



**SPECIAL AUDIT REPORT  
ON  
SHAHEED MOHTARMA BENAZIR  
BHUTTO CHAIR AND CONVENTION  
CENTER UNIVERSITY OF KARACHI  
FINANCIAL YEARS 2009-10 TO 2015-16**

**AUDITOR-GENERAL OF PAKISTAN**



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## **PREFACE**

The Auditor-General of Pakistan conducts audits subject to 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 Special Audit of the Director Shaheed Mohtarma Benazir Bhutto Chair and Convention Center University of Karachi was carried out accordingly.

The Directorate General Audit Sindh conducted Special audit of "the Director Shaheed Mohtarma Benazir Bhutto Chair and Convention Center University of Karachi" during January to March 2017 for the period since establishment of the Chair to 2015-16 with a view to report significant findings to stakeholders. Audit examined the economy, efficiency and effectiveness aspects of the Shaheed Mohtarma Benazir Bhutto Chair and Convention Center. In addition, audit also assessed whether the management complied with applicable laws, rules and regulations in managing the project components and achieving the chair objectives. Audit reports indicates specific actions that, if taken, will help the management to realize the objectives of the project and chair components.

The Special 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 to cause it to be laid before the Provincial Assembly.

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

Dated:



## Abbreviations & Acronyms

ACS	Additional Chief Secretary Development
ADP	Annual Development Plan
AGP	Auditor General of Pakistan
BOQs	Bill of Quantities
DAC	Departmental Accounts Committee
EAD	Economic Affairs Division
ECNEC	Executive Committee for National Economic Council
ED	Education Department
ERR	Economic Rate of Return
FD	Finance Department
GOP	Government of Pakistan
GOS	Government of Sindh
IBRD	International Bank for Reconstruction and Development
IDA	International Development Association
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
M&E	Monitoring and Evaluation
MDG	Millennium Development Goals
MIS	Management Information System
NCAWB	Nara Canal Area Water Board
NCB	National Competitive Bidding
P&D	Planning & Development
PDWP	Provincial Development Working Party
PC I	Planning Commission Form I
PSC	Project Steering Committee
SMBB	Shaheed Mohtarma Benazir Bhutto
SPPRA	Sindh Public Procurement Regulatory Authority
TOR	Terms of Reference





## **EXECUTIVE SUMMARY**

The Directorate General Audit Sindh Karachi conducted an audit of "Shaheed Mohtarma Benazir Bhutto Chair and Convention Center University of Karachi" during January to March, 2017. The main objectives of the audit were to assess 1) whether the Chair was managed with due regard to economy and efficiency, 2) to review compliance with applicable rules, regulations and procedures and 3) to evaluate whether key-monitoring mechanism and indicators covers all areas and are effective enough for operational performance. The audit was conducted in accordance with the INTOSAI Auditing Standards.

In 2008, Government of Sindh established Shaheed Mohtarma Benazir Bhutto Chair and Convention Center University of Karachi and the work on components of the chair were carried out through Endowment funds by Govt. of Sindh. The chair aimed at undertaking the research on the Vision and Mission of Shaheed Mohtarma Benazir Bhutto. The objective of institute was to provide education through designing multidisciplinary courses, short and long as portrayed by utilizing Shaheed Mohtarma Benazir Bhutto's political thought academically such as Women's emancipation and development to create awareness in upcoming young generations to develop the country. In addition to that, PC-I was approved by Provincial Development Working Party (PDWP) dated 15-3-2013 for establishment of Convention Center through ADP scheme in order organize seminars, workshops etc.

### **Key Findings:**

The main findings of special audit were that tax deductions were not made and work was awarded to ineligible contractor by violating Sindh Public Procurement Rules. Various cases of loss to Govt. were observed due to award of work to the second lowest bidder. There was delay in investment of endowment funds by violating relevant rules. There was excess payment to consultant and the contractor. The funds were transferred unjustifiably from Assignment Account to DDO Account. The appointments of officials were made in violation of the rules and regulations. Various targets in view of P.C.I and Syndicate minutes were also not achieved.

### **Recommendations:**

The audit mainly recommends that recoveries may be made, deviation from the PC-I be regularized, internal controls may be strengthened to achieve planned targets, deviation from procurement rules and procedures may be got regularized and efforts may be taken to achieve targets.

# 1. INTRODUCTION

1.1 The Directorate General Audit Sindh conducted special audit of 'Shaheed Mohtarma Benazir Bhutto Chair and Convention Center University of Karachi' during January to March, 2017.

## 1.2 **Description**

1.2.1 The work on components of the Chair started in November 2011 through placing of Endowment Funds approved by the Chief Minister Sindh. In addition to that PC-I was approved by Provincial Development Working Party (PDWP) dated 15-3-2013 and the same was to be completed in thirty-four (34) months by 30-6-2016.

1.2.2 The Chair aimed at undertaking the research on the Vision and Mission of Shaheed Mohtarma Benazir Bhutto. The main objective of institute was to provide education through designing multidisciplinary courses, short and long as portrait by utilizing Shaheed Mohtarma Benazir Bhutto's precious political thought academically such as Democracy, Peace, Development, Good Governance, Poverty Alleviation, Human Rights, Women's Emancipation and development to create awareness in upcoming young generations to develop the country. The chair will enter into collaboration with National and International institutions for various exchange of programs.

1.2.3 Establishment of an Auditorium with 2000 seat capacity will be built in Karachi University.

1.2.4 Shaheed Mohtarma Benazir Bhutto Chair will constitute a strong conjunction with Local and International Research Institutes in this regard for collaboration to make this research more worthwhile, and also will collaborate for exchange programs with various national and international institutions.

1.2.5. To furnish a high profile library including a digital one, to keep well preserved entire stuff related to Shaheed Mohtarma for National and International researches to focus deeply and illustrate Mohtarma's political view. The library will contain stuff based on Mohtarma's life and political activities, which will be in the forms of books, published

articles, speeches and media talks and other relevant material which may be collected through various sources.

### 1.3 **Project cost and financing**

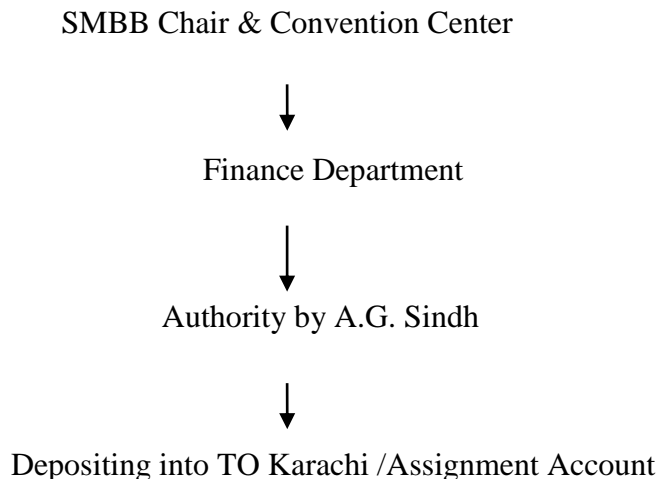
The project was financed under Provincial ADP and placement of Endowment funds by Govt. of Sindh, detailed as under:

Cost as per P.C.I	Rs442.041 million
Profit on Endowment funds	Rs13.04 million
Total	Rs455.045 million

The profit on Endowment funds will be expended on chair's day to day expenses. Moreover, the releases status by the Govt. under P.C. I. is as under;

### 1.4 **Flow of Funds**

The Director SMBB Chair was to manage all activities of supporting and evaluate the implementation of project as per P.C.I.



The release of funds was authorized by the Finance Department and then issuance of authority letters by AG Sindh to the assignment account of the

Chair. Year-wise detail of releases of funds and expenditure to various IAs is listed below:

1.5 Summary of the year-wise financial expenditure (ADP allocation under PC-I, funds released, and actual expenditure) is as under:

S. No.	Name of Scheme	Up to 2013-14		2014-15		2015-16		Total	
		Release	Exp	Release	Exp	Release	Exp	Release	Exp
1	Establishment of SMBB Chair & Convention Center i) Funds position as per P.C.I	6.25	6.211	28.48	28.48	50.00	41.41	84.73	76.101
2	ii) As per profit earned on endowment funds	6.911	8.906	3.731	1.639	2.438	4.908	13.038	15.453
	<b>Grand Total</b>	<b>13.161</b>	<b>15.117</b>	<b>32.211</b>	<b>30.119</b>	<b>52.438</b>	<b>46.318</b>	<b>97.768</b>	<b>91.554</b>

## 2. AUDIT OBJECTIVES

- i. To assess whether the Chair was managed with due regard to economy and efficiency.
- ii. To review compliance with applicable rules, regulations and procedures.
- iii. To evaluate whether key-monitoring mechanism and indicators cover all areas and are effective enough for operational performance.

## 3. AUDIT SCOPE AND METHODOLOGY

### 3.1 Scope of Special Audit:

The special audit started its execution in the office of the Director SMBB Chair and Convention Center since its establishment i.e. 2008 to 2015-16. Initially, P&D department of the University has conceived the concept of establishment of convention center by submitting P.C.I to Planning & Development Department, Govt. of Sindh. Also the team focused on source of funds received from Govt. of Sindh for convention center as endowment funds for recurring expenditure of the Chair (expenditure incurred for Rs91.554 million) with specific focus on purchase of assets, subsidy issues, procurement process, recruitment process and overall

management of the department. In addition to above office, the site of the convention center was visited.

### **3.2 Methodology of Special Audit:**

- 3.2.1 Understanding the Chair management and operations;
- 3.2.2 Developing audit objective and audit programme;
- 3.2.3 Performing special audit procedures to assess efficiency, economy and effectiveness;
- 3.2.4 Evaluating results; and
- 3.2.5 Reporting.

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

The audit findings and recommendations in this section were pointed out during January to March, 2017, but no reply of the management was received. The report was issued to the Principal Accounting Officer / Secretary, Universities and Boards on 22-05-2017 with the request to convene the DAC meeting but the same was not convened despite issuance of two reminders dated 22-11-2017 and 11-12-2017.

### **4.1 Organization and Management**

#### **4.1.1 Irregularities in selection process and appointment of ineligible officials Rs 6.634 million**

According to Services, General Administration & Coordination Department, Government of Sindh, Karachi Circular No.E&A(S&GAD)34(1157)/74 dated 19-08-1974, "In accordance with the policy of People's Government to find out "Talent" and to utilize it for people's good and welfare and also to give equal opportunities to all without discrimination, the Chief Minister has been pleased to decide that henceforth all posts in various grades should be filled-in after these are advertised in Press etc,....."

According to Sub-Rule (1) of Rule-12 of Sindh Civil Servants (Appointment, Promotion and Transfer) Rules, 1974, "A candidate for appointment by initial recruitment must possess the educational qualifications and experience and be within the age limit laid down for that appointment".

Audit observed that following appointments were made since inception of the chair:

Sr #	Name	Designation	Date of advertisement	Date of appointment		Pay package (Rs in million)	
				From	To	Monthly	Total
1	Mr. Aijaz Ahmed Qureshi	Director	11-01-2011	22-06-2011	21-06-2013	0.100	2.400
2	Prof: Saleem Memon	Director	Without advertisement	22-06-2013	10-03-2014	0.020	0.460
				09-08-2014	04-06-2015	0.130	0.650
3	Prof: Ms. Shahida Qazi	Director	13-10-2013	11-03-2014	08-08-2014	0.160	2.080
4	Ms. Sahar Gul Bhatti	Director	18-01-2015	05-06-2015	Till date	0.080	0.560
5	Mr. Adeel Ahmed Siddiqui	Project Director	Evidence of advertisement was not available	30-05-2014	11-01-2016	0.097	0.484
6	Col (Retd) Syed Asif Jamal	Project Director	04-11-2015	22-1-2016	Till date	0.100	2.400
7	Ms. Kanwal Aftab	Research Officer	01-07-2012	-	-	-	-
8	Mr. Khalid Suleman Qazi	Research Officer	01-07-2012	-	-	-	-
9	Mr. Yasir Ali	Research Officer	01-07-2012	-	-	-	-
10	Ms. Shagufata Chandio	Research Officer	Without advertisement	-	-	-	-
11	Mr. Asif Ali Surhio	Research Officer	Without advertisement	-	-	-	-
12	Mr. Kashif Hussain Siddiqui	Research Officer	Without advertisement	-	-	-	-
13	Mr. Kashif Hussain Khokhar	Accounts Officer	Without advertisement	-	-	-	-
14	Ms. Mashra Binte Ghazi	Personal/Research Assistant	Without advertisement	-	-	-	-
15	Ms. Adarsh Fateh Muhammad	Internee	Without advertisement	-	-	-	-
<b>Total</b>							<b>6.634</b>

Following irregularities incurred were observed into selection of ineligible officers:

1. The officer at Sr # 02 was appointed without any advertisement or recruitment process through selection committee with the approval of Syndicate / Senate. He was appointed in addition to his previous assignment as Director, Shah Abdul Latif Chair. Besides, his application/CV along with educational/experience documents and progress/performance report as Director of the Chair were not produced.

