



**AUDIT REPORT
ON
THE ACCOUNTS OF
DISASTER MANAGEMENT ORGANIZATIONS - SINDH
AUDIT YEAR 2016-17**

AUDITOR GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

AFS	Annual Financial Statement
AIR	Audit and Inspection Report
Br.	Branch
CBO	Community Based Organization
DAC	Departmental Accounts Committee
DDMA	District Disaster Management Authority
DDO	Drawing & Disbursing Officer
DG	Director General
FATA	Federally Administrative Tribal Area
FTR	Federal Treasury Rules
FY	Financial Year
GFR	General Financial Rule
GoS	Government of Sindh
INGOs	International Non-Government Organization
KPK	Khyber Pakhtunkhwa
NBP	National Bank of Pakistan
NDMA	National Disaster Management Authority
NDMP	National Disaster Management Plan
NGO	Non-Government Organization
NIDM	National Institute of Disaster Management
OBM	Out Boat Motor
Ops.	Operation
PAO	Principal Accounting Officer
PCS	Provincial Civil Service
PDMA	Provincial Disaster Management Authority
PDMC	Provincial Disaster Management Commission
POL	Petrol Oil Lubricant
SGA&CD	Services General Administration & Coordination Department
SMS	Short Messaging Service
SPPRA	Sindh Public Procurement Regulatory Authority
USB	Universal Serial Bus

PREFACE

Sections 169 & 170 of the Constitution of the Islamic Republic of Pakistan read with Sections 8 and 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance 2001, require the Auditor General of Pakistan to conduct audit of receipts and expenditure of the Federation and the Provinces or the accounts of any authority or body established by the Federation or a Province.

The report is based on audit of the accounts of various departments and organizations of Government of the Sindh for the financial year 2015-16. The Directorate General Audit (Disaster Management) conducted audit during 2016-17 on test check basis with a view to reporting significant findings to the relevant stakeholders. The main body of the Audit Report includes only the systemic issues and audit findings carrying value of Rs 1 million or more. Relatively less significant issues are listed in the Annexure-I of the Audit Report. The audit observations listed in the Annexure-I shall be pursued with the Principal Accounting Officers at the DAC level and in all cases where the PAOs do not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

Most of the audit observations, in this report, were finalized without replies received from the departments. No DAC meeting could also be arranged till finalization of this report.

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

Dated:

(Rana Assad Amin)
Auditor-General of Pakistan

EXECUTIVE SUMMARY

This report contains two (2) chapters incorporating results of the regularity audit of the accounts for financial year 2015-16 of various disaster management related departments of the Government of Sindh.

The report in general highlights the issues of weak internal controls, inappropriate use of public funds, disregard to prescribed regularity framework, ineffectiveness of systems to curb irregularities, poor record management, lack of transparency and objectivity in public procurement and need for revamping and strengthening the overall capacity of the public officials to carry out the financial transactions in an efficient way.

The Directorate General Audit, Disaster Management (DGA-DM), Islamabad carries out the audit of all Disaster Management Organizations at National, Provincial and District levels. The office is mandated to conduct regularity audit, financial attest, compliance with authority audit, audit of sanctions and propriety and performance audit of all Disaster Management Organizations. The office is presently located at Islamabad with its one sub-office at Peshawar. The office is headed by a Director General (BPS-20), has a human resource of 52 personnel with 8,715 man-days available with annual budget for the financial year 2016-17 is Rs 56.76 million.

There are two (02) PAOs and seven (05) formations. Audit Plan for 2016-17 included audit of both expenditure and receipts of these formations. The audit of PDMA-Sindh along with three (3) DDMA's and Additional Relief Commissioner Hyderabad was planned and conducted during the Audit Year 2016-17 in Phase-I.

a. Scope of audit

The Audit was conducted in accordance with INTOSAI Auditing Standards as envisaged in Financial Audit Manual (FAM), Guidelines for the Audit of Disaster Management and the International Standards on Auditing. The overall audit objective was to assess compliance with financial rules and adequacy of internal controls. The audit covered issues of propriety, which extends beyond scrutinizing the mere formality of expenditure to its wisdom and economy. The Audit also included review, analysis and comments on various Government policies.

Auditable expenditure under the jurisdiction of DG Audit Disaster Management for Disaster Management Organizations Sindh was Rs 1,607.25 million out of which an expenditure of Rs 704.99 million was audited which is 43.86 %.

b. Recoveries at the instance of audit

Recoveries of Rs 46.511 million were pointed out. However, recoveries of Rs. 7.440 million were affected during the Financial Year 2015-16 at the instance of audit.

c. Audit Methodology

The audit of PDMA and DDMA's was carried out by examining files, vouchers, computer generated data and other related documents along with the policies and rules followed. Further, the audit was conducted in accordance with guidelines issued by the Auditor General of Pakistan, Finance Department, and SGA&CD Sindh from time to time and provision of Sindh Rules of Business, Sindh Financial Rules, Sindh Treasury Rules, Sindh Public Procurement Rules and other rules and regulation of Government. It was a regularity test audit based on samples.

d. Audit Impact

There were no changes in rules, practices and systems during the year on the recommendation of Audit. Hence, Audit impact in the scenario cannot be discussed over here.

e. Comments on Internal Control and Internal Audit Department

There is no Internal Audit and Internal Control Mechanism placed in the Authorities.

f. Key audit findings of the report

- i. Irregular/ unauthorized payments/ violation of rules were observed in 08 cases involving Rs 658.488 million.¹
- ii. Non-Compliance of NDM Act 2010 was observed in 8 cases involving Rs 8.481.²

¹Para 1.4.2, 1.4.6, 1.4.7,1.4.10, 1.4.16, 2.4.1, 2.4.2, 2.4.4

²Para 1.4.2, 1.4.13, 1.4.14, 1.4.15, 1.4.17, 2.4.2, 2.4.3, 2.4.4

- iii. Recoveries were pointed out in 5 cases amounting to Rs 46.511 million.³
- iv. There was 1 case of inappropriate/ irregular asset management amounting to Rs 621.635 million.⁴

g. Recommendations

The Principal Accounting Officer PAO must take the responsibility of getting prepared the Annual Financial Statements according to the prescribed format. The PAO also needs to take necessary steps to evaluate the financial management and strengthen & institutionalize the internal controls.

The corrective measures required are:

- i. System and procedure may be upgraded to improve the financial management.
- ii. Internal Control weaknesses may be removed.
- iii. Effective steps may be taken to make good the recoveries.
- iv. The inventory control system needs to be strengthened.
- v. Clauses provided in the contracts may be observed in letter and spirit.

³ Para 1.4.3, 1.4.8, 1.4.9, 1.4.11, 1.4.12,

⁴ Para 1.4.16

SUMMARY TABLES & CHARTS

Table 1 *Audit Work Statistics*

(Rs in million)

S. No.	Description	No.	Budget
1	Total Entities (Ministries/PAO's) in Audit Jurisdiction	02	1,643.744
2	Total formations in audit jurisdiction	18	1,643.744
3	Total Entities(Ministries/PAO's) Audited	02	1,643.744
4	Total formations Audited	05*	1,327
5	Audit & Inspection Reports	05	1,327
6	Special Audit Reports	-	-
7	Performance Audit Reports	-	-
8	Other Reports	-	-

* Audit of Relief Commissioner Sindh was planned in Audit Year 2016-17 for the first time by this Directorate General. Relief Commissioner released budget to 17 DDMA's out of these seventeen DDMA's three DDMA's were audited on sample basis along with Relief Commissioner Sindh and PDMA Sindh.

