISO 9001:2015), financial management, procurement processes, operational constraints, and marketing and sales performance in domestic and international markets. During execution of the performance audit, the record was checked on a sample basis.

1.4 Audit Methodology

The audit methodology employed for the Performance Audit on the Production and Efficacy of Vaccine by the Sindh Institute of Animal Health follows a structured approach based on the 5Es Framework - Economy, Efficiency, Effectiveness, Environment, and Equity. The methodology includes defining key performance indicators (KPIs), determining the rationale for selected KPIs, assessing performance against these KPIs, and verifying the information through various data sources.

Significant KPIs used to evaluate the performance of SIAH are as follows:

Aspect	Key Performance Indicators (KPIs)
Economy	<ul style="list-style-type: none">- Cost-efficient production of vaccines and procurement of equipment- Reduction in production cost per vaccine dose- Compliance with Sindh Public Procurement Rules (SPPRA)- Budgetary control and avoidance of unnecessary expenditures
Efficiency	<ul style="list-style-type: none">- Production of vaccine as per planned targets- Timeliness of procurement, vaccine production and sale of vaccine- Optimal utilization of allocated funds to achieve targeted results- Avoidance of time and cost overruns in production of vaccine and its sale
Effectiveness	<ul style="list-style-type: none">- Ensuring sufficient availability and sale of vaccines to target populations- Optimum production of vaccine as per requirement- Compliance with regulatory standards (ISO, DRAP)- Achievements of planned objectives in vaccine production
Environment	<ul style="list-style-type: none">- Adoption of biosafety and eco-friendly vaccine production methods- Environmental impact of vaccine production and safe disposal of expired vaccines- Compliance with health and safety regulations
Equity	<ul style="list-style-type: none">- Availability of vaccines across different regions regardless of gender and economic condition of the masses- Fair and transparent procurement processes as to ensure inclusive and across the board provision of vaccine- Inclusion of small and medium suppliers in procurement

(Detailed KPIs are provided in the Annexure-A)

Rationale for the KPIs

The selection of KPIs is based on two primary considerations:

1. Some KPIs are derived from the core functions, specific objectives and operational framework of SIAH, such as the timeliness of vaccine production, distribution and financial management along with selling the product to the population.
2. Other KPIs follow industry and regulatory best practices, including adherence to SPPRA Rules, Sindh Financial Rules, and General Financial Rules (GFRs), as well as international standards like ISO 9001:2015 and Drug Regulatory Authority of Pakistan (DRAP) requirements.

Methodology used to assess performance against the KPIs of 5Es involves the following steps:

i. Data Collection and Document Review

- Financial Records: Scrutiny of procurement, budget allocations, and expenditure reports.
- Procurement & Contract Documents: Evaluation of bidding processes, contract awards, and compliance with SPPRA Rules.
- Operational Records: Analysis of vaccine production, sale, and compliance with regulatory standards.
- Regulatory Compliance Reports: Examination of Certification documents and audit reports of DRAP
- Environmental Compliance Reports: Examination of waste management and biosafety procedures.
- Market Analysis Reports: Benchmarking costs against industry standards.

ii. Interviews & Stakeholder Consultation

- Interviews with key officials, procurement officers, and technical staff to understand internal controls, financial decisions and procurement processes.
- Feedback from end-users, including veterinary hospitals and Drug stores managers to evaluate vaccine accessibility, awareness and demand.

iii. Physical Inspections & Field Visits

- Verification of vaccine storage, handling, and production facilities.
- Review of maintenance and operational status of plant and machinery.
- Inspection of biosafety measures and environmental controls in laboratories.

iv. Data Validation & Cross-Verification

- Cross-checking procurement records with SPPRA website.
- Comparison of reported production figures with actual stock registers.
- Reconciliation of financial transactions with treasury records.
- Verification of compliance with Sindh Institute of Animal Health Act, 2018.

Key Sources of Data & Means of Verification

The following primary and secondary sources were used for audit verification:

Source of Data	Means of Verification
Financial Statements & Budget Documents	- Verification against SAP & AG Sindh records
Procurement & Contract Records	- Compliance check with SPPRA Rules - Cross-verification with tender advertisements
Operational Reports (Vaccine Production & Sell)	- Comparison with production targets - Analysis of sales and distribution records
Regulatory Compliance Reports (ISO, DRAP, etc.)	- Examination of certification documents - Interviews with regulatory authorities
Site Visits & Physical Inspections	- Direct observation of vaccine storage and lab conditions
Stakeholder Interviews (Management, Contractors, Veterinary Doctors)	- Collection of qualitative insights and feedback

(Details of data sources and verification methods are provided in the Annexure-A)

2. Audit Findings

2.1 Economy & Efficiency

The performance of the Sindh Institute of Animal Health, Karachi, with respect to economy and efficiency considerations, reveals substantial deficiencies in procurement practices, resource utilization, and financial management, leading to avoidable cost overruns and inefficiencies. The irregular award of contracts without technical evaluation and market analysis resulted in non-competitive procurement, increasing financial risks and potentially compromising quality. Furthermore, tenders were called without estimated costs, and procurement was frequently executed through pooling and splitting of expenditures and transparency. The institute also incurred excessive expenditures over budgetary allocations, failed to surrender unutilized funds, and made irregular payments to contractors, manifesting the poor financial controls and weak administrative oversight. Additionally, non-procurement of machinery from authorized distributors raised concerns regarding product quality and value for money. Time and cost overruns in development projects further underscored inefficiencies in planning and execution, leading to substantial financial burdens on the government. The persistent non-compliance with procurement and financial regulations, coupled with inadequate internal controls, reflects the institute's failure to achieve the intended economic and efficient utilization of public resources. Immediate corrective measures, including strict adherence to financial guidelines, improved procurement oversight, and enhanced accountability mechanisms, are essential to address these systemic inefficiencies and ensure optimal use of funds.

2.1.1 Vaccine production at minimum capacity due to poor marketing strategy

The Sindh Institute of Animal Health, Karachi, formerly Sindh Poultry Vaccine Centre, has a capacity of producing 500 million doses of vaccines and 50,000 liters of distilled water.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute is running at minimum capacity due to poor marketing strategy and non-recognition by ISO, DRAP, or other authority. On review of the order

correspondence file, it was revealed that demand had arisen from Russia, Spain, Bangladesh, Turkey, and Saudi Arabia, but due to poor marketing strategy and non-recognition with the certifying authority, the institute failed to export.

Year	Vaccine Production (Million doses)	Distilled Water (Liters)
2019-20	194.267	9,752
2020-21	199.11	11,726
2021-22	253.095	10,217
2022-23	210.65	6,914

Audit is of the view that the absence of recognition from certifying authorities has substantially impeded its operational capacity, leading to missed export opportunities.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the institute has been ISO 9001:2015 certified since 2006, underscoring its commitment to maintaining high-quality standards across operations. The ongoing process of registration and accreditation with the Drug Regulatory Authority of Pakistan (DRAP) has progressed successfully through the first stage, with subsequent stages underway including necessary ADP schemes and PC-I submissions for infrastructure enhancements. A consultant has been engaged for a comprehensive gap analysis to ensure compliance with DRAP standards, facilitating potential exports to multiple countries. Despite figures suggesting limited production capacity utilization, this aligns with market demand and regulatory standards, reflecting strategic production management rather than inefficiency. With ISO certification, imminent DRAP accreditation, and a robust marketing strategy, the Institute aims to capitalize on global opportunities, expand internationally, and advance animal health globally. The DAC directed that the proper marketing strategy be developed and brought before the Board of Management of the Institute, and it should be followed in letter and spirit. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management develop a comprehensive marketing strategy and obtain necessary certifications from ISO, DRAP, and other relevant authorities to enhance vaccine production and expand market reach. Responsibility

should be fixed for the lapses, and proactive measures should be taken to capitalize on domestic and international demand.

(AIR#2)

2.1.2 Time and cost overrun

The manual of planning machinery in Pakistan states that unless projects are carefully prepared in substantial detail, inefficient or even wasteful expenditure of money is almost sure to result. Besides, a public sector project has a lifecycle of origination, project initiation, project planning, approval, project execution, project closure, and project impact evaluation.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that there was a time and cost overrun due to poor planning and execution/implementation. The PC-I of the development scheme Establishment of Sindh Institute of Animal Health at Karachi” original cost was Rs 216.979 million (capital Rs 176.199 million + revenue Rs 40.780 million) for three years from 2019-20 to 2021-22, sanctioned by the Provincial Development Working Party (PDWP) on 12th May, 2020, escalated to Rs 631.798 million (capital Rs 591.018 million + revenue Rs 40.780 million) in the revised PC-I submitted to the Planning & Development (P&D) Department on 22nd December, 2022, when the project stipulated was completed. This substantial escalation necessitated a two-year extension of the project period, extending it from 2019-20 to 2023-24. The total expenditure up to June 2022 was Rs 19.299 million only, and the process of hiring a design and supervision consultant and contractor for civil work was completed only. The current trend in PC-I approvals underscores the adverse impact of inadequate planning and execution on both time and cost parameters.

Audit is of the view that non-completion of development scheme on time may result in cost overrun and time overrun, which is a loss to government.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the ADP scheme initially lacked a consultant for design and supervision, which is a systemic

issue preventing early hiring before scheme approval. Approved in May 2020 with an estimated cost of Rs 216.979 million, the scheme included hiring a consultant for detailed design and bid document preparation, a process lasting six months. However, bids for the new design and Bill of Quantities were three times higher than anticipated, necessitating a mid-year review adjustment. The revised PC-I was submitted to P&D for consideration to align with actual costs. Despite running on schedule, delays may occur due to underfunding from the Finance Department and policy allocation. Thus, accountability for delays cannot be attributed to any one individual. The DAC directed that the record of design and feasibility be provided to audit for verification. However, no record was produced to audit until the finalization of this report.

Audit recommends that the management ensure strict adherence to project planning and execution timelines to prevent time and cost overruns. Responsibility should be fixed for the delays, and measures should be taken to enhance project oversight, improve planning efficiency, and avoid financial losses to the government.

(AIR#18)

2.1.3 Irregular award of work without technical evaluation of bids – Rs 763.990 million

As per SPPRA Rule-47, Conditions for Use of Various Procedures (1), “Single Stage One Envelope Bidding Procedure shall be used as the standard bidding procedure for procurement of goods, works and services of simple and routine nature and where no technical complexity or innovation is involved; (2) Single Stage Two Envelope Bidding Procedure shall be used where the bids are to be evaluated on technical and financial grounds and price is taken into account after technical evaluation.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that work amounting to Rs 763.990 million was awarded to various contractors on single stage single envelope basis without technical evaluation of the works despite the fact that civil works require technical evaluation by adopting at least single stage-two envelope procedure.

(Rs. in Million)

Sr. #	Name of Work	NIT# /Date	Name of Contractor	Amount
1	Construction of Biosafety Level Lab. @ Khi	INF/KRY # 4732/2016	M/s Nazir Construction Co.	93.193
2	Estb. Of Sindh Institute of Animal Health Khi	No.SIAH/ASC/Tender-ADP 1326/2021-22	M/s Pervez Associates	597.711
3	Construction of Surveillance Centre @Khi, Subcentre Hyd and Lrk. Collection Point at Mithi, Thatta, Mirpurkhas and Sukkur	INF/KRY # 3701/2016	M/s HB Engineers	73.086
Total				763.990

Audit is of the opinion that the works were awarded without technical evaluation of bids, which reflects undue favor was extended to the contractors.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that for hiring a contractor under the ADP scheme, a transparent and competitive process was followed as per SPPRA Rules. The process began with an Expression of Interest (EOI) for pre-qualification of contractors, inviting only pre-qualified bidders to participate. This approach streamlined the tender process by eliminating the need for a single-stage, two-envelope procedure after EOI, as technical evaluations were already completed during pre-qualification. This ensured that only eligible entities capable of meeting project requirements participated, promoting effective competition among qualified bidders under SPPRA guidelines. The DAC directed that the technical evaluation of the bid be verified from the audit. However, no record was provided to audit till the finalization of this report.

Audit recommends that the management ensure strict compliance with SPPRA rules. Responsibility should be fixed for the irregular award of contracts, and corrective measures should be implemented to prevent recurrence.

(AIR#23)

2.1.4 Irregular calling of tenders without estimated cost – Rs 597.711 million

As per SPPRA Rule-17 (1) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

The notice inviting tender shall contain the following information:

- (a) name, postal address, telephone number(s), fax number, e-mail address (if available) of the procuring agency;
- (b) purpose and scope of the project;
- (c) schedule of availability of bidding documents, submission and opening of bids, mentioning place from where bidding documents would be issued, submitted and would be opened;
- (d) amount and manner of payment of tender fee and bid security;

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that work was awarded amounting to Rs 597.711 million without mentioning the estimated cost in advertisements in widely circulated and leading daily newspapers in English, Urdu, and Sindhi.