2. The personnel at Sr # 03 did not possess required 15 years teaching/research guidance experience as mentioned in the advertisement.
3. The personnel at Sr # 04 also did not possess required 15 years teaching/research guidance experience as mentioned in the advertisement. She was extended undue favor despite availability of eligible candidates possessing all requirements of the posts.
4. Application along with CV and educational/experience documents in respect of Personnel at Sr # 06 were not produced to verify his education and experience with requirements of the post.
5. Appointment of Personnel at Sr # 07 to 09 was made after three years of advertisement.
6. The post against which the Personnel at Sr # 13 was not sanctioned from the syndicate and senate as he was initially appointed as Finance and Administrative Assistant (BS-16) as per P.C.I . After six months, he was promoted, but post was neither approved in P.C.I. nor by Syndicate and Senate.
7. The Personnel at Sr. # 15 was failure candidate in first semester whereas as per advertisement, the minimum qualification required for the post was graduation in Political Science, International Relations & Pakistan Studies.
8. The Personnel at Sr. # 10 to 14 were appointed without any advertisement or recruitment process.

Besides, following irregularities were observed:

- i. Total number of applications received and details of short listed applications were not produced to audit.
- ii. Posts were not sanctioned from the syndicate and Senate.
- iii. The notification of Selection Committee was not produced to audit.
- iv. Experience certificates duly verified by the employer, degrees verified from the concerned universities and medical certificates were also not produced to audit.
- v. Neither any criteria for selection (marking) by the members of selection committee was found available nor individual sheets of scores & consolidated score sheets of members duly signed by them were produced to audit.
- vi. Minutes of Meeting of the Selection Committee were not available on record.



- vii. Approval of appointment was not made from the Syndicate & Senate.
- viii. Performance Reports in respect of any of officer were not produced to audit to ascertain the number of research articles published and detail of work completed by them in view of attainment of the objectives of the Chair.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that detailed inquiry into the matter may be carried out, besides, fixing of responsibility on the person(s) at fault and production of record for verification.

OM # 23 & 24

## **4.2 Procurement and Contract Management**

### **4.2.1 Unauthorized award of works to ineligible contractor-Rs264.533 million**

As per Rule-42 Sindh Public Procurement Rules, 2010 read with Rule 2 (x) "All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents." and "Mis-procurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement."

Audit observed that works of Rs264.533 million were awarded to M/s Shams & Zain Meo Rajpoot Construction Company for "Construction of office, convention center and allied facilities for Shaheed Muhtarma Benazir Bhutto Chair" who was ineligible contractor as per evaluation criteria of the prequalification document on the following basis/ grounds:

- i. The Procurement Committee was constituted in violation of rule 7 of SPP Rules 2010 as all the nine (09) members of committee belonging to University of Karachi were appointed and no member from outside of the university was taken against the set procedure, wherein three members were required to be taken from outside KU.
- ii. The number of civil engineers and electrical engineer was not mentioned in the criteria which was critical factor for evaluation. Thus faulty criteria was framed to favor the contractor.

- iii. Pre-qualification advertisement was re-tendered due to observation by SPPRA that registration of contractor with Sindh Revenue Board was not mentioned. Neither ToR was found in the retendered advertisement nor contractor's registration certificate of SRB was available / provided.
- iv. ToRs of Pre-qualification and bidding document were not approved by the Procurement Committee before issuance of the document/ proposal.
- v. As per evaluation criteria, contractor had 10 years experience in construction business and would be entitled for 10 marks but he was allowed 13 marks against 7 years construction business as PEC registration certificates for the year 2008 to 2014 were found attached in the document which resulted into excess marks of 6 allowed (13 instead of less than 7).
- vi. The company had not attached any completion certificate in his profile but the committee allowed 12 marks in excess.
- vii. The details of equipments were not recorded in the documents, neither it was shown to audit that company owned the said equipment nor any lease/rental agreement of the equipments were found, hence 6 marks allowed in excess.
- viii. The Bid Evaluation Report was neither sent to SPPRA for hoisting on website and departments own website for 7 days prior to the award of contract as per rule 45 of the SPP Rules 2010 nor work order was issued after seven days.
- ix. The company was allowed 40 marks in excess out of 72 for which he was not eligible and an undue favor was extended towards award of contract.
- x. In violation of rules 21(A), 21(4) and 24(2) of SPP Rules, 2010 (Amended 2013), the said procurement was placed before Sub-Committee of SPPRA Board vide its letter to the Project Director No. Mng(Assessment-I)/REF-528/SPPRA/3-9(UK)/14-15/7878 dated 8th October, 2015, but no clearance from the Sub-Committee was shown to audit (copy enclosed).
- xi. Hence, construction work of Rs264.533 million was awarded to the second lowest bidder i.e. M/s Shams & Zain Meo Rajput Construction Company, whereas M/s Haji Gul Muhammad Khan Shirani quoted for same was Rs227.490 million which was rejected on the basis that bid security was not submitted on the prescribed Performa. This resulted into a loss of Rs37.043 million. Moreover, the financial bids along with copies of bid

security in shape of pay orders/ demand drafts of both first and second bidders were not produced to audit for scrutiny.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that detailed inquiry into the matter may be carried out and documentary evidence may be produced to audit for verification.

OM # 42

#### **4.2.2 Irregular hiring of service of consultant-Rs 7.936 million**

As per Rule-42 Sindh Public Procurement Rules, 2010 read with Rule 2 (x) "All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents." and "Mis-procurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement."

During review of the accounts of the Director, SMBB Chair & Convention Center University of Karachi for the period up to 2015-16, audit observed that supervision of construction contract Rs7.936 million was awarded to M/s Shahzad Associates for consultancy of "Construction of office, convention center and allied facilities for Shaheed Muhtarma Benazir Bhutto Chair" against the set evaluation criteria of the prequalification document on the following basis/ grounds:

- i. The Procurement Committee was constituted in violation of rule 67 of SPP Rules 2010 as all seven (07) members of committee belonged to University of Karachi and members from Planning & Development Department and Finance Department Govt. of Sindh were not included in the CSC.
- ii. As per rule 68 of SPP Rules 2010, the committee must include representatives of Finance Department and P&D Department however, the said requirement was not fulfilled.
- iii. The mandatory requirement of registration of contractors / consultants with SRB was neither mentioned in the evaluation criteria nor found attached in the profile of the consultant.

- iv. Evaluation criteria 9 (A) was found a favor to the bidders on the basis that no specific limit of financial strength was mentioned and (B) an affidavit required for non inclusion in black list and not involved in any litigation, terminated etc for award of 10 marks. Hence 15 marks were allowed in grace which seemed to qualify some or particular consultant.
- v. ToRs of Pre-qualification and Request for Proposal (RFP) were not approved by the Consultant Selection Committee before issuance of the document/ proposal.
- vi. Bid security at the rate of 2% Rs0.159 million was not obtained from the consultant, hence the bid was found ineligible for award.
- vii. The payroll sheet was required to be attached with the proposal in order to prove that professional staff owes by the company as required in criteria. As per criteria the professional qualification of M.E / M.S. in Environment or Public Health Engineering having 10 to 15 years experience was mandatory but only one professional was found and did not have practical experience of 10-15 years experience. Hence undue favor was extended by allowing marks.
- viii. The Bid Evaluation Report was neither sent to SPPRA for hoisting on website and departments own website for 7 days prior to the award of contract as per rule 45 of the SPP Rules 2010.
- ix. The Contract Evaluation Report, Contract Agreements and schedule of requirements/quantities as required in rule 50 of SPP Rules 2010 were not submitted within seven days of issuance of award.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a detailed inquiry into the matter may be carried out under intimation to audit.

OM # 41

### **4.2.3 Irregular purchase of fixed assets-Rs1.876 million**

As per Rule-42(1) Sindh Public Procurement Rules, 2010 read with Rule 2 (x) "All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents." and "Mis-procurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement."

Audit observed that purchases on account of fixed assets Rs1.876 million were made from various suppliers as detailed below on the following basis/ grounds:

- i. The Procurement Committee was constituted in light of rule 7 of SPP Rules 2010 and seven members were notified but no member outside Karachi University participated in the procurement process meetings.
- ii. Bidding document was not prepared in light of rule 21 of SPP Rules 2010.
- iii. Rate of performance guarantee was not mentioned
- iv. Copy of integrity pact was neither mentioned nor found in the profile of the company
- v. The mandatory requirement of registration of suppliers / contractors with Sind Revenue Board was neither mentioned in the bidding documents nor found attached in the profile of the suppliers
- vi. The detailed specification of furniture & fixture was not mentioned in the bidding documents; therefore the rate offered for furniture items seemed doubtful.
- vii. The bidding document was not approved by the Procurement Committee before issuance of the document.
- viii. The Bid Evaluation Report was not sent to SPPRA for hoisting on website and departments own website 7 days prior to the award of contract as per rule 45 of the SPP Rules 2010.
- ix. The Contract Evaluation Report, Contract Agreements and schedule of requirements/quantities as required in rule 50 of SPP Rules 2010 were not submitted within seven days of issuance of award.

The details of purchase of fixed assets are as given below:

S. No.	Name of the Vendor	Nature of procurement	Work Order No. & date	Amount
1	M/s Shams Zain	Purchase of video camera	Reference/Tender/46/2016 dated 14.06.2016	396,000
2	M/s Hascomb Business Solu:	Purchase of Photocopier	Reference/Tender/43/2016 dated 14.06.2016	176,196
3	M/s G.M. Enterprise	Purchase furniture & fixture	Reference/Tender/45/2016 dated 14.06.2016	369,100
4	M/s Proslink	Purchase of desktop and printers	Reference/Tender/44/2016 dated 14.06.2016	396,495
5	M/s Octopus	Purchase of Laptop	Reference/Tender/47/2016 dated 14.06.2016	538,200
<b>Total</b>				<b>1,875,991</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a detailed inquiry into the matter may be carried out under intimation to audit.

OM # 43

#### **4.2.4 Undue favour to the consultant/suppliers due to non-obtaining of performance guarantee-Rs0.981 million**

As per para-39(1) of Sindh Public Procurement Rules 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 the contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price.

(2) The security shall be provided in an appropriate form and amount, as provided in the bidding documents.

(3) Validity of Performance security shall extend at least ninety days beyond the date of completion of contract to cover defects liability period or maintenance period subject to final acceptance by the procuring agency.

Audit observed that various contracts/ works were awarded to consultant/ suppliers but performance guarantee at the rate of 10% Rs0.981 million was not obtained. Thus the Govt. / public security was put at risk on account of execution of works/ supplies of machinery /equipments and an undue favor was awarded to the consultant / suppliers by the management.

(Rs in million)

S. No.	Name of the Firm/Contractors	Particulars	Contract cost	Amount of Performance Guarantee at the rate of 10%
1	M/s Shahzad Associates	Supervision Consultant	7.936	0.794
2	M/s Shams Zain	Purchase of video camera	0.396	0.040
3	M/s Hascomb Business Solu:	Purchase of Photocopier	0.176	0.018
4	M/s G.M. Enterprise	Purchase furniture & fixture	0.369	0.018
5	M/s Proslink	Purchase of desktop and printers	0.396	0.040
6	M/s Octopus	Purchase of Laptop	0.538	0.054
<b>Total</b>			<b>9.811</b>	<b>0.981</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that probe into the matter may be carried out beside fixing of responsibility against the person(s) at fault for adhering the results.

OM # 45

#### **4.2.5 Un-authorized payment to contractor/consultant-Rs60.759 million**

All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents.” as per Rule 42, Sindh Public Procurement Rules, 2010 read with Rule 2 (x), “Mis-procurement means public procurement in contravention of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement.”

Audit observed that tender costing Rs60.759 million was awarded to contractor / consultant but the procurement ID was withheld at SPPRA website and

payment was released without releasing of ID. Thus payment so made was stood unauthorized. The details are as under:

Sr. #	SPPRA Tender ID	Tender Title	Upload on	Advertised Date	Closing Date	Violation of rules	Payment made till audit period
24274	1675219835 SPPRA ID Withheld	Shaheed Muhtar Benazir Bhutto Chair (SMBBC) University of Karachi, Construction work	19/5/15	19/5/15	29/5/15	BER, CS, TER, AOC required	57.559
Bid Evaluation Report of Supervision consultant contract was not hoisted on the website of SPPRA							3.200
<b>Total</b>							<b>60.759</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that an inquiry into the matter may be carried out under intimation to audit.

OM # 29

#### **4.2.6 Irregular procurement and doubtful expenditure on account of Geo technical / soil investigation-Rs0.325 million**

As per Rule-42 Sindh Public Procurement Rules, 2010 read with Rule 2 (x) "All bids shall be evaluated in accordance with the evaluation criteria and other terms and conditions set forth in the bidding documents." and "Mis-procurement means public procurement in contradiction of any provision of Sindh Public Procurement Act, 2010, any rule, regulation, order or instruction made there under or any other law in respect thereof, or relating to, public procurement."

Audit observed that Rs0.325 million was expended vide Cheque No. 120221-23 dated 21-5-2015 on account of Geo Technical /Soil Investigation awarded to M/s Soil Testing Service but the following observations were pointed out:

- i. The tender fees shown as deposited into Govt. of account but copy of pay orders received from the participating firms i.e. M/s Altas Pakistan (Pvt)



Ltd, M/s Soil Mat Engineers and M/s Soil Testing Services were not provided to audit / nor found in the profile.

