



**Performance Audit Report  
Establishment of Trauma Centers in Sindh  
Government of Sindh  
Karachi  
Audit Year 2019-20**

**AUDITOR-GENERAL OF PAKISTAN**



## **Table of Contents**

<b>PREFACE</b>	<b>ii</b>
<b>Abbreviations and Acronyms</b>	<b>iv</b>
<b>Executive Summary</b>	<b>vi</b>
<b>1. INTRODUCTION</b>	<b>1</b>
<b>2. AUDIT OBJECTIVES</b>	<b>3</b>
<b>3. AUDIT SCOPE</b>	<b>4</b>
<b>4. AUDIT FINDINGS AND RECOMMENDATIONS</b>	<b>5</b>
<b>4.1 Organization and Management:</b>	<b>5</b>
<b>4.2 Financial Management:</b>	<b>8</b>
<b>4.3 Procurement and Contract Management:</b>	<b>12</b>
<b>4.4 Construction and Works:</b>	<b>15</b>
<b>4.5 Monitoring and Evaluation:</b>	<b>34</b>
<b>4.6 Environment:</b>	<b>38</b>
<b>4.7 Overall Assessment:</b>	<b>40</b>
<b>5. CONCLUSION</b>	<b>41</b>
<b>Acknowledgement</b>	<b>43</b>
<b>Annexures</b>	<b>44</b>



## **PREFACE**

The Auditor-General of Pakistan conducts audits in accordance with the Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan 1973, read with sections 8 and 12 of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance 2001. The Performance Audit of Establishment of Trauma Centers in Sindh was carried out accordingly.

The Directorate General Audit Sindh, Karachi conducted Performance Audit of the Establishment of Trauma Centers in Sindh from 16<sup>th</sup> December, 2019 to 20<sup>th</sup> January, 2020 for the period 2012-13 to 2018-19 with a view to reporting significant findings to stakeholders. Audit examined the economy, efficiency, and effectiveness aspects of the programme. In addition, audit also assessed, on test check basis whether the management complied with applicable laws, rules, and regulations in managing the programme. The Audit Report indicates specific actions that, if taken, will help the management realize the objectives of the program.

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

Dated:

**Javaid Jehangir**  
Auditor-General of Pakistan



## Abbreviations and Acronyms

<b>EM:</b>	Environmental management
<b>GFR:</b>	General Financial Rules
<b>INTOSAI:</b>	International Organization of Supreme Audit Institutions
<b>PC-I:</b>	Planning Commission Proforma-I
<b>PSDP:</b>	Public Sector Development Program
<b>SPPR:</b>	Sindh Public Procurement Rules
<b>WHO:</b>	World Health Organization
<b>ECG:</b>	Electrocardiography
<b>SNE:</b>	Schedule of New Expenditure
<b>MS:</b>	Medical Superintendent
<b>BOQ:</b>	Bill of Quantities
<b>DHQ:</b>	District Head Quarter
<b>THQ:</b>	Taluka Head Quarter
<b>MB:</b>	Measurement Book
<b>PMT:</b>	Pole Mounted Transformer
<b>PEC:</b>	Pakistan Engineering Council





## **Executive Summary**

The Directorate General Audit Sindh conducted performance audit of “Establishment of Trauma Centers in Sindh” during the month December 2019 to January 2020. The Health Department, Government of Sindh had initiated the project to construct forty-one (41) pre-engineered light gauge steel structured trauma centers in THQ Hospitals of Sindh province to tackle the deteriorating health situation in the province and to provide health care facilities specially to the traumatic patients near their homes in their respective Talukas.

In terms of performance of the program the objectives of the performance audit were to review whether the Trauma Centers have been successful in accomplishing the objectives for which these were established and also to examine whether all necessary rules and regulations were followed for procurement, recruitment, utilization of resources etc. and whether Project has effective systems like asset management system. The audit was conducted in accordance with International Organization of Supreme Audit Institutions (INTOSAI) Auditing Standards.

The project of “Establishment of Trauma Centers” was targeted to be completed in 9 months starting from March-2012 to December-2012; but was not completed till 2019. As part of audit, we found that overall, the program has been failing to achieve its objectives. This is evidenced from the fact that some of the Trauma Centers have not started working and few others are partially in operation; moreover, there are no proper facilities for trauma cases i.e human resources like orthopaedic surgeon, anesthesiologist, equipment technicians, and no proper operation theaters are established for minor operations. The audit also found that low quality work was executed in construction of trauma centers. A significant issue that the audit also found is that trauma centers are not functioning due to non-allocation of SNE, as without budget functioning of trauma centers is not possible.

In terms of program management and regulatory issues audit found multiple problems in program implementation. The major issue was untimely procurement of medical equipment and furniture fixture; which was made before completion of

building structure of trauma center. The procurement was made in 2013, but the project was still going on till 2019, and the chances of medical equipments being obsolete could not be ruled out. Audit also found excess expenditure above the PC-I, wastage due to non-utilization of equipments, wasteful payment on designing of trauma center, irregular payment on steel without laboratory test report, non-deduction of Sales Tax and short-recovery of Stamp Duty.

Another key observation audit made was that the Project execution was required to be monitored by four important tiers- Local administration, health department management officials, team of provincial level Health Manager like Project management, members/ team of Health advisory board for transparent monitoring & evaluation of project performance & achievement; however, neither project execution nor project quality/performance was monitored at any level nor project performance and achievement has been monitored, which has resulted in flawed execution of construction works and non-achievement of project's objectives and targets.

Amongst its key recommendations, the audit suggests that new SNE be allocated to run the trauma centers and sufficient human resources be recruited from the market. Further the minor operation theater should be made functional and the government should ensure the successful accomplishment of the objectives for which the Trauma Centers are established. Furthermore; audit also recommends strengthening of internal control with regard to effective financial management. Moreover, audit recommends fixing of responsibility on the persons for making wasteful payment amounting to Rs 41.904 million on designing of trauma center structures and conferring loss amounting to Rs 11.750 million to the government due to low quality work on trauma centers. Furthermore; un-satisfactory execution of work and failure in timely construction of Trauma Centers was due to non-monitoring of execution works; audit recommends strengthening of administrative control and management.

For program implementation, audit recommends that development and implementation of an effective procurement plan to avoid blockage of public funds, strictly following SPPRA rules and regulations and an effective internal audit be

undertaken to strengthen the financial management and compliance with rules and regulations applicable to the Programme. In order to improve various procurement activities audit recommends significant improvements in the current processes. These include; ensuring procurement of materials in line with the provision of approved PC-I.



# **1. INTRODUCTION**

## **1.1 Background:**

To provide health services in all Districts of Sindh is the responsibility of Health Department, Government of Sindh. Most of the population is deprived of basic health services in Sindh. Due to non-availability of essential services at Taluka level, patient are being referred to DHQ Hospitals or tertiary care hospitals in districts or other big cities (which have been already found overburdened) thus causing extra financial burden and difficulty over them. In such circumstances the Government has taken steps for the Up-gradation and strengthen of THQ Hospitals in Sindh (41Nos) so as to improve the services at THQ Hospitals. A master plan was developed delineating the requirement of medical services at each THQ Hospitals, infrastructure Up-gradation, machinery & medical equipment and human resource requirement of each THQ Hospital. It was envisaged that after the implementation of proposed plan, the health conditions of the people in concerned Taluka will be improved.

In order to accomplish objective of providing better Health Care Services to the poor masses of Sindh at Taluka level near their homes, particular Project was implemented through Project Director “Rehabilitation DHQ/THQ Hospitals in Sindh”. Based on the analysis of available services, an Up-gradation and reform strategy has been formulated and the improvement would be for the complete spectrum of health services i.e infrastructure, equipment & machinery, human resource & other allied facilities which can meet the minimum services standards set by Health Department Government of Sindh.

## **1.2 Responsible authorities:**

<b>Department:</b>	Health Department, Government of Sindh
<b>Execution By:</b>	Project Director, DHQ/ THQ Hospitals in Sindh
<b>Monitoring:</b>	Director General, Monitoring & Evaluation Cell,
Planning &	Development Department Government of Sindh

**1.3 Vision:** Increase medical facilities to general public of the province at taluka levels.

**1.4 Mission:** Provide quick emergency health/medical facilities to traumatic as well as non-traumatic patients to decrease chances of major losses i.e., rate of mortality and disabilities.

**1.5 Goal:** Increase health/medical facilities in rural areas at taluka level near the homes of deprived people of Sindh.

**1.6 Objectives of the Programme:**

The main objective is to improve the health service delivery at taluka head Quarter Hospitals level by Up-Gradation and Revamping of THQ Hospitals in Sindh, (41 Nos.) and Construction of Emergency-cum-Trauma center

The objectives will be achieved by:

- a) Providing Quality Medical Services to the ailments of the catchment population of the Taluka concerned.
- b) To ensure the emergency medical cover especially for round the clock 7 days of the week.
- c) To increase the medical services as per the set minimum services standards.