(Rs. in Million)

Name of Work	NIT No. date	Amount
Establishment of Sindh Institute of Animal Health Karachi	No.SIAH/ASC/Tender-ADP1326/2021-22	597.711

Audit is of the view that calling of open tender without estimate cost resulted in non-competitive procurement.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the contractor hiring process was transparent and competitive per SPPRA Rules. An Expression of Interest (EOI) for pre-qualification of contractors was advertised in three languages (Sindhi, English, and Urdu), and only pre-qualified bidders were invited to purchase bidding documents. This ensured that only capable entities participated in the tender. The project's estimated cost of Rs 336 million was clearly mentioned in the tender document's bid data sheet, complying with SPPRA rules. The DAC directed that the requisite record be provided to audit for verification. However, no record was provided to audit till the finalization of this report.

Audit recommends that the management ensure strict compliance with SPPRA rules by including the estimated cost in tender advertisements to promote transparency

and competitive bidding. Responsibility should be fixed for the irregular tendering process, and measures should be taken to prevent such violations in the future.

(AIR#25)

2.1.5 Un-justified procurement by way of pooling of expenditure – Rs 241.878 million

Rule 12(1) of SPPR 2010, provides that all proposed procurements for each financial year shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated, and scheduled in the Procurement Plan.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that an amount of Rs 241.878 million was incurred on procurement of various items (details at **Annex-B**). However, the expenditure was incurred by way of pooling, as the 80% of total procurement under various heads was made from some specific vendors (group of vendors), which indicates an extension of undue financial favor to them.

Audit is of the view that managements could not monitor the pooling activities of the contractors resulting in award of contracts awarded on higher rates.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that all procurement activities were conducted through open tenders, widely advertised to ensure fair competition. Bids were evaluated based on technical and financial criteria, awarded to the lowest bidders who met all technical specifications. No pooling of procurement activities or favoritism occurred. The management reaffirmed their commitment to SPPRA regulations, ensuring diligence and compliance in all procurement processes, refuting any claims of pooling or financial favoritism. The DAC directed that the bid evaluation report and any complaints from SPPRA be provided to the audit for verification. However, no record was provided to audit till the finalization of this report.

Audit recommends that the management ensure compliance with SPPRA rules besides fixing of responsibility for irregular procurement practices, and measures

should be taken to enhance oversight to avoid undue financial favor and inflated costs in future procurements.

(AIR#26)

2.1.6 Deficiency in providing quality services due to non-procurement of plant & machinery items from authorized distributor – Rs 109.454 million

Rule 23 of General Financial Rules, volume-I, states that “Every government officer should realize fully and clearly that he would be held 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 government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that management of SIAH procured various plant and machinery items worth Rs 109.454 million through cost center KQ-2346 from M/s Scientific Traders, a general order supplier (details at **Annex-C**). However, in compliance with standards of financial propriety management had to procure machinery items from the original equipment manufacturer (OEM) or from its authorized distributor for providing quality output; instead, management has made procurement from a general order supplier whose principal activity is providing other services. Moreover, it was also pertinent to mention here that the details regarding brand name, description of items included, model number, power, etc. were also not mentioned on the invoice of suppliers.

Audit is of the view that due to non-procurement of machinery items from original equipment manufacturer or its authorized distributor, audit could not authenticate the quality of products.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the plant and machinery items were procured through tender in accordance with SPPRA Rules. As per Clause 13.3(a) of the SPPRA standard bidding documents, bidders supplying goods they did not manufacture must be authorized by the manufacturer. Since the items were imported and the tender process was national, international manufacturers

did not participate directly; instead, their authorized national distributors, like M/s Scientific Traders, participated and provided the required manufacturer authorization letter. The delivered items were inspected and approved by the Joint Inspection Committee, ensuring no undue favour was given to the supplier. The DAC directed that the required record be provided to audit for verification. However, no record was provided to audit till finalization of this report.

Audit recommends that the management ensure compliance with financial propriety by procuring plant and machinery items from manufacturer or authorized distributors. Responsibility should be fixed for the irregular procurement, and corrective measures should be implemented to prevent such lapses in the future.

(AIR#27)

2.1.7 Irregular acceptance of store items without supporting documents – Rs 97.253 million

As per Special Condition of Tender Documents for Cost of Other Stores. **6. Delivery and Documents (GCC Clause 10)** GCC 10.3: Upon shipment, the supplier shall notify the procuring agency of the full details of the shipment, including the contract number, description of goods, quantity, and usual transport document. The supplier shall mail the following documents to the procuring agency:

- copies of the supplier's invoice showing goods' description, quantity, unit price, and total amount.
- original and two copies of the usual transport document (for example, a negotiable bill of lading, a non-negotiable sea waybill, an inland waterway document, an air waybill, a railway consignment note, a road consignment note, or a multimodal transport document) which the buyer may require to take the goods.
- Copies of the packing list identifying the contents of each package.
- insurance certificate.
- Manufacturers or supplier's warranty certificate.
- Inspection certificate, issued by the nominated inspection agency, and the supplier's factory inspection report; and
- Certificate of origin.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that an expenditure of Rs. 97,253,625 was incurred from KQ2346 “Cost of Other Stores” (details at **Annex-D**) without following the tender document’s specific conditions for delivery of articles in its true letter and spirit, as no document was found available or attached with the bills comprising the aforementioned documents.

Audit is view of that, in absence of aforementioned documents, chances of misappropriation could not be ruled out.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the items were procured through tenders in compliance with SPPRA Rules. Bills from suppliers included full details of the goods' description, quantity, unit price, total amount, and other related documents such as the supplier's invoice, warranty certificate, and inspection reports. The DAC directed that you get the required record verified from Audit. However, no record was provided to audit till the finalization of this report.

Audit recommends that the management ensure strict compliance with tender document conditions before accepting store items. Responsibility should be fixed for acceptance of goods without verification, and measures should be implemented to prevent potential misappropriation in future procurements.

(AIR#28)

2.1.8 Irregular expenditure on supply of material - Rs 83.360 million

According to GFR-Rule 145, “Purchases must be made in the most economical manner in accordance with the definite requirements of the public service. Stores should not be purchased in small quantities. Periodical indents should be prepared and as many articles as possible obtained by means of such indents. At the same time, care should be taken not to purchase stores much in advance of actual requirements if such purchase is likely to prove unprofitable to the government. Where scales of consumption or limits of stores have been laid down by competent authority, the officer ordering a supply should certify on the purchase order that the prescribed scales or limits are not exceeded.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that an expenditure of Rs 83,359,625 was incurred on supply of various generic/research items, i.e., cell culture media (EMEM, DMEM, RPMI), layer & boiler poultry feeds, instruments, i.e., an inverted microscope with fluorescence, incubators, orbital shakers, vacuum cleaners, etc. under the head of account “Cost of other stores” and Cost Center KQ2346 (details at **Annex-E**). However, a requisition or demand for supply of material was not provided, and a stock-taking report of material duly certified by the concerned staff was not available. Further utilization report and outcome/result were also not provided.

Audit is view of that, considering the above-cited shortcomings, audit could not authenticate the expenditure so incurred, which reflects improper watch and control and weak internal controls.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the procurement process followed SPPRA Rules, ensuring a transparent and competitive tendering process. Suppliers were selected based on cost-effectiveness and quality. Purchase orders and contract agreements detailed the procurement terms and conditions. Upon delivery, items were verified by the store incharge and inspected by the Joint Inspection Committee to ensure they met required standards. The items were recorded in the stock register and issued to production units as needed. Enclosed documents provide a comprehensive trail of the procurement process, ensuring legitimacy and proper utilization. The DAC directed the management to get the required record verified from Audit. However, no record was provided to audit till the finalization of this report.

Audit recommends that the management ensure compliance with rules besides fixing of responsibility, and internal controls should be strengthened to ensure transparency and accountability in future purchases.

(AIR#29)

2.1.9 Award of work without market analysis – Rs 73.086 million

According to Rule-4 of Sindh Public Procurement Rules, 2010, “While procuring goods, works, or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency, and the procurement process is efficient and economical.” Further, as per Rule 48 of Sindh Public Procurement Rules, 2010, “If a single bidder participates in the bidding process, the rates will be compared with market rates or the last awarded contract.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that construction of the surveillance centre at Karachi, subcentre Hyderabad, and Larkana. Collection points at Mithi, Thatta, Mirpurkhas, and Sukkur, amounting to Rs. 73.086 million, were awarded on a single bid basis without comparison with the market analysis.

(Rs. in Million)

Name of Work	NIT# /Date	Name of Contractor	Amount
Construction of Surveillance Centre @Khi, Sub. centre Hyd and Lrk. Collection Point at Mithi, Thatta, Mirpurkhas and Sukkur	INF/KRY # 3701/2016	M/s HB Engineers	73.086

Audit is of the view that due to not comparing the prices of single bids with previous awarded contracts and by not conducting market analysis of prices, suppliers have been given undue favor.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the procurement process for the project adhered strictly to the Sindh Public Procurement Rules, 2010. Despite a transparent and competitive tender process, only one firm submitted a bid. Following Rule 48 of the SPPRA Rules, 2010, a comprehensive market analysis was conducted to ensure the bid price's reasonableness. The market analysis enclosed confirmed the bid was competitive and reasonable compared to market rates, engineering estimates, and the approved PC-I. Thus, the contract was awarded as the lowest evaluated bidder, complying with Rule 48 provisions. The DAC

directed the management that market analysis be verified from the audit. However, no record was produced to audit till the finalization of this report.

Audit recommends that the management ensure compliance with SPPRA rules by conducting proper market analysis and price comparisons before awarding contracts in cases of single bids. Measures should be implemented to prevent undue favor and ensure value for money in future procurements.

(AIR#30)

2.1.10 Non-crediting of GP, Benevolent and Pension Fund into Government account - Rs 56.439 million

As per Rule 26 of the General Financial Rules, “it is the duty of the controlling officer to see that all sums due to the government are regularly and promptly assessed, realized, and credited in the public account.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that an amount of Rs 56.439 million was kept in the bank balance of Sindh Bank, but the same was not credited into the government account in violation of the rule.

(Amount in Rupees)

Sr. #	Name of Fund	Bank account number	Date	Amount
1	Benevolent Fund SPVC	PK91SIND0003081534736100	30.06.2023	33,077,276
2	General Provident Fund SPVC	PK87SIND0003081523176100	30.06.2023	19,846,391
3	Employee Pension Fund SPVC	PK85SIND0003081525156100	30.06.2023	3,515,465
Total				56,439,132

Audit is of the view that non-crediting of GPF Fund, Benevolent Fund, and Employees’ Pension Fund into government accounts reflects weakness of internal controls.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the slow process of crediting the GP fund, Benevolent fund, and Pension fund into the

government account is due to employee transfers from SPVC to SIAH Karachi, salary settlements, and delays in opening new accounts at scheduled banks. However, following audit advice, this process has now begun and is expected to be completed during the 2024-25 financial year. The DAC directed that the compliance be made shortly and provide documents to audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management ensure strict compliance with financial rules by promptly crediting GP Fund, Benevolent Fund, and Pension Fund into the government account. Responsibility should be fixed for the non-compliance, and internal controls should be strengthened to prevent such financial irregularities in the future.

(AIR#19)

2.1.11 Non-renewal of Bank Guarantee - Rs 29.886 million

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

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that a contract was awarded to M/s Pervaz Associates, but the bank guarantee of Rs 29.886 million for the contractor was found non-renewal.

Audit is of the view that the lapse on the part of the department indicates improper watch and absence of internal controls.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the bidder submitted a performance guarantee of Rs 29.886 million in the form of Bank Guarantee No. 220031PER00052, dated 07.06.2022, valid until 06.06.2023. This guarantee was extended by the bank to cover the period from 07.06.2023 to 31.12.2024. The DAC directed that the renewed bank guarantee be verified from the audit. However, no record was produced to audit until the finalization of this report.

Audit recommends that the management ensure strict compliance with contract provisions by renewing bank guarantees in a timely manner to safeguard public funds. Internal controls should be strengthened to prevent such financial irregularities in the future.

(AIR#31)

2.1.12 Irregular payment to the contractor to avoid lapse of budget grant – Rs. 18.299 million

As per Rule 290 of the Central Treasury Rules, no money shall be drawn from the government Treasury until and unless it is required for immediate disbursement or need. It is not permissible to draw money from the Treasury in anticipation of demands or to prevent a lapse of the budget grant. As per SPPRA, Procurement Regulation (Works) Rule-9.3(2)(a), On verification and certification of quality, quantity, and market rates of the material by the Assistant Engineer/Engineer 's representative; (ii) The contractor has to furnish the "Indenture Bond"; (iii) A secured advance shall be paid to the contractor on the quantities brought and properly stored at the site of work. Full quantities of materials for the entire work or contract should not be advanced; (iv) Recoveries of advances so made should be made from his bills for work done as the materials are used; the necessary deductions should be made whenever the items of work in which they are used are billed for or shall be recovered in full within 90 days, even if unutilized; (v) A new secured advance should not be allowed until and unless the previous advance, if any, stands fully recovered; (vi) The advance amount is calculated on the basis of 75% of the market value of that material.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was

observed that an amount of Rs 18.299 million was drawn from Karachi Treasury Assignment Account and paid to the contractor as secured advance in order to avoid its lapse despite clear instructions from Finance Department, neither Indenture Bond in P.W. Account Form No.31 nor detailed report of consumption account of materials was available on the record

Audit is of the view that improper internal controls and recovery procedures resulted in improper utilization of funds and violation of budgetary rules of the Finance Department.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the scheme is supervised by a design and engineering consultant, with payments to the contractor made upon the consultant's recommendation. This payment strategy, based on daily steel supply, prevented public fund losses. The Secure Advance amount was released after meeting all SPPRA Rules' formalities. The DAC directed that the contract agreement, budget releases, and steel supply and consumption accounts be verified by the audit. However, no record was produced to audit until the finalization of this report.