- ii. Single bid was accepted, no comparative statement prepared showing that rates are compatible with market or previously awarded work.
- iii. Neither any evaluation criteria was found mentioned in the bidding documents nor any relevant documents of M/s Soil Testing Service were provided to audit i.e. mandatory certifications like PEC, NTN, GST, SRB financial strength of company, experience specific and general and other relevant documents as per set criteria.
- iv. Minutes of meeting of Procurement Committee, opening and technical evaluation sheets of the members were not found and provided to audit.
- v. Pay orders of bid security of Rs6,500/ for each participating bidders were not found.
- vi. Pay order of Bank Guarantee of Rs32,500/ was not obtained.
- vii. The Bid Evaluation Report was not hoisted at the Websites of University of Karachi and SPPRA.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that detailed inquiry into the matter may be carried out besides fixing of responsibility a on the person(s) at fault for not fulfilling the codal formalities.

OM # 50

#### **4.2.7 Irregular award of work without inviting open tender-Rs 0.851 million**

According to Rule-17 of SPPRA-2010 (1) 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.(2) The advertisement in the newspapers shall appear in at least three widely circulated leading dailies of English, Urdu and Sindhi languages.

Audit observed that in the scheme titled "construction of Benazir Bhutto chair and allied facilities" an expenditure of Rs 0.851 million had been incurred under the head of contingency which includes professional video camera of Rs60,000 and other

items but no tender was floated for this in contradiction to the provisions of above rules. The detail are as under:-

<b>Date</b>	<b>Particulars</b>	<b>Cheque No.</b>	<b>Amount</b>
	Contingency(Shams & Zain);	Ch.No.120274	364,716
	Contingency(Shams & Zain);	Ch.No.120296	149,893
	Contingency(Shams & Zain); include camera 60,000 and other	Ch.No.120298	336,309
<b>Total</b>			<b>850,918</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that non-invitation of open tender may be justified to audit.

OM # 26

### **4.3 Financial Management**

#### **4.3.1 Doubtful cash withdrawal of security deposit-Rs0.0325 million**

As per Para 89E of Central Public Works Division Code, “security for the fulfillment of the contract should invariably be taken. The security may be taken in the form of cash deposit, deposit of interest-bearing securities, and deduction of 10% from the payment to be made on the work done or personal bond of two persons of known probity and wealth.”

Audit observed that Rs0.0325 million was drawn vide Cheque No. 120223 dated 21-5-2015 on account of security deposit of contractor from assignment account at the end of financial year and deposited into Director's bank account to avoid lapse of funds. Further, the following observations were also pointed out:

- i. The amount was drawn through cash and no where about of the funds were known to audit.
- ii. Neither any record request from the contractor for return of the security deposit were found nor produced to audit.

In absence of above record, the funds so drawn seemed doubtful / fraudulent.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends a detailed inquiry into the matter may be carried out along with fixing of responsibility on the person(s) at fault and also recovery be made under intimation to audit.

OM # 01

#### **4.3.2 Loss to Govt. due to delay in investment of endowment funds-Rs1.696 million**

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

Audit observed that the endowment funds were received and kept in normal bank account in UBL instead of immediate investment. The details are given below:

(Rs. in million)

<b>S. No.</b>	<b>Funds received vide cheque /pay order No. &amp; date</b>	<b>Amount of funds</b>	<b>Date of investment</b>	<b>No. of months delayed</b>	<b>Rate of interest to be applied</b>	<b>Amount of loss</b>
1	2702052 dt.12-11-2008	2.00	11-11-2009	12 months	10% at National Savings	0.2
2	6218562 dt. 17.6.10	23.00	29.10.2010	3 months 10 days	-do-	0.63
3	2117331 dt. 07-06-12	25.00	20.7.2012	1month&10 days	-do-	0.274
4	TDR encashed dt. 17.4.2013	25.00	17.5.2013	1 month	-do-	0.208
5	TDR en-cashed dt. 28.7.2014	25.00	24-9-2014	1 month and 26 days	-do-	0.384
<b>Total</b>						<b>1.696</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of loss from the person(s) at fault be made under intimation to audit.

OM # 13

### **4.3.3 Loss to government due to irregular investment-Rs8.101 million**

According to 3 (b) of OM No. F.4(1)/2002-BR-II dated 2-7-2003 of Finance Division, Govt. of Pakistan that the process of bank(s) should be transparent as the selection of bank and terms deposits will be approved by the concerned Board of Directors / Governing Body on the basis of competitive bids from at least three independent banks;

3(e) The working balance limit of each organization should be determined with the approval of administrative ministry in consultation with Finance Division.

4) Corporate entities which are holding trust funds such as pension, benevolent, and insurance funds will devise their policies through their own Boards.

6) Before making any investment under this policy, it would be necessary for public sector entities to set up in house professional treasury management functions. Specifically they would need to have an Investment Committees (IC) with defined investment approval authority. Transactions above the approval authority of the IC will be subject to approval of the Board of Directors or equivalent forum. The IC should be assisted by the Investment Management employing qualified staff with at least 3-5 years of experience for public sector enterprise to use the services of professional fund managers approved by SECP.

Audit observed that the endowment funds of Rs 50.00 million were invested in UBL without following competitive process or without obtaining rates from National Savings and other nationalized commercial banks i.e. Sindh Bank, National Bank of Pakistan. Besides, the following observations were pointed out:

1. Endowment funds were released by Culture and Tourism Department Govt. of Sindh without clear policy on areas of investing funds and method of drawl of the investment and mode of expenditure met out from the profit so realized.
2. No committee was formed to check competitive process for investment.
3. Neither any correspondence of rate of profit agreed with UBL was found nor produced to audit.
4. Approval from the Syndicate and Senate or its approved committee was not produced to audit.
5. Profit rates offered by UBL were very low as compared with the National Savings, which resulted into loss to Govt. of Rs 8.101 million

The details are as under:

(Rs. in million)

S.No.	Funds received vide cheque /pay order No. & date	Amount of funds	Date of investment in UBL	Amount of Profit to be earned @10%	Profit actualized /received	Difference Amount of loss
1	2702052 dt.12-11-2008	2.00	11-11-2009 to 30-06-2016 i.e. 80 months	1.33	12.512	8.101
2	6218562 dt. 17.6.10	23.00	29.10.2010 to 30-06-2016 i.e. 68 months	13.033		
3	2117331 dt. 07-06-12	25.00	20.7.2012 to 31-12-2014 i.e. 30 months	6.25		
<b>Total</b>				<b>20.613</b>	<b>12.512</b>	<b>8.101</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of the loss may be made good besides fixing of responsibility against the person(s) at fault under intimation to audit.

OM # 30

#### **4.3.4 Non-recovery Sindh Sales Tax-Rs8.599 million**

As per Section 8 (1) of The Sindh Sales Tax on Services Act, 2011, there shall be charged, levied and collected a tax known as sales tax on the value of taxable service at the rate specified in the Schedule in which the taxable services is listed.” As per section 9 (2), “Where a service is taxable by virtue of sub-section (2) of section 3, the liability to pay the tax shall be on the person receiving the service.” And as per Second Schedule of The Sindh Sales Tax on Services Act, 2011, the rate of tax is 14% on services provided or rendered by persons engaged in contractual execution of work or furnishing supplies.

Audit observed that Rs60.759 million was paid to various contractors / consultants on account of execution of works, but Sindh Sales Tax at the rate of 14% Rs 8.506 million was not deducted. Thus, Govt. sustained a loss of Rs8.506 million. The details are as given below:

(Rs in million)

S.No.	Name of the Firm/Contractors	Particulars	Contract cost	Amount of SST @14%	OM #
1	M/s Shahzad Associates	Supervision Consultant	3.2	0.448	02
2	M/s Shams & Zain Meo Rajpoot Construction Co.	Construction Contractor	57.559	8.058	
	<b>Total</b>		<b>60.759</b>	<b>8.506</b>	
3	Various contractors (Annexure-I)			0.093	20
	<b>Grand Total</b>			<b>8.599</b>	

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that expeditious recovery may be made from the contractors/ consultants and documentary evidence be provided to audit for verification.

#### 4.3.5 Non-recovery of Income Tax-Rs 2.018 million

As per Section-153(1)(a) & (b) of the Income Tax Ordinance, 2001, "Income tax at the rate of 7.5% for rendering services is required to be deducted at source and deposited into government account".

Audit observed that an amount of Rs24,670,000/-was paid to M/s. Shams & Zain Meo Rajpoot Construction Co. vide cheque No.120226 dated 12-06-2015 on account of mobilization advance, but Income Tax of Rs 1,850,250/-was not deducted during the financial year 2014-15. Further income Tax of Rs 167,600 was not deducted on various bills of different contractors. The details are as under:

S.No.	Details	Gross Amount of Bill	WHT to be deducted	OM #
1	M/s Shams Zain	24.670	1.850	03
2	Various (Annexure-II)	0.271	0.017	14
3	Various(Annexure-III)	0.182	0.056	15
4	M/s Shams Zain (Short deduction)	8.150	0.094	16
	<b>Total</b>		<b>2.018</b>	

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of pointed out amount under head income tax may be made under intimation to audit.

#### **4.3.6 Excess payment to consultant over and above the contract rate-Rs0.540 million**

As per Appendix 18 A, Section XIV, Rule 40 B of Sindh Financial Rules, Vol. I, “Means should be devised to ensure that every government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by government through fraud or negligence on his part”.

Audit observed that an excess payment of Rs0.540 million was made to M/s. Shahzad Associates as per PC-I rates over and above in the financial bid and contract agreement. The details are as under:

(Rs. in million)

<b>Cheque No. &amp; Date</b>	<b>Item of work</b>	<b>Rate charged</b>	<b>Cost as per PC-I</b>	<b>Cost of work as per financial bid</b>	<b>Total excess paid</b>
17-12-2014 1 <sup>st</sup> R.A.Bill	Submission of Preliminary Architectural design	10% of 1.75% charged to cost of P.C.I i.e. Rs341.628 m	0.598	10% of 1.75% charged to cost of work awarded i.e. Rs264.553 m = Rs4.630 x10% = 0.463	0.135
28-2-2015 2 <sup>nd</sup> R.A.Bill	On approval Preliminary Architectural design	30% of 1.75% charged to cost of P.C.I i.e. Rs341.628 m	1.794	30% of 1.75% charged to cost of work awarded i.e. Rs264.553 m = Rs4.630 x30% = 1.389	0.405
<b>Total</b>			<b>2.392</b>	<b>1.852</b>	<b>0.540</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of the excess payment may be made under intimation to audit.

OM # 04

#### **4.3.7 Un-authorized withdrawal of funds from Assignment Account and deposited into University Account-Rs6.150 million**

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

Audit observed that the funds of Rs6.150 million were drawn from assignment account and deposited into university account to avoid lapse of funds. Thus it seemed weak internal control and chances of misuse of public money drawn for intended purposes could not be ruled out. The details are as under:

(Rs. in million)

<b>Sr. No.</b>	<b>Transferred from Vendor Name.</b>	<b>Cheque No.</b>	<b>Date</b>	<b>Transferred to</b>	<b>Amount drawn</b>
1	Assignment Account No. 3960-3 Director SMBB Chair & CC UoK	120201	23.06.2014	University of Karachi	6.150
<b>Total</b>					<b>6.150</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends to probe into the matter along with the reasons of advance withdrawal of funds, besides fixing of responsibility against the person(s) at fault and results thereto be shared with audit.

OM # 21

#### **4.3.8 Unauthorized advance payment made to suppliers-Rs1.876 million**

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



Audit observed that advance payment of Rs1.876 million was made on account of purchase of fixed assets to the suppliers as work order was issued on 14-6-2015 and contract agreement was not signed. Moreover, the procurement ID was withheld at SPPRA website due to non-compliance of SPP Rules and also inspection reports of the items by the committee were not produced to audit. The details of purchase of fixed assets are as given below:

S.N o.	Name of the Vendor	Nature of procurement	Work Order No. & date	Date of Delivery	Cheque No. & Date	Amount
1	M/s Shams Zain	Purchase of video camera	Reference/Tender/46/2016 dated 14.06.2016	15-6-2016	120274 15.6.2016	396,000
2	M/s Hascomb Business	Purchase of Photocopier	Reference/Tender/43/2016 dated 14.06.2016	-do-	120278 15.6.2016	176,196
3	M/s G.M. Enterprise	Purchase furniture & fixture	Reference/Tender/45/2016 dated 14.06.2016	-do-	120250 15.6.2016	369,100
4	M/s Proslink	Purchase of desktop and printers	Reference/Tender/44/2016 dated 14.06.2016	-do-	120284 16.6.2016	396,495
5	M/s Octopus	Purchase of Laptop	Reference/Tender/47/2016 dated 14.06.2016	03-8-2016	120271 15.6.2016	538,200
<b>Total</b>						<b>1,875,991</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a detailed inquiry into the matter may be carried out along with fixing of responsibility on the person(s) at fault and production of record for verification may be ensured.

OM # 38

#### **4.3.9 Non-recovery of salary from the Director SMBB Chair & Convention Center-Rs0.100 million**

As per Rule-88 of Sindh Financial Rules, Volume-I, "Every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community".

Audit observed that Ms. Prof. Shahida Qazi was appointed as Director w.e.f. 11.3.2014 to 8-8-2014 but Prof Saleem Memon had also acted as Director and drawn salary of Rs20,000 per month. Thus, drawl of salary by two Directors was unauthorized as there was only one sanctioned post. Thus, Govt. sustained loss of Rs0.100 million which need to be recovered from one officer.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a detailed inquiry into the matter may be carried out besides making recovery from concerned officer and action should be taken against the person(s) at fault.

OM # 18

#### **4.3.10 Unauthorized withdrawal of salary by Director SMBB Chair-Rs1.920 million**

As per Rule-88 of Sindh Financial Rules, Volume-I, "Every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community".