**1.7 Project phasing:**

**The project comprises two categories of works to be executed:**

- a) Revamping and Up-gradation of THQ Hospitals
  - 1. Main Hospital Building (Non-Residential) 39 Nos.
  - 2. Residential Building
- b) Pre-engineered Steel Structure Work (41 Units) Trauma Centers

(Rupees in million)

Items	Cost	Financial Phasing			Financial Phasing	
		Year-I	Year-II	Total	Year-I	Year-II
		2011-12	2012-13		2011-12	2012-13
Capital (Civil Works) Renovation	841.670	749.670	92.000	841.670	749.670	92.000
Capital (Pre-engineered)	442.062	442.062	0.000	442.062	442.062	0.000
Cont: TPM/Const:/Sup:WFP	132.144	132.144	0.000	132.144	132.144	0.000

Revenue	1,901.603	1,901.603	0.000	1,901.603	1,901.603	0.000
P.I.U support cost.	16.682	8.682	8.000	16.682	8.682	8.000
<b>Total</b>	<b>3,334.161</b>	<b>3,234.161</b>	<b>100.000</b>	<b>3,334.161</b>	<b>3,234.161</b>	<b>100.000</b>

Estimated Cost and Expenditure of Pre-engineered Steel Structure Work (41 Units) Trauma Centres

(Rupees in million)

S#	Head	Estimated Cost	Expenditure upto 2018-19
1	Capital (Pre-engineered)	500.638	461.101
2	Revenue	800.402	532.495
<b>Total</b>		<b>1301.04</b>	<b>993.596</b>

**2. AUDIT OBJECTIVES:**

- 2.1 Review whether the required facilities are available in emergency-cum-trauma centers;
- 2.2 Whether the Trauma Centers have been successful in accomplishing its objectives for which these are established;
- 2.3 Whether the procurement of goods and services was made in light with the government rules/ SPPRA and proper asset management system exits;
- 2.4 To review whether proper arrangements are made by the department through transfer/posting to provide suitable technical staff like orthopedic surgeon etc. in order to facilitate/ treat the patients and to get maximum output from given resources;
- 2.5 Whether the development work, procurement of assets and functioning/performance of centers is economical, efficient and effective;
- 2.6 Whether the project was planned and executed properly and also evaluating the reasons of delayed execution/completion and cost overrun impacts;
- 2.7 Whether electro medical equipment and other related essential items were procured, supplied and installed timely as per pre-set plan. Whether all procured items are being effectively utilized and are not lying idle. The maximum benefit is being achieved for public cause.

### 3. AUDIT SCOPE:

The scope of performance audit was limited to the extent of Part (b) Pre-engineered Steel Structure Work (41 Units) of Trauma Centers. The period w.e.f 2011-12 to June, 2019 (since inception of the project) was reviewed during the course of audit. In order to evaluate the operational performance (outcomes) of the project audit selected Ten (10) Trauma Centers out of forty-one (41). The following Trauma Centers were selected for detail analysis.

Sr.#	Name of Site	Name of District	Organization	Status	Audit Remarks
01	Golarchi	Badin	Health Department	Completed	<b>Non-Functional</b>
02	Rato Dero	Larkana	HIS	Completed	Partially functional
03	Dokri	Larkana	HIS	Completed	<b>Non-Functional</b>
04	Khipro	Sanghar	Health Department	Completed	Partially functional
05	Tando Adam	Sanghar	Health Department	Completed	Partially functional
06	Sinjhero	Sanghar	Health Department	Completed	Partially functional
07	K N Shah	Dadu	Health Department	Completed	Partially functional
08	Mehar	Dadu	Health Department	Completed	<b>Non-Functional</b>
09	Johi	Dadu	Health Department	Completed	Partially functional
10	Warah	Shahdakt ot	Health Department	Completed	Partially functional

#### 3.1 Approach of audit

- Reviewed the project documents and record,
- Visited the selected sites/centers
- Analyzed facilities available in the selected trauma centers
- Reviewed the procurement process in respect of goods, medicines, electro medical equipment & other relevant essentials.



## **4. AUDIT FINDINGS AND RECOMMENDATIONS**

### **4.1 Organization and Management:**

#### **4.1.1 Wastage of funds due to non-utilization of procured items - Rs361.507 million**

Rule 4 of SPP Rules 2010, Principles of Procurements “While procuring goods, works or services, procuring agencies shall ensure that procurements are conducted in a fair and transparent manner and the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

During audit it was noticed that expenditure of Rs361.507 million was incurred on procurement of medical equipments i.e. X-ray machine, ECG machine, Implant screw, implant plates, generators, water cooler etc which remained unutilized even after lapse of six years time after procurement. Due to this irrational decision of procurement of articles without planning, the chances of damage/obsolete of articles cannot be ruled out and the money lost its time value as the procured items were not utilized till close of the audit. Procurement of material without assessing the need caused blockage of public money (**Annex-A1 and Picture-1 to 8**).

Due to non-utilization of machinery chances of obsolete of articles could not be ruled out.

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

Audit recommends that proper procurement plan must be made keeping in view the actual requirement, to avoid blockage of public funds.

**(OM#01)**

#### **4.1.2 Non-preparation of feasibility study report**

According to Paragraph#153 of chapter 1 of the Manual of Development Projects issued by the Planning Commission of Pakistan “PC-II is required for conducting survey and feasibility studies, in respect of large projects, intended to get full justification for undertaking the project before large resources are tied up with

them”. Further, as per Paragraph #3.3 of chapter 1 of the Manual of Development Projects “PC-II is prepared for undertaking a feasibility study in respect of a major projects estimated to cost Rs300.00 million or more. This is mandatory”.

During audit it was observed that there was a lack of appropriate planning as management did not conduct feasibility study. The inception report/baseline survey report was not used as an input for decision making. Audit is of view that PC-II was pre-requisite for a project like pre-engineering steel structure construction. And in-depth three-in-one studies consisting of technical, financial and economic viability of a project would have resulted in saving of public funds by better utilization of resources.

Audit is of the view that non-preparation of feasibility report has resulted into ineffective execution of project.

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

Audit recommends that proper government procedures be followed to avoid risk in the future.

**(OM#02)**

#### **4.1.3 Non-functioning of trauma centers due to non-allocation of SNE**

According to PC-I, the project will be executed by Health Department Government of Sindh and Project authorities will provide all technical services for the execution of services. After the completion of project the concerned THQ Hospital will be operating/functioning with same human resources as per sanctioned strength of each Hospital with some additional posts including Orthopedic Surgeon Annexure-G and thus emergency-cum-trauma care services would be available for public round the clock at Taluka level.

As per Annexure-G following additional staff is required for THQ Hospitals in Sindh (Emergency-cum-Trauma Centers)

<b>S.No.</b>	<b>Name of Post</b>	<b>BPS</b>	<b>Number</b>
1	Orthopedic Surgeon	18	01
2	Causality Medical Officer	17	03
3	OT Technician	09	03
4	ECG Technician	09	03
5	Blood Bank Technician	09	02
6	Driver	04	02
7	Ward Boys	01	03
8	Naib Qasid	01	03
9	Security Guard	01	03
10	Sanitary Worker	01	03

During audit it was observed that huge expenditure on construction of buildings and procurement of medical equipments & furniture was incurred, but required facilities were not provided at trauma centers due to non-allocation of recurring budget and required staff for trauma center as provided in PC-I. The management failed to make proper arrangements through posting of suitable technical staff like orthopedic surgeon etc through transfer posting in order to facilitate/ treat the patients.

Non-availability/recruitment of technical staff and recurring budget for trauma centers has resulted into non-functioning of the trauma facilities. Audit is of view that due to improper planning the objectives of trauma centers have not been achieved.

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

Audit recommends existing staff may be rationalized, rotation plan of surgeons may be made till recruitment of required staff and allocation of recurring budget be made for making trauma centers functional.

**(OM#03)**

## **4.2 Financial Management:**

### **4.2.1 Non-procurement of ambulances & PMT for trauma centers – Rs110.700 million**

According to PC-I, Provision of Rs110.700 million was given for 41 ambulances and cost of energization for PMT for 41 trauma centers.

During audit it was observed that as per PC-I provision amount of Rs110.700 million was given for procurement of 41 ambulances and cost of energization for Pole-mount transformer (PMT) for trauma centers, but the same were not procured till the completion of audit. Audit is of view that the separate electricity Transformer is essential for providing uninterrupted electrical supply to Trauma Centers and without ambulances emergency patients could not be handled.

Audit is of view that non-procurement of ambulances has lead towards ineffective management of emergency patients.

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

Non-procurement of ambulances and Pole-mount Transformer may be clarified and procurement may be completed without any delay.

**(OM#04)**

### **4.2.2 Non-deduction of Sales Tax on supplies – Rs23.880 million**

According to Notification issued to Sales Tax Department for Sales Tax Special procedure (withholding) Rules, 2007 vide letter No. S.R.O 77 (i) 2008 dated 23-01-2008, withholding agent shall deduct an amount equal to 1/5th of the total Sales tax shown in the sales tax invoice issued by the supplier and make payment of the balance amount to him. If sales tax invoice is not provided then full amount of tax would be deducted and as per Section 3(1) of the Sales Tax Act, 1990, the effective rate of tax w.e.f 01.07.2012 is 15% “There shall be charged, levied and paid a tax known as sales tax @ 15% of the value of taxable supplies made by a registered person in the course a furtherance of any taxable activity carried on by him”.

During audit it was observed that payment of Rs159.204 million was made to various suppliers on account of various supplies of furniture & machinery items, but the Sales Tax @15% amounting to Rs23.880 million was not deducted at the time of making payment resulting in loss of revenue to the government (**Annex-A2**).

Due to non-deduction of sales tax undue financial benefit was given to the contractors which has resulted into loss of Rs23.880 million to government exchequer.

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

Audit recommends that expeditious recovery of taxes may be made besides fixing responsibility on person (s) at fault to discourage such practice.

(OM#05)

#### **4.2.3 Non-obtaining of Performance Security – Rs20.026 million**

As per Rule 39 of SPPR 2010, Procuring Agency shall, in all procurement of goods, works and services, carried out through open competitive bidding, require security in the form of pay order or demand draft or bank guarantee, an amount sufficient to protect the procuring agency in case of breach of contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price.

And as per condition (3) of Advance Acceptance letter/Work order, “the performance security @4% of contract price is required to be submitted in the form of pay order or bank guarantee from any scheduled bank in Pakistan or from insurance company with validity period as per (condition of contract) from the contract Agreement to be signed.”

During audit it was observed that works of construction of 41 trauma centers namely “Design, Supply & Installation of steel structures for Construction of Emergency-cum-Trauma center for THQ hospitals” amounting to Rs500.655 million were awarded to the contractor M/S PEBI-FAST MERIDIAN JV without obtaining Performance Security @ 4% of Rs20.026 million. Audit is of the view that

management gave undue favour to contractor and failed to secure government interest which depicts weak administrative management.