Table 2 *Audit observations regarding Financial Management*

S. No.	Description (Areas)	Amount Placed under Audit Observation (Rs in Millions)
1	Asset management	621.635
2	Financial management (specific)	28.306
3	Internal controls relating to financial management	0
4	Others	55.058
	Total	704.999

Table 3 *Outcome Statistics***Rs in million)**

S.No.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Civil Works	Receipts	Others	Total current year
1	Outlays Audited	-	-	-	1,607.256	1,607.256
2	Amount Placed under Audit Observations /Irregularities of Audit	621.635	0	0	36.853	658.488
3	Recoveries Pointed Out at the instance of Audit	-	-	28.306	18.205	46.511
4	Recoveries Accepted /Established at the instance of Audit	-	-	4.551	2.889	7.440
5	Recoveries Realized at the instance of Audit	-	-	4.551	2.889	7.440

Table 4 *Table of Irregularities pointed out*

		(Rs in million)
S.No.	Description	Amount Placed under Audit Observation
1	Violation of rules and regulations, violation of principle of propriety and probity in public operations.	658.488
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	0
3	Accounting errors (accounting policy departure from IPSAS, misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	0
4	If possible quantify weaknesses of internal control systems.	0
5	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public money	46.511
6	Non-production of record.	0
7	Others, including cases of accidents, negligence etc.	704.999

Table 5 *Cost-Benefit*

S. No.	Description	Amount (in million)
1	Outlays Audited (Items 1 of Table 3)	1272.452
2	Expenditure on Audit	4.50
3	Recoveries realized at the instance of Audit	7.440
4	Cost-Benefit Ratio	1:1.65

Chapter-1

Provincial Disaster Management Authority(PDMA), Sindh

1.1 Introduction of Authority

The Provincial Disaster Management Authority (PDMA) is constituted under the NDM Act (National Disaster Management Act) in 2010, PDMA specializes in mitigation, preparedness and an organized response to a disaster. PDMA also acts as the coordinating authority, which articulates the coordination mechanism between key provincial departments. In case of emergencies, the PDMA works closely with District Governments to organize initial and subsequent assessment of disaster affected areas, and determine the course of action to ensure long-term rehabilitation of the affected population.

1.2 Comments on Budget & Accounts (Variance Analysis)

Sr. No.	Financial Year	Funds Released (Rs)	Expenditure (Rs)	Saving
1	2015-16	1,312,000,000	1,263,971,000	48,029,000

The difference between fund released and expenditure was due to non-surrender of Rs 48.029 million.

1.3 Brief Comments on the Status of Compliance with PAC Directives

This Directorate General was reorganized from DG Audit (ERRA) to DG Audit (Disaster Management) vide AGP letter No. 1714-Dir(A)/2-9/2015-II dated 13th November 2015. This office was given additional mandate to carry out the audit of Disaster Management organization at National, Provincial and District level in addition to ERRA. Since, this Directorate General has conducted the audit of Disaster Management organizations for the first time and the relevant record pertaining to the previous PACs is with the DG Audit (Sindh). The matter regarding transfer of record is being taken up with the respective office.

1.4 AUDIT PARAS

Non-Production

1.4.1 Non Production of Record Regarding Operation Wing

Section 14 (3) of the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 provides that any person or authority hindering the auditorial functions of the Auditor-General of Pakistan regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person and as per Para 17 of GFR Vol-I, it is the duty of every departmental and controlling officer to see that the Auditor General is afforded all reasonable facilities in the discharge of his functions and furnished with the fullest possible information for which he may ask, for the preparation of any account or report, which it is his duty to prepare. No such information nor any books or other documents to which the Auditor General has a statutory right of access may be withheld.

Audit demanded various record pertaining to Operation Wing which was concerned with the performance of PDMA, Sindh. The said record was not produced for audit scrutiny despite repeated written and verbal requests.

The detail is given below: -

- Policy of PDMA approved by the Provincial Disaster Management Commission (PDMC)
- Provincial Disaster Management Plan.
- Any Vulnerability Survey of the Province.
- Any guide lines issued to the Provincial Departments & District Authorities.
- Monitoring and Evaluation Reports if any.
- Annual Reports of PDMA.
- Detail of community trainings conducted.
- Any reports regarding monitoring of Construction Standards.
- Detail of any guidelines issued by the NDMA during the year.
- Status of Implementation of National Disaster Management Plan.
- Detail of guidelines issued to DDMA's if any.

- Detail of Post disaster activities taken by PDMA except relief activities.
- Detail of activities of PDMA on man-made disaster

Non availability of such record creates doubts about the performance of the organizations. Audit is of the view that non-production of record regarding Operation Wing is serious lapse on the part of management which needs to be probed to fix responsibility as per rules/ regulations under intimation to audit.

The management in its reply dated 5th October 2016 stated that record of the operation wing was provided as and when required. In-fact, when the reminder of Audit team was received the Authority submitted its written reply on 20th September 2016 by clearly requesting the audit team to give the demand of files which have not been provided. However, if there is any record missed, the concerned officer has been directed to provide as and when required by the audit.

During discussion of initial observation on 6th October 2016, the management stated that relevant record will be furnish to Audit for verification.

The AIR was issued on 24th October 2016; in reply of the AIR the management has stated that the management emphasis its previous instance as taken in the discussion.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that non-production of record regarding Operation Wing is serious lapse on the part of management which needs to be probed to fix responsibility as per rules/ regulations under intimation to audit.

(PDP # 23, PDMA Sindh, 2015-16)

Irregularity & Non Compliance

1.4.2 Irregular Constitution of Board

According to Section 15 of NDMA Act, 2010 the Provincial Government shall, establish a Provincial Disaster Management Authority for the Province. The Chairperson of the authority shall be the Director General or Provincial Relief

Commissioner. The powers and functions of the Authority are mentioned in detail in Section 16 of the NDMA, Act 2010. There is no provision of Board in NDMA, Act.

Audit observed that Government of Sindh established a Provincial Disaster Management Authority on 9th January 2008 in term of NDMA Ordinance 2006 and nominated Relief Commissioner Sindh as its Chairman with the Powers and Functions as mentioned in Section 16(2) of NDMA, Act 2010. The notification was subsequently amended on 12th October 2009, 18th February 2012 and 23rd April 2012. The Government of Sindh on 16th June 2014, in supersession of all pervious notifications and over ruling the Act of Parliament, constituted a Board of PDMA in exercise of Powers vested in the NDMA Act 2010 vide notification no. SO (C-IV) SGA&CD/ 4-28/07. The Minster for Rehabilitation Department was nominated as Chairman of the Board. The Section 15 of said Act clearly indicate the establishment of the Authority for all Provinces, whereas the Government of Sindh mis-interpreted the said Section and established a Board with the powers and functions vested to the Authority as per Section 16 of NDMA, Act.

Audit also observed that nine meetings of Provincial Disaster Management Authority/ Board were held from July, 2009 to May, 2016 with the major decisions as mentioned in Annexure-II.

Audit is of the view that the powers and functions vested to the Authority as per Section 16 of NDMA Act bound the authority to take decisions regarding Disaster Management. The said Section does not allow the Authority/ Board to take any such decisions, which falls under the purview of other departments (i.e. Finance Department, SGA&CD and Law Department) as per Rule of Business, whereas the Authority/ Board took all such major decisions are mentioned in Annexure-II.

The management in its reply dated 5th October 2016 stated that Services, General Administration & Co-ordination Department (SGA&SD) Government of Sindh, with the Approval of Chief Minister, constituted a board of PDMA. More over in term of Section 47 NDMA Act 2010, PDMA Sindh prepared Rules of Business of PDMA with the following powers:

- i. The board shall have such powers to grant remuneration to members

- ii. The Authority may, with the approval of board, create, abolish, upgrade down grade any post if necessary.
- iii. The authority shall prepare of cause to be prepared a statement of estimated receipt and expenditure for each financial year and submit the same to the board for its approval.

The said Rules of Business have been approved by the Chief Minister Sindh. As regard the financial decisions of the board the management has stated that Secretary to the Finance Department is a permanent member of the Authority/ Board and endorsed all the decisions of PDMA Board in his official capacity.

Audit did not agree with the management point of view because the constitution of board by SGA&CD needs legislative cover from Provincial legislature.

During discussion of initial observation on 6th October 2016, the management stated that they would take up the matter regarding constitution of Board and approval of its all previous decisions with the competent forum.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that:

- The matter regarding constitution of Board may be taken up with the competent forum for legislation from Provincial Assembly
- All the previous decisions of Authority/ Board may be referred to the respective forum for ex-post facto approval.