Audit observed that the Director of SMBBC has been offered and paid a lump sum package of Rs160,000 per month totaling Rs1,920,000 on account of salary during the period from June 2015 to June 2016 without approval of the Syndicate / Senate, whereas the predecessor Director was also drawing salary of Rs130,000 per month against said post for which no approval was found.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that minutes of the meeting of the Syndicate and Senate for the approval of the lump sum package may be provided for verification.

OM # 52

#### **4.3.11 Unauthorized withdrawal of POL and mobile facility by the Director of SMBB Rs 0.150 million**

As per ToR of the appointment order of Director, a lump sum package of Rs160,000/- per month was allowed.

Audit observed that the Director was appointed on the fixed salary of Rs160,000 per month for a period of two years and no other facility was given but contrary to the above amount of Rs 0.150 million on account of POL for the personal vehicle and mobile card for the personal use was drawn. Thus, expenditure, so incurred, seemed unauthorized which may be recovered (Annexure-IV).

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of the funds so drawn may be made under intimation to audit.

OM # 17

#### **4.3.12 Unauthorized utilization of endowment investment funds-Rs3.032 million**

As per Rule-88 of Sindh Financial Rules, Volume-I, "Every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community".

Audit observed that endowment funds of Rs 25.00 million were received by the Directorate of SMBB chair for investments and expenditure will be made from the profit earned on the investments, whereas amount of Rs 3.032 million was utilized from the endowment funds as per the statement submitted to audit which shows balance of Rs21.968 million out of Rs25.00 million (copy of statement is enclosed).

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of the amount so drawn from endowment fund may be made under intimation to audit.

OM # 40

#### 4.3.13 Non-adjustment of advances-Rs 0.880 million

According to Rule-28 of General Financial Rules Volume-I, “no amount to government should be left outstanding without sufficient reasons, and when any dues appear to be irrecoverable, the offer of the competent authority must be sought.

During the special audit of Shaheed Benazir Bhutto chair for the period up to 2015-16, audit observed that advance of Rs0.880 million was given to the Director for various purchases, but the same were not adjusted till end of audit period (Annexure-V).

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that adjustment record of outstanding advances may be produced to audit for verification otherwise the entire amount may be recovered.

OM # 56

#### 4.3.14 Unauthorized payment of salary to Project Director from Endowment Fund- Rs0.128 million

As per financial table of P.C.I the provision of salary of Project Director was made from revenue component and as per directive of Culture and Tourism Department, profit earned on endowment funds will be expended on account of recurring expenses of the chair.

Audit observed that the post of Project Director had been provided in the PC-1 of the project titled “Establishment of Shaheed Benazir Bhutto Chair and convention center in the University of Karachi” and it clearly specifies that the salary of the Project Director was to be paid from the assignment account revenue component. However, contrary to the above condition the salary of the Project Director was paid from the endowment fund amounting to Rs128,261 and this regard no rules and regulations need to be framed which were not done till date. The details are as under:

Date	Particulars	Cheque #	Amount	Remarks
25/9/2014	Salary paid to the Project Director Mr. Adeel Ahmed Siddiqui for the m/o June	53024	128,261	irregular payment of salary from endowment fund

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that regularization of payment of salaries of Project Director from the Endowment fund may be got approved from Finance Department / Board of the Directors as the case may be.

OM # 36

#### **4.3.15 Unauthorized payment to Director on account of Others-Contingencies-Rs1.405 million**

As per Office Memorandum issued by FD (Budget wing) vide No.F.2(1)BR-II/2007-88 dated 17.1.2012 Revised Accounting Procedure for Revolving Fund Accounts. (XV) “The Finance Manager of the respective Projects...Cash payments or funds transfers from Assignment Accounts to any DDO-account or any other account for the sake of onwards disbursement shall be strictly prohibited”.

Audit observed that various nature of expenditure Rs1.405 million had been incurred on account of contingency and others but the payment had been made to the Director instead of the proper supplier or contractor / direct payee (Annexure-VI).

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that justification for the payment to the Director instead of supplier and from outside the contingency heads, may be furnished to audit.

OM # 53

#### **4.3.16 Doubtful cash withdrawal-Rs1.578 million**

As per Office Memorandum issued by FD (Budget wing) vide No.F.2(1)BR-II/2007-88 dated 17.1.2012 Revised Accounting Procedure for Revolving Fund Accounts. (XV) “The Finance Manager of the respective Projects...Cash payments or funds transfers from Assignment Accounts to any DDO-account or any other account for the sake of onwards disbursement shall be strictly prohibited”.

Audit observed that the bank account in the UBL has been opened by the chair in the name of Director and cash withdrawals of Rs1.578 million were made instead of issuance of cross cheque to the actual payee. Also, Audit observed from

the bank statement that huge cash payment of Rs90,000 were made at a time without giving any detail justification (Annexure-VII).

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a detailed justification may be provided to audit for huge cash withdrawals and relevant vouchers be provided for audit verification.

#### **4.3.17 Unauthorized withdrawal of funds on account of salary and advertising from capital component-Rs0.941 million**

As per Rule-88 of Sindh Financial Rules, Volume-I, "Every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community".

Audit observed that the post of Project Director was mentioned in the PC-1 of the project titled "establishment of Shaheed Benazir Bhutto chair and convention center in the University of Karachi" and payment of salary of the Project Director was required to be made from Revenue component. However, contrary to the above the salary of the Project Director had been paid from the capital component instead of revenue component. In addition to that, a payment of Rs47,802 was also made to the M/s Connect Marketing Communication on account of advertisement charges. The details are as under:

<b>Date</b>	<b>Particulars</b>	<b>Amount</b>	<b>Cheque No.</b>	<b>Remarks</b>
01/05/2015	Mr.Adeel Ahmed Siddiqui (32)	459,844	Ch#120207	June to December
04/02/2015	Mr.Adeel Ahmed Siddiqui (32)	230,376	Ch#120215	January to March
05/27/2015	Mr. Adeel Ahmed Siddiqui	203,127	Ch#120224	April & May
	M/S Connect marketing Communication	47,802	Ch#120210	
<b>Total</b>		<b>941,149</b>		

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that matter may be inquired and responsibility be fixed against the person(s) at fault under intimation to audit.

OM # 28

#### **4.3.18 Excess payment on account of additional charge allowance-Rs 0.238 million**

As per Rule-88 of Sindh Financial Rules, Volume-I, "Every Government Officer is expected to exercise the same vigilance in respect of expenditure incurred from public money as a person of ordinary prudence would exercise in respect of expenditure of his own money and public money should not be utilized for the benefit of a particular person or community".

Audit observed that Mr. Saleem Memon who was working as the Acting Director in the chair for the period July-2013 to February 2014 and from September 2014 to March 2015 on additional charge basis and had drawn the allowance of Rs20,000 per month instead of Rs6,000/ per month as per rule which resulted into excess payment of Rs0.238 million. The details are as under:

<b>Mr Saleem Memon</b>				
<b>From</b>	<b>To</b>	<b>Number of Months</b>	<b>Difference</b>	<b>Amount</b>
Jul-13	Feb-14	8	14,000	112,000
Sep-14	May-15	9	14,000	126,000
<b>Total</b>				<b>238,000</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of excess amount may be made along with fixing of responsibility on the person(s) at fault under intimation to audit

OM # 06

#### **4.3.19 Unjustified payment of house ceiling to the contract employee-Rs0.231 million**

As per ToR of appointment, a lump sum package was allowed to the contract employees.

Audit observed that payment of hiring or house ceiling was made Rs0.231 million to the contract employee of the chair without approval of the Finance

Department Govt. of Sindh. The employee were appointed on contract basis on lump sum salary. The details are as under:

S. No.	Name & Designation of employee	Period	Monthly Rate of House ceiling drawn	Amount Paid
1	Mr. Hyder Ali, UDC	July-11 to Mar-13	2,790x21	58,590
2	Mr. Hyder Ali, UDC	April-13toDec-14	4,025x21	84,525
3	Mr. Hyder Ali, UDC	Jan-15 to Jan-16	6797x13	88,361
<b>Total</b>				<b>231,476</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of unauthorized payment of house ceiling may be made and got verified from audit.

OM # 07

#### **4.3.20 Non-maintenance of the financial statements of the Chair & Convention Center up to 2015-16**

According to Rule No.7, for special chairs instituted in the university accounts of income and expenditure statement and Balance Sheet etc. related to the chair shall be maintained separately, hence a separate bank account shall be operated jointly by the Chair Professor and Director Finance.

Audit observed that financial statement / final accounts showing details of receipts, payments, investments and assets etc. were not prepared for each year up to 2015-16 nor the same were submitted to Syndicate for approval. Thus, it seems weak internal controls system adopted by the office.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that detailed justification along with requisite financial statements may be submitted for verification.

OM # 65



#### **4.3.21 Un-authorized expenditure from endowment fund-Rs18.694 million**

According to Rule 7, for special chairs instituted in the university annual budget well be prepared at the beginning of each year for approval of the Advisory Committee. The chair Professor will be entitled to incur expenditure within the provision of the budget.

Audit observed that expenditure of Rs18.694 million was incurred from profit of endowment funds without approval of the budget from the competent forum. Moreover, in financial year 2013-14, the budget was approved from the Advisory Committee but there was no amount mentioned in the minutes of meeting that budget approved for the year 2013-14. Hence, expenditure, so incurred, stands unauthorized.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that non-approval of the budget may be justified to audit.

OM # 25

#### **4.3.22 Unauthorized transfer of salaries of staff to Director's bank account-Rs1.672 million**

As per Office Memorandum issued by FD (Budget wing) vide No.F.2(1)BR-II/2007-88 dated 17.1.2012 Revised Accounting Procedure for Revolving Fund Accounts. (XV) "The Finance Manager of the respective Projects...Cash payments or funds transfers from Assignment Accounts to any DDO-account or any other account for the sake of onwards disbursement shall be strictly prohibited".

Audit observed that salaries of the officials were transferred to the Director's account instead of salaries were to be transferred into officials individual account. Further, Director had paid the amount to the concerned employee in cash against which no any documentation or acknowledgement were available on the record, due to which, audit could not authenticate such expenditure which seems doubtful (Annexure-VIII).

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that matter may be inquired at appropriate level and responsibility be fixed against the person (s) at fault for transfer of salary in the unauthorized account.

OM # 58

#### **4.4 Construction and Works**

##### **4.4.1 Loss to Govt. due to non-imposition of penalty upon the consultant-Rs0.794 million**

According to the Clause-2 Liquidated Damages, of the condition of contract agreement. The contractor/consultant shall pay liquidated damages to the Agency at the rate per day stated in the bidding data for each day that the completion date is later than the intended completion date; the amount of liquidated damage paid by the contractor to the Agency shall not exceed 10 per cent of the contract price. Agency may deduct liquidated damages from payments due to the contractor. Payment of liquidated damages does not affect the contractor's liabilities.

Audit observed that the consultant i.e. M/s Shahzad Associates was awarded at the rate of 3% of construction contract cost Rs7.936 million on account of work of construction supervision construction and was supposed to complete the electrical and plumbing work within three month from the date of signing of contract but upon receiving of letter of the consultant, had withdrawn the Resident Engineer on 28.7.2016 from the site even. Finally the department had issued notice to terminate the contract. Thus penalty amounting to Rs0.794 million @ 10% of the contract cost was required to be imposed upon the consultant but the management had not imposed penalty nor black listed the firm.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that recovery of the penalty from the consultant may be made and process of blacklisting of the company be done under intimation to audit.

**OM # 12**

#### **4.4.2 Overpayment due to change in measurement of hidden item of work-Rs0.217 million**

Appendix 18 A, Section XIV, Rule 40 B of Sindh Financial Rules, Vol. I, states “Means should be devised to ensure that every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part”.

Audit observed that an excess payment of Rs217,472/- (detail below) was made to M/s. Shams & Zain Meo Rajput Construction Company due to change in measurement of hidden item of work by the consultant after the 1<sup>st</sup> running account bill submitted by the contractor.

<b>Cheque No. &amp; Date</b>	<b>Item of work</b>	<b>Quantity as per bill submitted by contractor</b>	<b>Quantity executed as per Consultant</b>	<b>Excess Quantity</b>	<b>Rate</b>	<b>Amount</b>
18-02-2016 1 <sup>st</sup> R.A.Bill	7. Providing Laying Soiling Stone 9” to 12” size under floors	7550.06 Cft.	12080.74 Cft.	4530.68 Cft.	48/- P.Cft	217,472/-

Irregularities in this section was pointed out during January to March, 2017, but no reply of the management was received.

Audit recommends that recovery of the overpayment may be made beside fixing of responsibility on the person(s) at fault under intimation to audit.

OM # 08

#### **4.4.3 Undue favour to the construction contractor due to non-obtaining of bank guarantee / pay order-Rs 26.455 million**

As per para-39(1) of Sindh Public Procurement Rules 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 the contract by the contractor or supplier or consultant, provided that the amount shall not be more than 10% of contract price.(2) The security shall be provided in an appropriate form and amount, as provided in the bidding documents.(3) Validity of Performance security shall extend at least ninety days

beyond the date of completion of contract to cover defects liability period or maintenance period subject to final acceptance by the procuring agency.