(Amount in million)

S#	WO# & dt	Name of Work	Contractor	Amount
1	999/ 14.09.2012	Design, Supply & Installation of EPC/Turnkey basis for light gauge cold formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19 Nos) alongwith civil, electrical, plumbing & mechanical works (Package-A)	M/S PEBI-FAST Associates	231.534
2	1000/ 14.09.2012	...do....(22 Nos Package-B)	..do...	269.121
<b>Total</b>				<b>500.655</b>
<b>4% Performance security</b>				<b>20.026</b>

The lapse indicates improper watch by the management, as a result contractor got undue favour and government interest was not safeguarded

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

Audit recommends that guidelines of SPPR be followed to avoid risk in the future.

(OM#06)

#### 4.2.4 Non-deduction of Sindh Sales Tax – Rs14.080 million

As per Section 8 (1) chapter II of The Sindh Sales Tax on Services Act, 2011 states: “Subject to the provisions of this Act, there shall be charged, levied and collected a tax known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable service is listed.” And as per Second Schedule of the SST on Services Act, 2011, the effective rate of tax w.e.f 01.07.2012 was 16% on services provided or rendered by professional, legal practitioner and consultants.

During audit it was observed that payment of Rs88.006 million was made to consultants on account of services rendered, but the Sindh Sales Tax on services @16% amounting to Rs14.080 million was not deducted at the time of making

payment resulting in loss of Rs. 14.080 million revenue to the government (**Annex-A3**).

Non-deduction of sales service tax had resulted in loss to Government exchequer amounting to Rs14.080 million.

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

Audit requires that expeditious recovery may be made besides fixing responsibility on the person(s) at fault.

**(OM#07)**

#### **4.2.5 Short-recovery of Stamp Duty – Rs0.323 million**

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

During audit it was observed that Stamp Duty amounting to Rs0.323 million was less recovered from the contractors for works executed during year 2012-13. Due to non-recovery of stamp duty, government sustained loss of Rs0.323 million.

(Amount in Rupees)

<b>Sr. #</b>	<b>Name of Contractor</b>	<b>Work order No/ date</b>	<b>Agreement Amount</b>	<b>Stamp duty Due</b>	<b>Stamp duty Recovered</b>	<b>Short Recovery</b>
1	M/s T.K Medical Instrument	1814/ 12.04.13	61,664,000	184,992	80,100	104,892
2	M/s T.K Medical Instruments	2168/ 07.06.2013	9,430,000	28,290	23,980	4,310
3	M/s T.K Medical Instruments	2168/ 07.06.2013	14,719,000	44,157	32,850	11,307
4	M/S Atif Nazar Associates	Nil	10,013,000	30,039	0	30,039
5	M/S EA Consulting (Pvt) ltd	Nil	80,808,000	242,424	70,000	172,424
<b>Total</b>			<b>17,6634,000</b>	<b>529,902</b>	<b>206,930</b>	<b>322,972</b>

Due to this negligence of the management the government sustained loss.

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

Audit recommends expediting recovery under stamp duty from the contractor and deposit into relevant account.

(OM#08)

#### **4.3 Procurement and Contract Management:**

##### **4.3.1 Unjustified procurement before completion of building – Rs473.215 million**

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

During audit it was observed that expenditure of Rs473.215 million was incurred on procurement of medical equipments and hospital furniture during the period March to June 2013, before completion of construction work of 41 trauma centers. These Trauma Centers are still under construction as per Physical Progress Report (**Annex-A4**).

Furthermore following points were also noticed:

- i. Payment was made to the contractors before inspection of goods procured
- ii. Inspection committee was constituted on 15<sup>th</sup> July, 2016 after three years of procurement of items.
- iii. Inspection certificates were without inspection date.
- iv. Other information about stored items was missing in certificates which creates doubts about inspection.
- v. Most of the procurement items were late delivered.

Procurement of material without assessing the need caused blockage of public money and machinery became obsolete due to non-utilization since long.



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

Audit recommends that the procurement must have been made keeping in view the actual requirement, for this the procurement plan must have been prepared to avoid blockage of public funds.

(OM#09)

#### 4.3.2 Irregular payment on Generators without installation - Rs68.353 million

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

During audit it was observed that expenditure of Rs68.353 million was incurred on procurement of 41 generators for trauma centers but the same were not installed till completion of audit (Picture-9 to 16).

Work Order#	Cheque No/ Date	Name of Contractor	Items Name	Qty	Rate	Amount
1823/ 12.04.2013	079596 & 142/ 14.06.2013	M/s Seven Star Company	Generator 30KVA (1-33, SDMO France)	41	1,667,153	68,353,253

The following irregularities were noticed:

- i. Inspection certificate was without inspection date & inspection committee was constituted after delivery of items.
- ii. Sales tax @17% was not deducted.
- iii. Import documents were not available on the record
- iv. Warranty certificate was not obtained.
- v. Penalty was not imposed on late delivery.

Audit is of the view that management gave undue favour to contractor and failed to secure government interest which depicts weak internal controls and administrative management.

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

Audit requires installation of generators besides completion of all the codal requirements.

(OM#10)

#### 4.3.3 Excess expenditure on procurement above the PC-I provision – Rs13.379 million

According to PC-I proforma of development scheme “Upgradation & Revamping of THQ hospitals in Sindh (39 Nos) and Construction of Emergency-cum-Trauma Center in THQ hospitals (41 Nos)” as per Annexure-I the list of machinery/equipment/furniture items the estimated cost of the following items was Rs141.983 million.

During audit it was observed that the expenditure of Rs155.362 million was incurred on procurement of various items against the estimated cost of Rs141.983 million as per PC-I provision. This resulted into excess expenditure of Rs13.379 million over & above the PC-I.

S#	Particulars	Amount as per PC-I	Qty procured	Rate	Expenditure incurred	Excess Expenditure
1	Basic Instrument Set for LC DCP, DCP and LCP in Vario Case (Various Items)	53300000	41	1,379,708	56,568,041	3,268,041
2	Small Fragment LC-DCP, DCP and LCP Instrument Set in Vario Case (Various Items) for Trauma	49200000	41	1,325,764	54,356,344	5,156,344
3	Suction Machine	8200000	82	115,000	9,430,000	1,230,000

S#	Particulars	Amount as per PC-I	Qty procured	Rate	Expenditure incurred	Excess Expenditure
4	Instrument Cabinet	7626000	246	33,600	8,265,600	639,600
5	Implant Plates (Various Items) for Trauma	16810000	41	449,597	18,433,483	1,623,483
6	Branded Desktop Computer i3 or higher, 4GB RAM, HD 500GB, 17" LCD, DVD , Laser printer and other accessories	6150000	82	91,833	7,530,306	1,380,306
7	Bicycle	697000	82	9,500	779,000	82,000
<b>Total</b>		<b>141,983,000</b>			<b>155,362,773</b>	<b>13,379,773</b>

Procurement in violation of PC-I resulted in incurrence of an excess expenditure of Rs13.379 million.

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

Audit recommends that the procurement of material be made in line the provision of approved PC-I.

(OM#11)

#### 4.4 Construction and Works:

##### 4.4.1 Irregular award of work without technical sanction– Rs500.655 million

As per Rule-56 of CPWD code, “expenditure may not be incurred on a work until it is technically sanctioned from the competent authority”.

During audit it was observed that following works of Rs500.655 million were awarded and expenditure of Rs461.384 million was incurred without obtaining technical sanction of estimate.

(Amount in Rupees)

Sr. #	WO# & dt	Name of Work	Contractor	Amount
1	999/ 14.09.2012	Design,Supply & Installation of EPC/Turnkey basis for light guage clod formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19 Nos) alongwith civil, electrical, plumbing & mechanical works (Package-A)	M/S PEBI-FAST Associates	231,534,000
2	1000/ 14.09.2012	...do....(22 Nos Package-B)	..do...	269,121,000
<b>Total</b>				<b>500,655,000</b>

Due to non-obtaining of technical sanction of steel structure building of new technology, the possibility of improper execution & waste of public money could not be ruled out:

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

Audit recommends fixing of responsibility and regularization of expenditure by competent authority.

(OM#12)

#### 4.4.2 Un-authorized expenditure without Rate Analysis - Rs461.384 million

According to Para-22 Preamble to BOQ/Schedule of works of “Design, Supply & Installation of EPC/Turnkey basis for light guage clod formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19 Nos) alongwith civil, electrical, plumbing & mechanical works (Package-A & B)”, states that technically & financialy qualified contractor would be required to submit rate analysis of each & every item of BOQ within 05 days of his prior selection for award of work.

During audit it was observed that expenditure of Rs461.384 million was incurred on market rate items without submission of approved rate analysis by the competent authority. However, as per established procedure while approving the

bidding document, it is mandatory to ensure the fair market value of items to be executed. Thus, departure from established procedure creates doubt on the payment made and this also apprehends that payments were made on exorbitant rates.

(Rupees in million)

Sr. #	WO # & dt	Name of Work	Contractor	Amount
1	999/ 14.09.2012	Design, Supply & Installation of EPC/Turnkey basis for light guage clod formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19 Nos) alongwith civil, electrical, plumbing & mechanical works (Package-A)	M/S PEBI-FAST Associates	221.701
2	1000/ 14.09.2012	...do....(22 Nos Package-B)	..do...	239.683
<b>Total</b>				<b>461.384</b>

The expenditure of huge amount from public exchequer without obtaining rate analysis has caused ineffective utilization of funds which has resulted in execution of work on expensive rates.

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

Audit recommends that the SPPR be implemented in letter and spirit while execution of works to achieve the economical and competitive rates.