(PDP # 01 PDMA 2015-16)

1.4.3 Non Deposit of Profit into Government Treasury - Rs 28.306 Million

As per Article 118 (1) of the Constitution of the Islamic Republic of Pakistan “All revenues received by the Provincial Government, shall form part of a consolidated fund, to be known as the Provincial Consolidated Fund.

As per Para 41(a) of Sindh Financial Rules the departmental controlling officer should see that all sums due to Government are regularly received and

checked against demands and that they are paid into the treasury. They should accordingly arrange to receive from their subordinates accounts and returns claiming credit for so much paid into the treasury, and compare with them the figures in the statements supplied by the Comptroller.

In term of Section of 30 (1) of NDMA Act, a PDMA Fund account is being maintained in Sindh Bank Muhammad Ali Society Branch bearing account No.0333-13334-6100. The said account is a 'Daily Product Account'. Finance Department Govt. of Sindh released an amount of Rs 200 million for the said account vide authority letter No. FD/ (B&E-VII)3(573) PDMA/203 (275) dated 16th May 2014.

The management of PDMA, Sindh earned profit of Rs 28.307 million on the releases made to them by the provincial government as they had deposited these funds into interest bearing accounts. The interest so earned is the revenue of the Govt. receipts.

Audit is of the opinion that this revenue is required to be deposited in to Government Treasury.

In its reply dated 5th October 2016, the management stated that after the approval of the Board regarding placement of funds amounting to Rs 500 million, Finance Department Govt. of Sindh, vide letter dated 28th May 2014, was asked to deposit the same in 'Daily Product Account' of PDMA. In response, Finance Department released and transferred an amount of Rs 200 million in Daily Product Account of PDMA.

During discussion of initial observation on 6th October 2016, audit did not agree with management point of view and advised to deposit the profit amounting to Rs 28.307 million in to government Treasury as PDMA Sindh could not retain the profit as it was earned on Provincial Government receipt which was the revenue of the Government. However, the management stated that they will take up the matter with the Finance Department.

The audit and inspection report (AIR) was issued on 24th October 2016, in reply dated 9th November 2016, the department stated that matter has been taken up with the Finance Department for advice whether PDMA can continue its 'Daily Product Account' along with its profit in Sindh Bank or otherwise.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that the profit earned amounting to Rs 28.307million may be deposited into Government treasury till the decision of Finance Department arrived.

(PDP # 02 PDMA Sindh FY 2015-16)

1.4.4 Irregular Expenditure Due to Sanctioning of Expenditure beyond the Power -Rs 26.496 Million

According to S.No 3(b)(xxvii) (b), where lump sum budget provision or allocation of funds exists and individual items are not specified in detail, the officer of Category-1 Officer is empower to sanction/ incur the expenditure on recurring items up to Rs1000/- one thousand in each case.

As per Summary approved by the Governor of Sindh the DG PDMA Karachi was declared as Category-1 officer under the Financial Rules and Powers of Re-Appropriation Rules, 1962.

In contravention of the above rule the DG PDMA Sindh, Karachi approved an amount of Rs 26.496 million under different heads of account as per detail in Annexure-III, which is irregular.

In reply dated 5th October 2016, the management stated that Finance Department allocated single line budget as a grant for office management expenditure and released accordingly. The budget was utilized after the approval of Board of Governor. The management stated that matter would be taken up with Finance Department, GoS in regards to Delegation of Powers.

The audit and inspection report (AIR) was issued on 24th October 2016. In reply dated 9th November 2016, of the AIR the management stated that the case has been referred to the Finance Department for advice.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that decision of Finance Department may be communicated to audit beside ex-post facto approval of all previous expenditure may be obtained from the Finance Department.

(Para # 08, PDMA Sindh 2015-16)

1.4.5 Irregular Purchases in Violation of SPPRA Rules - Rs 1.168 million

Rule 11(1) of SPPRA states all procuring agencies shall devise a mechanism for planning in detail for all proposed procurements, determining the requirement of the procuring agency, within its available resources, and prepare an annual or a longer term rolling plan, detailing the procurement methods applicable for specific procurements.

Rule 12 (1) of SPPRA states save as otherwise provided and subject to the regulations made by the Authority, a procuring agency shall prepare, in accordance with Rule 11 above, all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements already grouped, allocated and scheduled in the Procurement Plan.

Rule 17 (1) of SPPRA states Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority's website and may in print media in the manner and format prescribed in these rules.

The management of PDMA, Sindh purchased different items of machinery and equipment amounting to Rs 1.168 million as detailed in Annexure-IV in violation of above mention rules of SPPRA.

Audit is of the opinion that the store was required to be purchased through open competitive bidding whereas the management of PDMA purchased the store through quotations by splitting of store in bits to avoid open tender system.

In reply dated 5th October 2016, the management stated that in fact tender was not invited for such procurement, because the items were not purchased at one time but procured from time to time during entire Financial Year as per the requirement of the Authority as no storage capacity was available in the office premises. Further, due to shifting of office tender process was not possible. As regard, the 'ipad' the management stated that PDMA purchased item of two categories in different work

orders i.e. Rs 99,500 'Apple ipad' and other accessories like USB, Pouch and Protector of an amount Rs 9,650. The amount was also not classified as one item, so was the payment made. Hence, the amount for each item was neither above one hundred thousand nor it's a violation of the SPPRA rules. As for as the approval is concerned both the purchases were paid after the approval of the competent authority. The ipad is in official use in the office of Director General.

Audit did not agree with the view point of the management. The purchases were made in violation of SPPRA Rules and the items are not taken on charge. Further administrative approval for purchase of Apple ipad was not obtained.

During discussion on 6th October 2016, the management proposed that the matter may be placed before the DAC.

The audit and inspection report (AIR) was issued on 24th October 2016, but the management emphasis its previous reply.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that irregular purchase of plant, machinery & equipment in violation of SPPRA Rules may be regularized from competent authority.

(PDP # 11,PDMA Sindh 2015-16)

1.4.6 Irregular grant of Authority and Utility Allowance - Rs16.596 million

According to Rule 28(i)(c) of Government of Sindh Rules of Business 1986, "No Department shall, Without prior concurrence of the Finance Department, issue any order, other than an order in pursuance of any general or special delegation made by the Finance department, which directly or indirectly affects the finance of the Province or which involve changing the number or grading of posts or terms and conditions of service of Government servants, or their statutory rights and privileges having financial implications". Further as per S.No 10(8)(b) of Schedule-II of said Rules of Business, "Finance Department examine and advice on matters affecting directly or indirectly the finances of the Provinces including emoluments pension and allowances".

The management of PDMA paid an amount of Rs 16.596 million on account of Authority and Utility Allowance to its employees during the year 2015-16 as per Annexure-V at the following rates:

Sr.No.	BPS	Authority Allowance	Utility Allowance
1.	20 to 22	100,000	40,000
2.	19	80,000	15,000
3.	18	65,000	10,000
4.	17	50,000	7,000
5.	16	25,000	4,000
6.	11to 15	20,000	3,000
7.	5 to 10	10,000	2,000
8.	1 to 4	6,000	2,000

Audit is of the view that payment Rs 16,596 million on account of Authority and Utility Allowance is totally irregular as concurrence of the Finance Department was not obtained in term of Sind Government Rules of Business 1986.

In its reply dated 5th October 2016, the management stated that both the allowances were paid after the approval from the PDMA Board during its 6th & 7th meeting.

The reply of the department is not convincing as the power regarding grant of any allowance is vest with the Finance Department and the Authority/ Board is only responsible for the implementing polices and plans for disaster management and has no power to grant any kind of allowance.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit recommends that previous payment of both allowances since granting may be calculated and recovered from the employees besides immediate stoppage of both allowances.

(PDP # 12, PDMA Sindh,2015-16)

1.4.7 Irregular Expenditure on Establishment and Running of Chairman's Office -Rs 1.034 million

According to Section 15 (1) of NDMA Act 2010 "Each Provincial Government shall, after the issuance of notification of NDMA Act 2010, establish a Provincial Disaster Management Authority for the Province". As per Section 15 (2) "The Provincial Authority shall consist of such number of members as may be prescribed and shall include as its Chairperson the Provincial Director General or Provincial Relief Commissioner".