Audit observed that performance guarantee of the total contract cost of Rs264.550 million was obtained at the rate of 10% Rs.26.455 million from the M/s Shams & Zain Construction Company in the shape of insurance bond instead of bank guarantee / pay order as prescribed in rules. Moreover, as per clause 15.2 of terms and condition of the contract/bidding document "only bank guarantee was acceptable as insurance". Thus the Govt. was put at risk on account of execution of works and an undue favor was awarded to the contractor by the management.

Audit is of the view the authorities deliberately allowed / awarded the undue favor to the contractor and hence risk on the subject Govt. investment could not be ruled out.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a probe into the matter may be carried out besides fixing of responsibility on the person(s) at fault under intimation to audit and such practice should be stopped henceforth.

OM # 44

#### **4.4.4 Unauthorized payment on open rate items without observing the schedule of rates-Rs.57.559 million**

As per Para 7 of Schedule of Rates for finished items of work, Volume-III, Part-II of 2004, "All works shall be executed adopting Composite Rates and all material shall be procured by the contractor on their own expenses." and Non-schedule items of general applicability should be sent to the standing Rates Committee for inclusion in the Schedule of Rates. According to rule-208-(c)(i) of Central Public Works Accounts Code, " In the case of bills for work done-(a) full name of work as given in estimate, (b) situation of work, (c) name of contractor, (d) number and date of his agreement, (e) date of written order to commence work, (f) date of actual completion of work and (g) date of measurement"

Audit observed that an amount of Rs57,559,007/-(detail below) was paid to contractor on account of execution of work other than the composite schedule rates. Audit is of the view that payment made in connection with non-schedule items were on higher rates, as the rate analysis for non-schedule items were not made nor the sanction was obtained from the competent authority for purchases of non-schedule items without rate analysis.

In addition to the above, the payment was made to contractor on execution of work without recording date of measurement on bills and as well as on measurement book. In absence of the above, payments could not be authenticated.

Bill No. & Date	Work Order No. & Date	Name of Work	Contractor	Amount
3rd R/A Bil 16-06-2016	PD/SMBBC/ 08-09-2015	Construction of Office and Convention Center with Allied Facilities for Shaheed Mohtarma Benazir Bhutto Chair at University of Karachi	M/s. Shams & Zain Meo Rajput Construction Company	57,559,007

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a detailed justification for purchase of non schedule items may be provided to audit.

OM # 34

#### **4.4.5 Unauthorized payment to contractor-Rs24.670 million.**

Appendix 18 (a) Section-I of Sindh Financial Rules,, Volume-II, states that, “means should be devised to ensure that every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part, and that he will be also held personally responsible for any loss arising from fraud or negligence on the part of any other Government servant to the extent to which it may be shown that he contributed to the loss by his own action of culpable negligence”.

Audit observed that an amount of Rs24.670 million was drawn vide Cheque No. 120226 dated 12/06/2015 and paid to contractor M/s. Shams & Zain Meo Rajput Construction Company, on account of 10% Mobilization advance prior to award of work and before obtaining 10% advance Bank Guarantee and 10% performance guarantee.

Moreover, the cheque was signed by the Ex-Director, Mr. Saleem Memon whereas Ms Saher Gul Bhatti had joined as Director on 02-06-2015. The details of award of work is as under:

**Mobilization Advance Paid on 12-06-2015**

<b>No.</b>	<b>Details of issuance of authority letters</b>	<b>Date of Issue</b>
PD/SMBBC/54	Letter of Award issued on	17-06-2015
	Agreement signed on	22-06-2015
PD/SMBBC/67	Work order issued on	08-09-2015
	10% Bank Guarantee	15-06-2015
	10% Bank Guarantee verified	16-06-2015
	Performance Bond as performance guarantee	05-08-2015
	Performance Bond verified	18-08-2015

In light of above facts, the audit was of the view that the Government funds was drawn illegally/unauthorized by the local authorities and handed over to the contractor by awarding undue favor which were remained unused from 12-06-2015 to 09-09-2015 approximately 3 months. To avoid lapse of funds by the management had paid the amount to contractor as advance and misuse of funds cannot be ruled out.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that detailed justification for payment of advance may be provided to audit.

OM # 31

**4.4.6. Irregular award of work of construction of convention center-Rs264.533 million**

As per rule 89 of SPP Rule 2010, Procurements exceeding Rs10 million for goods and works, and Rs2.5 million for services shall be subject to an integrity pact, as specified by regulations, between the procuring agency and the suppliers or contractors or consultants.

Audit observed that a contract of an estimated cost Rs264.533 million was awarded to M/s Shams Zain & Meo construction company without obtaining complete working papers drawings from the consultant i.e. Electrical and plumbing, HVAC, Sound & Acoustic & Ext. development etc. and only architectural and structural design was submitted. Moreover, the electrical work had also been carried out at convention center without having electrical drawings. No integrity pact duly

signed was submitted by the contractor. Thus the safeguards interest of the Govt. were not followed, and compromised by the management.

The management had failed to follow the laid down rules and procedures, which were lapses on the part of management and reflects poor financial/administrative indiscipline prevalent in the department.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that matter may be investigated at appropriate level under intimation to audit.

OM # 61

#### **4.4.7 Irregular expenditure on execution of extra items of work-Rs5.133 million**

According to Para-711 of PWD Manual Volume-II, appendix 8, the estimate of the extra item may also be sanctioned by the competent authority that has sanctioned the main estimate of the work concerned.

Audit observed that extra items of work (Water proofing membrane in Convention Centre Building) amounting to Rs.5.133 million-were executed and paid to contractor without the sanction of estimate from the competent authority. In absence of the above, payment may not be authenticated by audit. The rate of the said item was not as per composite schedule rate and the work was carried out without inviting of open tender. Hence higher rates were allowed by extending un-due favor to the contractor.

<b>Cheque No. &amp; Date</b>	<b>Contractor</b>	<b>Particulars</b>	<b>Amount</b>
<u>120281</u> 16-06-2016 (3 <sup>rd</sup> RA Bill)	M/s. Shams & Zain Meo Rajpoot Construction Co.	Water proofing membrane in Convention Centre Building.	5,133,415/-

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that extra item work done without approval by competent authority may be justified to audit.

OM # 49

#### 4.4.8 Excess execution of items of work-Rs 11.312 million

According to clause 38 of the Standard Contract Agreement, the quantities exceeding up to a limit of 30 % or less are permissible to be executed. When an item of work exceeds the approved estimates by more than 30%, revised estimates must be submitted containing facts and justification for approval of competent authority.

Audit observed that the work “Construction of Office & Convention Center with Allied Facilities for Shaheed Mohtarma Benazir Bhutto Chair” was awarded to M/s. Shams & Zain Meo Rajput Construction Company. In this regard quantities of items of work were executed in excess of permissible limit of 30% of the estimated cost further excess payment of Rs11.312 million was also made to the contractor, without any change in design and approval by the competent authority. In absence of the above, payment may not be authenticated by audit. The details are as under:

Cheque No. & Date	Item of work	Quantity as per Estimate	Work done Quantity	Excess Quantity	Rate	Amount
126281 17-06-2016 (3 <sup>rd</sup> RA Bill)	3. Excavation for foundation trenches and drain	102088 Cft	347452.28 Cft.	245364.28 Cft.	12/- P.Cft	4,169,427
	4. Excavation and Cutting in hard rock	1000 Cft.	22992 Cft.	21992 Cft.	25/- P.Cft.	549,800
	5. Termite Control	23300 Sft.	34275.26 Sft.	10975.26 Sft.	15/- 8/-P.Sft.	87,800
	10. RCC Cylinder Strength FC 4000PSI	17687 Cft.	36178.17 Cft	18491.17 Cft	300/- P. Cft.	5,547,300
	89. Underground Storage Tank	20000 Glen.	28704.38 Glen	8707.38 Glen	110/- P. Glen	957,482
<b>Total</b>						<b>11,311,809</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that extra item work done without approval by competent authority may be justified.

OM # 46



#### 4.4.9 Undue favor to contractor by allowing interim payment-Rs10.00 million

As per Work Order issued vide No:PD/SMBBC/ Dated 08/09/2015, "Minimum amount of Interim Payment Certificate (Running Bills)-Rs15 Million".

Audit observed that 2<sup>nd</sup>R.A.Bill amounting to Rs.13,192,889/-(detail below) was accepted and passed for Rs.10,000,000/-remaining amount of bill RS.3,192,889 was withheld as the whole bill was not over 15 million. Thus the contractor was allowed undue favor by the authorities concerned. The details are as under:

Bill No. & Date	Name of Work	Contractor	Bill Passed Amount	Amount Withheld	Bill Amount Paid
<u>2<sup>nd</sup>R.A.Bill</u> 10-05-2012	Construction of Office and Convention Center with Allied Facilities for Shaheed Mohtarma Benazir Bhutto Chair at University of Karachi	M/s. Shams &Zain Meo Rajput Construction Company	13,192,889/-	3,192,889/ -	10,000,000/ -

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a probe into the matter may be made along with fixing of responsibility on the person(s) at fault.

OM # 36

#### 4.4.10 Undue favor to contractor due to short deduction of security deposit-Rs4.611 million

As per Para 89E of CPWD Code, "security for the fulfillment of the contract should invariably be taken. The security may be taken in the form of cash deposit, deposit of interest-bearing securities, and deduction of 10% from the payment to be made on the work done or personal bond of two persons of known probity and wealth." As per Work Order issued vide No:PD/SMBBC/ Dated 08/09/2015, "Limit of Retention Money 10 % of the contract Price stated in the letter of Acceptance".

Audit observed that an amount of Rs.57.559 million was paid to M/s. Shams & Zain Meo Rajput Construction Company on account of Construction of Office and Convention Center with Allied facilities for Shaheed Mohtarma Benazir Bhutto Chair

at University of Karachi but security deposit amounting to Rs.4.611 million was short deducted. Thus the contractors were allowed undue favor by the authorities concerned detailed as under:

S.No.	Bill No. & Date	Total Amount Paid	Total Security Deposit due at the rate of 10%	Total Security Deposit deducted	Security Deposit short deducted
1	<u>Ist R/A Bill</u> 18-02-2016	24,670,000/-	2,467,000/-	-----	2,467,000/-
2	<u>2<sup>nd</sup> R.A. Bill</u> 21-04-2016	10,000,000	1,000,000/-	-----	1,000,000/-
3	<u>3<sup>rd</sup> R.A. Bill</u> 16-06-2016	22,889,007/-	2,288,900/-	1,144,450/-	1,144,450/-
<b>Total</b>		<b>57,559,007/-</b>	<b>5,755,900/-</b>	<b>1,144,450/-</b>	<b>4,611,450/-</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that the responsibility may be fixed on the person(s) at fault and necessary steps may be adopted to stop such lapses.

OM # 39

## 4.5 Asset Management

### 4.5.1 Unauthorized purchase of vehicle -Rs1.788 million

As per Para -11 of G.F.R, Volume –I, each head of a department is responsible for enforcing financial order and strict economy at every step. He is responsible for observance of all relevant financial rules and regulations, both by his own office and by sub-ordinate disbursing officer.

Audit observed that vehicle detailed below was purchased amounting to Rs1.788 million during ban period without approval of the Chief Minister. Also approval of extract bill for advance payment from the Finance Department was not obtained and the copy of bill from the company was not provided to audit. In addition to that vehicle was purchased for Director, but she was appointed purely on contract basis for the period of 2 years on lump sum pay package of Rs160,000/ and there was no provision of vehicle facility in ToRs of contract agreement. The vehicle was

registered with private number instead of Govt. number to be obtained as the public funds were utilized to procure the vehicle.

The details are as under:

Particular	No. of vehicle	Per unit cost	Cheque#	Date	Name of the Company	Amount
Toyota Gli, white color 2016 model	1	1,787,500	120238 & 120239	13.06.2016	Indus Motor co.Ltd	1,787,500
Total						<b>1,787,500</b>

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that detailed reply may be produced to audit besides fixing of responsibility on the person(s) at fault.

OM # 33

## 4.6 Monitoring and Evaluation

### 4.6.1 Non-achievement of P.C.I targets

As per para-5 of P.C.I Project objectives, that the chair aimed at undertaking the research on the Vision and Mission of Shaheed Mohtarma Benazir Bhutto, providing education through designing multidisciplinary courses, short and long as portrait by utilizing Shaheed Mohtarma Benazir Bhutto's precious political thought academically such as Democracy, Peace, Development, Good Governance, Poverty Alleviation, Human Rights, Women's Emancipation and development to create awareness in upcoming young generations to develop the country, collaboration with National and International institutions for various exchange of programs, a high profile library including a digital one and constitute a strong conjunction with local and international Research Institutes were fixed.

Audit observed that since last 8 years to the Chair no substantial progress including the following was made:

- i. Only one research paper was published since last 8 years till June, 2016 which was also out sourced.
- ii. Three workshop/seminars were made till the audit period.

- iii. No high profile library including digital one was established till the end of audit period. Only 325 books were collected/ purchased for the library. No one had visited the library for research purpose / other beneficial steps like seating arrangements were found not made for benefitting the books/articles.
- iv. No multidisciplinary courses were designed like portrait on Democracy, Peace, Development, Good Governance, Poverty Alleviation, Human Rights, and Women Emancipation.
- v. Neither any progress regarding collaboration with National and International institutions for various exchange programs was found made nor provided to audit.
- vi. Neither any progress regarding constitution of strong conjunction with Local nor International Research Institutes to make this research more worthwhile was found nor provided to audit.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that non-achievement of P.C.I targets may be justified to audit.