Audit recommends that the management ensure strict compliance with financial rules by disbursing funds only for immediate and justified expenditures, avoiding withdrawals to prevent budget lapse.

(AIR#32)

2.1.13 Non-recovery of outstanding dues - Rs 14.407 million

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

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was noticed that an amount of Rs 14.407 million was outstanding on account of the sale of vaccines against the defaulter clients till June 2023 (details at **Annex-F**).

The audit is of the view that undue favor was extended to the concerned quarters without recovery of the due or outstanding amount due to which the government sustained a loss.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that vaccines produced by the Sindh Institute of Animal Health are sold to various vendors based on approved payment terms, including cash, check, and credit. Selling on credit is a strategic decision to expand the market and build customer relationships. The management actively pursues the recovery of dues through vaccine consultant officers and the marketing team, successfully recovering Rs 7.779 million from vendors. The DAC directed that the recovered amount be verified from the audit and efforts be taken for the recovery of the remaining amount. However, no record or progress was provided to audit till finalization of this report.

Audit recommends that immediate recovery of the outstanding dues and take strict action against defaulters. Responsibility should be fixed for the non-recovery, and measures should be implemented to strengthen financial controls and prevent such losses in the future.

(AIR#20)

2.1.14 Expenditure by way of splitting to avoid open tender – Rs 3.519 million

As per Rule-12 “Limitation on Splitting or Regrouping of Proposed Procurement” of Sindh Public Procurement Rules, 2010, “(1) Save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule-11, 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 Procurement Plan”.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health Karachi for the financial years 2019-20 to 2022-23, it was observed that an amount of Rs 3.519 million was incurred on account of publicity and advertisement by way of splitting just to avoid tendering process in violation of SPPRA

rules. Hence, competitive rates could not be achieved, and government exchequer sustained unnecessary loss in this regard.

(Amount in Rupees)

Sr. #	F. Y	C. Centr	Fund Center Description	Amount
1	2019-20	KQ5169	Executive Director, Sindh Poultry Vaccine	597,000
2	2019-20	KQ5177	Director, Sindh Poultry Vaccine, Karachi	478,250
3	2021-22	KQ2690	Surveillance & Characterization of Circulating Pathogens of Poultry in Sindh Including Avian Influenza Containment Program	1,497,100
4	2021-22	KQ2691	Vaccine Training Facility at Karachi	522,000
5	2021-22	KQ5169	Executive Director, Sindh Poultry Vaccine	424,500
Total				3,518,850

Audit is of the view that due to non-tendering for the procurement, the government was deprived of the benefit of competitive rates.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that publicity and advertisement procurement was conducted on a need basis, with expenditures below the Rs. 100,000 petty purchase limits. Payments to various newspapers, magazines, and journals were made in different financial years and Cost Centres, ranging from Rs 20,000 to Rs. 50,000. Due to the critical need to disseminate information about the institute, calling for tenders was not feasible. The DAC directed the management that get the requisite record verified from Audit. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management ensure compliance with SPPRA rules by avoiding the splitting of expenditures. Measures should be taken to ensure transparency, competitive pricing, and value for money in future procurements.

(AIR#36)

2.1.15 Non-invoking of liquidated damages clause – Rs 1.429 million

According to the Clause-2 Liquidated Damages of agreement, the contractor shall pay liquidated damages to the agency at the rate per day stated in the bidding data for each day that the completion date is later than the intended completion date; the amount of liquidated damage paid by the contractor to the agency shall not exceed 10

percent of the contract price. The agency may deduct liquidated damages from payments due to the contractor. Payment of liquidated damages does not affect the contractor's liabilities.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the purchase of plant machinery and furniture fixtures of Rs. 19.364 million late delivery was evidenced from the record. The purchase of plant machinery and furniture fixtures/supplies was not delivered within the stipulated time period by the suppliers, i.e., within 30 days. However, no penalty was imposed, or no performance security forfeited Rs. 1.429 million at 5%.

(Amount in Rupees)

Name of Supplier	Supply Order Date	Invoice Date	Delivery Challan Date	Sanction Order No. / Date	Amount	Performance Security 5%
Scientific Traders	28.01.20	01.06.20	28.05.20	105/ 01.06.20	5,170,000	576,150
Scientific Traders	28.01.20	01.06.20	28.05.20	103/ 01.06.20	1,375,000	68,750
Mplant (Pvt.) Ltd.	28.01.20	01.06.20	21.5.20	93/ 01.06.20	3,352,296	167,615
Scientific Traders	28.01.20	01.06.20	28.05.20	94/ 01.06.20	9,467,050	616,503
Total					19,364,346	1,429,018

Audit is of the view that management failed to observe the required codal formalities, which depicts the prevalence of weak internal control.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that items were supplied based on budget availability to avoid unnecessary liabilities, with tenders remaining valid for the financial year. Vendors were notified to supply items as needed once the Finance Department, Government of Sindh, allocated the budget. The suppliers were asked to supply items in May 2020 after budget confirmation, and deliveries were made within the 30-day period specified in the supply order. Therefore, no late deliveries were received during the 2019-20 financial year. The DAC directed

that budget allocation, release, supply orders, and delivery challans be verified from the audit. However, no record was produced to audit until the finalization of this report.

Audit recommends that the management ensure strict enforcement of contract clauses. Responsibility should be fixed for the lapse, and measures should be taken to strengthen internal controls and prevent financial losses in future procurements.

(AIR#37)

2.1.16 Loss due to non-sale of lumpy vaccine – Rs 1.100 million

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

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute developed and produced 50,000 doses of lumpy vaccine during November 2022. Unfortunately, these doses expired in November 2023, as no efforts were made to sell or distribute them during the stipulated period. The cost of the lumpy vaccine per dose was Rs 22, which totaled a loss of Rs 1.100 million.

The audit is of the view that the institute failed to sell its products due to the absence of a marketing strategy and a critical deficiency in operational planning and execution.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the institute developed a vaccine against lumpy skin disease within six months, a milestone recognized nationally and recommended for a pride of performance/Presidential Award for the institute's head. However, procurement by the Directorate of Animal Husbandry was delayed due to lack of approval from the Department Head as per

SPPRA Rules. Efforts to secure direct contracting permission were unsuccessful, attributed to administrative decisions. Despite initial development using Sindh's resources, the vaccine was earmarked for the province. Resolution came after political changes, with the Advisor to Chief Minister Sindh directing immediate procurement in April 2024. The delay was acknowledged as systemic rather than due to the institute's manufacturing or supply. The DAC directed that the efforts be taken for the purchase of Lumpy vaccine by the department be shared with Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends to develop and implement a proper marketing and ensure timely sale of vaccines and prevent financial losses. Responsibility should be fixed for the non-sale of the lumpy vaccine, and measures should be taken to improve operational planning and execution in future vaccine production.

(AIR#21)

2.1.17 Irregular payments made on account of advertising & publicity to various agencies instead of Information Department – Rs 0.947 million

According to Rule 1 Appendix 18-A of Sindh Financial Rule Volume-I, “Every government servant realizes 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 servant to the extent to which it may be shown that he contributed to the loss by his own action or culpable negligence.”.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that expenditure amounting to Rs. 0.947 million was incurred on account of advertising and publicity through directly contracting different newspaper agencies instead of the Information Department, Government. of Sindh. However, neither the NOC was obtained from the Information Department, nor expenditure incurred through the department. Hence, government rules were violated, and the audit could not authenticate the expenditure so incurred.

(Amount in Rupees)

C. Center	Payment made to	Amount
KQ-2691	Monthly Soormi, Saroupa, Jawabdho, Mohandojaro, Sindh focus etc	522,000
KQ-2690	-do-	424,500
Total		946,500

Audit is of the view that awarding work directly to newspaper agencies without consultation or getting NOC from the information department was clear-cut favoritism to the editors.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the institute is focusing on the commercial sale of its products. With the Board of Management's approval, the institute will advertise its vaccines and products in technical or field-related magazines, which are more frequently read by poultry and livestock farmers than in general newspapers through the Information Department. The DAC directed that the board approval be provided to audit for verification. However, no record was produced to audit until the finalization of this report.

Audit recommends that to ensure strict compliance with financial rules besides fixing of responsibility. Corrective measures should be taken to prevent favoritism and unauthorized procurement in the future.

(AIR#38)

2.1.18 Non-recovery /write off of long outstanding dues on account of sale of vaccine – Rs 0.834 million

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

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that an amount of Rs 834,851 was outstanding to various customers on account of the sale of vaccines. This amount has been outstanding for twelve years, yet the management has not taken any measures to recover government dues or initiate the process of writing off the unrecovered sum.

(Amount in Rupees)

Sr. #	Name of Customer	Amount
1	Jamil Poultry Services, Hub	44,705
2	Friends Medicos, Karachi	230,000
3	Rashid P/ T (ANPAS), Karachi	254,000
4	Sunny Poultry Breeders, Karachi	59,280
5	Head Livestock, Sadiqabad	51,340
6	Vetnocare Store, Lahore	50,737
7	Hassan Traders, Multan	144,789
Total		834,851

Audit is of the view that due to non-recovery of outstanding dues, the government sustained losses, which indicates weakness of internal control.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that despite multiple attempts, the institute failed to recover bad debts because most old debtors left the business or the country during the bird flu pandemic of 2004-05. As a result, the case has been presented to the Board of Management to write off of these outstanding dues as bad debts, following the proper procedure, in the annual BoM meeting. The DAC directed that the case for write off these outstanding dues shall be placed before the Board of Management, of the Institute for disposal of the matter. Efforts taken will be provided to audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management take immediate action to recover the long-outstanding dues or initiate the formal write-off process. Responsibility should be fixed for the lapse, and internal controls should be strengthened to prevent such prolonged non-recovery in the future.

(AIR#22)

2.1.19 Non-utilization/surrender of funds – Rs 11.733 million

As per Rule-128 of the Sindh Budget Manual and Para-95 of General Financial Rules Vol. I, “the Drawing and Disbursing Officer is personally responsible for surrendering the savings to the government before the close of the financial years. Further, according to Para 95 of General Financial Rules Volume-I, all anticipated

savings should be immediately surrendered to the government without waiting till the end of the year.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that Rs 11.733 million were released against following various non-salary heads of accounts, but the same were neither utilized nor surrendered (details at **Annex-G**).

Audit is of the opinion that non-utilization of funds in time reflects poor administrative and financial controls in the department.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the funds in question were allocated for utilities, taxes, and services, typically released toward the end of the financial year to ensure uninterrupted operations. The timing of these releases often leads to unspent funds due to the short window for utilization. Expenditures under these heads fluctuate based on operational needs, and while efforts are made to optimize budget use, the timing of fund release can hinder full utilization within the fiscal period. The DAC directed that the vacancy position be verified from Audit. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management ensure timely utilization of allocated funds or surrender unspent amounts before the financial year-end. Responsibility should be fixed for the lapse, and internal controls should be strengthened to prevent such inefficiencies in budget management.

(AIR#33)

2.1.20 Irregular expenditure incurred on POL for Generator – Rs 5.151 million

As per Rule 23 of General Financial Rules Volume-I, “Every government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by 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.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that management of SIAH had allowed to draw fuel on a 325 KVA generator amounting to Rs 5,151,640, but the whole expenditure is treated as irregular or non-transparent as the logbook and petrol consumption account were not maintained by the generator operator duly countersigned by any officer to authenticate the expenditure.

(Amount in Rupees)

C. Center	Head of account to be charged	Amount
KQ-2346	POL for generator	655,458
KQ-2690	POL for generator	2,305,266
KQ-2691	POL for generator	2,190,916
Total		5,151,640

Audit is of the view that without maintenance and production of relevant records, transparent consumption of POL could not be authenticated, which is a serious omission on the part of management that can result in misuse of POL.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the institute is crucial to national development through vaccine production and diagnostic services for poultry farmers, focusing on controlling bird flu and other zoonotic diseases. Continuous electricity is essential to maintain -80°C storage for raw and research materials. Fuel for the 325 KVA generator is necessary to ensure uninterrupted power, especially during disease outbreaks, electrical failures, and load shedding, which can last up to 12 hours daily. The Maintenance Department maintains detailed fuel consumption and generator log books for transparency and monitoring. The DAC directed the management that the record of POL and schedule of load shedding be verified from the audit. However, no record was produced to audit until the finalization of this report.