In contravention of NDMA Act 2010 Government of Sindh nominated Minister of Rehabilitation Department as Chairman of PDMA Sindh and the management of PDMA Sindh expended an amount of Rs 1.034 million on the establishment and running of chairman office as per detail given below during the year 2015-16: -

Sr. No	Cheque No.	Date	Payee	Description	Amount Rs
1	162054	16-09-15	Chairman PDMA Sindh	Establishment office of the Chairman PDMA Board	750,000
2	204476	09-06-16	Mr. Rashid Ali	Honorarium for the staff of Chairman PDMA board.	51,150
3	204477	09-06-16	Mr. Jamaluddin	Honorarium for the staff of Chairman PDMA board.	20,970
4	205752	16-06-16	M/s Horizon General Order Suppliers	Payment of Miscellaneous expenditure at office of Chairman PDMA Board.	102,801
5	205779	16-06-16	M/s Gul Enterprises	Payment against supply of miscellaneous items at the office of PDMA Chairman board.	56,090
6	205780	16-06-16	M/s SGA Enterprises	Payment against supply of miscellaneous items at the office of PDMA Chairman board.	53,183
Total					1,034,194

There is no provision of separate chairman office in the establishment and working of PDMA. Therefore, expenditure amounting to Rs 1.034 million incurred in this regard was irregular.

In its reply dated 5th October 2016, the management stated that an agenda "Establishment of the office of Chairman PDMA Board" was placed before the PDMA Board in its 7th Meeting which was unanimously agreed and a head was created in the existing budget of PDMA Sindh for the said purpose.

Audit did not agree with the view point of management as there is no need to have such office because it's only a burden on PDMA budget.

During discussion of initial observation on 6th October, the management stated that they will take up the matter regarding decision of Board with the competent forum.

The audit and inspection report (AIR) was issued on 24th October 2016, in reply dated 9th November 2016, the management stated that they will take up the matter with the competent forum.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that the SGA&CD over ruled the Act of Parliament; and there was no need to establish a separate office of chairman. Therefore, expenditure incurred on chairman office be got regularized from the Finance Department.

(PDP # 14, PDMA Sindh,2015-16)

1.4.8 Appointment of Officers/ Officials on Contract Basis

According to Rule 28(i)(c) of Government of Sindh Rules of Business 1986, "No Department shall, Without prior concurrence of the Finance Department, issue any order, other than an order in pursuance of any general or special delegation made by the Finance department, which directly or indirectly affects the finance of the Province or which involve changing the number or grading of posts or terms and conditions of service of Government servants, or their statutory rights and privileges having financial implications". Further as per S.No 10(6) of Schedule-II of said Rules of Business, "Finance Department is empower to create new posts".

As per Part III Rule 10 of Sindh Civil Servant (Appointment, Promotion and Transfer) Rules 1974 "Initial appointments to posts in BS 11 to 22 shall be made if the posts:

- a. Fall within the purview of the Commission, on the basis of examination or test to be conducted by the Commission

- b. Do not fall within the purview of the Commission, in the manner as may be determined by Government.

Rule 12 (1) of Sindh Civil Servant (Appointment, Promotion and Transfer) Rules 1974 states, “A candidate for appointment by initial recruitment must possess the educational qualifications and experience and be within the age limit laid down for that appointment.”

The management of PDMA, Sindh hired the services of 43 officers and official as ‘Internees’. The authority in its 5th meeting recommended the appointment of ‘Internees’ on ‘contract basis’.

The audit observed the followings: -

- The PDMA/ Board has no power to create any post.
- The appointment of contractual employees did not fall under the purview of PDMA.
- The recruitment of officers/officials of BS-11 to 17 was required to be requisitioned to the Commission.
- The PDMA did not create any additional post which was required to be created with the concurrence of the Finance Department
- There is no provision of hiring of officers/official on ‘Internship basis’ in Sindh Civil Servant (Appointment, Promotion and Transfer) Rules 1974.
- The appointments were made without setting the recruitment criteria i.e. Qualification of Posts, Job Description and Job Specification.
- No term and conditions of appointment were settled.

Audit is of the view that appointment of 43 Internees/ contract employees without creation of posts, consultation to Commission and non-observing recruitment process is totally irregular and creates doubt.

The management in its reply dated 5th October 2016, that PDMA Sindh advertised to recruit individuals against its sanctioned posts in widely circulated newspapers on 24th March 2010 and 25th March 2010. The PDMA Sindh accordingly constituted a Departmental Selection Committee vide its Notification dated 24th May 2010. The selection process for each of the above said posts was carried out purely on

merit. The terms and conditions were also clearly mentioned in the contract and the Board in its subsequent meetings approved extension of their contract.

The reply of the management is not acceptable because there is no provision of appointment of internees in the recruitment policy of Government of Sindh. It is also stated that these posts were not sanctioned/ created by the competent forum (i.e.) Finance Department. No documentary evidences regarding process of appointment on contract basis is provided to audit.

The AIR was issued on 24th October 2016; in its reply date 9th November 2016 the management emphasis its previous instance.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit recommends that recruitment of officers/officials on contract basis without creation of posts, consultation to Commission and non-observing of recruitment process needs justification and be got regularized from competent forum

(PDP # 15, PDMA Sindh, 2015-16)

1.4.9 Non Deduction of Sales Tax & Income Tax & POL on Services of Consultant -Rs 0.395 Million

As per Sales Tax on Services Act, 2011 Second Schedule Taxable services of consultant are taxable at a rate of 15% w.e.f 1st April 2015 and 14% w.e.f. 1st November 2015. Further as per Income Tax Ordinance, 2001 as amended from time to time rates of income tax deduction for services rendered u/s 153 and 233 are 10% from Filer and 15% from Non-Filer.

The PDMA, Sindh hired services of a consultant for specific tasks on daily basis for a period of 89 days @ of Rs 4,500 per day inclusive of all for each working day. An amount of Rs 1.080 million was paid to the consultant during the year 2015-16.

Sales tax and Income Tax amounting to Rs 0.317 million as per rules were required to be deducted. Further, POL charges amounting to Rs 0.078 million was

also paid to the consultant in contravention of the terms and conditions of appointment/ hiring as per detail given in Annexure-VI.

Audit is of the view that an amount of Rs 0.395 million (Rs 0.317 million+ 0.078 million) was required to be deducted on account of Sales Tax and Income Tax and POL charges from the concerned and deposit into Government Treasury under intimation to audit.

In reply dated 5th October 2016, the management stated that consultant was paid on daily basis and his services have never been hired for more than 89 days in one go. The payment for 89 days does not fall in the taxable income slab. Further, to facilitate smooth working of consultant in performing his assignments for the fields, meetings, especially for data collection, fleet card was given to him, and as no other benefit was given to him on the visits/ tours outside the headquarters.

During discussion on 6th October 2016, the management agreed for the recovery.

The audit and inspection report (AIR) was issued on 24th October 2016; in its reply dated 9th November 2016, the management of PDMA emphasized its previous stance.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that tax liability and POL charges amounting to Rs 0.395 may be recovered from the concerned officer and deposit in the Government Treasury under intimation to audit.

(Para # 06,PDMA Sindh 2015-16)

1.4.10 Irregular Payment of Allowance to Officer on Look after Charge - Rs 0.180 million

As per Rule 88 of Sindh Financial Rules “Every public officer should exercise the same vigilance in respect of expenditure incurred from government revenues, as a person of ordinary prudence would exercise in spending his own money. Further as per prevailing rules, no remuneration is allowed on look after the charge of other post.