OM # 54

#### **4.6.2. Non-achievement of targets fixed by the Advisory Committee.**

As per minutes of meeting at item Nos. 9 to 12, 15 (Part-I & II) of Advisory Committee dated 20-8-2015 and according to five & two years strategic plan, the following targets were fixed by the Committee:

1. Book of "Her last 100 days" of Shaheed Mohtarma Benazir Bhutto to be published with help of Senator Taj Haider but neither any progress in this regard was shared with audit nor any record on the subject matter produced to audit.
2. Translation of Books on SMBB were to be carried through Indian writer Gurdas Puri's Biography on Mohtarma and / or from the reputable writers

but no progress was produced in this regard till the end of the audit period besides many repeated reminders.

3. A video documentary series on SMBB and to interview the senior cadres close to ZAB and Benazir Bhutto at length but neither any progress was shared nor audit found any record of documentaries in the resource center.
4. Four research papers were to be written by the end of this year on the topics given in minutes of meeting but the same were not completed and published by the end of the financial year whereas two papers were completed during the period under audit but not published.
5. Strengthening the Resource Center/Library was to be made by the chair but no efforts were made to take free books also no efforts were made to strengthen the Library for benefit of public / users up to the end of the audit period.
6. Development of linkages with Book-Donating Organizations, Think Tanks, Philanthropists, national, regional and global linkages were to be done by the chair but the same was not done so far till the end of the audit period.
7. Construct a spacious conference hall for national / international level programs but no physical progress report was shared. As per utilization report only 17.22% progress was made during last three financial years which could be rated as low performance of the project.
8. An advocacy plan was to be developed based on few of the research findings but no progress was made by the chair in this regard.
9. Establishment of exchange programs esp. within South Asia was to be done but no progress made till the end of the audit period.
10. Organize dialog, TV talk shows and seminars in liaison with Ministries of Women Development within and outside Pakistan.
11. Chair was to arrange at least three seminars on the birth and martyrdom of BB to pay her but only one seminar was held.
12. Organize at least four dialogs on the core themes of democracy for young men and women but no progress was shown to audit in this regard.
13. The chair was to organize at least three TV talk show on BB but no progress was seen.

14. Organize at least two national and two international conferences on the themes of BB supported.
15. One annual report was to be published but the same not done by the chair.
16. Publishing at least 3-4 small research papers/articles conducted but no progress was made by the chair till the end of the audit period.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that non-achievement of targets may be justified to audit concrete efforts should be made to meet the set targets.

OM # 51

#### **4.6.3. Non-submission of monthly accounts to AG Sindh and non-conducting of pre-audit since inception of operation of assignment account-Rs105.917 million**

Appendix 18 A, Section XIV, Rule 40 B of Sindh Financial Rules, Vol. I, states “Means should be devised to ensure that every Government servant realizes fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part” And

As per Section-14 (2) of the Auditor-General’s (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, states that:

- (1) The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with requests for information in as complete a form as possible and with reasonable expedition.
- (2) Any person or authority hindering the auditoria functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under Efficiency & Discipline Rules.

Audit observed that monthly accounts for the said project were not submitted to AG Sindh nor any pre-audit conducted by AG Office for the period under audit i.e. up to 30-6-2016.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that monthly accounts may be submitted to AG Sindh besides fixing of responsibility on the person(s) at fault for this lapse.

OM # 62

#### **4.6.4 Formation of Advisory Committee without approved ToRs from the Syndicate.**

As per rules of the Chair, Advisory Committee was to be constituted along with ToRs by the Syndicate.

Audit observed that Advisory Committee was formed by the Syndicate for the working and management of the chair but no TORs of the committee were framed and approved from the Syndicate due to which the power and working of the committee could not be authenticated. These were as follows:

1. In first meeting of Advisory Committee the post of Director (01), Research Officer (03), Computer Operator cum UDC (01), Messenger were created (01).
2. In second meeting of Advisory Committee Prof Dr Fateh Burfat was recommended for appointment as a Director SMBBC.
3. In fifth meeting of Advisory Committee the budget for the year 2012-13 and the revised budget for the year 2013-14 were approved.
4. In ninth meeting of Advisory Committee had approved the recruitment of the new research staff who was appointed by the director of the chair, permission granted for the purchase of the vehicle, and appointment of full time accounts officer of the chair as well as form of research committee.
5. In tenth meeting of Advisory Committee the approval for the formation of Chair Research Committee (CRC), Chair Financial Committee (CFC) and Chair Human Resource Management Committee (CHPMC) also the committee approved the recruitment of the staff

6. (Personal/Research Assistant & Finance & Accounts Officer) and the positions like Assistant Librarian, Research Officer (Media/ Documentary), Two Research Internees, Driver and Gardener. The committee also approved the promotion of Messenger from BPS-01 to BPS-02.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that detailed justification along with supporting documents may be provided to audit.

OM # 63

#### **4.6.5 Non-submission of annual report of the chair to the syndicate**

According to rule 6 for special chairs instituted in the university annual reports of the chair must be submitted to the syndicate.

It was observed that annual reports of the chair was neither prepared nor submitted to the syndicate and also the same was not provided to audit.

Irregularities in this section were pointed out during January to March, 2017, but no reply of the management was received till finalization of report.

Audit recommends that a detailed justification for non-submission of the annual report may be provided to audit.

OM # 64



#### 4.7 Overall Assessment: Rate policy

Rate	Score
Highly Satisfactory	100%
Satisfactory	50%
Moderately satisfactory	25%
Unsatisfactory	0%

- i. **Relevance:** The project was within over all MTFD and in line with government's sectoral policies. This can be rated as relevant project for government's overall development strategy and goals set for having educational and research studies for youngsters Not Satisfactory rating in overall development of the scheme is given.
- ii. **Efficacy:** The physical progress of the scheme is 17.22% as compared to the original objectives intended.
- iii. **Efficiency:** The project was started in 2009-10 and the same was to be completed within thirty-six (36) months. The delay in completion indicates inefficiency due to late start of the project, late release of funds, late appointment of PD, Improper engineer's estimates and leftover of Supervision Consultant. The delay was due to running of Chair and Project on adhoc basis, hence moderately satisfactory.
- iv. **Economy:** Although the procurement of civil works was not made on the composite schedule rate and services was made, and there are certain serious deficiencies as mentioned in the report. Overall rating is not satisfactory rating.
- v. **Effectiveness:** The desired results of the schemes in terms of effectiveness were not achieved. The results relating to reform impact have been rated as moderately satisfactory as the project is still on-going. Overall goals of the project include;
  - i) Undertaking the research on the Vision and Mission of Shaheed Mohtarma Benazir Bhutto,
  - ii) providing education through designing multidisciplinary courses, short and long as portrait by utilizing Shaheed Mohtarma Benazir Bhutto's precious political thought academically such as Democracy,

Peace, Development, Good Governance, Poverty Alleviation, Human Rights, Women's Emancipation and development to create awareness in upcoming young generations to develop the country.

- iii) Collaboration with National and International institutions for various exchanges of programs,
- iv) A high profile library including a digital one and constitute a strong conjunction with local and international Research Institutes were fixed.
- v) Construction of 2000 seated Convention Center.

vi. **Compliance with Rules**

Compliance with rules and regulations was made subject to the deviations pointed out as are mentioned in the report.

vii. **Performance rating of the Project**

However, the schemes have been is not completed yet and only physical progress of schemes was 17.22%. As regards the financial progress, against the approved cost of Rs442.041 million, an expenditure of Rs76.101 m was incurred up to 30<sup>th</sup> June, 2016. The data depicts that satisfactory rating had not been provided with regard to completion of work. Thus, the gap in physical achievements and desired goals was evaluated 17-25% in overall.

Performance rating of Project:

<b>Criteria</b>	<b>Rate</b>	<b>Score</b>
Relevance	Moderately satisfactory	25%
Efficiency	Moderately satisfactory	20%
Economy	Moderately satisfactory	10%
Effectiveness	Moderately satisfactory	15%
Overall Assessment	Moderately satisfactory	17.22%

viii. **Risk rating of Project**

High

## **5. CONCLUSION**

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

- Loss to Govt. due to delay in investment of endowment funds-Rs1.696 million
- Non-recovery Sindh Sales Tax-Rs8.506 million
- Unauthorized/mis-procurement on account of award of works to ineligible contractor
- Irregular investment of endowment funds-Rs50.00 million resulted loss to Govt-Rs8.101 million
- Overpayment due to change in measurement of hidden item of work-Rs0.217 million
- Excess payment to consultant over and above contract rate-Rs0.540 million
- Un-authorized withdrawal of funds from Assignment Account and deposited into University Account-Rs6.150 million
- Irregular appointments of Directors / Project Directors-Rs6.634 million
- Unauthorized Withdrawal of POL and Mobile facility by the Director Of SMBB- Rs0.152 million
- Excess Payment on account Of Additional Post / Charge Allowance-Rs0.238 million
- Unauthorized/ Mis-procurement on account of award of works to ineligible contractor-Rs264.533 million
- Unauthorized / Mis-procurement on account of appointment of consultant-Rs.7.936 million
- Unauthorized purchase of vehicles Rs 1.788 million
- Undue favour to the consultant/suppliers due to non-obtaining of performance guarantee-Rs0.981 million
- Non-preparation of financial statements
- Non-achievement of targets

### **Recommendations**

- Pointed out recoveries may be made under intimation to audit
- Lump sum drawl of funds from assignment account may be deposited into Govt. account

- Transparency in procurement process may be ensured
- Financial statements may be prepared and submitted to audit
- Appointments may not be regularized under intimation to audit
- Efforts may be taken to achieve targets
- Deviation from procurement rules and procedures may be got regularized
- Internal controls may be strengthened to achieve planned targets

## **Acknowledgement**

We wish to express our appreciation to the management and staff of SMBB's Chair and Convention Center for assistance and cooperation extended to the auditors during this assignment.

## Annexure-I

### Non-deduction of Sindh Sales Tax

Date	Particulars	Cheque #	Amount
22/09/2011	Refreshment charges paid to Mr.Abdul Bari Khan, senior Accountant against his services from the month of Jan 2011 to jun-11	6292505	15,000
14/10/2011	Seminar photography charges paid to the Director SMBBC	6292509	2,700
15/02/2012	Photography charges paid to the Director SMBBC	6292531	1,940
12/04/2012	Paid to M/s Classic Photo Studio against Conference	6292554	12,696
28/08/2012	Cheque issued for seminar refreshment	1988504	18,365
28/08/2012	Advertisement charges to M/s Marksman	1988505	20,276
28/08/2012	Seminar decoration charges	1988507	30,000
11/04/2013	Proof reading charges paid to M/s Peacoc	1988566	32,540
30/04/2013	Seminar/ Program held at hotel Reagent and fund released as advance	1988575	100,000
12/06/2013	Repairing of Air conditioner	1988587	6,000
20/06/2013	Seminar photography charges	1988589	3,500
12/07/2013	Computer software made through Mr. Ali Hussain Mallah	1988597	18,500
01/10/2013	Photography charges paid to M/s Classic	978213	14,880
19/02/2014	Advertisement charges to M/S Marksman	978235	24,041
27/03/2014	Balance advance amount paid to regent hotel seminar total bill 203,304	978242	3,304
27/03/2014	Advertisement charges to M/S Marksman	978244	24,041
18/07/2014	Advertisement charges paid to M/s Marksman	53007	76,126
22/07/2014	Photography charges paid to M/s Classic modling photo studio	53013	9,408
16/07/2015	website renewed of smbhc payment to ali hassan mallah	53074	4,000
23/12/2015	Miscellaneous (Consultant Charges Paid)	10144417	20,000
15/01/2016	Miscellaneous Paid Against Video Documentary	10144427	7,000
11/03/2016	Washing Curtains	10144448	2,800
05/31/2016	Advertising (Paid to Marksman Advertising)	19336903	21,579
06/20/2016	Advertising (Paid to Marksman Advertising)	19336916	54,326
10/05/2016	Advertising (Paid to Marksman Advertising)	19336963	40,601
11/28/2016	Haseeb Patel monthly website maintenance	19336982	20,000
12/05/2016	maskan advertising agency	19336993	13,280
12/28/2016	TPL Direct Insurance	26064802	68,218
	<b>Total</b>		<b>665,121</b>
	<b>Sindh Sales Tax on Services at the rate of 14%</b>		<b>93,117</b>

**Annexure-II****Non-deduction of WHT**

<b>Particulars</b>	<b>Cheque #</b>	<b>Amount</b>
Seminar photography charges paid to the Director SMBBC	6292509	2,700
Director SMBBC	6292520	3,300
Contingency paid to the Director SMBBC	6292556	6,000
Printing charges paid for seminar cards to Director	6292560	7,500
Purchase of internet accessories & paid Director SMBBC	6292565	4,490
Paid to the Director SMBBC for seminar	6292592	15,000
Seminar Invitation cards printing	1988503	41,250
Seminar decoration charges	1988507	30,000
Printing of files cover director smbbc	1988536	20,000
Cheque issued to the Director SMBBC regarding organizing of book ceremony	1988581	25,000
Seminar photography charges	1988589	3,500
Printing charges paid to BCC & T	7205614	4,886
Director SMBBC for toner cartridge	7205624	12,800
Director SMBB Chair	53035	18,000
Furniture (Purchase of Furniture)	10144381	20,000
Miscellaneous Paid Against Video Documentary	10144427	7,000
Telephone and Other 3GB Hosting Space	10144430	6,000
Printing Stationary (Printing Call for paper for the National Conference)	10144432	6,000
Printing Stationary Invitation Cards	10144450	3,500
Photocopy/Printing of Material	19336926	6,600
Miscellaneous	19336927	5,000
Purchase of Furniture for Director Room	19336947	14,000
Purchase of book from M/s Royal Books	7205606	8,178
<b>Total Amount</b>		<b>270,704</b>
<b>Income tax to be deducted at the rate of 6.5%</b>		<b>17,596</b>