(OM#13)

#### **4.4.3 Unauthorized payment without recording of measurement- Rs461.384 million**

As per paragraph-208 of CPWA code, payments for the work done otherwise than by daily labor and for all supplies are made on the basis of measurement recorded in the measurement book. The measurement book therefore is considered as very important accounts record.

According to paragraph-209(c) each set of measurement should commence with the entries stating full name of work as given in estimate, situation of work,

name of contractor, number and date of agreement, date of commencement & completion of work and date of measurement.

During audit it was observed that payment of Rs461.384 million was made on account of construction of trauma center buildings work for which M.B was not recorded. Due to non-recording of MB chances of non-execution of items of work/sub-standard work could not be ruled out.

(Rupees in million)

S#	WO# & dt	Name of Work	Contractor	Amount
1	999/ 14.09.2012	Design,Supply & Installation of EPC/Turnkey basis for light guage clod formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19 Nos) alongwith civil, electrical, plumbing & mechanical works (Package-A)	M/S PEBI-FAST Associates	221.701
2	1000/ 14.09.2012	...do....(22 Nos Package-B)	..do...	239.683
<b>Total</b>				<b>461.384</b>

Due to non-recording of measurement in various trauma centers low quality work was executed and various items were not installed.

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

Audit recommends fixing of responsibility and regularization of expenditure by competent authority.

(OM#14)

#### **4.4.4 Unjustified award of work without bidding documents - Rs269.121 million**

As per Rule 46 (1) of Sindh Public Procurement Rules, 2010, provides that (a) Notice Inviting Tenders and bidding documents of this method shall contain the following eligibility criteria;

(i) relevant experience; (ii) turn-over of at least last three years; (iii) registration with Income Tax, Sales Tax and Pakistan Engineering Council (where applicable); (iv) any other factor deemed to be relevant by the procuring agency subject to provision of Rule 44; (b) each bid shall comprise one single envelope containing the financial proposal and required information mentioned at clause (a) above; (c) all bids received shall be opened and evaluated in the manner prescribed in the Notice Inviting Tenders or bidding document.

During audit it was observed that the work of Rs269.121 million was awarded to the contractor but the mandatory qualifying bidding documents were neither available in case file nor produced by the management. The detail is as follows:

(Amount in Rupees)

S#	WO# & dt	Name of Work	Contractor	Amount
1	1000/ 14.09.2012	Design, Supply & Installation of EPC/Turnkey basis for light gauge cold formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19 Nos) alongwith civil, electrical, plumbing & mechanical works (Package-B)	M/S PEBI-FAST Associates	269,121,000

- a) Registration of PEC of all bidders who participated were not available on the record;
- b) Call deposit of all bidders participated were not available on the record;
- c) Experience certificate of all bidders participated were not available on the record;
- d) Field of specialization certificate was not available on the record;
- e) Registration with Sindh Revenue Board of all bidders participated were not available;
- f) Financial turnover for last 03 years being average not less than the thrice the cost of work under procurement;
- g) Tender Fee obtained from bidders was not available on the record;
- h) Affidavit of the bidder undertaking that he/she is not involved in any litigation;
- i) National Tax Number Certificate;

- j) Affidavit that the bidder has not been black listed by any Government/autonomous body;
- k) Bio-data of technical staff permanently employed & available with the firm;
- l) List & location of equipment, transport & machinery available with the contractor.

Due to non-submission of bidding documents contractors position could not be authenticated and the government could not achieve competitive rates.

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

Audit recommends that there should be a proper mechanism of award of work in line with the SPPR Government of Sindh and audit requires strengthening of internal control with regards to effective financial management.

(OM#15)

#### **4.4.5 Irregular payment on account of Secured Advance – Rs177.727 million**

“Advances to contractors are as a rule prohibited and every endeavour should be made to maintain a system under which no payments are made except for work actually done. Exceptions are however permitted in certain cases. In the imperishable nature the secured advance not exceeding 75% of the value of such material brought at site of work may be allowed to be paid by the sanction order of Chief Engineer and 2<sup>nd</sup> advance may not be allowed until the first advance is recovered”, as per para-228 of Central Public Works Account Code.

During audit it was observed that an amount of Rs177.727 million was paid to contractor M/s PEBI-Fast Associates & Meridian JV as secured advance being cost of material, but the material was not brought at site and the same was kept at factory warehouse. It is pertinent to mention that as per approval note of management at para-4, “the material was examined by details “Technical expert” at ISL factory warehouse at Landhi Industrial Area Karachi on 03.10.2012, but the inspection report of same was also not available on the record.



(Rupees in million)

S#	Cheque# /IPC#	Name of work	Item of work	Amount
01	47840/ 05.10.12 IPC#2	Design, Supply & Install:...steel structures for Const: of Emergency-cum- Trauma center for THQ hospitals (19Nos)... (Pack-A)	Item no (1) a of schedule No.01. Supply of light guage cold formed galvanized steel parts....	67.459
02	47831/ 05.10.12 IPC#2	...do...(Package-B)	..do.... 75% secured advance	77.481
03	55842/ 08.01.13 IPC#07	...do...(Package-B)	Item no (1)b Decking (c)wall cladding (e) Ceiling	25.740
04	55870/ 09.01.2013 IPC#08	...do...(Package-B)	Item no (1)a of sch:No.01. Supply of light guage cold formed galvanized steelparts	7.047
<b>Total</b>				<b>177.727</b>

Moreover, following observations were pointed:

- Indenture Bond in P.W. Account Form No.31 was not submitted.
- Invoice of the material purchased was not available on the record.
- The advance register and the monthly account on Form (70) were not maintained
- Payment at serial#03 was made @ 100% secured advance instead of 75% advance.
- Unauthorized payment at serial#04 was made as second secured advance before recovery of first secured advance at serial#02
- Laboratory test report of steel was not obtained.

Deviation from prescribed rules has resulted in undue financial aid to the contractor.

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

Audit recommends that the public funds be utilized with due diligence as in line with financial rules and strengthening of internal control with regards to effective financial management.

(OM#16)

**4.4.6 Irregular payment of cost of steel without laboratory report - Rs144.940 million**

According to Para-25 Preamble to BOQ/Schedule of works of “Design, Supply & Installation of EPC/Turnkey basis for light guage clod formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals alongwith civil, electrical, plumbing & mechanical works (Package-A & B)”, states that all tests such as cube test, compaction test, pressure test, material testing etc, would be conducted as per directives of Project Manager/Engineer during the project through approved outsorce labortory at the cost of contractor

And as per ASTM (American Society for Testing and Materials) A615 / A615M - 12 Standard Specification for Deformed and Plain Carbon-Steel Bars for Concrete Reinforcement, the steel bars used in the reinforcement of concrete have to be tested and should be up to the standards.

During audit it was observed that an amount of Rs144.940 million was paid to contractor M/s PEBI-Fast Associates & Meridian JV on account of cost of steel but the Laboratory Test Report regarding quality of steel used was not available on the record. Furthermore, documentary proof regarding steel purchased from reputable indusy was not produced to audit.

(Rupees in million)

<b>Sr. #</b>	<b>Cheque# /IPC#</b>	<b>Name of work</b>	<b>Item of work</b>	<b>Amount</b>
01	47840/ 05.10.2012 IPC#2	Design, Supply & Install: steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19Nos)... (Package-A)	Item no (1) a of schedule No.01. Supply of light guage cold formed galvanized steel parts....	67.459
02	47831/ 05.10.12/IPC#1	...do....(Package-B)	..do....	77.481
<b>Total</b>				<b>144.94</b>

Deviation from prescribed rules has resulted in procurement of material without inspection which may result low quality material.

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

Audit recommends that the public funds be utilized with due diligence as in line with financial rules and strengthening of internal control with regard to effective financial management.

**(OM#17)**

#### **4.4.7 Non-imposition of penalty – Rs63.541 million**

As per condition (17.3) of Advance Acceptance/work order issued, “All the supplies must be completed within the stipulated delivery period of 60-90 days. In case of failure to adhere to the stipulated delivery period the liquidated damages at the rate of 2% per month of the contract price will be deducted. The aggregate amount of such liquidated damages shall in no event exceed 10% of the bid amount.

According to clause-2 of the Contract Agreement, “the quantity of the work is to be done within particular time as specified within the proportionate limit of time, such as 1/4<sup>th</sup> work in 1/4<sup>th</sup> of the time. In the event of contractor failing to comply with this condition he shall be liable to pay as compensation an amount equal to one percent, or such smallest amount as the Superintending Engineer (whose decision in writing shall be final) may decide of the said estimated cost of the whole work for every day that the due quantity of work remains incomplete. Provided that the total amount of compensation to be paid under the provisions of this clause shall not exceed 10 percent of the estimated cost of the work as shown in the tender”.

During audit it was observed that expenditure of Rs679.703 million was incurred on procurement of various items and construction of 41 trauma centers was awarded to the contractors but the same was not completed within the stipulated period. Thus penalty of Rs63.541 million was required to be imposed by the department upon the contractors which was not done.

(Rupees in million)

Sr. #	WO# & dt	Name of Work	Stipulated date of Completion	Date of completion	Amount	Penalty 10%
1	999/ 14.09.2012 M/S PEBI- FAST Associates	Design, Supply & Installation of EPC/Turnkey basis for light gauge cold formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19 Nos) alongwith civil, electrical, plumbing & mechanical works (Package-A)	19-03-2013	Work in Progress	221.701	22.170
2	1000/ 14.09.2012	...do....(22 Nos Package-B)	-do-	-do-	239.683	23.968
3	Various	Procurement of furniture & machinery & equipments	15.07.2013	April-2014	218.319	17.403
<b>Total</b>					<b>679.703</b>	<b>63.541</b>

Due to this negligence of the management the government sustained loss and general public deprived is from the health facilities.

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

Audit recommends that the responsibility be fixed on the person(s) at fault besides penalty amount be recovered from the concerned.

