



**AUDIT REPORT
ON
THE ACCOUNTS OF
UNION COUNCILS
OF SINDH
AUDIT YEAR 2015-16**

AUDITOR-GENERAL OF PAKISTAN

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ABBREVIATIONS AND ACRONYMS

CRMS	Customer Relation Management System
CTR	Central Treasury Rules
DAC	Departmental Accounts Committee
DG	Director General
EOI	Expression of Interest
FBR	Federal Board of Revenue
F.Y	Financial Year
GFR	General Financial Rules
GoS	Government of Sindh
GST	General Sales Tax
HBL	Habib Bank Limited
LFA	Local Fund Audit
LGD	Local Government Department
MB	Measurement Book
MFDAC	Memorandum for Department Accounts Committee
NBP	National Bank of Pakistan
OZT	Octroi Zila Tax
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
SBR	Sindh Board of Revenue
SFR	Sindh Financial Rules
SNE	Schedule for New Expenditure
SPPRA	Sindh Public Procurement Regulatory Authority
TMA	Town/Taluka Municipal Administration
UA	Union Administration
UC	Union Council

Preface

Articles 169 & 170 (2) of the Constitution of the Islamic Republic of Pakistan, 1973, read with Sections 8 and 12 of the Auditor General (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001, require the Auditor General of Pakistan to conduct audit of the receipts and expenditure of the Secretary Local Government Department, Karachi Metropolitan Corporation, Karachi Water & Sewerage Board, Taluka / Town Municipal Administrations and Union Councils.

The report is based on audit of Union Councils of 05 Districts of Karachi Division, 04 Districts of Hyderabad Division and District Shaheed Benazirabad for the year 2013-14 & 2014-15. The Directorate General of Audit Local Councils Sindh, Karachi, conducted audit during 2015-16 on test check basis with a view to reporting significant findings to relevant stakeholders. The main body of Audit Report includes only the systemic issues and audit findings. Relatively less significant issues are listed in the Annex-I of the Audit Report. The Audit observations listed in the Annex-I shall be pursued with the Principal Accounting Officer at the DAC level and in all cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee through the next year's Audit Report.

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

The observations included in this Report have been finalized without written responses and discussion in DAC meetings.

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

Islamabad
Dated:

Rana Assad Amin
Auditor General of Pakistan

EXECUTIVE SUMMARY

The Director General Audit, Local Councils, Sindh, Karachi is responsible to carry out the audit of 1,506 entities under the administrative control of Secretary Local Government Department, including Karachi Metropolitan Corporation, Karachi Water & Sewerage Board, District Councils/District Municipal Corporations, Municipal Committees, Town Committees and Union Councils. This Directorate General has a human resource of 40 officers and staff for the purpose of conducting audit, which comprise 10,000 man days. The annual budget allocated to this office for the financial year 2015-16 is Rs 62.402 million. The office has a mandate to conduct regularity audit (compliance with authority audit) on test check basis with a view to reporting significant findings to the stakeholders. This office also conducts performance audit of programmes / projects and Special studies/Special Audits.

Each Union Council conducts its operations as per Sindh Local Government Ordinance, 1979. The Secretary is the Principal Accounting Officer (PAO). The financial provisions of the Sindh Local Government Ordinance, 1979 require the establishment of Union Councils for which Annual Budget Statement is authorized by the Union Council/Administrator in the form of Budgetary Grants.

Audit of UCs was carried out with the view to ascertaining that the expenditure was incurred with proper authorization, in conformity with laws, rules, regulations and economy was ensured in procurement of assets and hiring of services and to review, analyze and comment on various Government policies regarding different sectors.