## Annexure-III

### Less Deduction of Income Tax

<b>Particulars</b>	<b>Amount</b>	<b>Cheque No</b>
Furniture(GM Enterprises);	339,942	Ch.No.120250
Income tax(FBR);	16,609	Ch.No.120251
Sales tax( 1/5th WHT);(FBR)	12,549	Ch.No.120252
Printing work(PEACOCK);	83,563	Ch.No.120253
Income tax;(FBR)	3,937	Ch.No.120254
Printing work(PEACOCK);	83,563	Ch.No.120255
Income tax(FBR)	3,937	Ch.No.120256
Printing work(PEACOCK);	95,023	Ch.No.120257
Income tax(FBR)	4,477	Ch.No.120258
Printing work(PEACOCK);	83,563	Ch.No.120259
Income tax(FBR)	3,937	Ch.No.120260
Printing work(PEACOCK);	83,563	Ch.No.120261
Income tax(FBR)	3,937	Ch.No.120262
Printing work(PEACOCK);	90,725	Ch.No.120263
Income tax(FBR)	4,275	Ch.No.120264
Printing work(PEACOCK);	85,950	Ch.No.120265
Income tax(FBR)	4,050	Ch.No.120266
Printing work(PEACOCK);	88,338	Ch.No.120267
Income tax(FBR)	4,162	Ch.No.120268
Purchase of equipments(Octopus);	498,341	Ch.No.120271
Income tax(FBR);	24,219	Ch.No.120272
Sales tax( 1/5th WHT)(FBR);	15,640	Ch.No.120273
Purchase of equipments(Proslink);	367,029	Ch.No.120284
Income tax(FBR)	17,842	Ch.No.120285
Sales tax( 1/5th WHT)(FBR);	11,624	Ch.No.120286
Books & Journals(Oxford);	80,838	Ch.No.120289
Income tax(FBR)	3,809	Ch.No.120290
Contingency(Shams & Zain);	149,893	Ch.No.120296
Income tax(FBR)	12,857	Ch.No.120297
Contingency(Shams & Zain);	364,716	Ch.No.120274
Income tax(FBR);	17,820	Ch.No.120276
Sales tax( 1/5th WHT);(FBR)	13,464	Ch.No.120277
Documentary(Farhan)	27,000	Ch.No.120287
Income tax(FBR)	3,000	Ch.No.120288
Income Tax Deducted at the rate of 4.5%	125,868	
Income Tax to be deducted at the rate of 6.5%	181,809	
<b>Less Deduction of Income Tax</b>	<b>55,941</b>	



**Annexure-IV**

**Contingency / Mobile Card**

<b>S No</b>	<b>Ch Nos</b>	<b>Dated</b>	<b>To Whom Paid</b>	<b>Particulars</b>	<b>Amount</b>
1	26064803	5/1/2017	M/s Zong Franchise Universal Communication	Zong Device	2,000
2	10144391	21/10/2015	M/s Mobilink	Zong Device	1,200
3	53084	21/8/2015	M/s Mobilink	Zong Device	1,200
4	53081	6/8/2015	M/s Mobilink	Zong Device	1,210
5	53071	7/7/2015	M/s Mobilink	Zong Device	494
6	26064804	30/12/2016	M/s Zong Franchise Universal Communication	Zong Device	2,000
7	19336995	16/12/2016	M/s Mobilink	Zong Device	2,700
8	19336917	10/6/2016	M/s A M Communications	Easy Load	2,050
9	19336902	16/5/2016	M/S Channa Communications	Mobilink Load	1,200
10	1014467	11/4/2016	M/s Mobilink	Mobilink Load	1,200
11	53066	25/6/2015	M/s New Super Store	Warid Card	1,000
12	53065	5/6/2015	M/s Jamia General Store	Warid Card	1,000
13	53062	18/5/2015	M/s K U Super Jamia Store	Warid Card	1,000
14	53056	18/3/2015	M/s K U Super Jamia Store	Warid Card	1,000
15	53053	25/2/2015	M/s K U Super Jamia Store	Warid Card	1,000
16	53047	15/1/2015	M/s K U Super Jamia Store	Warid Card	1,000
17	53042	11/12/2014	M/s K U Super Jamia Store	Warid Card	1,000
18	53036	21/11/2014	M/s K U Super Jamia Store	Warid Card	1,000
19	53032	16/10/2014	M/s K U Super Jamia Store	Warid Card	1,000
20	53023	22/9/2014	M/s New Super Store	Warid Card	1,000
21	53018	7/8/2015	M/s New Super Store	Warid Card	1,000
22	53009	16/7/2014	M/s New Super Store	Warid Card	1,000
23	10144452	14/3/2016	M/s K U Super Jamia Store	Jazz Card	1,800
24	10144446	10/2/2016	M/s K U Super Jamia Store	U Card (P A)	500
25	101444428	15/1/2016	M/s K U Super Jamia Store	Jazz Load	600
26	10144418	22/12/2015	M/s Mobilink	Jazz Load	1,200
27	10144415	10/12/2015	M/s K U Super Jamia Store	Jazz Load	600
28	10144405	26/11/2015	M/s Mobilink	Jazz Load	1,200
29	6292541	3/3/2012	M/s Mobilink	Jazz Load	1,000
30	6292551	29/3/2012	M/s K U Super Jamia Store	Easy Load	700
31	6292561	19/4/2012	M/s I R Photostat	Jazz Card	1,000
32	6292566	16/5/2012	M/s K U Super Jamia Store	Jazz Card	1,300

<b>S No</b>	<b>Ch Nos</b>	<b>Dated</b>	<b>To Whom Paid</b>	<b>Particulars</b>	<b>Amount</b>
33	6292584	21/6/2012	M/s K U Super Jamia Store	Jazz Card	500
34	6292584	20/6/2012	M/s K U Super Jamia Store	Jazz Card	700
35	978241	20/3/2014	M/s K U Super Jamia Store	Warid Card	1,000
36	978237	13/2/2014	M/s K U Super Jamia Store	Warid Card	1,000
37	978231	10/1/2014	M/s K U Super Jamia Store	Warid Card	1,000
38	978226	17/12/2013	M/s New Super Store	Warid Card	1,000
39	978220	13/11/2013	M/s K U Super Jamia Store	Warid Card	1,000
40	978215	11/10/2013	M/s K U Super Jamia Store	Warid Card	1,000
41	978207	18/9/2013	M/s New Super Store	Warid Card	1,000
42	978202	1/8/2013	M/s K U Super Jamia Store	Warid Card	1000
<b>Total (1)</b>					<b>46,354</b>
<b>S. No.</b>	<b>Ch Nos</b>	<b>Dated</b>	<b>To Whom Paid</b>	<b>Particulars</b>	<b>Amount</b>
1	26064803	5/1/2017	M/s Jauher Petroleum	Director	9,110
2	19336933	18/7/2016	Awami Filling Station	Director	18,460
3	19336944	2/8/2016	Awami Filling Station	Director	400
4	19336930	14/7/2016	Awami Filling Station	Director	1,500
5	10144391	21/10/2015	M/s Razi Petroleum Station	Director	1,500
6	53099	9/9/2015	Awami Filling Station	Director	1,000
7	26064804	30/12/2016	M/s Razi Petroleum Station	Director	3,400
8	19336995	16/12/2016	Awami Filling Station	Director	3,680
9	19336990	6/12/2016	Awami Filling Station	Director	1,500
10	19336984	25/11/2016	Awami Filling Station	Director	21,650
11	19336969	18/10/2016	Awami Filling Station	Director	20,182
12	19336925	28/6/2015	Awami Filling Station	Director	6,000
13	19336911	30/5/2016	Awami Filling Station	Director	1,030
14	19336902	16/5/2016	Various	Director	1,000
15	10144475	22/4/2016	Awami Filling Station	Director	2,440
16	10144446	10/2/2016	Awami Filling Station	Director	2,000
17	10144428	15/1/2016	Awami Filling Station	Director	1,500
1	10144378	9/9/2015	M/s City Petroleum Service		2,016
2	53078	6/8/2015	M/s City Petroleum Service		2,100
1	10144446	10/2/2016	m/S Nazi communications	Nokia 130 for P.A.	2,950
<b>Total (2)</b>					<b>103,418</b>
<b>Grand Total</b>					<b>149,772</b>

**Annexure-V****Advances not adjusted**

<b>Date</b>	<b>Particulars</b>	<b>Cheque #</b>	<b>Amount</b>
02/09/2015	Paid Advance to Director	53098	40,000
09/07/2016	BBML (Program) Advanced Amount for BBML	19336953	50,000
11/06/2014	Advance paid to the Director SMBBC for one day national conference on 21 June 2014	7205620	300,000
29/09/2015	Advance Paid for Logo and Website	10144386	41,000
11/03/2016	Seminar/Conference Advance Amount for Second BBML Program	10144449	45,000
26/10/2016	Miscellaneous paid for car registration	19336975	25,000
23/06/2012	Advance paid to the Director SMBBC	6292579	50,000
28/06/2012	Advance released for seminar and paid to the Director SMBBC	6292586	129,058
28/03/2013	Organized a program for SMBBC	1988556	100,000
30/04/2013	Seminar/ Program held at hotel Reagent and fund released as advance	1988575	100,000
	<b>Total</b>		<b>880,058</b>

## Annexure-VI

### Payment of Contingencies and others to Director instead of payee

<b>Date</b>	<b>Particulars</b>	<b>Cheque #</b>	<b>Amount</b>
27/06/2011	Contingency paid to the Director SMBBC	2128511	15,000
8/9/2011	Contingency paid to the Director SMBBC	6292504	10,424
14/10/2011	Contingency paid to the Director SMBBC	6292508	5,524
	contingency paid to the Director SMBBC	6292516	5,850
	contingency paid to the Director SMBBC	6292517	1,540
26/12/2011	Contingency paid to the Director SMBBC	6292523	4,499
19/01/2012	Contingency paid to the Director SMBBC	6292526	6,572
14/02/2012	Contingency paid to the Director SMBBC	6292530	6,875
8/3/2012	Contingency paid to the Director SMBBC	6292539	5,965
8/3/2012	Contingency paid to the Director SMBBC	6292540	6,430
8/3/2012	Contingency paid to the Director SMBBC	6292541	11,095
8/3/2012	Contingency paid to the Director SMBBC	6292542	2,100
2/4/2012	Contingency paid to the Director SMBBC	6292551	10,503
25/04/2012	Contingency paid to the Director SMBBC	6292561	5,240
16/05/2012	Contingency paid to the Director SMBBC	6292566	10,920
24/05/2012	Contingency paid to the Director SMBBC	6292575	9,817
9/6/2012	Contingency paid to the Director SMBBC	6292578	8,164
26/06/2012	contingency paid to Director SMBBC	6292584	5,780
26/06/2012	contingency paid to Director SMBBC	6292585	9,262
11/7/2012	contingency paid to Director SMBBC	6292590	7,285
20/07/2012	contingency paid to Director SMBBC	6292593	8,635
17/08/2012	contingency paid to Director SMBBC	6292599	6,889
27/08/2012	contingency paid to Director SMBBC	6292600	6,291
2/10/2012	contingency paid to Director SMBBC	1988510	7,600
21/11/2012	contingency paid to Director SMBBC	1988520	10,753
24/12/2012	contingency paid to Director SMBBC	1988532	7,285
31/01/2013	contingency paid to Director SMBBC	1988545	9,428
14/02/2013	contingency paid to Director SMBBC	1988549	5,928
11/4/2013	contingency paid to Director SMBBC	1988562	8,200
21/05/2013	contingency paid to Director SMBBC	1988576	9,696
20/06/2013	contingency paid to Director SMBBC	1988590	9,429
20/06/2013	contingency paid to Director SMBBC	1988591	6,785
11/7/2013	contingency paid to Director SMBBC	1988598	8,545
1/8/2013	contingency paid to Director SMBBC	978202	3,757
19/09/2013	contingency paid to Director SMBBC	978207	2,852