Assistant Commissioner (Revenue), Commissioner Office Sukkur was allowed to look after the charge of the vacant post of Deputy Director (BS-18), Regional Office PDMA Sukkur vide SGA&CD notification dated 12th September 2014. The management of PDMA, Sindh paid remuneration amounting to Rs 0.179 during 2015-16 to the said officer as detailed below which was irregular because on look after the charge of any vacant post no remuneration is allowed: -

Sr. #	Month	Amount
1	July, 2016	50,000/-
2	August, 2016	50,000/-
3	September, 2016	13,333/-
4	July, 2016	13,333/-
5	POL Re-imburement	52,998/-
Total		179,664/-

In its reply dated 5th October 2016, the management stated that Assistant Commissioner (Revenue), Sukkur was given look after charge of Deputy Director (Ops) Regional Office Sukkur in addition to his own duties. In response to that, Authority Allowance was given to him to facilitate the additional field duties. In fact, the officer was paid authority allowance and POL for working as a part of the authority, which is not part of his salary.

Audit did not agree with the view point of the management. However, during discussion on 6th October 2016, the management agreed to recover the overpaid amount.

The AIR was issued on 24th October 2016, in its reply dated 9th November 2016, the management stated that the officer has been asked to deposit the said amount.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that amount may be recovered from the officer concern and deposit in Govt. Treasury under intimation to audit.

(PDP # 07, PDMA Sindh, 2015-16)

1.4.11 Non-Formulation of Provincial Disaster Management Policy

As per Section 16 (1) & 16 (2) (a) of NDM Act 2010, “Provincial Authority shall be responsible for implementing policies and plans for disaster management in the Province. The Provincial Authority may formulate the Provincial Disaster Management Policy obtaining the approval of the Provincial Commission.”

‘Provincial Disaster Management Policy’ was required to be formulated and got approved from the Provincial Disaster Management Commission, and the same was requested from PDMA, Sindh but no such policy and approval thereof was provided to Audit. This shows that PDMA did not formulate any such policy since its establishment.

The devising of Provincial Disaster Management (PDM) Policy is a major step towards achieving sustainable development through ensuring that disaster risk management is integrated in development planning by all sectors in the Province and it reflects a set of key priority areas and strategies for making a province resilient to disasters. It also provides a common direction to all government, non-governmental organizations, private sector organizations, media and development partners at provincial and district levels on how to effectively implement disaster risk management programs and activities.

In its reply dated 5th October 2016, the management stated that PDMA is responsible for coordination & implementation for policies and planning for the disaster management in the Province. The PDMA Sindh Formulated monsoon Contingency Plan at Provincial level and follow the NDMP 2012 and shared the NDMP progress updates with NDMA annually.

During discussion on 6th October 2016, the management stated that policy would be formulated under intimation to the audit.

The AIR was issued on 24th October 2016; in reply of the AIR dated 9th November 2016, the management agreed with the view point of audit.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that Provincial Disaster Management Policy may be formulated as soon as possible and got approve from PDMC under intimation to audit.

(PDP # 18, PDMA Sindh. 2015-16)

1.4.12 Non-Conducting of Vulnerability and Capacity Assessment Survey of the Province

According to Section 16 (2) (c) of NDMA Act, 2010 the Provincial Authority may, examine the vulnerability of different parts of the Province to different disasters and specify prevention or mitigation measures.

According to Section 16 (2) (e) of NDMA Act, 2010 the Provincial Authority may, evaluate preparedness at all Governmental or non-Governmental levels to respond to disaster and to enhance preparedness.

The management of PDMA, Sindh did not done any sort of vulnerability survey of the province. This also termed as Vulnerability and Capacity Assessment to gauge people's exposure to and capacity to resist natural hazards. It is an integral part of disaster preparedness and contributes to the creation of community-based disaster preparedness programs at the rural and urban grass-roots level.

The core function of PDMA, Sindh is disaster management, which starts with first step of disaster preparedness and without complete mapping of disaster prone areas of Sindh disaster preparedness, is not possible.

Audit is of the view that vulnerability survey and capacity assessment within the province be conducted for better disaster management in the future under intimation to audit.

In its reply dated 5th October 2016, the management stated that it is a fact that job of PDMA is to examine the vulnerability of areas and take measures for capacity assessment as a measure for the Disaster preparedness. In order to meet this task a "Multi hazard Risk Vulnerability Assessment" was conducted in the most vulnerable districts of the province with collaboration of NDMA, ADPC and WDFP in 2014. Further, the project namely "Sindh Resilience Project" has been started by the PDMA with the help of World Bank which has a component for the capacity assessment of PDMA/ DDMA's.

The AIR was issued on 24th October 2016, in reply of the AIR the management has stated that the management emphasis its previous instance.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that vulnerability survey and capacity assessment within the province be conducted for better disaster management in the future under intimation to audit.

(PDP #19,PDMA Sindh, 2015-16)

1.4.13 Non-Conducting of Community Based Training Programs

According to Section 16(2)(h) of NDMA Act, 2010 the Provincial Authority may, promote general education, awareness and community training in this regard

The management of PDMA, Sindh haven't done any activity regarding general education, awareness and community training except Disaster Day of 8th October.

Training is an integral component of capacity building and it needs to be design for specific needs and equipped with a practical approach. Strengthening of human resources is essential to disaster management. Participants in disaster management include government organizations at provincial and local levels, NGOs, CBOs, international donor agencies, private sector enterprises, religious organizations, Civil Defense, police, and the community. Since each of these have specific work areas, strengths and weaknesses, it is important for them to complement each other's efforts to achieve an efficient overall disaster management system.

In its reply dated 5th October 2016, the management stated PDMA has been vigorously active through electronic, print media, SMS awareness and other social media networks to educate and inform the public during pre and post disaster situation of all kinds. The PDMA is in active collaboration with INGOs/ NGO's to train, inform and persuade the local communities regarding all types of disaster and their precautions.

The AIR was issued on 24th October 2016; in reply of the AIR dated 9th October 2016, the management emphasis its previous instance.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that community based training program be initiated with the collaboration of other stakeholders for the capacity building of community.

(PDP # 20, PDMA Sindh, 2015-16)

Internal Control Weakness

1.4.14 Non Taking of Relief Goods Items on Charge-Rs 621.635 Million

As per Sindh Financial Rules:

- I. Rule 113, all materials received should be examined, counted measured or weighed, as the case may be, when delivery is taken and they should be kept in charge of a responsible Government Servant who should be required to give a certificate that he actually receive the materials and recorded them in his appropriate Stock Registers.
- II. Rule 114, when materials are issued from stock for departmental use, manufacture or sale etc, the store in-charge will issue the store to the indenting officer on an indent form with the approval of the competent authority.
- III. Rule 115 (a) all quantities received in or issued form stores should be entered in the Stock Account under the respective heads on the dates the transactions take place, and balances struck every month which should correspond to the quantities in stock at the close of each month.

The management of PDMA purchased relief goods items amounting to Rs 621.635 million during the year 2015-16 as per detail attached.

The audit observed the following:

- The store in-charge did not enter the store in the stock register immediately after receipt and issue of store.

- Certificate regarding taken on charge and struck off store is not recorded/ provided.
- While issuance of store no intend was received from the indenting officer.
- Approval of competent authority was not obtained for issuance of store.
- Annual physical verification of store was not conducted.

The non-taking on charge of store/ stock is a serious lapse on the part of the management of PDMA, as there is no account/ record of relief goods purchased by PDMA since its inception which also shows weak internal control (i.e. Financial and Administrative in-discipline of management) and a risk area. This may lead to manipulation, misuse, theft, loss and wastage of relief goods.

The Directorate General of Audit Sindh while conducting the audit of previous years also highlighted the same but the management of PDMA has not taken remedial measures to overcome the lapse at their part.

During discussion on 6th October 2016, the management accepted that stock register of relief goods was not maintained and the receipt and issue of stock is recorded on an Excel sheet at computer. The management further stated that Stock Registers of all the warehouses are now being maintained. After duly verified by the concerned officer and counter signed by the supervisory officer the said record will be shown/ verified from audit.

The AIR was issued on 24th October 2016; in its reply dated 9th November 2016, the management emphasis its previous instance as taken during the discussion.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit recommends that all the relief goods purchased may be taken on charge on proper stock register since inception, signed by the concerned officer and also conduct the physical verification of the stock besides taking disciplinary action against the defaulter.

(PDP # 16, PDMA Sindh 2015-16)

Performance

1.4.15 No Response on Man-made Disasters

As per Section 2 (b) of NDMA Act 2010 “disaster” means a catastrophe or a calamity in an affected area arising from natural or man-made causes or by accident which results in a substantial loss of life or human suffering or damage to and destruction of property.