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

a. Scope of Audit

Out of total budget of the UCs of Sindh province for the financial year 2014-15, auditable expenditure under the jurisdiction was Rs 1,363.200 million, out of which an expenditure of Rs 138.000 million was audited which in terms of percentage was 10.123%. Total receipts (OZT share) of the UCs for the financial year 2014-15 were Rs 1,363.200 million, out of this an amount of Rs 138.000 million was audited which was 10.123% of the total receipt.

b. Recoveries at the Instance of Audit

No recovery was realized during the audit.

c. Audit Methodology

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

d. Audit Impact

On the pointation of audit, UCs have streamlined their work in accordance with rules & regulations.

e. Comment on Internal Control and Internal Audit Department

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

f. The Key Audit Findings of the Report

- i. Non- Production of record was noted in 03 cases - Rs 7.110 million.¹
- ii. Violation of Rules was noted in 11 cases - Rs 38.892 million.²
- iii. Internal Control Weakness was noted in 03 cases - Rs 7.417 million.³

Audit paras for the audit year 2015-16 involving procedural violations including internal control weaknesses, unsound asset management and irregularities not considered worth reporting are included in MFDAC (Annex-I)

g. Recommendations

Audit recommends that the PAO/management of UAs should ensure to resolve the following issues:

- i. Observance of rules of Public Financial Management
- ii. Application of codal formalities before the commencement of official works.
- iii. Fixing of responsibility on the person (s) at fault.

¹Para 1.2.1.1, 1.2.3.1, 1.2.5.1

²Para 1.2.2.2, 1.2.2.3, 1.2.2.4, 1.2.2.5, 1.2.2.6, 1.2.4.1, 1.2.4.2, 1.2.4.3, 1.2.4.4, 1.2.6.1, 1.2.6.2

³Para 1.2.2.1, 1.2.4.5, 1.2.4.6

SUMMARY TABLES & CHARTS

Table 1: Audit Work Statistics

(Rupees in Million)

Sr.	Description	No.	Budget	
			Expenditure	Revenue (OZT Share)
1.	Total Entities (UCs) in Audit Jurisdiction	1,136	1,363.200	1,363.200
2.	Total Entities (UCs) Audited	115	138.000	138.000
3.	Audit & Inspection Reports (District-wise)	10	138.000*	138.000*
4.	Special Audit Reports	-	-	-
5.	Performance Audit Reports	-	-	-
6.	Other Reports	-	-	-
*Total Auditable Budget			276.000	

Table 2: Audit Observations Classified by Categories

(Rupees in Million)

Sr.	Description	Amount under audit observation
1	Asset Management	-
2	Financial Management	-
3	Internal control	7.417
4	Violation of rules	38.892
5	Others	7.110
Total		53.419

Table 3: Outcome Statistics

(Rupees in Million)

Sr.	Description	Expenditure on Acquiring Physical Assets (Procurement)	Salary (60%)	Non-Salary (25%)	Civil Works (15%)	Receipts (OZT share)	Others	Total Current year	Total Last year
1.	Outlays Audited	-	82.800	34.500	20.700	138.000	-	276.000	1,537.098
2.	Amount Placed under Audit Observation	-	20.591	21.983	10.845	-	-	53.419	745.519
3.	Recoveries Pointed Out at the instance of Audit	-	-	-	-	-	-	-	3.471
4.	Recoveries Accepted /Established at the instance of Audit	-	-	-	-	-	-	-	
5.	Recoveries Realized at the instance of Audit	-	-	-	-	-	-	-	

*The amount mentioned against serial No. 1 in column of “Total Current Year” is the sum of Expenditure and Receipts.

Table 4: Irregularities Pointed Out

(Rupees in Million)		
Sr.	Description	Amount Placed under Audit Observation
1	Violation of Rules and regulations and violation of principle of propriety and probity in public operations.	38.892
2	Reported cases of fraud, embezzlement, thefts and misuse of public resources.	-
3	Accounting Errors (accounting policy departure from NAM ¹ , misclassification, over or understatement of account balances) that are significant but are not material enough to result in the qualification of audit opinions on the financial statements.	-
4	Quantification of weaknesses of internal control systems.	7.417
5	Recoveries and overpayments, representing cases of establishment overpayment or misappropriations of public monies	-
6	Non-production of record.	7.110
7	Others, including cases of accidents, negligence etc.	-
Total		53.419

Table 5: Cost Benefit

(Rupees in Million)		
S. No.	Description	Amount
1	Outlays Audited	276.000
2	Expenditure on Audit	1.656
3	Recoveries realized at the instance of Audit	-
Cost-Benefit Ratio		Not Applicable