Audit recommends that the management ensure strict compliance with financial rules by maintaining proper records and internal controls should be strengthened to prevent potential misuse of POL in the future.

(AIR#34)

2.1.21 Excess expenditures incurred over & above the budget allocation – Rs 4.497 million

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

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that an excess expenditure of Rs 4.497 million was incurred over and above the budget allocation (details at **Annex-H**).

Audit is of the view that due to incurrence of excess expenditure; the authenticity of expenditure could not be ascertained.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that excess expenditures were primarily in pay and allowances. The salary budget, managed by the Accountant General Sindh Karachi, is not under the direct control of the DDO. Salaries are released automatically through the SAP system, with AG Sindh ensuring timely and accurate disbursement. The DAC directed that the arrear or other claims record be provided to audit for verification. However, no record was produced to audit until the finalization of this report.

Audit recommends that the management ensure strict adherence to budgetary controls by obtaining prior approval before incurring expenditures beyond allocated funds. Responsibility should be fixed for the excess expenditure, and internal controls should be strengthened to prevent unauthorized financial commitments in the future.

(AIR#35)

2.1.22 Non-transferring of properties and assets in the name of Institute

As per Clause 8(2)(b) of the Sindh Institute of Animal Health at Karachi Act, 2018, “to hold control and administer the property and funds of the Institute.” Ibid. Clause-32(2): “All properties, assets, liabilities, agreements, rights, and interests of

whatever kind, used, enjoyed, possessed, owned, or vested in or held in trust by the Sindh Poultry Vaccine Centre and all liabilities legally subsisting against them shall stand transferred to the Institute with the same terms and conditions.”.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that on repeal of the Sindh Poultry Vaccine Centre Act and promulgation of the Sindh Institute of Animal Health Act 2018, all the bank accounts, investments, land, and other property are required to be transferred to the institute, but since the lapse of five years, the same could not be done. This has prevented the management from attaining desired goals as those involved financial assets as well as administrative rights.

Audit is of the view that using assets of the Center’s bank accounts and assets is illegal on repeal of the Centre.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that despite numerous requests, efforts to re-designate accounts from Sindh Poultry Vaccine Centre Karachi to Sindh Institute of Animal Health Karachi have been unsuccessful due to various reasons. The Board of Management recently tasked the Secretary, Livestock and Fisheries Department, with resolving this issue by re-designating or opening new accounts and transferring funds accordingly. However, changes in policy and requirements from Sindh Bank and National Bank have delayed these efforts. The institute's correspondence and efforts on this matter are documented and will be revisited in response to current audit observations to ensure accounts are appropriately renamed or opened and funds transferred as directed. The DAC directed that the efforts taken be provided to Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends the immediate transfer of all properties, assets, and financial resources to the Sindh Institute of Animal Health as mandated by the Act. Responsibility should be fixed for the delay, and corrective measures should be taken to secure the institute’s legal and financial rights.

(AIR#10)

2.1.23 Non-appointment / posting of officers on essential posts

As per Clause-14 of the Sindh Institute of Animal Health at Karachi Act, 2018, the Institute may, for efficient performance of its functions, appoint such advisors, consultant officers, and other staff possessing such professional, technical, or ministerial qualifications and experience and on such terms and conditions as may be prescribed by regulations. And as per Clause 19, *ibid.*, “the following shall be the officers of the Institute:

- The Director General.
- The Director(s).
- The Resident Auditor.
- The Principal Research Officer.
- The Senior Research Officer.
- The Research Officer.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute is operating for over five years without the appointment or posting of key officers, leading to the failure in achieving its objectives in areas such as internal/pre-audit functions, research and development, and various consultancy services such officers include:

1. The Director(s);
2. The Resident Auditor;
3. The Principal Research Officer;
4. The Senior Research Officer;
5. Consultants / Advisors
6. Professional and technical officers and staff

Audit is of the view that due to non-appointment or posting of officers, the institute failed to perform the functions and responsibilities to achieve the envisaged objective of the institute.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that vacancies at the institute arose due to administrative delays, including the late passage of

recruitment rules in November 2021 due to COVID-19 and the creation of new posts by the Finance Department after requests and approvals. Promotion delays were caused by the absence of APT rules or qualifications, with some BPS-18 and BPS-19 posts filled through promotions in 2022 and 2024, respectively. Direct recruitment faced challenges from government policies, such as election-related bans and court-imposed restrictions, though advertisement preparations are now complete. The DAC acknowledged partial compliance in filling the BPS-01 to BPS-15 positions through the transfer or promotion of appropriate staff. The DAC directed that the matter may be expedited in accordance with the decree issued by the Honourable High Court of Sindh, consulting with the Law Department or appropriate authority as necessary. Efforts related to this should be documented and provided to Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends the immediate appointment and posting of essential officers as mandated by the Act. Responsibility should be fixed for the delay, and necessary steps should be taken to strengthen the institute's operational capacity and achieve its objectives effectively.

(AIR#1)

2.1.24 Non-appointment / posting at various posts for Surveillance in ADP scheme

The development scheme "Surveillance and characterization of circulating pathogens of poultry in Sindh, including an avian influenza containment program," was executed from April 2013 to June 2020 and envisaged to collect and identify disease-producing agents that are causing huge deaths and diseases in livestock, prevent farmers of Sindh from huge economic losses, and conduct research, document, and characterize the circulating pathogens with more authentic technological tools and an internationally validated diagnostic facility for livestock and poultry.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the development scheme named "Surveillance and characterization of circulating pathogens of poultry in Sindh, including an avian influenza containment program," was completed in the year 2019-20 without the appointment or posting of

various posts (details as under), which may result in the non-attainment of key objectives of the project.

S. #	Name of Posts	BPS	Sanctioned Strength	Working Strength
1	Senior Research Officer	18	3	0
2	Research Officer	17	6	0
3	Lab. Technician	7	7	0
4	Lab. Attendant	2	9	0
5	Lab. Cleaner	1	6	0

Audit is of the view that in absence of professionals/staff, the key objectives of the project could not be achieved.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the ADP scheme was completed in 2019-20, employing 72 contract staff across seven districts in Sindh, ranging from BPS-01 to BPS-18. Upon project completion, their contracts were terminated. The Finance Department regularized the project, but the Scrutiny Committee and Cabinet Subcommittee rejected the regularization of the staff, requiring a new regularization bill. Employees filed a petition in the Sindh High Court, which ruled to regularize those in BPS-01 to BPS-15 but rejected those in BPS-17 and above. The Scrutiny Committee and Services, General Administration & Coordination Department (SGA&CD) recommended regularization only for those who petitioned, leaving 19 employees to refile their case. In February 2024, a notification was issued to regularize BPS-01 to BPS-12 employees, while those in BPS-17 and above appealed to the Supreme Court, which is pending. The DAC directed that the 32 project employees were regularized as per the decision of the honorable High Court of Sindh and the efforts taken be shared with the Audit for verification. Resubmit the summary for the remaining officers to be forwarded to the Advocate General. However, no progress was provided to audit till finalization of this report.

Audit recommends immediate appointment and posting of required staff for the surveillance project to achieve its intended objectives. Responsibility should be fixed for the non-appointment of personnel, and measures should be taken to prevent such administrative lapses in future development schemes.

(AIR#16)

2.1.25 Non-transfer / shifting of staff from SPVC payroll to SIAH

As per Clause 32(1) of the Sindh Institute of Animal Health at Karachi Act, 2018, “all the officers, consultants, and employees serving in the Transfer of Sindh Poultry Vaccine Centre immediately before the property and commencement of this Act shall stand transferred to the Institute persons established under this Act along with privileges, all services, and financial benefits.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute was functionalized in 2018, since lapse of more than five years, only a limited number of staff was transferred from the SPVC to SIAH. However, most of the positions were not transferred or shifted on the payroll of the institute (details at **Annex-I**), which caused an extra burden on the cost of the production of vaccines. The administrative failure was also observed due to non-compliance with the Act.

Audit is of the view that non-transfer/shifting of staff depicts non-compliance of the Act by the management.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the Institute Act was passed by the Sindh Assembly in 2018, and the institute became operational in 2020 upon the issuance of a budget and creation of 15 initial posts by the Finance Department, Government of Sindh. Despite multiple requests submitted through SNEs, the Finance Department has only approved some posts for the institute's establishment and functioning. Employees from the SPVC were transferred to SIAH payroll against available posts, but some remained un-transferred due to insufficient posts covering all SPVC employees, as required by Clause 32(1) of the Sindh Institute of Animal Health Act 2018. The institute continues to pursue the creation of remaining posts through SNEs annually, but no concrete action has been taken by the Finance Department. Therefore, the Finance Department is urged to create the remaining posts promptly to facilitate the transfer of all SPVC employees to the SIAH payroll. The DAC directed that the details of employees already transferred from SPVC to SIAH

payroll and efforts taken for creation of new posts be shared with Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management ensure the immediate transfer of all staff from the SPVC payroll to SIAH. Responsibility should be fixed for the non-compliance, and corrective measures should be taken to prevent financial and administrative inefficiencies.

(AIR#12)

2.2 Effectiveness

The performance evaluation of the Sindh Institute of Animal Health, Karachi, reveals significant lapses in governance, transparency, and strategic planning, hindering the effective execution of its mandate. The failure to hoist crucial procurement documents on the SPPRA website raises concerns about transparency and adherence to procurement regulations. Similarly, the institute's inability to develop critical vaccines like FMD and PPR, despite their high mortality impact, reflects inefficiencies in research and production planning. Additionally, the non-establishment of a dedicated wildlife and pet health division, despite statutory provisions, has left gaps in veterinary healthcare, leading to the loss of endangered wildlife. The absence of regulatory oversight, as evidenced by the non-registration of manufactured vaccines and the failure to establish a Provincial Drug Regulatory Authority, has resulted in credibility and compliance issues. The institute's weak marketing strategy and lack of engagement with veterinary hospitals further limit the reach and effectiveness of its products. Moreover, the irregular operation of a parallel vaccine production unit and the unjustified assignment of additional charges to officers indicate systemic administrative ineffectiveness. Despite management's responses and partial compliance with DAC directives, no tangible progress has been verified by audit, demonstrating persistent shortcomings in policy implementation and institutional accountability. Overall, the institute's performance is marked by inefficiencies, regulatory non-compliance, and weak institutional planning, necessitating immediate corrective measures and strict adherence to governance frameworks to ensure transparency, efficiency, and the effective delivery of veterinary healthcare services.

2.2.1 Non-development of FMD and PPR vaccines

As per Clause 11(a) of the Sindh Institute of Animal Health at Karachi Act, 2018, the institute has powers to develop, manufacture, and produce vaccines, drugs, and biologicals for the prevention and treatment of livestock, poultry, wildlife, and pets, and of veterinary public health importance.”.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that despite the prevalence of Foot & Mouth Disease (FMD) and Peste des Petits Ruminants (PPR) viral diseases, commonly referred to as "plague," causing bloody diarrhea in sheep and goats, which caused a 70 to 90% mortality rate attributed to these infections. The Institute failed to establish or start the work on the above vaccines despite the fact that the government is importing said vaccines and allocating foreign exchange for this purpose.

Audit is of the view that the management has not efficiently planned the manufacturing of its products, which was direly needed for the prevention of animals from the said diseases. Moreover, there was no planning made for prevention from pandemics like FMD, PPR, etc.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that **1) PPR Vaccine Production:** SIAH has successfully manufactured the first batch of PPR vaccine after clinical trials, ready for dispatch, addressing a critical need in sheep and goat health. **2) FMD Vaccine Development:** Establishing a Biosafety Level III lab on an isolated island is crucial for FMD vaccine production due to virus biosafety concerns. A PPP project for this was planned in 2021 but faced technical and financial constraints. SIAH has partnered with M/s Dollvet, Turkey, for joint research and vaccine production, aiming to reduce costs by up to 50%. Discussions with NIBGE Faisalabad and Vet al. Turkey for FMD vaccine production are ongoing. The DAC directed that the manufactured PPR vaccine and its sale (if made) be provided to audit for verification. However, FMD vaccine progress will be shared with Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management take immediate steps to develop and manufacture FMD and PPR vaccines to reduce reliance on imports and sustain foreign exchange. Responsibility should be fixed for the delay, and a comprehensive plan should be devised to ensure timely vaccine production and preparedness for future outbreaks.

(AIR#8)

2.2.2 Non-provision of services for wildlife and pet animals

As per Clause 3 (2) of the Sindh Institute of Animal Health at Karachi Act, 2018, “the institute may establish its regional offices, branches or centers at Larkana, Shaheed Benazirabad, Mirpurkhas and Hyderabad to facilitate the public of area and at such places as it may consider expedient. The institute shall consist of four divisions, i.e., Administration, Livestock Health, Poultry Health and Wildlife and Pets Health”.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the division for wildlife and pet animals were to be established but the Institute failed to establish and provides services in the province. As a result, hundreds of Ibex and other wild species at National Kheerthar Park were killed¹ time and again.