(OM#18 & 19)

#### **4.4.8 Unjustified advance payment to the contractor - Rs50.000 million**

“Advances to contractors are as a rule prohibited and every endeavor should be made to maintain a system under which no payments are made except for work actually done. Exceptions are however permitted in certain cases. In the imperishable nature the secured advance not exceeding 75% of the value of such material brought at site of work may be allowed to be paid by the sanction order of Chief Engineer and

2<sup>nd</sup> advance may not be allowed until the first advance is recovered”, as per para-228 of Central Public Works Account Code.

According to Para-14 Preamble to BOQ/Schedule of work... (Package-A & B), “No secured advance will be given other than for steel, tiles & non-perishable items.”

During audit it was noticed that advance payment of Rs50.000 million was paid to contractor on account of Installation & other services without obtaining bank guarantee and the payment was made in the month of June to avoid the lapse of budget. Furthermore payment was made before the execution of work as the advances are allowed only for material purchased & brought at site not for installation services which stands irregular and undue favour was extended to the contractor.

(Rupees in million)

S#	Cheque# /IPC#	Name of work	Item of work	Amount
01	81923/ 14.06.2013 IPC#18	Design, Supply & Install:...steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19Nos)... (Package-A)	Advance against bank guarantee for Schedule No.03. Installation & other services	25.000
02	18924/14.06.13 IPC#17	...do....(Package-B)	..do....	25.000
<b>Total</b>				<b>50.000</b>

Deviation from prescribed rules has resulted in undue financial aid to the contractor.

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

Audit recommends that the responsibility be fixed against the person(s) at fault.

(OM#20)

#### **4.4.9 Wasteful payment on designing of trauma center structures - Rs41.904 million**

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

During audit it was observed that work of construction of 41 trauma centers was awarded to M/s PEBI FAST MEDIRIAN JV contractor through Package-A (19 trauma centers) and Package-B (22 trauma center) with same design (Foundation, steel structure, Electrical, Plumbing) for all trauma centers. Each Trauma center of 3600sq ft of same design was constructed. Since, same design of trauma center was replicated in all trauma centers, the payment should had been made for designing one trauma center of 3600 sqft. Instead the payment was made for designing 41 trauma centers of 41600 sq feet. This multiplied the expenditure on same item of work which reflects that undue financial aid was extended to the contractor. **(Annex-A5)**.

Audit is of the view that management extended undue favour to contractor and failed to secure government interests which depicts weak administrative management which has resulted into loss to government for Rs41.904 million.

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

Audit recommends inquiry in the matter for undue favour given by the management.

**(OM#21)**

#### **4.4.10 Loss to government on execution of works - Rs24.598 million**

Appendix 18-A of Sindh Financial Rules, every officer should realize fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part and that he will also be held responsible for any loss arising from fraud and negligence on the part of any other

government officer to the extent to which it may be shown that he contributed to the loss by his own actions or negligence.

During audit it was noticed that work of construction of 41 trauma centers namely “Design, Supply & Install:...steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals” was awarded by way of splitting up of work orders through Package-A & B. The same contractor was hired on execution of same nature of works/item of works with different rates in both packages resulting in loss to government. The government sustained a loss of Rs24.598 million on award of work on higher rates for execution of same item of works. Audit is of view that the competitive process adopted was not transparent as it extended undue favour to the contractor (**Annex-A6**).

(Amount in Rupees)

Contractor/ Work order#	Item of work	Rate in Package- A	Rate in Package- B	Excess rate	Qty	Amount
M/S PEBI- FAST- MERIDIAN JV/ WO# 999/ 14.09.2012 & 1000/14.09.2012	<b>Excess rates paid in Package-A</b>					
	Various items as detailed in Annex	2365	2223	157	68400	10,738,800
	<b>Excess rates paid in Package-B</b>					
	Various items as detailed in Annex	975	1150	175	79200	13,860,000
<b>Total</b>						<b>24,598,800</b>

Due to this negligence of the management, the govt. sustained loss of public money.

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

Audit recommends inquiry in the matter for undue favour to the contractor to resolve the issue as a stakeholder.

(OM#22)

#### **4.4.11 Irregular expenditure over & above PC-I provision – Rs19.221 million**

According to PC-I proforma of development scheme “Upgradation & Revamping of THQ hospitals in Sindh (39 Nos) and Construction of Emergency-

cum-Trauma Center in THQ hospitals (41 Nos)” the estimated cost of the (a) Pre-engineered steel structure works (41 Nos) was Rs442.062 million.

During audit it was observed that the expenditure of Rs461.283 million was incurred on construction of Pre-engineered steel structure works (41 Nos) against the estimated cost of Rs442.062 million as per PC-I provision. This resulted in excess expenditure of Rs19.221 million over & above the PC-I cost. Moreover the work was awarded at the cost of Rs500.655 million and the government still has to pay the remaining amount of Rs. 39.372 million.

Procurement in violation of PC-I has resulted in incurrence of an excess expenditure of Rs19.221 million.

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

Audit recommends that the public funds be utilized with due diligence in line with the provision of approved PC-I.

**(OM#23)**

#### **4.4.12 Loss to government due to low quality work - Rs11.750 million**

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

During audit it was observed during physical visit of trauma center at Gaularchi, Badin that trauma center was found non-functional and locked (**Picture-17 & 18**). The condition of building was poor due of following reasons:

1. There was no drain on roof for drainage of accumulated rain-water;
2. There was no proper roof treatment for disposal of seasonal rain causing leakage, which has damaged the cladding & false ceilings;
3. Seepage on walls was observed;



4. Floor tiles were broken/out of floor,
5. Furniture items were damaged and machinery was found in rusty condition.

Audit is of the view that management gave undue favour to contractor and did not monitor the quality of work and failed to secure government interest, which depicts weak administrative management.

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

Audit recommends fixing of responsibility on the person(s) at fault besides taking remedial measures.

**(OM#24)**

#### **4.4.13 Undue payment for preparation of bidding documents without provision-Rs10.013 million**

According to Rule-8 of SPPR-2010, “Procurement committee(s) shall be responsible for; (1) Preparing bidding documents; (2) Carrying out technical as well as financial evaluation of the bids; (3) Preparing evaluation report as provided in Rule 45; (4) Making recommendations for the award of contract to the competent authority; and (5) Perform any other function ancillary and incidental to the above”.

During audit it has been observed that payment of Rs10.013 million was made to the consultant M/S Atif Nazar Associates on account of preparation of tender documents for trauma centers instead of preparation of tender documents by management which is the responsibility of the procurement committee/management. Moreover the public advertisement for hiring of consultants was not called for to achieve the economical rates and quality services.

(Amount in Rupees)

<b>Cheque No</b>	<b>Name of consultant</b>	<b>Particular</b>	<b>Amount</b>
068396 & 068397/12.04.2013	M/S Atif Nazar Associates	Preparation of Tender Documents	10,013,000

Furthermore, following irregularities were noticed:

- 1) Consultant was directly hired for preparation of tender documents which reflects undue favour was extended and higher cost was paid to the contractor.
- 2) There was no provision in PC-I for cost of preparation of tender documents for trauma centers

- 3) Terms of reference of assignment deliverables, services necessary to carry out the assignment and responsibilities of the consultants were not defined in absence of that hiring stands irregular.
- 4) The details of necessary expertise and proficiency in the field, relevant proven experience needs to be provided.
- 5) Sindh Sales Tax @ 16% amounting to Rs1.601 million was not deducted

The drawing of huge amount from public exchequers in favor of consultant without provision in PC-I and without bidding process caused ineffective utilization of funds. Due to this negligence of the management the government sustained loss.

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

Audit recommends that the responsibility be fixed against the person(s) at fault besides conducting the detailed inquiry in the matter.

(OM#25)

#### **4.4.14 Loss to Govt: due to construction of trauma center at improper place- Rs8.584 million**

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

During audit it was observed during physical visit of trauma center at Dokri, Larkana that trauma center was constructed on unfeasible location at the government residence colony of taluka hospital as there was no access to entrance for emergency patients. Moreover, the building was constructed below the level of road. Due to unaccessible entrance, the very basic purpose of the trauma center, to treat the emergent patient, would not be served (**Picture-19 & 20**).

Audit is of the view that management failed to achieve the objective of trauma center by constructing the building at unfeasible location which depicts weak administrative management.

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

Audit requires clarification for construction of building at unfeasible location, besides inquiry into the matter for fixing of responsibility on person(s) at fault.

(OM#26)

#### 4.4.15 Unjustified payment on account of topographic survey & soil test without actual reports – Rs2.556 million

According to Para-24 Preamble to BOQ/Schedule of works of “Design, Supply & Installation of EPC/Turnkey basis for light gauge cold formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals along with civil, electrical, plumbing & mechanical works (Package-A & B)”, states that technically & financially qualified contractor would be required to conduct the topographic survey of THQ hospital....and submit the same within 07 days after award of work.

During audit it was observed that payment of Rs2.556 million was made to the contractor on account of Topographic survey and Soil investigation, but the reports of the same were not available on the record as detailed below:

(Amount in Rupees)

S#	Cheque#/ IPC#	Name of work	Item of work	Qty	Rate	Amount
01	47834/ 05.10.2012 IPC#01	Design, Supply & Install:...steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (19Nos)... (Package-A)	Schedule (2) a. Topographic survey	79200 Sft	7 Sft	554,400
			(b) Soil investigation	79200 Sft	8 Sft	633,600
02	47837/ 08.10.2012 IPC#01	...do....(Package-B)	Schedule (2) a. Topographic survey	68400 Sft	5 sft	342,000
			(b) Soil	68400	15	1,026,000

			investigation	Sft	Sft	
<b>Total</b>						<b>2,556,000</b>

Execution of work without topographic survey & soil test may result into improper selection of site which may be not suitable.