Disasters can take many different forms, and the duration can range from an hourly disruption to days or weeks of ongoing destruction. All types of disasters i.e. natural, man-made or technological have impact on community. Apart from Natural Calamity, disasters also can be caused by humans. Man-made disasters include Hazardous material, Power service disruption & black out, Nuclear power plant and nuclear blast, Radiological emergencies, Chemical threat and biological weapons, Cyber-attacks, Explosion, Workplace fires, Civil unrest etc.

The province of Sindh is prone to different disaster especially when we focus on man-made disasters;

- Hazardous materials emergencies including chemical spills
- Workplace fires which can cause significant property damage and loss of life
- Explosions and civil unrest
- Threats by extremist groups

The management of PDMA is only catering Flood and Monsoon Rain disaster. The scope of PDMA is very diverse covering both Natural and Man-made disaster. Unfortunately, PDMA is not proactive on man-made disasters. In the recent times following major incidents (man-made disaster) occurred in the province: -

- On 12th April 2016, a toxic gas leakage from a chemical tank killed six people including factory owner, in Korangi Industrial Area in Karachi.
- In 2015 blast of Gas cylinder in van at link road from Hingorja to Setharja Taluka Thari Mir Wah District Kharipurin which 17 person died and 6 injured.
- On December 28, 2014, Timber market near Old Haji Camp in Karachi gutted. As a result, 250 shops, 50 warehouses and 18 residential buildings were destroyed. In few hours’ millions of Rupees were lost.

- On 11 September 2012 in Baldia Town Karachi at Ali Enterprises Factory. 259 workers, including women and youngsters died because they were trapped inside the locked premises.

These are few examples to quote as no response/participation from PDMA was shown. It is further added that such kind of man-made disasters were not placed before the Authority meetings and no advice were given to the Provincial as well as District and Local Authorities as per Powers and Function of PDMA defined in Section 16 of NDMA Act 2010.

In its reply dated 5th October 2016, the management stated that PDMA has always tried to meet the catastrophic situations either natural or manmade within its capacity and available resources. Further, PDMA also provided support to hospitals during heat waves and provided relief to the drought effected peoples of Tharparker, established rescue camps during the Jinnah Terminal attack and during the Boja & Air blue crash incidents. In-fact, the authority also provided compensation to the affectees of Baldiya town incident.

During discussion on 6th October 2016, the management stated that relevant record will be furnish to Audit for verification.

The AIR was issued on 24th October 2016; in reply of the AIR the management has stated that the management emphasis its previous instance as taken in the discussion. Further the PC-1 for the “Rescue 1122” is in process to coup with the emergences of all types.

The Proposed Draft Para (PDP) was issued on 9th December 2016 vide letter No 297/Audit/PDMA/Sindh/2015-16, with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit recommends that PDMA should have to cover the complete spectrum of disaster and in future plays active role in all types of disasters

(PDP # 22, PDMA Sindh, 2015-16)

Chapter-2

District Disaster Management Authorities, Sindh

2.1 Introduction of Authority

The District Disaster Management Authorities were established under the NDM Act (National Disaster Management Act) in 2010 in each District of Sindh. The District Authority is responsible for the District planning coordinating and implementing body for disaster management in the District in accordance with the guidelines laid down by the National/Provincial Authority.

2.2 Comments on Budget & Accounts (Variance Analysis)

Sr. No.	Financial Year	Funds Released (Rs)	Expenditure (Rs)	Saving
1	2015-16	331,744,000	306,819,700	24,924,300

The difference between fund released and expenditure was due to non-surrender of Rs 24.924 million.

2.3 Brief Comments on the Status of Compliance with PAC Directives

This Directorate General was reorganized from DG Audit (ERRA) to DG Audit (Disaster Management) vide AGP letter No. 1714-Dir(A)/2-9/2015-II dated 13th November 2015. This office was given additional mandate to carry out the audit of Disaster Management organization at National, Provincial and District level in addition to ERRA. Since, this Directorate General has conducted the audit of Disaster Management organizations for the first time and the relevant record pertaining to PAC has not been transferred to this office from the respective DG Audit.

2.4 AUDIT PARAS

Irregularity & Non Compliance

2.4.1 Irregular Payment on Account of Hiring of Services without Deciding Rates, Rs 0.709 million

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

While allocating the funds for Relief Activities Finance Department, Sindh vide letter No. GD/DO(B&E-VII)4(30)/2015-16(RC) dated 03.08.2015 instructed that the amount would be utilized after fulfillment of SPPRA Rules and completion of all codal formalities as per instructions/ guidelines issued by this Department.

The Deputy Commissioner/ Chairman DDMA Matiari expended an amount Rs 0.709 on account of transportation charges, Hiring of Boats, Loading and Unloading charges as per detail given below: -

Sr. No	Description	Amount
1	Hiring of boats	200,000
2	Transportation Charges	350,034
3	Loading/Unloading	159,350
Total		709,384

Audit observed that: -

- The payment was made without prior settlement of rates.
- The payment was made on lump sum basis.
- No committee was framed to ensure the transparency in settlement of rates of services.
- The receipts were obtained on simple plain paper without affixing the revenue stamps.

The AIR was issued on 18th November 2016 but no reply has so far been received.

The Proposed Draft Para (PDP) was issued on 14th December 2016 vide letter No.32-35/DC Mattiari/2015-16 with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that irregular payment of Rs 0.709 may be regularized.

(PDP # 34, DC Mattiari)

2.4.2 Non-Establishment of Stockpiles of Disaster Relief Items for Emergency Situation as Required under NDM Act 2010

As per section 20 (2) (p) of the National Disaster Management Act 2010, the District Authority may establish stockpiles of relief and rescue materials or ensure preparedness to make such materials available at a short notice.

The DDMA-Hyderabad, Jamshoro & Mattiari are responsible to comply with provisions of NDM Act 2010 and also responsible to maintain a strategic reserve/ Stockpile for any kind of disaster. Stockpile is a large accumulated stock of goods or materials, especially one held in reserve for use at the time of emergency/ disaster.

These DDMA's neither established stockpiles of relief and rescue materials nor ensure preparedness to make such materials available at a short notice.

Audit is of the view that non establishment of stockpiles of disaster relief items for emergency situation is not only violation of statutory obligation but it also creates problems in finding a suitable supplier with the least financial cost and better quality of goods during emergency situation. Moreover, without stockpiles delays occurs in provision of relief items to the affectees.

The AIR was issued on 28th October 2016 but no reply has so far been received.

The Proposed Draft Para (PDP) was issued on 14th December 2016 vide letter No. 25-27/DC. Hyderabad/205-16/55 with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that necessary arrangements may be made to establish a strategic reserve/ stockpile to ensure preparedness and to make such materials available at a short notice for affectees during emergency.

(PDP # 25, DC Hyd; PDP # 29,DCJamshoro; PDP # 32,Mattiari)

2.4.3 Non-Preparation and Submission of Annual Report to Provincial Government as Required Under NDM Act 2010

As per Section 41(2) of NDM Act 2010, “District Authority shall prepare once every year, in such form and at such time as may be prescribed by rules, an annual report giving a true and full account of its activities during the previous year and copies thereof shall be forwarded to the Provincial Government which shall lay it before the Provincial Assembly.”

The Annual performance reports on the activities of DDMA-Hyderabad, Jamshoro & Matiari since promulgation of the Act was required to be submitted to the Provincial Government and Provincial Assembly, but no such reports were made to the respective forum.

Non-provision of said reports implies that DDMA did not disclose the performance to Assembly as required above. This was pre-requisite for the discussion in the parliament and for taking corrective measures/ feed-back /directions from the legislators.

Audit holds that this is a serious lapse on the part of DDMA by concealing the progress from the elected members of the People. This further caused the elected members to be unaware of the achievements/ lags in the activities undertaken by DDMA.

Audit recommends that the necessary reports may be submitted to the assembly for requisite actions at their end and necessary action may be taken against the person(s) responsible for non-compliance of the statutory requirement.