Audit is of the view that due to negligence / weak performance of the Institute, the division was not established for the last five years to provide services.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that due to limited resources from the Government of Sindh, the Sindh Institute of Animal Health (SIAH) has not established a dedicated Pets and Wildlife Health Division. However, the institute provides services through a pet clinic, developed a vaccine to prevent Newcastle disease in peacocks, and offers technical assistance for ailing ibex in national parks. An audit recommendation led to a proposal for a dedicated division,

¹ As per media report on 19-09-2023, local residents attribute the deaths of ibexes in their wildlife habitat to suspected viral disease known as plague / PPR. Report is at <https://www.geo.tv/latest/510637-goat-plague-outbreak-kills-more-ibexes-at-kirthar-national-park>

but it was not included in the ADP 2024-25 due to government policy. The institute plans to resubmit the proposal next year, with assurance of consideration from the Administrative Department. The DAC acknowledged partial compliance as the Pet hospital has been established at the SIAH Karachi. Further, DAC directed that the future strategy and schedule for the establishment of a wildlife division should be prepared and shared with the audit. In compliance, a new scheme should be submitted to the government for approval and got verified from audit. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management take immediate steps to establish the Wildlife and Pet Health Division as mandated by the Act. Responsibility should be fixed for the delay, and measures should be implemented to ensure the provision of essential veterinary services for wildlife and pet animals across the province.

(AIR#7)

2.2.3 Non-marketing / awareness program to Veterinary Hospital's Doctors for Vaccine

As per Clause 11(b) of the Sindh Institute of Animal Health at Karachi Act, 2018, “distribute, sell, and enter into agreements for sale and distribution of such vaccines, drugs, and biologicals.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute has not initiated the awareness programs for veterinary doctors or the appropriate general public as well as failed to coordinate with field veterinary hospitals to effectively use the manufactured vaccines. Moreover, marketing/sale promotional efforts were also not made to accelerate the sale of products effectively.

Audit is of the view that this resulted in a deficiency in the effective deployment and application of vaccines in veterinary healthcare practices.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that while

veterinary officers receive education on vaccine development and use during departmental ceremonies and seminars, dedicated sessions have been hindered by budget constraints. Moreover, the effectiveness of communication and awareness among technical staff is limited by the small number of vaccine consultant officers. The DAC directed that for training and awareness programs for veterinary hospital doctors regarding SIAH vaccines and diagnosis services, a dedicated budget may be got from the government and efforts taken be shared with the audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management develop and implement a comprehensive marketing and awareness program for veterinary doctors and field hospitals to enhance the effective use and sale of vaccines. Measures should be taken to improve coordination, outreach, and promotional efforts to maximize vaccine deployment.

(AIR#14)

2.2.4 Non-hoisting of BER and other documents on SPPRA website - Rs 597.711 million

According to Rule 50 of SPPR, 2010, Rule 10. Transparency: The procuring agency shall, immediately upon award of contract, make the evaluation report of the bid and the contract agreement public through hoisting on the authority's website as well as on the procuring agency's website, if the procuring agency has such a website. Further, Rule 50. Publication of the Award of Contract: Within fifteen (15) days of signing of the contract, the procuring agency shall publish on the website of the authority and on its own website, if such a website exists, the results of the bidding process, identifying the bid through the procurement identifying number, if any, and the following information: (1) Contract Evaluation Report; (2) Form of Contract and Letter of Award; (3) Bill of Quantities or Schedule of Requirement.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the office awarded work amounting to Rs 597.711 million to the contractor but failed to hoist their contract agreement, contract evaluation report, and award of contract on the SPPRA website, in violation of the above rules.

(Rs. in Million)

Name of Work	NIT No date	Amount
Establishment of SIAH, Karachi	No.SIAH/ASC/Tender-ADP1326/2021-22	597.711

Audit is of the view that non-hoisting of documents on the SPPRA website shows compromised bidding process as transparency was not adopted.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the bid evaluation report, contract agreement, contract evaluation report, award of contract, and other tender-related documents have been posted on the SPPRA website, as required, under NIT ID No. T01440-21-0004 and Contract ID No. C01440-21-0004-1. The DAC directed that the required record be provided to audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management ensure strict compliance with SPPRA rules by promptly hoisting bidding documents on the SPPRA website. Responsibility should be fixed for the lapse.

(AIR#24)

2.2.5 Non-registration of manufactured Vaccines / Drugs with regulatory bodies

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

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that no efforts were made to register the manufactured vaccines and drugs with appropriate bodies framed by the government, like DRAP or otherwise. Following the 18th Constitutional Amendment, the department is required to establish a vaccine registration authority within Sindh province to manage registration matters.

The failure to do so has resulted in a lack of goodwill, trust, and confidence in the efficacy of the vaccines produced.

Audit is of the view that the non-registration of vaccines with DRAP has led to a lack of standardized oversight and regulatory compliance, potentially compromising the quality and efficacy of vaccines.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the Drug Regulatory Authority of Pakistan (DRAP) had completed successful site verification. They are advancing towards obtaining a Drug Manufacturing License, though not mandated by current regulations. To ensure compliance with DRAP standards, a consultant has been engaged for a comprehensive gap analysis aimed at enhancing regulatory compliance and product quality assurance. This accreditation journey aims to establish standardized oversight and regulatory compliance for all vaccines, ensuring their quality and efficacy. The institute plans to leverage imminent DRAP accreditation to expand internationally and contribute to global animal health advancement. The DAC directed that the efforts taken for registration be shared with Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management ensure immediate registration of manufactured vaccines and drugs with DRAP and other relevant regulatory bodies to establish standardized oversight and compliance. Responsibility should be fixed for the lapse, and necessary steps should be taken to strengthen regulatory mechanisms and enhance the credibility of vaccine production.

(AIR#15)

2.2.6 Non-establishment of Provincial Drug Regulatory Authority and Feed Control

On the abolition of the Concurrent Legislative List (CLL) through the 18th Constitutional Amendment. Accordingly, all matters related to the concurrent list, including livestock and its matters related to feed, drugs, treatment, health, and vaccination, are the total responsibility of the province.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the department with prime responsibility of the host institute failed to move legislation regarding registration of vaccines, biologics, medicine, and feed control when the provision under the Constitution was provided under the 18th Constitutional Amendment. The failure of the Department, entrusted with the primary responsibility of the host institute, to enact legislation pertaining to the registration of vaccines, biologics, medicines, and feed control, despite constitutional provisions under the 18th Amendment.

Audit is of the view that this resulted in a regulatory vacuum, impeding effective oversight and potentially compromising the safety and quality standards of these essential products.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the Provincial Drug Regulatory Authority and Feed Control Authority are the responsibilities of the Provincial Department of Livestock and Fisheries, Government of Sindh, not the Institute. The institute's main functions are research, testing, and advisory services related to animal health and welfare. Despite this, the Institute submitted a draft for the Sindh Animal Drug Regulatory and Feed Authority Bill in January 2014. The next steps involve consulting the Law Department for further proceedings. The DAC directed that the draft for the establishment of the provincial drug regulatory authority and feed control authority be updated and sent to the Cabinet for approval. However, no progress was reported to the audit by the finalization of this report.

Audit recommends the management to take immediate steps to establish a Provincial Drug Regulatory Authority and Feed Control Authority to ensure proper oversight and compliance with regulatory standards. Responsibility should be fixed for the delay, and necessary legislation should be expedited to safeguard the quality and safety of vaccines, biologics, medicines, and feed.

(AIR#3)

2.2.7 Establishment and operation of parallel vaccine production unit

As per Clause 4 of the Sindh Institute of Animal Health at Karachi Act, 2018, (1) the institute shall have the jurisdiction of operations in the whole province of Sindh, provided that the government may, in consultation with the institute, by general or special order modify the jurisdiction. (2) The institute may establish or admit to its privileges under prescribed conditions, branch, center, sale, and service point, and a part of another institution falling within the territorial limits of another institute or organization, whether inside or outside jurisdiction, and Pakistan, provided that the consent of such other institute or organization and the sanction of the government are first obtained. And as per Clause 8 of the Sindh Poultry Vaccine Centre Act 1995, (a) accelerate production of poultry vaccines and shall be responsible for planning and promoting projects in this behalf; (b) undertake scientific and technological research for the improvement of the quality of vaccines and the production of new vaccines and utilization of such vaccines; and (c) publish results of such research for general information.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that instead of adopting the Act of SIAH, the Livestock and Fisheries Department established a vaccine production unit in Tandojam without the necessary legal mandate, thereby violating the provisions of the Act. Although SIAH is a non-profit government institute, the department's action encroaches on its scope, disrupting the institute's overall planning and strategies. Additionally, this raises concerns about market dynamics and the potential negative impact on SIAH's existing revenue-generating unit. Preliminary findings indicate that increased competition from the new unit could lead to a decline in sales for the established unit, contrary to the intent of the Act.

Audit is of the view that due to the establishment of other production units for vaccines, the development and objectives of the Act could not be achieved successfully.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the VPU

Tandojam lacks legal standing following the enactment of the Institute Act XXIX of 2018, which centralizes all functions related to vaccine, drug, and biological preparations under the Sindh Institute of Animal Health Karachi. Recognizing the inefficiency and redundancy of operating both units, the Board of Management of SIAH decided to absorb VPU Tandojam as a sub-center of Sindh Institute of Animal Health Hyderabad. This decision aims to streamline departmental resources and operations more effectively. Employees of VPU Tandojam are given the option to continue with the Animal Husbandry wing or join Sindh Institute of Animal Health Karachi, with their services, posts, and benefits transferred accordingly, subject to obtaining necessary NOCs and administrative approvals. The DAC directed that the inquiry be initiated to probe into the matter of how and why VPU Tandojam was established in the presence of a forty-year-old institute of vaccine production with a legal mandate. Immediate further steps shall be taken for the merger of VPU Tandojam with SIAH, Karachi, to cover the legal aspects, to avoid the conflict between the two units, and to align the public expenditure and best interest of the public fund. The same was verified by the audit. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management take immediate steps to align vaccine production activities with the legal mandate of the Institute by addressing the unauthorized establishment of parallel production units. Responsibility should be fixed for the violation of the Act, and necessary actions should be taken to integrate and streamline vaccine production under a unified regulatory and operational framework to prevent financial and strategic disruptions.

(AIR#5)

2.2.8 Non-framing of a well-defined policy in terms of departmental procurements

As per Clause 8 (2) (t) of the Sindh Institute of Animal Health at Karachi Act, 2018, “to regulate, determine and administer all other matters concerning the Institute and exercise all other powers in this behalf.”

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was

observed that apart from sale of the products in local market of the province, the Institute has neither framed nor obtained the legal mandate from the government or a well-defined policy to restrain the Government departments to procure vaccines directly from the Institute. The Institute failed to develop permanent provision and mechanism to supply vaccine to the government departments directly.

Audit is of the view that due to non-framing of a well-defined policy in terms of departmental procurement, the institute is running on minimum capacity for production and the department is procuring vaccines through tender.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the Livestock & Fisheries Department prepares an annual procurement policy for vaccines and medicines, allocating 50-60% of the departmental budget for vaccine purchases directly from the institute. However, this requires yearly permission from the Department Secretary per SPPRA rules, hindering the institute's ability to plan effectively. While vaccines have been purchased under SPPRA Rule 16(A), the policy for direct purchases needs Cabinet approval to eliminate the need for annual permissions. The institute will approach the Administrative Department to pursue Cabinet approval. The DAC directed that draft a summary for the Chief Minister Sindh detailing that 80% of the budget is allocated for vaccinations and 20% for medicines, as per the department's requirements. Additionally, the results of the inquiry into last year's non-procurement of vaccines from SIAH, may be shared with Audit for verification. However, no any progress was provided to audit till finalization of this report.

Audit recommends that the management formulate a well-defined procurement policy to facilitate direct vaccine supply to government departments, ensuring efficiency and optimal utilization of production capacity. Responsibility should be fixed for the lapse, and necessary approvals should be obtained to streamline department.

(AIR#13)

2.2.9 Irregular and un-justified assignment of additional charge to various officers without permanent arrangement

According to revised vide F.D.O.M. No. 2(2)-R.3/92, dated 23rd April, 1992, it has been decided with the approval of the competent authority that in case of additional charge arrangement, special allowance shall be admissible at a uniform rate of 20% of basic pay not exceeding Rs 1100 p.m. (currently rate is Rs 12,000 p.m.) with immediate effect subject to the fulfillment of the following conditions:

1. The work of the vacant post, as far as possible, should be distributed among more than one government servant of the same status and designation available in the Ministries, Divisions, and Departments.
2. Where the distribution of the work among more than one government servant is not feasible, the charge of the vacant post may be entrusted, in its entirety, to another government servant. This arrangement should not be made for a period less than one month and should not exceed three months, and it should be allowed with specified approval of the Secretaries/Additional Secretaries/ Heads of Attached Departments/Heads of Department not below BPS-21. However, it may be extended by another three months with the approval of the next higher authority.
3. Immediately on the expiry of six months of the full additional charge of the particular vacant post, the post shall be treated as having been abolished and its duties automatically becoming part of the normal duties of the other existing posts of the same category in the Divisions/Departments concerned. The post so treated as abolished shall not be revived without the concurrence of the financial advisor concerned.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, while reviewing H.R. data and personal files of officers, it was observed various officers were assigned the charge of other posts to look after the work in addition to their own duties till-to-date without justification and in violation of the afore-mentioned rule. The audit considers the assignment of additional charges from a long time without making any permanent arrangements found irregular, unjustified, and in violation of the above-quoted rule.