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

CHAPTER-I

1.1.1 INTRODUCTION

Each Union Council consists of Secretary and Administrator. Each UC comprises one Drawing and Disbursing Officer i.e. Secretary. The main functions of UCs are as follows:-

1. to collect and maintain statistical information for socio-economic surveys;
2. to consolidate village and neighbourhood development needs and prioritise them into union-wide development proposals with the approval of the Union Council and make recommendations thereof to the District Government or Taluka Municipal Administration, as the case may be;
3. to identify deficiencies in the delivery of services and make recommendations for improvement thereof to the Taluka Municipal Administration;
4. to register births, deaths and marriages and issue certificates thereof;
5. to make proposals to the Union Council for levy of rates and fees specified in the Second Schedule and to collect such rates and fees within the Union;
6. to execute the projects of the approved Union Annual Development Plan by contracting out to the private sector in the manner as may be prescribed and to obtain support of the Taluka Municipal Administration or District Government for such execution; and to assist the Village Councils or, as the case may be, Neighbourhood Councils in the Union to execute development projects.

1.1.2 Comments on Budget and Accounts (Variance Analysis)

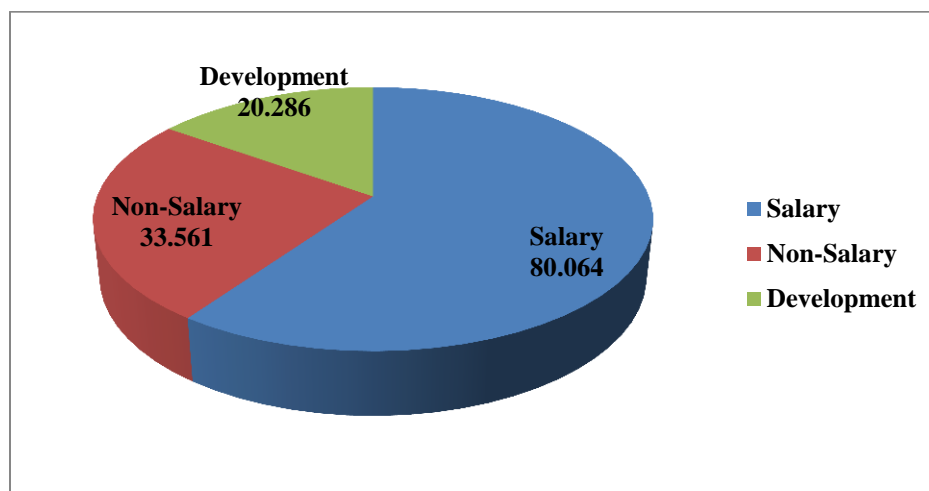
(Rupees in Million)

Sr.	Entity		Budgeted	Actual	Excess (+) / Savings (-)
1	Union Councils of District Central Karachi	Salary	11.520	11.059	(0.461)
		Non-salary	4.800	4.656	(0.144)
		Development	2.880	2.822	(0.058)
		Sub Total	19.200	18.538	(0.662)
		OZT Share	19.200	19.200	-
2	Union Councils of District East Karachi	Salary	11.520	11.635	0.115
		Non-salary	4.800	4.656	(0.144)
		Development	2.880	2.822	(0.058)
		Sub Total	19.200	19.114	(0.086)
		OZT Share	19.200	19.200	-
3	Union Councils of District Malir Karachi	Salary	15.120	14.515	(0.605)
		Non-salary	6.300	6.111	(0.189)
		Development	3.780	3.704	(0.076)
		Sub Total	25.200	24.331	(0.869)
		OZT Share	25.200	25.200	-
4	Union Councils of District South Karachi	Salary	11.520	11.059	(0.461)
		Non-salary	4.800	4.752	(0.048)
		Development	2.880	2.822	(0.058)
		Sub Total	19.200	18.634	(0.566)
		OZT Share	19.200	19.200	-
5	Union Councils of District West Karachi	Salary	7.920	7.603	(0.317)
		Non-salary	3.300	3.201	(0.099)
		Development	1.980	1.940	(0.040)
		Sub Total	13.200	12.745	(0.455)
		OZT Share	13.200	13.200	-
6	Union Councils of District Shaheed Benazirabad	Salary	5.760	5.530	(0.230)
		Non-salary	2.400	2.328	(0.072)
		Development	1.440	1.411	(0.029)
		Sub Total	9.600	9.269	(0.331)
		OZT Share	9.600	9.600	-
7	Union Councils of District Matiari, Hyderabad Division	Salary	7.200	6.912	(0.288)
		Non-salary	3.000	2.910	(0.090)
		Development	1.800	1.764	(0.036)
		Sub Total	12.000	11.586	(0.414)
		OZT Share	12.000	12.000	-
8	Union Councils of District Thatta, Hyderabad Division	Salary	2.880	2.765	(0.115)
		Non-salary	1.200	1.164	(0.036)
		Development	0.720	0.706	(0.014)