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

Audit recommends that the responsibility be fixed against the person(s) at fault  
**(OM#27)**

**4.4.16 Un-satisfactory execution of works**

According to Monitoring & Evaluation Cell, Planning & Development department, Government of Sindh, states that, “Monitoring and evaluation are essentially quality management tools, to keep a watch on the progress of development schemes and to proactively alert where interventions are required by the decision taking authorities. Not only the government benefits from this activity, but so does the community for which these works are aimed at. Based on the input of MEC with in-depth knowledge, the Administrative Departments rectify or modify the designs and their activities for a more effective, efficient and better results in their respective works”.

During audit and during visit of trauma centers in Sindh, it was observed that low quality work was executed **(Picture-21 to 28)**. Moreover, as per monthly physical progress report of consultant of the project for the month April-2013 various items of unapproved material were used in execution. Furthermore, as per third-party monitoring reports for the period July to September 2019, issued by Sector monitoring & evaluation officer, Planning & Development Department, Government of Sindh, the overall progress of project was unsatisfactory due to following reasons:

- All trauma centers ramps constructed (without end of slope from where patient is lifted on ramp) and on other side, few stairs constructed as formal entrance

- Sheets (wall cladding) placement was very poor and varying gaps were observed in between sheets and cracks observed in cladding sheets
- Water supply problem was also a major issue as the connection and lines were not finalized
- Drainage lines of Trauma Center were not properly & levelly constructed
- Poor level of plinth (civil work) and plinth protection was observed
- Cracks on inside walls of the trauma center building were observed.
- Poor quality of false ceilings/damaged false ceilings was observed in most of the Trauma Centers.
- Waiting shade of trauma center was over-heated (due to low quality of material used) and will disturb the patients as per statement of MS civil hospital Golarchi.
- Furniture & equipments were dumped in the trauma centers which have led to deterioration of some furniture & equipment with each passing day. The warranty and guarantee papers of procured items were also not available.
- No SNE was received and no new employment was made.
- Neither the generators were installed nor the proper connection of generator were visible.
- No electric transformer was present/installed
- Overhead Water tanks of lower capacity of 80 gallons were installed
- Windows grills were installed facing inside the rooms and windows glass were installed facing outside the room
- As per consultant report overall quality of work was not satisfactory due to unapproved & low quality material was used during execution of work i.e sanitary conducting, cladding, false ceiling, foam concrete, electrical work, tile work materials were unapproved

Due to this negligence of the management government interest was not safeguarded which has resulted in low quality execution of work that has caused huge loss of public money.

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

Audit recommends that the responsibility be fixed against the person(s) at fault besides conducting the detailed inquiry in the matter.

**(OM#28)**

#### **4.4.17 Procurement of sub-standard water tank**

According to Section (2.6) of Schedule of Works (Plumbing Works) of BOQ/Schedule of works of “Design, Supply & Installation of EPC/Turnkey basis for light gauge cold formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals alongwith civil, electrical, plumbing & mechanical works (Package-A & B)”, the item Supply and fix fibre glass water tank made of food grade material as per design complete in all respect (a) 3000 gal (b) 5000 galon capacity is required to be installed.

During audit it was observed that Fiber glass water tank of 3000 galon & 5000 galon were required to be installed in the trauma centers as sanctioned in BOQ but the water tanks of lower capacity i.e., 80 galons were installed in trauma centers **(Picture-29 to 31)**. Furthermore, as per third-party monitoring report issued vide No.HYD-354/SMO/(MEC)/P&D/13/6923(CI)/5273 dated:03.09.2020 by Sector monitoring & evaluation officer, Planning & Development Department, Government of Sindh, “Overhead water tank of 80 gallon was placed and installed over top of trauma center which seems below the capacity to feed complete trauma in future. Due to installation of sub-standard water tanks the trauma center will suffer from water shortage which is basic necessity of hospitals

Audit is of the view that management gave undue favour to contractor and failed to secure government interest, which depicts weak administrative management.

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

Audit requires replacement/installation of the water tanks of required capacity, besides fixing responsibility on person(s) at fault and making good recovery of loss from them.

**(OM#29)**

#### **4.5 Monitoring and Evaluation:**

##### **4.5.1 Non-monitoring of the project execution**

According to para-06 of PC-I proforma, Programme Monitoring at page#09 states that, “The project will be having a **Four Tier** monitoring and supervision system. The **first Tier** comprises of local district administration and health department management officials i.e Deputy Commissioner, DHO & MS of concerned THQ hospitals, monitoring locally the execution & progress of work. The **second Tier** comprises team of provincial level Health Manager like Project management, subject technical person which also include Project Engineers, Director General Health services Sindh and representatives of P&D department. They will periodically monitor project operations & achievement as and when required. The **third important tier** will be monitoring by the members/ team of Health advisory board for transparent monitoring & evaluation of project performance & achievements. The payment of the running bills of the consultants will be linked to the recommendation of the monitoring team comprising of Project Director, Project engineer/technical person, as per work done in accordance to specifications.

During audit it was observed that as per PC-I project execution was required to be monitored at four stages but the same was not monitored at first and second Tier by the local district administration and management of health department and also at the third and fourth tier, the activities of project performance and achievements were not monitored by the health advisory board.

Audit is of the view that management failed to achieve the targets due to non-monitoring of activities, which depicts weak administrative management.

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

Audit requires reasons for non-monitoring of execution work of trauma centers, besides fixing of responsibility on person(s) at fault.

**(OM#31)**

#### **4.5.2 Non-achievement of target**

According to PC-I proforma of development scheme “Upgradation & Revamping of THQ hospitals in Sindh (39 Nos) and Construction of Emergency-cum-Trauma Center in THQ hospitals (41 Nos)”, as per Para-12 (a) the target of 09 months for completion of the project was set.

During audit it was observed that target of 09 months for completion of project was set but the same was not achieved, as per physical progress report of April, 2013 only 32% construction work of 41 trauma centers was completed on stipulated completion date of 19<sup>th</sup> March, 2013. Moreover, as per progress report of November, 2018, 07 out of 41 trauma centers were still not complete. Furthermore, as per financial progress report the 76.36% work has been completed until June, 2019. Audit is of view that unrealistic target was set and management failed to achieve the same, which has resulted in non-achievement of project's objective.

Due to non-completion of work at time government interest was not safeguarded and public get deprived of health facilities of trauma cases.

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

Audit requires reason for non-achievement of milestone besides fixing of responsibility on the person(s) at fault.

**(OM#32)**

#### **4.5.3 Non-achievement of objectives of trauma centers**

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

During audit during visit of ten trauma centers in Sindh, it was observed that 03 trauma centers (Gaularchi district Badin, Dokri district Larkana, Mehar district Dadu) has still not started their functioning and were closed despite of completion of work/hand over of buildings and acquisition of complete equipment & furniture



**(Picture-32 to 34).** Furthermore, remaining seven trauma centers (Tando Adam, Sinhorro, Khipro of district Sanghar, Johi & KN Shah of district Dadu, Ratodero district Larkana, Warah district Shahdadt) were partially functioning as taluka hospital emergency services only.

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

Audit requires reasons for non-functioning of trauma centers, besides inquiry into the matter for fixing responsibility on person(s) at fault.

**(OM#33)**

#### **4.5.4 Non-availability of required facilities of trauma cases**

According to PC-I, the project will be executed by Health Department Government of Sindh and Project authorities will provide all technical services for the execution of services. After the completion of project the concerned THQ Hospital will be operating/functioning with same human resources as per sanctioned strength of each Hospital with some additional posts including Orthopedic Surgeon Annexure-G and thus emergency-cum-trauma care services would be available for public round the clock at Taluka level.

During audit during visit of trauma centers in Sindh, it was observed that the trauma center's facilities like Orthopadic surgeon, cardiologist, technicians, etc were not avaiable in trauma centers and minor operation theater was also non-functioning. The medical equipments i.e. X-ray machines, ECG machines, Suction machine, Screw plates were also not utilized due to non-availabilty of technical staff.

Audit is of the view that management failed to achieve the objectives of trauma centers due to non-availability/recruitment of required human resource despite of lapse of time, which depicts weak administrative management.

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

Audit requires reasons for not providing basic human resource, besides inquiry into the matter for fixing responsibility on person(s) at fault.

**(OM#34)**

#### **4.5.5 Non-installation of fire fighting system & water geysers**

According to Section (2.5 and 6.1-6.3) of Schedule of Works (Plumbing Works) of BOQ/Schedule of works of “Design, Supply & Installation of EPC/Turnkey basis for light gauge cold formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals alongwith civil, electrical, plumbing & mechanical works (Package-A & B)”, the items fire fighting system and stainless-steel hot water geyser of 50 gallon capacity is required to be installed.

During audit it was observed that as per BOQ/Schedule of works fire fighting system and stainless-steel hot water geyser of 50 gallon capacity were required to be installed in the trauma centers but the same were not installed in trauma centers.

Deviation from schedule of works executed has resulted in non-availability of basic facilities of water and fire extinguisher in case of emergency which may cause damage to the public property.

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

Audit requires installation of the system besides fixing of responsibility on person(s) at fault.

**(OM#30)**

#### **4.6 Environment**

##### **4.6.1 Construction of trauma centers without approval of environmental impact assessment**

As per Section 17(1) of Sindh Environmental Protection Act, 2014, “No proponent of a project shall commence construction or operation unless he has filed with the Agency an initial environmental examination or environmental impact assessment, and has obtained from the Agency approval in respect thereof”.

During audit it was observed that 41 trauma centers were constructed at various Talka Headquarters, but approval of environmental examination or environmental impact assessment was not obtained from the Sindh Environmental Protection Agency, in violation of above rule.

Deviation from prescribed procedure constituted weak internal control.

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

Audit recommends strengthening of internal control to ensure compliance of related Rules.



## **5. CONCLUSION:**

We have completed our performance audit of the Establishment of trauma centers in Sindh under development scheme “Up gradation and Revamping of THQ hospitals in Sindh (39 Nos) & Construction of Emergency-cum-Trauma center in THQ hospitals (41 Nos)” upto the audit year 2018-19. In planning and performing our audit, we considered internal controls and other issues in order to determine various auditing procedures for the purpose of expressing our opinion.