Name of Officer	Designation	Additional charge Post	Date of Assigning Additional charge
Dr. Farzana Memon	Research Officer	Incharge Shed Management	19.02.2019
Miss. Benazir Kanwal	Research Officer	ND Unit	16.04.2010
Dr. Farzana Memon	Research Officer	Live Vaccine Unit	02.07.2021

Audit is of the view that assigning additional charge of various posts for such a long period without permanent arrangement was treated as irregular and unjustified.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that due to phased establishment and insufficient posts allocated by the Finance Department, the Institute had to resort to staff arrangements to fill operational gaps, ensuring that each placement aligns with technical requirements. Officers are assigned roles based on their qualifications and unit-specific needs, ensuring efficient resource management and service delivery. As of June 2024, all officers at SIAH Karachi are appropriately assigned to their designated units without holding additional charges beyond their assigned responsibilities. The DAC directed that the additional charges should be discouraged, and an immediate appointment shall be made, as it was revealed during the discussion that, as per the honorable High Court of Sindh, it issued a consent decree and lifted the ban upon appointment. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management ensure compliance with service rules by making permanent appointments. Responsibility should be fixed for the prolonged unjustified arrangements, and immediate steps should be taken to fill vacant posts through proper recruitment to ensure efficient administration.

(AIR#4)

2.3 Environment

The Sindh Institute of Animal Health, Karachi's continued reliance on the outdated and environmentally hazardous Embryonated Egg System (EES) for vaccine production, despite the availability of the more efficient and eco-friendly Cell Culture System, has resulted in financial inefficiencies, excessive resource consumption, and a significant environmental burden. The EES, being costly, time-consuming, and prone to high contamination risks, also leads to a 30% loss of chicken eggs, exacerbating

waste and ethical concerns. In contrast, the Cell Culture System, introduced in the 1990s, offers a controlled production environment, reduced contamination risks, cost-effectiveness, and flexibility for diverse vaccine development while requiring less space than traditional chicken sheds. The Institute's failure to adopt this advanced system has hindered progress in sustainable vaccine production, impeding the attainment of overall objectives. While management has acknowledged the need for transition and has initiated steps to adopt the Cell Culture System for select vaccines, delays due to funding constraints and infrastructure requirements have stalled progress. The shift, now planned under the World Bank-assisted Sindh Livestock and Aquaculture Development Project, remains unimplemented, with no concrete progress reported to audit as of the finalization of this report. This delay underscores the urgent need for proactive resource allocation, strategic planning, and adherence to global best practices in vaccine production to enhance efficiency and environmental sustainability.

2.3.1 Non-shifting to new technology for production of vaccine

The Embryonated Egg System² (EES) which starts in 1950s which is time taken, costly, highly risk based and environment hazardous. Conversely, the Cell Culture System which starts in 1990s utilizes mammalian or avian cells in a controlled environment, reduced contamination risks, cheaper than EES and flexibility to accommodate a diverse range of viruses.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the improved method for production of vaccine through the cell culture system was not adopted by the institute, which is environment friendly, cheap, and requires less space than chicken sheds. Thus, the development of vaccines without adopting the latest processes caused ineffectiveness in attainment of overall objectives. The management adopted the Embryonated Egg System, which is costly,

² The Embryonated Egg System which is fertilized chicken eggs for virus cultivation which takes chick grow in 21 week and fertile egg for virus cultivation about two weeks with loss of 30%. This method has drawbacks include potential allergic and pandemic reactions in individuals with egg i.e, bird flu. Conversely, the Cell Culture System which starts in 1990s utilizes mammalian or avian cells in a controlled environment, reduced contamination risks, cheaper and flexibility to accommodate a diverse range of viruses. (<https://typeset.io/questions/what-are-the-advantages-and-disadvantages-of-using-mdck-az1xb01u1q>)

environmentally hazardous, time-consuming, and has a 30% loss of chicken eggs utilized for the development of vaccines.

Audit is of the view that the Institute's failure to adopt the environmentally friendly and cost-effective Cell Culture System for vaccine production, instead opting for the costly, environmentally hazardous, and time-consuming Embryonated Egg System, has not only led to a significant loss of chicken eggs and cost on chickens but has also resulted in inefficiencies that hinder the achievement of overall objectives in vaccine development.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that transitioning from an egg-based to a cell culture system for vaccine production is a progressive step towards sustainability, cost-efficiency, and improved efficacy. The Institute has already adopted this system for Lumpy Skin Disease (LSD) and PPR vaccines. This transition requires meticulous planning, infrastructure upgrades, and staff training, necessitating significant time and resources. Initially, funding was sought through ADP but was dropped due to insufficient funds. Now the transition will be funded by the World Bank-assisted Sindh Livestock and Aquaculture Development Project, set to start within a year. This shift aligns with the Institute's long-term goals of enhancing efficiency, reducing costs, and advancing sustainable vaccine production practices. The DAC directed that the World Bank-assisted Sindh Livestock and Aquaculture Development Project be started, and the process/shifting schedule be provided to audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management take immediate steps to transition from the outdated Embryonated Egg System to the cost-effective and environmentally friendly Cell Culture System for vaccine production. Responsibility should be fixed for the delay, and necessary infrastructure upgrades and staff training should be prioritized to enhance efficiency and achieve institutional objectives.

(AIR#17)

2.4 Equity

The failure of the Sindh Institute of Animal Health, Karachi, to establish regional offices, classrooms for higher education, and training programs as mandated by the Sindh Institute of Animal Health Act, 2018, has severely impacted equity in service delivery, access to education, and professional development in the veterinary sector. The non-establishment of regional offices has deprived communities in Larkana, Shaheed Benazirabad, Mirpurkhas, Hyderabad, and Sukkur of essential veterinary health services, restricting equitable access and limiting the institute's reach to urban centers. Similarly, the absence of classrooms, laboratories, and research infrastructure has hindered higher education and research opportunities, disproportionately affecting students and researchers who lack access to essential learning facilities. Furthermore, the institute's failure to provide mandated training programs, postgraduate degrees, and certifications has impeded capacity building and skill development in the veterinary field, restricting professional advancement and the adoption of modern research-based methodologies. While management has cited funding constraints and ongoing infrastructure development as reasons for these delays, the prolonged inaction has exacerbated regional disparities, deprived stakeholders of crucial services, and hindered the overall growth of the veterinary and animal health sector. The delay in implementing DAC directives further underscores the need for immediate corrective measures to ensure equitable access to veterinary health services, education, and training across Sindh.

2.4.1 Non-establishment of regional offices, branches or centers

As per Clause 3(2) of the Sindh Institute of Animal Health at Karachi Act, 2018, "the institute may establish its regional offices, branches, or centers at Larkana, Shaheed Benazirabad, Mirpurkhas, and Hyderabad to facilitate the public of the area and at such places as it may consider expedient. The institute shall consist of four divisions, i.e., Administration, Livestock Health, Poultry Health, and Wildlife and Pets Health."

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute has to establish five (5) regional offices, i.e., Sukkur,

Larkana, Shaheed Benazirabad, Mirpurkhas, and Hyderabad, with three branches or centers. However, the Institute failed to establish these regional offices despite the lapse of five years of enforcement of the Act. As a result, the services that were intended to be delivered to the public could not be provided, as well as restricting doorstep public service delivery.

Audit is of the view that failure to establish the regional offices and branches following the enactment of the Act has hindered the Institute from delivering the intended services to the public.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that as per the Sindh Institute of Animal Health Act 2018, the institute has established four technical divisions: livestock health, poultry health, wildlife and pet health, and public health, along with an administration and marketing division. Regional offices or branches in Larkana, Shaheed Benazirabad, Mirpurkhas, and Hyderabad were planned but could not be established due to funding constraints. The institute is implementing its head office ADP scheme in Karachi, aimed at establishing facilities including an academic block, powdered drug unit, and diagnostic bay. Completion is expected by 2024–25, paving the way for future ADP schemes to establish regional offices. The DAC directed that, as per the decision of the board meeting regarding the conversion of the Anti-Snake Venom and Anti Rabbits Serology Laboratory, Shaheed Benazirabad, into the Regional Center of SIAH, be implemented. Moreover, the scheduled policy for the establishment of centers will be shared with Audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management take immediate steps to establish the required regional offices, branches, and centers as mandated by the Act. Responsibility should be fixed for the delay, and a concrete implementation plan should be developed to ensure timely service delivery and accessibility to the public.

(AIR#6)

2.4.2 Non-establishment of classrooms for higher education/research

As per Clause-11(f) of the Sindh Institute of Animal Health at Karachi Act, 2018, “provide seat of learning for higher education, research, and surveillance for the students of the related field.”.

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute failed to establish/construct libraries, laboratories, and classrooms for the provision of learning facilities for higher education, research, and surveillance for the students in the related field. The new capacity building and development of research capacity was effected due to the non-establishment of infrastructure.

Audit is of the view that due to the non-establishment of classrooms and other facilities; the students and researchers were deprived of the benefits of the institute.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the institute was established under Sindh Assembly Act XXIX of 2018 and became functional in 2020 when the Finance Department, Government of Sindh, allocated budget for its operation. Due to limited resources, the institute is focusing on establishing essential facilities such as academic and administrative blocks, a powdered drug unit for multivitamins and nutraceuticals, and diagnostic facilities including livestock health, poultry health, pets, post-mortem, and advanced diagnostic capabilities. An ongoing ADP scheme aims to complete these facilities by 2024-25, enabling the institute to provide infrastructure for higher education, research, and surveillance as mandated by Act XXIX of 2018. Temporary facilities include classrooms and laboratories at the Vaccine Training Institute and the Sindh Animal Disease Surveillance Centre, both in Karachi, utilized for educational and research purposes. The DAC directed that the new classroom and building be physically verified by the audit. Number of courses executed current year be provided to audit. Summary be prepared for CM, and dedicated research funds be got from the government and reserved with the institute. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management take immediate steps to establish classrooms, libraries, and laboratories to fulfill the institute's mandate for higher education and research. Responsibility should be fixed for the delay, and necessary resources should be allocated to ensure the timely development of academic and research infrastructure.

(AIR#11)

2.4.3 Non-imparting of training, courses and non-award of degrees and certificates

As per Clause 11(g) of the Sindh Institute of Animal Health at Karachi Act, 2018, "provide trainings, refresher courses, postgraduate degrees, conduct seminars, and grant certificates and diplomas to such persons."

During the Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi for the financial years 2019-20 to 2022-23, it was observed that the institute failed to provide or start training, refresher courses, and Ph.D. degrees in the relevant field, for five years since the enforcement of the above Act. With the non-provision of trainings or degree courses, the institute compromised on the development of effective vaccines and the adoption of the latest research and methods that emerged in the world.

Audit is of the view that due to negligence and poor performance of the management; the objective of the institute was not achieved.

The matter was reported to the management in the month of February, 2024. The DAC meeting was held on 9th July, 2024. The management replied that the institute values educational initiatives crucial for vaccine development and staff development. Short training sessions and workshops on GMP compliance, vaccine development, and laboratory procedures are regularly conducted to update staff on global research trends. The institute has accreditation and MoUs with universities like the University of Karachi and Shaheed Benazir Bhutto University of Veterinary & Animal Sciences (SBBUVAS), Sakrand for PhD programs supervised by the Director General. Efforts towards HEC and PVMC accreditation include upgrading facilities, hiring qualified staff, and developing a comprehensive curriculum. The institute awaits the lifting of hiring bans to fill remaining PhD and Research Officer positions, essential

for fulfilling accreditation criteria. Despite challenges, the institute remains dedicated to advancing vaccine development and meeting international standards through continuous professional development. The DAC directed that the efforts be taken to finalize the HEC requirement and share efforts with the audit for verification. However, no progress was provided to audit till finalization of this report.

Audit recommends that the management take immediate steps to initiate training programs, refresher courses, and postgraduate degrees as mandated by the Act. Responsibility should be fixed for the delay, and necessary resources should be allocated to ensure the institute fulfills its role in capacity building and research development.

(AIR#9)

3. Audit Follow-up

The Performance Audit on Production and Efficacy of Vaccine by Sindh Institute of Animal Health, Karachi was conducted for the first time for the financial years 2019-20 to 2022-23. DAC meeting was convened by the PAO on 9th July, 2024. Despite DAC directives, no record was provided to audit for verification. Audit advises implementation of audit recommendations and compliance of DAC directives.