24/10/2013	contingency paid to Director SMBBC	978215	3,104
5/11/2013	contingency paid to Director SMBBC	978220	1,700
17/12/2013	contingency paid to Director SMBBC	978226	2,067
10/1/2014	contingency paid to Director SMBBC	978231	5,233
19/02/2014	contingency paid to Director SMBBC	978237	3,547
17/03/2014	contingency paid to Director SMBBC	978241	5,788
27/03/2014	contingency paid to Director SMBBC	978243	8,335
21/04/2014	contingency paid to Director SMBBC	978249	9,437
6/30/2014	contingency paid to Director SMBBC	978250	9,896
14/05/2014	contingency paid to Director SMBBC	7205609	9,203
11/6/2014	contingency paid to Director SMBBC	7205619	9,950
18/06/2014	contingency paid to Director SMBBC	7205622	9,965
8/7/2014	Contingency paid to director SMBBC	978250	9,896
18/7/14	Contingency paid to director SMBBC	53009	8,812
18/8/14	Contingency paid to Director SMBB chair	53018	5,076
24/9/14	Contingency paid to Director	53023	5,405
20/10/14	Contingency paid to Director	53032	2,114
27/11/14	Contingency paid to Director	53036	1,896
22/12/14	Contingency paid to Director	53042	3,060
19/1/15	Contingency paid to Director	53047	8,800
27/2/15	Contingency paid to Director	53053	4,280
24/3/15	Contingency paid to Director	53056	4,474
16/4/15	Contingency paid to Director	53059	9,924
25/5/15	Contingency paid to Director	53062	6,571
8/6/2015	Contingency paid to Director	53065	9,967
26/6/15	Contingency paid to Director	53066	9,976
9/7/2015	Contingency Paid to Director	53071	9,619
7/8/2015	Contingency Paid to Director	53081	9,668
31/08/2015	Contingency Paid to Director	53084	9,811
10/9/2015	Contingency Paid to Director	53099	9,893
23/9/2015	Contingency Paid to Director	10144385	9,799
22/10/2015	Contingency Paid to Director	10144391	9,960
30/10/2015	Contingency Paid to Director	10144392	9,950
18/11/2015	Contingency Paid to Director	10144403	9,972
26/11/2015	Contingency Paid to Director	10144405	9,956
14/12/2015	Contingency Paid to Director	10144415	9,948
23/12/2015	Contingency Paid to Director	10144418	9,940
20/1/2016	Contingency Paid to Director	10144428	9,997
7/3/2016	Contingency Paid to Director	10144446	9,934
15/3/2016	Contingency Paid to Director	10144452	9,956
21/3/2016	Contingency Paid to Director	10144453	9,954

4/13/2016	Contingency Paid to Director	10144467	8,395
4/22/2016	Contingency Paid to Director	10144468	9,005
5/2/2016	Contingency Paid to Director	10144475	9,923
5/10/2016	Contingency Paid to Director	19336901	9,676
6/1/2016	Contingency Paid to Director	19336911	9,958
6/20/2016	Contingency Paid to Director	19336917	9,812
7/1/2016	Contingency Paid to Director	19336925	9,985
7/21/2016	Contingency Paid to Director	19336930	9,563
8/9/2016	Contingency Paid to Director	19336944	9,962
9/16/2016	Contingency Paid to Director	19336954	9,901
10/6/2016	Contingency Paid to Director	19336968	9,928
10/26/2016	Contingency Paid to Director	19336969	29,868
11/25/2016	director contingency	19336984	29,984
12/6/2016	Contingency Paid to Director	19336990	29,995
12/16/2016	director contingency	19336995	28,264
1/5/2016	director contingency	26064803	18,574
12/30/2016	director contingency	26064804	25,175
<b>Total(1)</b>			<b>845,719</b>
<b>Date</b>	<b>Particulars</b>	<b>Cheque #</b>	<b>Amount</b>
22/05/2014	Advance paid to the Director SMBBC	7205613	52,500
14/7/2015	Telephone	53072	4,300
16/7/2015	Paid to Director SMBB Chair	53073	14,500
7/8/2015	Misc. (Purchase of Diesel)	53078	2,100
7/8/2015	Telephone	53079	1,668
7/8/2015	Paid PTCL Evo Bill	53080	1,701
18/8/2015	Purchase of Books/Stationary	53082	5,990
31/8/2015	Computer (Paid for Purchase of Laptop Bag)	53083	3,000
2/9/2015	Telephone	53091	2,290
16/9/2015	Seminar (Paid to Director)	53100	3,660
16/9/2015	Seminar (Paid to Director)	10144376	3,500
17/9/2015	Miscellaneous(Payment of Diesel for generator)	10144378	2,016
21/9/2015	Telephone (PTCL Evo Bill Paid)	10144380	2,552
2/10/2015	Telephone Bill and Other	10144388	1,455
2/10/2015	Telephone Bill (July)	10144389	827
22/10/2015	Telephone (WIFI Charges Paid)	10144390	2,052
30/10/2015	Telephone and Other Paid to Director	10144393	4,433
26/11/2015	Telephone and PTCL bills paid	10144406	2,052
8/12/2015	Telephone and Others charges paid	10144412	5,120
14/12/2015	Miscellaneous (Purchase of diesel for	10144414	2,075

	generator)		
18/12/2015	Purchase of Books	10144416	7,016
31/12/2015	Telephone and Other Bills Paid	10144420	2,052
	Telephone and Other PTCL Bills Paid	10144426	3,508
28/1/2016	PTCL Chargi Evo Bill m/o Jan, 2016	10144429	2,052
7/1/2016	Telephone/Others	19336928	5,095
7/21/2016	Telephone/Others	19336935	6,374
30/05/2011	Refreshment charges paid to the Director SMBBC	2128509	1,136
8/9/2011	Postage charges paid to the Director SMBBC	6292501	1,660
15/02/2012	Photography charges paid to the Director SMBBC	6292531	1,940
18/02/2012	Entertainment charges paid to the Director SMBBC	6292534	36,315
8/3/2012	Purchase of books paid to the Director SMBBC	6292538	1,380
2/4/2012	director SMBBC	6292552	3,520
2/4/2012	Telephone connection charges paid to Director SMBBC	6292553	1,998
20/07/2012	TA/DA paid to Director SMBBC	6292591	25,185
28/02/2013	Cheque issued in favor of Director SMBB for purpose of travelling TA/DA	1988554	10,000
28/03/2013	Books purchased for SMBBC	1988557	5,580
11/7/2013	Cheque issued n favor of Director SMBBC	1988595	6,500
11/7/2013	Telephone bill expense director smmbc	1988596	2,045
19/09/2013	Book ceremony launched director smbbc	978208	15,000
5/31/2016	T/A D/A Paid to Director SMBBC	19336904	15,109
11/25/2016	director SMBBC mobile bill and other	19336983	12,642
25/04/2012	purchase of tonner from M/s Q. System	6292557	4,296
16/05/2012	Internet charges paid to the Director	6292567	1,300
23/07/2012	Toner recycling charges paid to M/s Q. Sy	6292594	2,220
28/03/2013	Purchase of computer accessories	1988555	1,500
7/8/2014	Miscellaneous charges	53017	3,675
2/9/2015	Miscellaneous MS. Brother and Co	53088	44,894
21/9/2015	TA/DA Entertainment paid to Director	10144379	26,576
8/12/2015	Miscellaneous (Purchase of diesel for generator)	10144411	2,075
10/12/2015	Entertainment (TA/DA Paid to Director)	10144413	36,286
11/3/2016	Washing Curtains	10144448	2,800
15/3/2016	Postage Invitation Card	10144451	1,964
25/3/2016	PTCL Evo Chargee bill	10144454	2,052

25/3/2016	Miscellaneous Conference and Seminar	10144455	2,070
31/03/2016	Stationary for Office Use	10144456	3,855
31/3/2016	Miscellaneous (Purchase of Fuel for diesel)	10144459	2,052
5/23/2016	Miscellaneous Extraordinary expenditure for Miscellaneous	19336902	9,645
7/21/2016	TA/DA Paid to Director	19336933	18,460
7/21/2016	Plantation (Office Building)	19336934	5,940
8/9/2016	Photostat	19336941	2,631
8/9/2016	Miscellaneous	19336943	4,320
8/30/2016	Plantation (Office Building)	19336945	2,250
8/30/2016	Miscellaneous	19336948	3,600
10/6/2016	Plantation (Office Building)	19336966	3,725
10/26/2016	Photostat paid to Director	19336971	1,903
10/26/2016	Plantation (Office Building)	19336972	4,750
	photo state paid to Director	19336973	1,903
	Plantation (Office Building)	19336974	4,750
10/26/2016	Internet Device Payment	19336976	2,800
8/9/2011	Printing charges paid to the Director SMBBC for printing of seminar panaflex	2128523	3,917
8/9/2011	Purchase of laser Printer from M/s Q. System	6292502	9,505
14/10/2011	Printer repairing charges paid to the Director SMBBC	6292510	1,800
15/02/2012	Photocopies & printing charges paid to Director SMBBC	6292532	2,000
25/04/2012	Printer recycling and refilling charges Director SMBBC	6292562	3,700
28/02/2013	Purchase of color printer & photostate	1988553	3,300
2/9/2015	Computer (Paid for Purchase of Printer) M/s Scan	53095	24,074
5/11/2015	Printng Stationary (Visiting Cards) M/s Peacock	10144397	3,056
5/11/2015	Printing Stationary (Invitation Cards)	10144399	5,730
8/30/2016	Printing Stationary	19336946	3,500
10/6/2016	Printing for Display boards amount paid to director	19336965	10,120
		<b>Total (2)</b>	<b>558,892</b>
		<b>Grand Total</b>	<b>1,404,611</b>



**Annexure-VII**

<b>UBL A/C No. 000222996666</b>			
<b>S No</b>	<b>Dated</b>	<b>Particulars</b>	<b>Amount</b>
1	29/6/2015	Cash	50,000
2	3/7/2015	Cash	50,000
3	28/7/2015	Cash	19,200
4	13/10/2015	Cash	4,000
5	14/10/2015	Cash	20,000
6	21/10/2015	Cash	4,780
8	29/1/2016	Cash	9,888
9	10/2/2016	Cash	3,566
10	16/2/2016	Cash	6,103
11	23/2/2016	Cash	2,052
12	7/3/2016	Cash	10,903
13	11/3/2016	Cash	47,800
14	15/3/2016	Cash	15,420
15	21/3/2016	Cash	12,006
17	5/4/2016	Cash	5,907
18	18/4/2016	Cash	9,180
19	22/4/2016	Cash	9,005
20	3/5/2016	Cash	9,923
21	12/5/2016	Cash	9,676
22	23/5/2016	Cash	9,645
23	2/6/2016	Cash	9,958
24	3/6/2016	Cash	15,109
25	22/6/2016	Cash	9,812
26	4/7/2016	Cash	26,680
27	22/7/2016	Cash	40,337
28	15/8/2016	Cash	14,282
29	31/8/2016	Cash	9,342
30	1/9/2016	Cash	23,350
31	7/9/2016	Cash	50,000
32	21/9/2016	Cash	9,901

33	13/10/2016	Cash	32,279
34	28/10/2016	Cash	90,321
35	28/11/2016	Cash	42,626
36	7/12/2016	Cash	29,995
37	16/12/2016	Cash	28,264
38	6/1/2017	Cash	43,749
<b>Total (1)</b>			<b>785,059</b>

**UBL A/c No. 010-2382-8**

<b>S. No.</b>	<b>Dated</b>	<b>Particulars</b>	<b>Amount</b>
1	10/2/2011	Cash	6,244
2	12/2/2011	Cash	9,696
4	14/6/2013	Cash	175,339
5	19/6/2013	Cash	6,000
6	29/8/2014	Cash	5,076
7	25/9/2014	Cash	5,405
9	28/11/2014	Cash	18,000
12	21/1/2015	Cash	8,800
13	6/3/2015	Cash	4,280
15	22/4/2015	Cash	9,924
17	10/6/2015	Cash	9,967
18	29/6/2015	Cash	9,967
19	9/7/2015	Cash	9,619
21	16/7/2015	Cash	14,500
23	22/4/2015	Cash	9,924
25	10/6/2015	Cash	9,967
26	29/6/2015	Cash	9,976
27	19/7/2015	Cash	9,619
29	16/7/2015	Cash	14,500
33	17/8/2015	Cash	9,668
35	1/9/2015	Cash	9,811
36	4/9/2015	Cash	9,893
40	17/9/2015	Cash	26,576
41	23/9/2015	Cash	9,799
42	23/9/2015	Cash	9,960
44	26/10/2015	Cash	9,950
47	30/10/2015	Cash	9,972
48	20/11/2015	Cash	9,956

50	26/11/2015	Cash	36,286
53	14/12/2015	Cash	9,948
54	14/12/2015	Cash	7,016
56	21/12/2015	Cash	9,940
57	23/12/2015	Cash	261,945
64	3/2/2016	Cash	16,693
<b>Total (2)</b>			<b>794,216</b>
<b>Grand Total</b>			<b>1,579,275</b>

## Annexure-VIII

### Details of Salaries of employees transferred to Director's Account:

<b>Date</b>	<b>Particulars</b>	<b>Cheque #</b>	<b>Amount</b>	<b>Remarks</b>
9/8/2011	Staff Salary released for the M/O of July 2011	2128515	161,080	salary paid to director instead of separate accounts of 8 officers
27/08/2011	Staff Salary released for the M/O of Augt	2128520	185,540	salary paid to director instead of separate accounts of 8 officers
30/09/2011	Staff salary released for the M/O Sep-11	6292506	185,540	salary paid to director instead of separate accounts of 8 officers
25/10/2011	Staff salary released for the M/O Oct	6292511	186,895	salary paid to director instead of separate accounts of 8 officers
31/05/2012	Staff salary released for the M/O May	6292576	161,538	salary paid to director instead of separate accounts of 7 officers
26/06/2012	Salary paid to the staff for the M/O Jun	6292582	161,538	salary paid to director instead of separate accounts of 7 officers
11/6/2014	salary paid to staff for the M/O May	7205615	241,586	salary paid to director instead of separate accounts of 7 officers
7/22/2014	Salary paid to staff for the m/o July	53010	241,586	Payment to director
1/9/2014	Staff salary for the m/o Aug	53021	146,677	Payment to director
<b>Total</b>			<b>1,671,980</b>	