During audit we noted that the project has not been able to achieve its main objective improving the health care service delivery. Moreover, certain matters involving internal controls and non-compliance with Government rules & regulations were also noted. The major issues audit found is that no proper facilities for trauma center are available, such as; the human resource is not recruited to cater for the needs of the Programme, minor operation theaters were still not established, low quality work in construction of work, non-allocation of SNE, procurement of medical equipment and furniture fixture was made before completion of building, excess expenditure was made above the PC-I, blockage of funds due to non-utilization of equipments, wasteful payment on designing of trauma center, irregular payment on steel without laboratory test report, non-deduction of Sales Tax and short-recovery of Stamp Duty and time overrun of the project.

Audit findings indicate need for adherence to the regulatory framework besides instituting and strengthening internal controls in order to avoid irregularities and to utilize the funds in a manner in line with the principles of economy, efficiency, transparency to achieve the intended purpose.

### **5.1 Key issue for the future:**

- Non-allocation of SNE
- Non-availability of human resources
- Loss to government on execution of work
- Non-achievement of target in execution of work
- Non-deduction of sales tax

### **5.2 Recommendations**

- SNE is required to be allocated for functioning of trauma centers
- Recruitment of orthopaedic surgeons and other technical staff is essential for functioning of trauma centers.
- Internal controls should be strong enough to achieve planned targets and to increase the performance and efficiency of the project
- Amount of Sales tax may be recovered.

## **ACKNOWLEDGEMENT**

We wish to express our appreciation to the Management and staff of the project Rehabilitation of DHQ & THQ hospitals Health department Government of Sindh in Sindh for the assistance and cooperation extended to the Auditors during this assignment.

# ANNEXURES



## Annex-A1

### 4.1.1 Blockage of funds due to non-utilization of procured items - Rs361.507 million

S. NO.	PARTICULARS	QTY			Expenditure		
		For No. of THQs	For Each THQ	Total for All THQs	QTY	Rate	Total Amount
1	Basic Instrument Set for LC DCP, DCP and LCP in Vario Case (Various Items) for Trauma	41	1	41	41	1,379,708	56,568,041
2	Small Fragment LC-DCP, DCP and LCP Instrument Set in Vario Case (Various Items) for Trauma	41	1	41	41	1,325,764	54,356,344
3	ECG Machine with Trolley	41	1	41	41	359,000	14,719,000
4	O <sub>2</sub> Cylinder with flow meter, mobile	41	2	82	82	26,900	2,205,800
5	Suction Machine	41	2	82	82	115,000	9,430,000
6	X-ray Illuminator, Single	41	1	41	41	6,000	246,000
7	Ward Screen	41	10	410	410	5,810	2,382,100
8	Defibrillator with AED	41	1	41	41	485,311	19,897,759
9	X-ray Unit 100 MA Mobile	41	1	41	41	1,780,649	73,006,590
10	Implant Screw (Various Items) for Trauma	41	1	41	41	574,269	23,545,037
11	Implant Plates (Various Items) for Trauma	41	1	41	41	449,597	18,433,483
12	Large O <sub>2</sub> Cylinder with flow meter, mobile	41	4	164	300	26,900	8,070,000
13	Water Cooler with Filter	41	2	82	82	24,200	1,984,400
14	Branded Desktop Computer i3 or higher, 4GB RAM, HD 500GB, 17" LCD Display, DVD Writer, Laser printer and accessories	41	2	82	82	91,833	7,530,306
15	Bicycle	41	2	82	82	9,500	779,000
16	Generator 30KV	41	1	41	41	1,667,153	68,353,253
<b>Total</b>							<b>361,507,112</b>

## Annex-A2

### 4.2.2 Non-deduction of sales tax on supplies – Rs23.880 million

Work Order Date / No	Cheque No/ Date	Name of Contractor	Items Name	Invoice No/ Date	Qty	Rate	Amount
1814/ 12.04.13	078587 & 47/ 06.06.2013	M/s T.K Medical Instrument	Emergency Bed	006/ 14.06.20 13	492	34700	17072400
			Instruments Cabinet		246	33600	8265600
			Examination Couch		410	19900	8159000
			Trolley with Drawer		440	13700	6028000
			Linen		2	550000	1100000
			Branded Desktop Computer	004/ 14.06.20 13	82	91833	7530306
1857/ 16.04.2013		M/s Imperial (INC)	Matress with rexene Cover		492	7000	3444000
			Revolving Stools		328	2000	656000
1855/ 16.04.2013	078590 & 50/ 06.06.2013	A to Zee International	Bed Side Locker	1651/ Nil	492	9450	4649400
			Stretcher		82	14900	1221800
			Stretcher Trolley		82	16950	1389900
			Ward Screen		410	5810	2382100
1878/ 19.04.2013	078591 & 51/ 06.06.2013	M/s Trade Targets	Visitor Chair		492	3952	1944384
1832/ 15.04.2013	078588/ 06.06.2013	M/s Jawed Trading Corporation	File Cabinet	00248- 13/ Nil	246	15000	3690000
			Office Tabel		246	13500	3321000
			Executive Revolving Chair		246	9985	2456310
			Office Chair Standard		246	3963	974898
			Attendant Chair Four Seater		164	11800	1935200
1823/12.04.2013	079596 & 142/ 14.06.2013	M/s Seven Star Company	Generator 30KVA (1-33, SDMO FRANCE)	Nil	41	1,667,153	68,353,253
1830/ 15.04.2013	078598 & 58/ 07.06.2013	M/s A. J. Enterprises	Split AC 1.5Ton With Staptizer		205	57890	11867450
			Water Cooler With Filter		82	24200	1984400
			Bicycle (Local / China)		82	9500	779000
<b>Total</b>							<b>159,204,401</b>
<b>15% GST</b>							<b>23,880,660</b>

### Annex-A3

#### 4.2.4 Non-deduction of Sindh Sales Tax – Rs14.080 million

Sr. No.	RA bill No.	Name of payee	Particulars	Cheque No.	Date	Amount	SST Due
1	1st & Final	M/S Atif Nazar Associates	On account of preparation of tender documents	068396' 068397'	12.04.2013	10,013,000	1,602,080
2	1st RA bill	M/S EA Consulting (Pvt) ltd	Thirrd Party monitoring chrges	068320' 068321'	13.03.2013	4,908,948	785,432
3	2 <sup>nd</sup>			068388' 068389'	05.04.2013	15,089,406	2,414,305
4	3 <sup>rd</sup>			070588' 070589'	08.05.2013	10,937,025	1,749,924
5	4 <sup>th</sup>			079568'	12.06.2013	5,537,025	885,924
6	5 <sup>th</sup>			079569'	12.06.2013	5,537,025	885,924
7	6 <sup>th</sup>			081977'	19.09.2013	5,687,167	909,947
8	7 <sup>th</sup>			081978'	19.09.2013	5,455,401	872,864
9	8 <sup>th</sup>			084679'	20.11.2013	3,822,975	611,676
10	9 <sup>th</sup>			084680'	20.11.2013	3,822,975	611,676
11	10 <sup>th</sup>			084694'	28.11.2013	3,166,019	506,563
12	11 <sup>th</sup>			093616'	09.12.2013	5,380,050	860,808
13	12 <sup>th</sup>			093678'	07.01.2014	4,927,650	788,424
14	13 <sup>th</sup>			101037'	12.02.2014	3,722,000	595,520
<b>Total</b>						<b>88,006,666</b>	<b>14,081,067</b>

### 4.3.1 Unjustified procurement before completion of building – Rs473.215 million

S. NO.	PARTICULARS	QTY			Work Done		
		For No. of THQs	For Each THQ	Total of All THQs	QTY	Rate	Total Amount
1	Basic Instrument Set for LC DCP, DCP and LCP in Vario Case (Various Items) for Trauma	41	1	41	41	1,379,708	56,568,041
2	Small Fragment LC-DCP, DCP and LCP Instrument Set in Vario Case (Various Items) for Trauma	41	1	41	41	1,325,764	54,356,344
3	Emergency Bed	41	12	492	492	34,700	17,072,400
4	Mattress with Cover	41	12	492	492	7,000	3,444,000
5	Bed Side Locker	41	12	492	492	9,450	4,649,400
6	General Instrument Set	41	2	82	82	48,900	4,009,800
7	ECG Machine with Trolley	41	1	41	41	359,000	14,719,000
8	O <sub>2</sub> Cylinder with flow meter, mobile	41	2	82	82	26,900	2,205,800
9	Suction Machine	41	2	82	82	115,000	9,430,000
10	Dressing Set	41	2	82	82	9,500	779,000
11	Surgical Drum	41	4	164	123	4,910	603,930
12	X-ray Illuminator, Single	41	1	41	41	6,000	246,000
13	Stretcher Top	41	2	82	82	14,900	1,221,800
14	Stercher Trolley	41	2	82	82	16,950	1,389,900
15	Ward Screen	41	10	410	410	5,810	2,382,100
16	Plaster Cutter	41	2	82	82	4,550	373,100
17	Instrument Cabinet	41	6	246	246	33,600	8,265,600
18	File Cabinet	41	6	246	246	15,000	3,690,000
19	Portable B.P. Apparatus	41	3	123	123	2,600	319,800
20	Defibrillator with AED	41	1	41	41	485,311	19,897,759
21	X-ray Unit 100 MA Mobile	41	1	41	41	1,780,649	73,006,590
22	Office Table (4 x 3 x 2.5)	41	6	246	246	13,500	3,321,000
23	Executive Chair, revolving	41	6	246	246	9,985	2,456,310
24	Office Chair Standard	41	6	246	246	3,963	974,898
25	Chair Visitor	41	12	492	492	3,952	1,944,384
26	Attendant Chair (4 Seater)	41	4	164	164	11,800	1,935,200
27	Implant Screw (Various Items) for Trauma	41	1	41	41	574,269	23,545,037
28	Implant Plates (Various Items) for Trauma	41	1	41	41	449,597	18,433,483
29	Cassettes (Various Sizes)	41	1	41	82	72,500	5,945,000
30	X-ray Illuminator, Double	41	1	41	41	11,300	463,300
31	Large O <sub>2</sub> Cylinder with flow meter, mobile	41	4	164	300	26,900	8,070,000
32	Examination Couch	41	10	410	410	19,900	8,159,000
33	Patient Revolving Stool, SS Top	41	8	328	328	2,000	656,000
34	Trolley with Drawer	41	10	410	410	13,700	5,617,000
35	Water Cooler with Filter	41	2	82	82	24,200	1,984,400
36	Branded Desktop Computer i3 or higher, 17" LCD, DVD Writer, Laser printer and other accessories	41	2	82	82	91,833	7,530,306
37	Bicycle	41	2	82	82	9,500	779,000
38	Linen etc.	41	1	41	41	550,000	22,550,000
39	Generator 30KV	41	1	41	41	1,667,153	68,353,253
40	Split A.C. (1.5 Ton) with stabilizer	41	5	205	205	57,890	11,867,450
<b>Total</b>							<b>473,215,384</b>