The AIR was issued on 28th October 2016 but no reply has so far been received.

The Proposed Draft Para (PDP) was issued on 14th December 2016 vide letter No. 25-27/DC. Hyderabad/205-16/55 with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

Audit holds that the necessary reports may be submitted to the assembly for requisite actions at their end and necessary action may be taken against the person(s) responsible for non-compliance of the statutory requirement.

(PDP # 26, DC Hyd;PDP # 30 DC Jamshoro; PDP # 33 Matiari)

2.4.4 Non Approval of Expenditure from the District Authority, Rs 8.481 Million

As per Article 18(2) of NDM Act 2010, The District Authority shall consist of such members, as may be prescribed by the Provincial Government and unless the rules otherwise provided, it shall consist of the following members, namely: -

- a. Head of the Local Council at the district level (by whatever named called) who shall be the Chairperson, ex-officio;
- b. The District Co-ordination Officer;
- c. The District Police Officer ex-officio;
- d. The Executive District Health Officer; and
- e. Such other district level officer, to be appointed by the District Government.

As per Article 19 (1) of NDM Act 2010, “The Chairperson of the District Authority shall in the case of an emergency, have power to exercise all or any of the powers of the District Authority but the exercise of such powers shall be subject to ex-post facto approval of the District Authority.”

Deputy Commissioners/ Chairmen DDMA-Hyderabad, Jamshoro and Matiari expended amounts of Rs 0.448, Rs 5.00 & Rs 3.033 million respectively on different relief activities during 2015-16.

The expenditure was sanctioned by Deputy Commissioner instead of District Authority in term of Article 18(2) of NDM Act.

Audit is of the view that the ex-post facto approval of the said expenditure was required to be obtained from the District Authority in term of above mention rule.

The Proposed Draft Para (PDP) was issued on 14th December 2016 vide letter No. 25-27/DC. Hyderabad/205-16/55 with the request to convene the DAC meeting, but the management did not convene the same till the finalization of this report.

The AIR was issued on 28th October 2016 but no reply has so far been received. Audit holds that ex-post facto approval of the expenditure be obtained from District Authority in the light of NDMA Act under intimation to audit.

(PDP # 28, DC Hyd; PDP # 31 DC Jamshoro; PDP # 35 Matiari)

Annexures

MFDAC

Annexure-I

S. #	AP/ PDP #	FY	Name of Formation	Subject
PDMA				
1	3	2015-16	PDMA	Non-deposit of receipt into Govt. Treasury Rs. 8.573 m
2	4	2015-16	PDMA	Non surrender of savings- Rs. 48.029 million
3	5	2015-16	PDMA	Non-deduction of late delivery charges Rs. 4.288 m
5	9	2015-16	PDMA	Irregular purchase of computer stationary Rs 179, 294
6	10	2015-16	PDMA	Over payment of TA/DA Rs 0.108 million
7	13	2015-16	PDMA	Irregular payment of Honorarium- Rs. 1.777 million
8	17	2015-16	PDMA	Non-Disclosure of Fixed Assets- Rs 1.697 million
Relief Commissioner				
1	24	2015-16	Add. Relief Commissioner	Non Surrender and refund of Savings, Rs 1.967 million
District Disaster Management Authority Hyderabad				
1	27	2015-16	DDMA Hyderabad	Un-due retention of public money Rs. 4.552 million

Annexure-II

Statement Showing the Detail of Decisions Made by the Authority/ Board of PDMA (Sindh) Which Are Not Under Their Preview

Sr. No.	Authority Meeting	Dated	Decisions	Competent Authority
1	1 st	17.10.2009	One Line release of fund.	
2	1 st	17.10.2009	Approval of Organogram	
3	1 st	17.10.2009	Approval of Pay structure along with extra remuneration from Rs 130,000 to Rs 6,000 to different officer/officials.	Finance Department
4	1 st	17.10.2009	Authorization of Vehicles from Chairman to Assistant Directors	SGA&C Department
5	2 nd	29.04.2010	Creation of Posts	SGA&C Department and Finance Department
6	2 nd	29.04.2010	Remuneration of Non Executive Members Rs 5000	Finance Department
7	3 rd	26.01.2012	Honoraria to the officer of different departments attached with PDMA. Rs 40,000 for BS-18&19 and Rs 30,000 to BS-17.	Finance Department

8	5 th	17.01.2013	Internees recommended for appointment on contract.	But PDMA, did not follow the codal formalities for appointment of staff on contract basis in the light of recommendation of board.
9	6 th	07.05.2014	Post facto approval of CM for appointment of Internees	Board recommended to move the summary to CM
10	6 th	07.05.2014	Revision of Allowances	Finance Department
11	7 th	11.02.2015	Creation of new 30 posts	Finance Department and SGA&CD
12	7 th	11.02.2015	Re-designation of post of Capacity Building officer and Accounts officer	Finance Department
13	7 th	11.02.2015	Revision of allowances	Finance Department
14	7 th	11.02.2015	Regularization of contractual staff	Finance Department
15	7 th	11.02.2015	Establishment of Chairman office	No provision
16	8 th	21.10.2015	Revival of utility allowance	SGA&CD
17	8 th	21.10.2015	Re-designation of posts Procurement Officer	Finance Department
18	8 th	21.10.2015	Grant of authority allowance to staff of chairman	Finance Department
19	8 th	21.10.2015	Permission for engaging law expert	Law Department
20	8 th	21.10.2015	Extension of contract of Mr. Shayan Shah	SGA&CD
21	9 th	27.05.2016	Extension of contract	

SUMMARY FOR EXPENDITURE BEYOND POWER 2015-2016				
S #	Name of Head	S.# of Delegated Power	Delegated Power	Expenditure
1	Medical Charges	3(b)(xxvii)(b)	1,000	1,254,786
2	Others (A-03270)	3(b)(xxvii)(b)	1,000	199,607
3	Gas	3(b)(xxvii)(b)	1,000	11,800
4	Rent for Office Building	3(b)(xxvii)(b)	1,000	3,762,400
5	Rent for other Building / Warehouse	3(b)(xxvii)(b)	1,000	1,874,600
6	Security	3(b)(xxvii)(b)	1,000	2,747,800
7	Others (Office / Repair Shift)	3(b)(xxvii)(b)	1,000	489,979
8	Insurance	3(b)(xxvii)(b)	1,000	410,994
9	Registration	3(b)(xxvii)(b)	1,000	420,840
10	Training International	3(b)(xxvii)(b)	1,000	454,998
11	Travailing Allowance	3(b)(xxvii)(b)	1,000	2,180,960
12	POL	3(b)(xxvii)(b)	1,000	3,934,555
13	Conveyance Charges	3(b)(xxvii)(b)	1,000	0
14	Others A-03840	3(b)(xxvii)(b)	1,000	86,193
15	Stationary	3(b)(xxvii)(b)	1,000	637,080
16	Printing and Publication	3(b)(xxvii)(b)	1,000	434,724
17	Conference / Seminars etc	3(b)(xxvii)(b)	1,000	91,130
18	Uniforms and Protective Clothing	3(b)(xxvii)(b)	1,000	245,760
19	Advertising and Publicity	3(b)(xxvii)(b)	1,000	3,056
20	Payment to Government Department for Service rendered	3(b)(xxvii)(b)	1,000	360,690
21	Payment to Others for Service rendered	3(b)(xxvii)(b)	1,000	2,355,261
22	Computer Stationary	3(b)(xxvii)(b)	1,000	399,101
23	Others + Chairman Office	3(b)(xxvii)(b)	1,000	1,973,379

24	Entertainment and Gifts	3(b)(xxvii)(b)	1,000	548,538
25	Hardware	3(b)(xxvii)(b)	1,000	180,325
26	Software	3(b)(xxvii)(b)	1,000	0
27	Plant & Machinery	3(b)(xxvii)(b)	1,000	589,726
28	Furniture and Fixtures (Purchase)	3(b)(xxvii)(b)	1,000	440,705
29	Repair of Vehicles	7(B)(i)	100,000	176,553
29	Others (Building & Structure)	3(b)(xxvii)(b)	1,000	230,428
Total				26,495,968