(Rupees in Million)

Sr.	Entity		Budgeted	Actual	Excess (+) / Savings (-)
		Sub Total	4.800	4.634	(0.166)
		OZT Share	4.800	4.800	-
9	Union Councils of District TandoAllahyar, Hyderabad Division	Salary	6.480	6.221	(0.259)
		Non-salary	2.700	2.619	(0.081)
		Development	1.620	1.588	(0.032)
		Sub Total	10.800	10.427	(0.373)
		OZT Share	10.800	10.800	-
10	Union Councils of District Tando Muhammad Khan, Hyderabad Division	Salary	2.880	2.765	(0.115)
		Non-salary	1.200	1.164	(0.036)
		Development	0.720	0.706	(0.014)
		Sub Total	4.800	4.634	(0.166)
		OZT Share	4.800	4.800	-
Total Salary			82.800	80.064	(2.736)
Total Non-Salary			34.500	33.561	(0.939)
Total Development			20.700	20.286	(0.414)
Grand Total (Expenditure)			138.000	133.911	(4.089)
Grand Total (Revenue)			138.000	138.000	-

Expenditure 2014-15



Original budget of Rs 138.000million was allocated to UCs, which were audited during 2015-16, under various grants. Variance Analysis of the Revised/Final Grant and Actual Expenditure for the Financial Year 2014-15 for the audited entities depicted that there was a saving of Rs 4.089 million.

1.1.3 Brief Comments on the Status of Compliance with PAC Directives

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

Audit Year	No. of Reports	Status of PAC Meetings	Remarks
2012-13	Nil	Nil	-
2013-14	09	Nil	District-wise Report
2014-15	05	Nil	Division-wise Report

As indicated in the above table, no PAC meeting was convened to discuss the audit report of UCs of Sindh Province.

AUDIT PARAS

KARACHI DIVISION

1.2.1 Non-Production of Record

1.2.1.1 Non-Production of Record – 7.110 Million

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

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

Secretaries, Union Councils, District East, Central, South, West and Malir incurred expenditure on different head of accounts but failed to provide complete/partial record of Rs 7.110 million, for the year 2013-15 to audit, in violation of the above rule and instructions. The audit was also denied access to record of issued Death/Birth/Marriage Certificates etc., which were printed on NADRA provided CRMS papers. Details are provided at Annex-II.

Audit was of the view that non-provision of record reflects total disregard to the rules, regulations and system of internal controls.

Due to non-provision of record, authenticity of expenditure cannot be ascertained by audit.

The matter was reported to managements during April-May, 2016, but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on the managements for non-provision of record in accordance with rules and regulations.

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

1.2.2 Irregularity / Non-Compliance

1.2.2.1 Improper Maintenance of Cash Book – Rs 7.200 Million

According to Rule 77 read with (i) and (ii) of CTR Vol-I, all monetary transactions should be entered in the Cash Book as soon as they occur and attested by the head of the office in token of check.

Secretaries, Union Councils, District South and Central incurred an expenditure of Rs 7.200 million, during 2014-15, on various heads of account but did not maintain cash book properly e.g. head of accounts not mentioned, daily non-closing of cash book, non-verification by DDO, non-attachment of revenue stamps and other various codal formalities, in violation of rules. Details are provided at Annex-III.