4. Audit Impact Assessment

Previous audit observations highlighted critical gaps, including non-compliance with procurement regulations, ineffective vaccine production planning, and the non-establishment of regulatory frameworks. As a result, the institute has taken steps to address key deficiencies, such as initiating partnerships for FMD vaccine development, securing funding for infrastructure upgrades, and committing to regulatory compliance with DRAP. However, the lack of timely action on key audit recommendations, such as the establishment of a Provincial Drug Regulatory Authority and the resolution of procurement irregularities, continues to pose risks to public service delivery and financial sustainability.

The potential impact of new audit findings, if implemented, would strengthen monitoring mechanism, reduce inefficiencies in vaccine sale, help the management in marketing strategies, ensure compliance of applicable rules / regulations besides detects and deter financial losses and prevent vaccine related diseases. Improved internal control environment and adherence to procurement rules could significantly reduce unnecessary expenditures and enhance revenue generation, ensuring long-term resilience and sustainability in vaccine production and its sale.

5. Conclusion:

The audit of the Sindh Institute of Animal Health (SIAH) revealed significant deficiencies in governance, financial management, and operational efficiency, which have impeded the institution's ability to fulfill its mandate effectively. From a professional judgment standpoint, the institute has not demonstrated adequate capacity to ensure the economic, efficient, and effective use of resources. The inability to secure timely registrations, develop necessary vaccines, and comply with public procurement rules reflects poor internal controls and weak administrative oversight. Additionally, the audit follow-up process indicates that despite directives from the Departmental Accounts Committee (DAC), minimal progress has been made in addressing key audit findings, further highlighting deficiencies in accountability mechanisms. The failure to shift towards modern production techniques, establish regulatory bodies, and integrate a resilient financial model raises concerns about the long-term sustainability of the institute's operations.

For meaningful reform, it is imperative that management prioritize the implementation of DAC directives, strengthens financial oversight, and improves institutional planning. The institute must expedite the completion of ongoing initiatives, ensure the timely appointment of essential personnel, and adopt a structured approach to vaccine production, marketing, and regulatory compliance. Establishing a well-defined procurement policy, securing accreditation, and enhancing transparency in financial transactions are critical steps toward achieving institutional objectives. Compliance with audit recommendations will be instrumental in improving the institute's governance framework, ultimately enhancing its role in disease prevention and livestock health management in Sindh.

6. Recommendations

Audit recommends to:

1. Develop a comprehensive marketing strategy and obtain necessary certifications from ISO, DRAP, and other relevant authorities to enhance vaccine production and expand market reach. Responsibility should be fixed for the lapses, and proactive measures should be taken to capitalize on domestic and international demand.
2. To take immediate steps to establish a Provincial Drug Regulatory Authority and Feed Control Authority to ensure proper oversight and compliance with regulatory standards. Responsibility should be fixed for the delay, and necessary legislation should be expedited to safeguard the quality and safety of vaccines, biologics, medicines, and feed.
3. Take immediate steps to establish the Wildlife and Pet Health Division as mandated by the Act. Responsibility should be fixed for the delay, and measures should be implemented to ensure the provision of essential veterinary services for wildlife and pet animals across the province.
4. Take immediate steps to develop and manufacture FMD and PPR vaccines to reduce reliance on imports and sustain foreign exchange. Responsibility should be fixed for the delay, and a comprehensive plan should be devised to ensure timely vaccine production and preparedness for future outbreaks.
5. Formulate a well-defined procurement policy to facilitate direct vaccine supply to government departments, ensuring efficiency and optimal utilization of production capacity. Responsibility should be fixed for the lapse, and necessary approvals should be obtained to streamline department.
6. Develop and implement a comprehensive marketing and awareness program for veterinary doctors and field hospitals to enhance the effective use and sale of vaccines. Measures should be taken to improve coordination, outreach, and promotional efforts to maximize vaccine deployment.
7. Ensure immediate registration of manufactured vaccines and drugs with DRAP and other relevant regulatory bodies to establish standardized oversight and compliance. Responsibility should be fixed for the lapse, and necessary steps should be taken to strengthen regulatory mechanisms and enhance the credibility of vaccine production.

8. Immediate appointment and posting of essential officers as mandated by the Act. Responsibility should be fixed for the delay, and necessary steps should be taken to strengthen the institute's operational capacity and achieve its objectives effectively.
9. Take immediate steps to establish the required regional offices, branches, and centers as mandated by the Act. Responsibility should be fixed for the delay, and a concrete implementation plan should be developed to ensure timely service delivery and accessibility to the public.
10. take immediate steps to initiate training programs, refresher courses, and postgraduate degrees as mandated by the Act. Responsibility should be fixed for the delay, and necessary resources should be allocated to ensure the institute fulfills its role in capacity building and research development.

7. Acknowledgement

We wish to express our appreciation to the management and staff of Sindh Institute of Animals, Karachi (SIAH), formerly Sindh Poultry Vaccine Center, Karachi (SPVC), for the assistance and cooperation extended to the auditors during this assignment.

8. Annexures

Annex-A

1.4 Audit Methodology

Aspect	KPI	Quantifiable Metric	Means of Verification
Economy	Cost-efficient production of vaccines and procurement of equipment	Percentage of procurement conducted through open tenders vs. direct procurement	Procurement records, bid evaluation reports, (comparison of actual vs budgeted expenses)
	Reduction in production cost per vaccine dose	Cost per dose over the years	Financial records, budget reports
	Compliance with Sindh Public Procurement Rules (SPPRA)	100% adherence to SPPRA rules in procurement	Procurement and bidding documents
	Budgetary control and avoidance of unnecessary expenditures	Percentage of budget utilized vs. allocated funds	Budget reports, financial statements
Efficiency	Production of vaccine as per planned targets	Number of doses produced vs. production capacity	Production logs, annual reports
	Timeliness of procurement, vaccine production and sale of vaccine	Procurement lead time, stock availability	Procurement records, stock registers
	Optimal utilization of allocated funds to achieve targeted results	allocated funds utilized effectively	Financial utilization reports
	Avoidance of time and cost overruns in production of vaccine and its sale	Ensure deviation in approved project timelines and costs	Project cost vs estimated budget comparison
	Timely appointment of key personnel	Number of vacant vs. filled positions in essential posts	HR records, appointment notifications
Effectiveness	Ensuring sufficient availability and sale of vaccines to target populations	Percentage of demand met	Distribution records, stakeholder reports
	Optimum production of vaccine as per requirement	Number of new vaccines developed for emerging diseases	Research reports, vaccine approval documents
	Compliance with international regulatory standards	Registration with ISO, DRAP	Certification records, compliance audit reports

Aspect	KPI	Quantifiable Metric	Means of Verification
	Achievements of planned objectives in vaccine production	Ensure all planned vaccine development targets are met within stipulated timelines	Annual performance evaluations
Environment	Adoption of biosafety and eco-friendly vaccine production methods	Shift from traditional, environmentally harmful methods to advanced eco-friendly practices.	Technology adoption reports, procurement records
	Environmental impact of vaccine production and safe disposal of expired vaccines	Compliance with environmental guidelines	Waste management records, inspection reports
	Environmental impact of vaccine production and safe disposal of expired vaccines	Waste disposed of via eco-friendly methods	Environmental impact assessments
Equity	Availability of vaccines across different regions regardless of gender and economic condition of the masses	Number of regional centers established vs. planned	Infrastructure development reports, site visits
	Fair and transparent procurement processes as to ensure inclusive and across the board provision of vaccine	Number of training sessions conducted; participants trained	Training reports, attendance sheets
	Inclusion of small and medium suppliers in procurement	Number of outreach programs and beneficiaries covered	Public outreach records, event reports

Annex-B

2.1.5 Un-justified procurement by way of pooling of expenditure – Rs 241.878 million

(Amount in Rupees)

Cost Centre	Head of A/c charged	Name of Vendors	Total Expenditure	Procurement from specific suppliers	%
KQ-2346	Purchase of Drugs & Medicines	⇒ M/s Scientific Traders ⇒ M/s Talha Enterprises & ⇒ M/s Naem Trading Co.	33,293,706	32,726,306	98%
	Cost of Other Stores	⇒ M/s Scientific Traders ⇒ M/s Talha Enterprises & ⇒ M/s Naem Trading Co.	115,499,000	62,879,977	54%
	Other Misc.	⇒ M/s Scientific Trader ⇒ M/s Naem Trading Co.	9,999,800	8,853,200	89%
	Plant & Machinery	⇒ M/s Scientific Trader\ ⇒ M/s Naem Trading Co.	115,000,000	112,065,000	97%
	Furniture & Fixture	⇒ M/s Scientific Traders	19,999,000	19,999,000	100%
KQ-2690	Cost of Other Stores	⇒ M/s Scientific Traders ⇒ M/s Talha Enterprises &	7,995,000	3,208,000	40%
KQ-2691	Conference & Seminar	⇒ M/s Scientific Trader ⇒ M/s Naem Trading Co.	2,000,000	1,000,000	50%
Total			302,639,906	241,878,083	80%

Annex-C**2.1.6 Deficiency in providing quality services due to non-procurement of plant & machinery items from authorized distributor – Rs 109.454 million**

(Amount in Rupees)

Sr. #	Cheque & date	Name of payee	Particular	Amount
1	4486342/9-6-2022	Scientific Traders	01 Nos. of Lypholizer 3x3 sq meter inner chamber	65,000,000
2	4358842/1-4-2022	Scientific Traders	CO2 incubator and 4 Microbiological safety cabinet	10,000,000
3	4358843/1-4-2022	Naeem Trading Co.	Autoclave 02 nos. and vial filling machine	24,900,000
4	4359700/14-04-22	Lab care	Pipette boy, micro tube etc	1,120,000
5	4359701/14-4-2022	Lab care	Ph meter + TDS multi para meter	1,170,000
6	3747298/20.6.20	Khair Enterprises	Fluorescent Microscope	2,291,000
7	4898756/5.6.23	Scientific Traders	Centrifuge 15ml	2,252,992
8	3746635/15.6.20	Scientific Traders	Laboratory Furniture with SS top and powder coated	1,400,000
9	3746635/15.6.20	Scientific Traders	Hematology Analyzer	1,320,000
Total				109,453,992

2.1.7 Irregular acceptance of store items without supporting documents – Rs 97.253 million

(Amount in Rupees)

Sr .#	Vendor Name	Cheque No.	W/O Date	Delivery Date	Sanction Date	Particulars	Qty	Rate	Amount
1	Scientific Traders	4358072 dt 21.03.2022	PO-05; 19-01-22	3015/ 28-02-22	27/ 10-03-22	Autoclave 110 liter	2	3,000,000	6,000,000
						Filling line 50-250	1	1,800,000	1,800,000
						Filling line 250-500	1	2,200,000	2,200,000
						Filling line 500-1000	2	2,400,000	4,800,000
						Thermo Coating	1	3,000,000	3,000,000
						CO2 incubator	1	5,000,000	5,000,000
S.S Vessle	2	1,400,000	2,800,000						
2	Naeem Trading Company	4358071 dt 21.03.2022	PO-06; 19-01-22	Nil/ 02-03-22	29/ 10-03-22	Furnishing of Labs	1	850,000	850,000
3	Talha Enterprises	4358070 dt 25.03.2022	PO-02; 19-01-22	6080/ 02-03-22	26/ 10-03-22	Inverted Microscope with fluorescence Model:IM5 Optica Italy	2	5,300,000	10,600,000
4	Excel Enterprises	4255213 dt 24.11.2021	PO-04/04- 10-2021	Nil/ 06-10-21	123/ 14-10-21	Vacuum Cleaner	3	98,000	294,000
5	Ahmed Ali Enterprises	4339314 dt 01.03.2022	PO-01; 20-01-22	01/ 10-02-22	19/ 17-02-22	Layer Poultry Feed (50 Kg bag/each)	1472	5,375	7,912,000
6	Jilani Traders	4339315 dt 01.03.2022	PO-04; 19-01-22	Nil/ 09-02-22	20/ 17-02-2022	Juicer blender	1	65,000	65,000
						Automatic Shoe cover dispenser	2	850,000	1,700,000
						Rubber Stopper 13 mm	50000	6	300,000
						Rubber Stopper 20 mm	50000	7	350,000
7	Scientific Traders	4338919 dt 23.02.2022		Nil/ 27-01-22	9/ 03-02-22	CO2 incubator	1	5,000,000	5,000,000

(Amount in Rupees)

Sr . #	Vendor Name	Cheque No.	W/O Date	Delivery Date	Sanction Date	Particulars	Qty	Rate	Amount
8	Scientific Traders	23.02.2022	PO-05; 19-01-22	44563	10/ 08-02-22	Orbital shaker	2	450,000	900,000
						Hot Plate with stirrer	8	390,000	3,120,000
9	Ahmed Ali Enterprises	4338093 dt 08.02.2022	PO-01; 20-01-22	01/ 24-01-22	04/ 27-01-22	Layer Poultry Feed (50 Kg bag/each)	1,815	5,375	9,755,625
							600	5,965	3,579,000
10	Excel Enterprises	4255353 dt 29.11.2021	PO-06/ 27-10-21	Nil/ 01-11-21	131/ 01-11-21	Vacuum Cleaner	2	98,000	196,000
11	Scientific Traders	4338028 dt 04.02.2022		21-01-22	05/ 27-01-22	CO2 incubator	1	5,000,000	5,000,000
						Microbiological safety cabinet BSL-2	4	1,398,000	5,592,000
12	Jilani Traders	4266676 dt 08.02.2022	Tender/21- 22/PO-04	Nil/ 24-01-22	03/ 27-01- 2022	Automatic Shoe cover dispenser	1	850,000	850,000
						Rubber Stopper 13 mm	200,000	6	1,200,000
						Rubber Stopper 20 mm	200,000	7	1,400,000
						Rubber Stopper 32 mm	30,000	8	240,000
13	Naeem Trading Company	4338027 dt 03.02.2022	Tender/21- 22/PO-06	2202/ 21-2-22	06/ 27-01-22	Furnishing of Labs	15	850,000	12,750,000
Total									97,253,625