Annexure-IV

Procurement in violation of SPPRA						
Sr. #	Description	Date of	Exp.	Qty	Rate	Total
1	Dawlance AC 1 ton	23-10-15	16-12-15	1	46000	46000
2	Haier AC 1.5 ton	26-11-15	06-06-15	1	71,700	71,700
3	Haier AC 1.5 ton	21-01-16	28-03-16	1	59,800	59,800
4	Haier AC 1.5	17-03-16	25-04-16	1	59,800	59,800
5	Homage Dispenser	26-04-16	01-06-16	2	19,575	39,150
6	Dawlance Refrigerator	12-05-16	13-06-16	2	25,575	51,150
7	Gree AC	24-05-16	14-06-16	1	74,442	74,442
8	Dawlance Refrigerator	10-06-16	15-06-16	2	25,575	51,150
9	Intercom	13-06-16	14-06-16	1	57,500	57,500
10	Gree AC	13-06-16	14-06-16	1	74,442	74,442
11	Apple Ipad			1		109,105
11	Executive Office Table	21-10-15	07-12-15	1	21,500	21,500
12	Executive Revolving Chair	21-10-15	07-12-15	1	12,800	12,800
13	Executive Visitor Chair	21-10-15	07-12-15	3	4,950	14,850
14	Executive Revolving Chair	20-11-15	20-01-16	1	29,944	29,944
15	Visitor Chair Traditional	20-11-15	02-06-16	4	24,388	97,552
16	Desk Traditional Econo	22-11-15	29-01-16	1	96,664	96,664
17	Credenza Traditional	23-11-15	25-01-16	1	99,504	99,504
18	Side Rack Traditional	26-11-15	01-02-16	1	74,221	74,221
19	Table Traditional side	01-02-16	25-04-16	2	13,527	27,054
Total						1,168,328

Annexure-V

S. No	Name	Designation	BPS	Authority Allowance	Utility Allowance	Total
1	S. Salman Shah	D.G	20	1,200,000	480,000	1,680,000
2	Nazar Muhammad Bozdar	Director (Ops)	19	56,774	10,645	67,419
3	Farooq Ahmed Siddiq	Dir (F & A)	19	562,759	105,000	667,759
4	Muhammad Nawaz Sohoo	Dir (F & A)	19	280,000	52,500	332,500
5	Abdul Aleem Lashari	Director (Ops)	19	331,034	60,000	391,034
6	Shahanawaz Khan	DD (Ops)	18	282,506	46,129	328,635
7	M. Shayyan Shah	DD (Ops)	18	780,000	120,000	900,000
8	Nisar Hussain Channer	DD (Ops)	18	780,000	0	780,000
9	Muhammd Aslam Laghari	DD (Tech)	18	75,484	10,000	85,484
10	S. Ahemd Shah	DD (F & A)	18	457,241	70,000	527,241
11	Syed Shah Hussain	DD (F & A)	18	213,448	21,000	234,448
12	Sharafuddin Danwar	DD (Tech)	18	457,241	70,000	527,241
13	M Usman Khalid	DD (Suk)	17	113,333	0	113,333
14	Muhammad Bux Jarwar	DD (HQ & C)	17		49,000	400,724
15	Nazeer Ahmed Khaskheli	AD (Admn)	17		56,000	572,667
16	Muhammad Nawaz	AD (FT)	17		28,000	228,000
17	Ajay Kumar Schwani	AD (Ops)	17		84,000	684,000
18	Abdul Rehman	AD (Ops)	17		0	600,000
19	Amjad Ali Chandi	AD (Ops),	17		14,000	104,322
20	Muhammad Shafi	AD / Pro	17		84,000	684,000
21	Jawad Hussain Shah	AD (Ops)	17		0	350,000
22	Mir Muhammad Channa	AD (Finance)			28,000	203,862
23	Riaz Ali Maitlo	Proc. Officer	17		60,290	490,935
24	Sham Kumar Solangi	P.S	16		48,000	348,000
25	Abdul Waheed	DPA	14		36,000	276,000
26	Assia Soomro	DPA	14		36,000	276,000
27	S. Muhammad Ali	DPA	14	240,000	36,000	276,000
28	Khalil Ahmed Shaikh	DPA	14		36,000	276,000
29	Bashir Ahmed	Asstt.	14		0	240,000
30	Mehtab Hussain Qureshi	Asstt.	14		36,000	276,000
31	Alamigir Memon	Asstt.	14	240,000	0	240,000
32	Shaikh Waqas	Acct. Asstt.	14	240,000	36,000	276,000
33	Fatima Zohra	Receptionist	12	240,000	36,000	276,000
34	Maha Gul	Record Keeper	7	120,000	24,000	144,000

35	S. Muhammad Farrukh	D.R	4	72,000	24,000	96,000
36	Moin Ahmed	D.R	4	72,000	24,000	96,000
37	Khadim Buledi	D.R	4	72,000	0	72,000
38	Allah Bachayo	Driver	4	72,000	24,000	96,000
39	Muhammad Ali Soomro	Driver	4	72,000	24,000	96,000
40	Ramzan	Driver	4	72,000	24,000	96,000
41	Nadeem Iqbal	Driver	4	72,000	24,000	96,000
42	Fida Hussain	Driver	4	72,000	24,000	96,000
43	Momin Khan	Driver	4	72,000	24,000	96,000
44	Abdul Shakoor	Driver	4	72,000	24,000	96,000
45	Mubarak	Driver	4	72,000	24,000	96,000
46	Naseer Ahmed	Driver	4	55,800	18,600	74,400
47	Abdul Reman	N.Q	1	72,000	24,000	96,000
48	Sajid Hussain	N.Q	1	72,000	24,000	96,000
49	Mir Muhammad	N.Q	1	72,000	24,000	96,000
50	Muhammad Amjad Khan	N.Q	1	72,000	24,000	96,000
51	Pir Buksh	N.Q	1		24,000	96,000
52	Adnan Ahmed	N.Q	1	72,000	24,000	96,000
53	Muhammad Irfan	N.Q	1	72,000	24,000	96,000
54	Muhammad Shahid	N.Q	1	72,000	24,000	96,000
55	Ali Asghar	N.Q	1	72,000	24,000	96,000
56	Tariq Ali	N.Q	1	72,000	24,000	96,000
57	Abdul Hameed	N.Q	1	72,000	24,000	96,000
58	Muhammad Sajid	N.Q	1	72,000	24,000	96,000
59	Muhammad Owais	N.Q	1	72,000	24,000	96,000
60	Imam	Chowkidar	1	72,000	24,000	96,000
61	Attaullah	Chowkidar	1	72,000	24,000	96,000
62	Janti Lal Solangi	Sanitary Worker	1	72,000	24,000	96,000
63	Sunny Yousuf	Sanitary Worker	1	72,000	24,000	96,000
Total				14,156,840	2,439,164	16,596,004

Sales Tax & POL

Sr. No	Month	Rate per day	No. of days	Amount	GST	Income Tax	Total Tax required to be Deducted	Net Payable
1	July	4,500	22	99,000	14,850	14,850	29,700	69,300
2	August	4,500	20	90,000	13,500	13,500	27,000	63,000
3	September	4,500	20	90,000	13,500	13,500	27,000	63,000
4	October	4,500	21	94,500	14,175	14,175	28,350	66,150
5	November	4,500	20	90,000	12,600	13,500	26,100	63,900
6	December	4,500	19	85,500	11,970	12,825	24,795	60,705
7	January	4,500	18	81,000	11,340	12,150	23,490	57,510
8	February	4,500	20	90,000	12,600	13,500	26,100	63,900
9	March	4,500	21	94,500	13,230	14,175	27,405	67,095
10	April	4,500	15	67,500	9,450	10,125	19,575	47,925
11	May	4,500	22	99,000	13,860	14,850	28,710	70,290
12	June	4,500	22	99,000	13,860	14,850	28,710	70,290
				1,080,000	154,935	162,000	316,935	763,065
13	July 15 to June 16	POL Charges					77,938	
Total				1,080,000	154,935	162,000	394,873	763,065