(Annex-A5)

#### 4.4.9 Wasteful payment on designing of trauma center structures - Rs41.904 million

S#	Name of work	Name of Contractor/ WO#	Item of work	Qty as per B Schedule	Qty as per audit	Excess Qty	Rate	Amount
1	Design,Supply & Installation of EPC/Turnkey basis for light guage clod formed steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (22 Nos) alongwith civil, electrical, plumbing & mechanical works (Package-B)	M/S PEBI-FAST Associates WO# 1000/ 14.09.2012	Foundation design	79200 sft (22 trauma centers)	3600 sft (each trauma center)	75600 sft (21 trauma center)	95	7,182,000
			Steel structure design	..do..	..do..	75600	195	14,742,000
			Electrical design	..do..	..do..	75600	10	756,000
			Plumbing design	..do..	..do..	75600	10	756,000
2	...do....(19 Nos Package-A)	M/S PEBI-FAST Associates WO# 999/ 14.09.2012	Foundation design	68400 sft (19 trauma centers)	3600 sft (each trauma center)	64800 sft (18 trauma center)	90	5,832,000
			Steel structure design	..do..	..do..	64800	185	11,988,000
			Electrical design	..do..	..do..	64800	5	324,000
			Plumbing design	..do..	..do..	64800	5	324,000
<b>Total</b>								<b>41,904,000</b>

(Annex-A6)

**4.4.10 Loss to government on execution of works - Rs24.598 million**

<b>Excess rates paid in Package-A</b>							
<b>S#</b>	<b>Name of work</b>	<b>Item of work</b>	<b>Rate in Package-A</b>	<b>Rate in Package-B</b>	<b>Excess rate</b>	<b>Qty</b>	<b>Amount</b>
01	Design, Supply & Install:...steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (Package-A & B) WO# 999/14.09.2012 & 1000/14.09.2012	1 (a) of Schd: (1) Structural & non-struct: light guage cold formed galvanized steel parts incl: accessories	1315	1305	10	68400 Sft	
		1 (c) wall clading	150	135	15	68400 Sft	
		1 (e) Ceiling	70	65	5		
		1 (b) of Schd: (2) Soil Investigation	15	8	7		
		1 (c) of Schd: (3) Foundation RCC wall	275	250	25		
		1 (d) Plinth protection	20	15	5		
		1 (f) Installation/ Errection of structure	60	50	10		
		1 (g) Electrical conducting	35	45	10		
		1 (h) Sanitary conducting	35	25	10		
		1 (i) Installation of clading	25	20	5		
		1 (j) Installation of decking & False ceiling`	20	15	5		
		1 (k) Foam concrete/ Polyurethane filling of infill of walls	70	60	10		
		1 (m) Electrical fixtures	85	75	10		
		1 (n) Plumbing fixtures	70	60	10		
		1 (o) Door & windows	95	75	15		
1 (p) Paint work	25	20	5				
<b>Total</b>			<b>2365</b>	<b>2223</b>	<b>157</b>	<b>68400</b>	<b>10,738,800</b>

Excess rates paid in Package-B							
S#	Name of work	Item of work	Rate in Package-A	Rate in Package-B	Excess rate	Qty	Amount
01	Design, Supply & Install:...steel structures for Const: of Emergency-cum-Trauma center for THQ hospitals (Package-A & B) WO# 999/14.09.2012 & 1000/14.09.2012	1 (b) of Schd: (1) Decking	95	125	30	79200	
		1 (d) Insulation	45	48	3		
		1 (a) of Schd: (2) Topographic survey	5	7	2		
		1 (c) Foundation design	90	95	5		
		1 (d) Steel structure design	185	195	10		
		1 (e) electrical design	5	10	5		
		1 (f) Plumbing design	5	10	5		
		1 (a) of Schd: (3) Clearing & grubbing	15	20	5		
		1 (b) Foundation pad	225	250	25		
		1 (e) Floor slab	150	225	75		
	1 (l) Tile work	155	165	10			
<b>Total</b>			<b>975</b>	<b>1150</b>	<b>175</b>	<b>79200</b>	<b>13,860,000</b>

**4.1.1 Blockage of funds due to non-utilization of procured items (Picture-1 to Picture-8)**

*Picture-1(Trauma center Johi Dist: Dadu)  
X-ray machine & Ecg machines lying idle & packed*



*Picture-2 (Trauma center KN Shah Dist: Dadu)  
Items lying idle & packed*





*Picture-3(Trauma center Dokri Dist: Larkana*



*Picture-4 (Trauma center Ratodero Dist: Larkana*



(Picture-5 to 8)

*Picture-5 (Trauma center Warah Dist:Shahdadkot)  
lying idle*



*Picture-6 (Trauma center Tando Adam Dist:Sanghar)  
lying idle*



*Picture-8 (Trauma center Gaularchi Dist:Badin)*



*Picture-8 (Trauma center Khipro Dist:Sanghar)*



**4.3.2 Irregular payment on Generators without installation - Rs68.353 million(Picture-9 to 16)**

*Picture-9(Trauma center Johi Dist: Dadu)*



*Picture-10 (Trauma center KN Shah Dist: Dadu)*





*Picture-11(Trauma center Mehar Dist: Dadu*



*Picture-12(Trauma center Warah Dist: Shahdadkot*



*Picture-9 to Picture-12*

*(Picture-13 to Picture-16)*

*Picture-13(Trauma center Dokri Dist: Larkana*



*Picture-14(Trauma center Ratodero Dist: Larkana*



**Picture-15(Trauma center Tando Adam Dist:Sanghar**



**Picture-16(Trauma center Khipro Dist: Sanghar**



**4.4.12 Loss to government due to low quality work - Rs11.750 million(Picture-17 & 18)**

*Picture-17(Trauma center Gaularchi Dist:Badin)*







**(Picture-18)**

*Picture-18 (Trauma center Gaularchi Dist:badin)*





*Picture-18*

**4.4.14 Unfeasible location of trauma center - Rs8.584 million (Picture-19 & Picture-20)**

*Picture-19(Trauma center Dokri Dist:Larkana)*

*Center is constructed behind the residential quarters and without proper entrance*

*Picture-19*





*Picture-20*

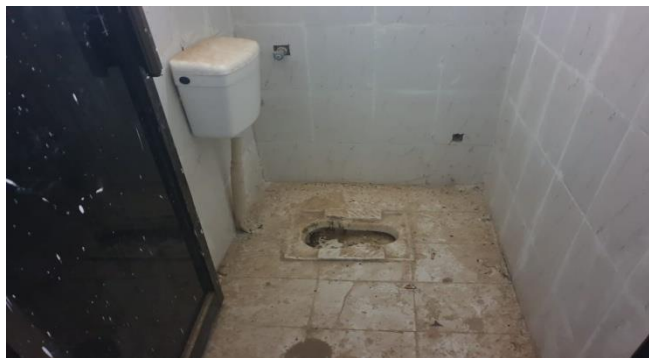


**4.4.16 Un-satisfactory execution of work (Picture-21 to 28)**

**Picture-21 (Trauma center Gaularchi Dist: Badin)**  
**Roof leaked due to rain & also tile broken**



**Picture-22 (Trauma center Johi Dist: Dadu)**  
**Seepage on walls and Washroom without plumbing accessories**



**Picture-23 (Trauma center Mehar Dist: Dadu  
Broken shade at entrance and cracks on base**



**Picture-24 (Trauma center Ratodero Dist: Larkana  
Improper ramp slope & waiting area shade low quality**



**Picture-21 to Picture-24**

**Picture-25 (Trauma center Dokri Dist: Larkana)**  
Drainage lines not properly constructed



**Picture-26 (Trauma center KN Shah Dist: Dadu)**  
Improper slope and poor plinth work





**Picture-27**

All trauma centers washroom have glass doors which are visible from outside



**Picture-28**

All trauma centers windows glass were installed facing outside the room



**4.4.17 Procurement of sub-standard water tank (Picture-29 to 31)**

*Picture-29(Trauma center Johi Dist: Dadu)*



*Picture-30 (Trauma center KN Shah Dist: Dadu)*



*Picture-31 (Trauma center Dokri Dist: Larkana*



*Picture-29 to Picture-31*

### 4.5.3 Non-achievement of objectives of trauma centers(Picture-32 to 34)

**Picture-32 (Trauma center Mehar Dist: Dadu)**  
Center still closed non-functional



**Picture-33 (Trauma center Dokri Dist: Larkana)**  
Center still closed non-functional



***Picture-34 (Trauma center Gaularchi Dist: Badin) Center still closed non-functional***



***Picture-32 to Picture-34***