Annex-E

2.1.8 Irregular expenditure on supply of material - Rs 83.360 million

(Amount in Rupees)

Vendor Name	Cheque date	W/O date	Delivery date	SO date	Particulars	Qty	Rate	Amount
Ahmed Ali Enterprises	4338093/08.02.22	PO-01; 20-01-22	01, 24-01-22	04/ 27-01-22	Layer Poultry Feed (50 Kg bag/each)	1815	5375	9,755,625
					Broiler Poultry Feed (50 kg bag/each)	600	5965	3,579,000
Ahmed Ali Enterprises	4339314/01.03.22	PO-01; 20-01-22	01, 10-02-2022	19/17-02-2022	Layer Poultry Feed (50 Kg bag/each)	1472	5375	7912000
Talha Enterprises	4358070/25.03.22	PO-02; 19-01-22	6080/02-03-22	26/10-03-22	Inverted Microscope with fluorecense model :IM5 Optica Italy	2	5,300,000	10,600,000
Scientific Traders	4358072/21.03.22	PO-05; 19-01-22	3015/28-02-22	27-10-03-22	Autoclave 110 liter	2	3,000,000	6,000,000
					Filling line 50-250	1	1,800,000	1,800,000
					Filling line 250-500	1	2,200,000	2,200,000
					Filling line 500-1000	2	2,400,000	4,800,000
					Thermo Coating	1	3,000,000	3,000,000
					CO2 incubator	1	5,000,000	5,000,000
Scientific Traders	4338919/23.02.22		Nil/ 27-01-22	9/03-02-22	S.S Vessle	2	1,400,000	2,800,000
					CO2 incubator	1	5,000,000	5,000,000
Scientific Traders	Nil 23.02.22	PO-05; 19-01-22	44563	10/08-02-22	Orbital shaker	2	450,000	900,000
					Hot Plate with stirrer	8	390,000	3,120,000
Jilani Traders	4339315/01.03.22	PO-04; 19-01-22	Nil/ 09-02-22	20/17-02-2022	Juicer blender	1	65,000	65,000
					Automatic Shoe cover dispenser	2	850,000	1,700,000
					Rubber Stopper 13 mm	50,000	6	300,000
					Rubber Stopper 20 mm	50,000	7	350,000
Excel Enterprises	4255353/29.11.21	PO-06/27-10-21	Nil/ 01-11-2021	131/01-11-21	Vacuum Cleaner	2	98,000	196,000
Scientific Traders	4338028/04.02.22		21-01-22	05/27-01-22	CO2 incubator	1	5,000,000	5,000,000
					Microbiological safety cabinet BSL-2	4	1,398,000	5,592,000
Jilani Traders	4266676/08.02.22	Tender/21-22/PO-04	Nil/ 24-01-2022	03/27-01-22	Automatic Shoe cover dispenser	1	850,000	850,000
					Rubber Stopper 13 mm	200,000	6	1,200,000
					Rubber Stopper 20 mm	200,000	7	1,400,000
					Rubber Stopper 32 mm	30,000	8	240,000
Total								83,359,625

2.1.13 Non-recovery of outstanding dues - Rs 14.407 million

(Amount in Rupees)

Sr. #	Name of Client	Amount
1	New International Pharma Hyderabad	999,390
2	Samara Store, Hyderabad	1,152,732
3	Al-Fahim Poultry Services, Tando Allah Yar	70,410
4	Dr. Maqsood Mirpurkhas	56,800
5	Nobel International Hyderabad	63,045
6	New China Medical Store, Hyderabad	100,530
7	Rabia Poultry Service, Hyderabad	362,815
8	Zia-ur-Rehman Poultry Service, Tando Allah Yar	342,565
9	Zafar Poultry Farm Faisalabad	105,800
10	Al-Haram Poultry Services, Gharo	840,845
11	J & Sons Pharma, Karachi	75,560
12	Kashif Poultries, Karachi	740,585
13	Muhammadi Poultry M/Store, Karachi	20,380
14	Mehran Poultry Services, Dhabeji	100,162
15	United Poultry M/Store, Karachi	41,650
16	Samara Poultry Services Super Highway, Karachi	30,685
17	Zam Zam Poultry Services, Dhabeji	37,325
18	Shah Latif Poultry Farm, Sujawal	137,177
19	Y. M. Mirpurkhas	49,000
20	Shahid Poultry & Vet M/Store, Kazi Ahmed, Nawabshah	1,904,186
21	Classic Pharma Victoria Market Sukkur (Mr. Raheel Samoo)	561,000
22	Abbasi Associates, Faisalabad	41,760
23	Qari Medicos, Faisalabad	77,665
24	Siddiqi Marketing Services Multan	646,280
25	United Poultry Services, Rawalpindi	373,850
26	Wajid Vet-Medicine Store, Mardan	2,000
27	District Livestock & PDO Bagh Azad Kashmir	129,500
28	Additional Director Animal Health Bhimbar A-Kashmir	184,000
29	U. M. Enterprises, Karachi	3,407,985
30	Al-Shareef Poultry Medicos, Karachi	1,450,176
31	Usman Associates, Rawalpindi	258,500
32	Kitto Enterprises, Karachi	43,035
Total		14,407,393

2.1.19 Non-utilization/surrender of funds – Rs 11.733 million

(Amount in Rupees)

C. Center	Name of Office	F.Y	G/L	Object Description	Releases	Expend	Savings
KQ2690	Surveillance and Characterization of Circulating Pathogens of Poultry in Sindh Including Avian Influenza Containment Program	2021-22	A03903	Conference /Seminars/ Workshops/	1,500,000	0	1,500,000
			A03918	Exhibitions Fairs	1,000,000	0	1,000,000
			A03301	Gas	500,000	0	500,000
			A03801	Training – Domestic	500,000	0	500,000
			A03919	Payments to Other for Service Rend	500,000	193,548	306,452
			A03902	Printing and Publication	500,000	0	500,000
		2022-23	A03470	Others	200,000	0	200,000
			A03301	Gas	500,000	0	500,000
KQ2691	Vaccine Training Facility at Karachi	2021-22	A03918	Exhibitions Fairs	1,000,000	0	1,000,000
			A03907	Advertising & Publicity	1,500,000	522,000	978,000
			A03301	Gas	500,000	0	500,000
			A03919	Payments to Other for Service Rende	500,000	418,390	81,610
			A03407	Rates and Taxes	200,000	139,186	60,814
		2022-23	A03407	Rates and Taxes	200,000	0	200,000
			A03301	Gas	500,000	0	500,000
KQ2346	Sindh Institute of Animal Health Karachi	2021-22	A03919	Payments to Other for Service Rend	5,138,000	4,469,146	668,854
			A03301	Gas	289,000	0	289,000
		2022-23	A03407	Rates and Taxes	316,000	0	316,000
			A03301	Gas	618,000	0	618,000
KQ5169	Executive Director, Sindh Poultry Vaccine	2019-20	A03970	Others	340,434	0	340,434
		2020-21	A03801	Training – Domestic	250,000	0	250,000
		2021-22	A03970	Others	300,000	0	300,000

(Amount in Rupees)

C. Center	Name of Office	F.Y	G/L	Object Description	Releases	Expend	Savings
			A03903	Conference /Seminars/ Workshops	250,000	0	250,000
		2022-23	A03915	Payments To Govt. Dept for Service Rendered	93,750	0	93,750
KQ5177	Director, SPVC, Karachi	2019-20	A03805	Travelling Allowance	500,000	419,925	80,075
	Total				16,395,184	6,162,195	11,732,989

Annex-H

2.1.21 Excess expenditure incurred over & above the budget allocation – Rs 4.497 million

(Amount in Rupees)

Description	F.Y	GL	Detail Object Description	Releases	Expend	Excess
Director, Sindh Poultry Vaccine, Karachi, Cost Center KQ5177	2019- 20	A01151	Basic Pay Other Staff	0	1,517,910	1,517,910
		A01156	Pay of Contract Staff	9,266,940	10,095,640	828,700
		A0123G	Ad-Hoc Relief Allowance 2018	1,786,940	1,972,100	185,160
		A0122C	Adhoc Relief Allowance 2015	319,595	451,471	131,876
		A0122P	Special Healthcare Allowance	0	4,655	4,655
		A0121Z	Adhoc Relief Allowance 2014	0	245	245
		A01101	Basic Pay	0	799,150	799,150
Executive Director, Sindh Poultry Vaccine, Karachi , Cost Center KQ5169	2019- 20	A0123G	Ad-Hoc Relief Allowance 2018	0	495,312	495,312
		A0123P	Ad-Hoc Relief A 2019	0	223,152	223,152
		A01202	House Rent Allowance	414,250	562,430	148,180
		A01203	Conveyance Allowance	627,896	670,464	42,568
		A0121T	Adhoc Relief Allowance 2013	46,440	86,956	40,516
		A0122C	Adhoc Relief Allowance 2015	57,888	93,324	35,436
		A0122M	Adhoc Relief Allowance 2016	285,120	303,768	18,648
	2020- 21	A0121T	Adhoc Relief Allowance 2013	22,260	40,632	18,372
		A0122C	Adhoc Relief Allowance 2015	32,976	41,092	8,116
Total				12,860,305	17,358,301	4,497,996

2.1.25 Non-transfer / shifting of staff from SPVC payroll to SIAH

Sr. #	Code	Name of officials	Designation	BS	Date of Birth	Salary Wages	Appointment date
1	15	Arif	Driver	7	09.01.1987	42,945	16.08.2014
2	17	Muhammad Iqbal	Driver	7	10.01.1968	56,587	12.09.1993
3	18	Muhammad Arshad	Driver	7	16.03.1971	65,682	10.04.1999
4	19	Wajid Ali Memon	Sr. Clerk	14	29.11.1971	92,386	01.06.1992
5	24	Muhammad Khaliq	P Assistant	15	04.06.1965	88,428	23.08.1986
6	30	Muhammad Javed	Painter	4	03.01.1976	56,027	03.01.1996
7	42	Naimtullah Bughio	Electrician	6	01.04.1980	49,505	04.10.2004
8	43	Ghulam Mustafa	Head Mali	4	01.01.1979	44,762	01.09.2003
9	44	M. Ali (Senior)	P Attendant	2	15.12.1973	51,451	01.02.1992
10	53	Shamim Alim	Lab Assistant	3	11.09.1974	45,010	01.09.2003
11	59	Abdul Rauf	P Attendant	2	08.12.1974	35,883	14.12.2009
12	60	M. Hanif (P)	P Attendant	2	29.08.1984	42,438	05.10.2004
13	62	Asif Ali (Prod)	P Attendant	2	04.02.1986	42,438	06.10.2004
14	63	Ali Bux	P Attendant	2	01.07.1980	42,438	06.10.2004
15	65	Abdul Sattar	P Attendant	2	20.09.1970	40,799	18.07.2006
16	66	Nabi Bux (Late) Expired on 24-07-2023	P Attendant	2	01.01.1972	29,873	20.11.2006
17	72	M. Nadeem	P Attendant	1	07.05.1986	32,608	16.18.2014
18	75	M. Asif (Shaka)	P Attendant	1	20.10.1983	31,631	01.09.2018
19	81	Asif Raza	P Attendant	1	18.06.1988	32,608	16.08.2014
20	84	Bilawal	Cleaner	1	22.02.1988	32,351	30.03.2018
21	95	Muhammad Aqib	P Assistant	1	16.06.1993	31,631	01.09.2018
22	96	M. Siddique	Driver	4	25.07.1979	33,996	30.03.2018
23	100	Pervez Ahmed	Driver	4	23.05.1983	33,996	30.03.2018
24	101	Ali Imran	Driver	5	17.06.1981	35,694	30.03.2018
25	104	Manthar Ali	P Attendant	1	28.01.1992	32,351	30.03.2018
26	107	M. Usama Khan	P Attendant	1	02.08.1996	31,631	01.09.2018
27	110	Amir Khan	Driver	4	04.12.1992	33,996	30.03.2018
28	114	Tajwar Shahana	P Attendant	2	19.08.1979	31,645	29.06.2018
29	117	Wajid	Car Painter	5	15.04.1993	35,694	01.08.2017
30	127	Sajjad Mari	P Assistant	11	09.06.1996	44,026	02.04.2018