Violation from prescribed rule was due to weak internal controls.

Audit was of the view that due to improper maintenance of cash book, audit could not verify the authenticity of expenditure.

The matter was reported to the management during April 2016, but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on managements for improper maintenance of cash book, besides, same be completed.

[AIR Paras: 8, 3]

1.2.2.2 Unauthorized Payments through Open Cheques – Rs 6.019 Million

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

Secretaries, Union Councils, District Central, East, South, West made payments of Rs 6.019 million, during 2014-15, to various suppliers/contractors through open cheques, in violation of rule. Details are provided at Annex-IV.

Audit was of the view that internal controls were weak.

Due to weak financial management, payments were made through open cheques which rendered the transactions doubtful.

The matter was reported to the management during April-May, 2016 but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on official(s) at fault on account of payments through open cheques.

[AIR Paras: 3, 2, 2, 2]

1.2.2.3 Non-Clearance of Outstanding Liabilities - Rs 4.629 Million

Rule 163 of the Sindh Local Council (Accounts) Rules, 1983, states that, “A Register of liabilities in Form No.121 shall be maintained by the Accounts Officer of the Council in which every liability against the Council shall be noted on the date on which it accrued showing full particulars thereof. This Register shall be placed before the Mayor or the Chairman as often as necessary, but not later than once in every quarter with a view to enable him to arrange early clearance of all the liabilities mentioned therein. It is also calculated to serve the purpose of preparing the Schedule of Liabilities (Form of the Budget Rules) to be appended with Budget Estimates for the ensuing year”.

Further, Para 289 of Treasury Rules (TR) Vol-I & II, states that, “all charges incurred must be paid and drawn at once and under no circumstances may be allowed to stand over to be paid from grant of another financial year”.

Secretaries, Union Councils, District Central incurred accrued expenditure on account of salaries of staff amounting to Rs 4.629 million, during 2014-15, in violation of above rules. Details are provided at Annex-V.

Deviation from laid down procedures was due to weak internal control.

Audit was of the view that management failed to pay salaries and created liabilities thus affecting the budget position of next financial year. Moreover, the efficiency of staff is also affected causing bad service delivery and public nuisance.

The matter was reported to the management during April, 2016 but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on managements for creation of huge liabilities on account of non-payment of salaries.

[AIR Para: 4]

1.2.2.4 Irregular Establishment Expenditure beyond Sanctioned Strength–Rs 4.280 Million

As per Government of Sindh, Local Government Department office letter No.SOA/LG/4 (18)/2011 dated 18-05-2012, “The sanctioned strength was revised for Union Councils of Karachi as per Schedule of Establishment Rules as under: -

Sr. No.	Designation	Scale	Quantity
01	Secretary, Union Council	07/08	01
02	Computer Operator	09	01
03	Jr. Clerk	07	02
04	Naib Qasid	01	02
05	Malhi	01	02
06	Chowkidar	01	02
Total			10

Further, according to SFR, Rule 68, “When the entertainment of a new establishment or a change, temporary or permanent, is proposed in an office, a letter fully explaining the proposal and the conditions which have given rise to them, together with the proposition statement, if necessary under Para III, should be submitted to the competent authority. In this letter should be set out inter alia:-

- i. the present cost, either the section or sections affected of the total establishment as the circumstances of the case may indicate to be necessary;
- ii. details of the pay of the post or posts and the number of posts which it is proposed to add or modify.”

Secretaries, Union Councils, District Central and East, during 2014-15, posted 28 officials in different posts over and above the sanctioned strength and paid salaries of Rs. 4.280 million, against the rules. Details are provided at Annex-VI.

Violation of prescribed rules & procedures was due to weak internal control system.

Audit was of the view that postings over and above the sanctioned strength were made without any legal authority and in violation of the rules.

The matter was reported to the management during April-May, 2016 but management did not respond to audit observation. The PAO also failed to convene the

DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on management for unauthorized appointments over and above the sanctioned strength.

[AIR Paras: 2, 5]

1.2.2.5 Award of Contracts without Tender - Rs 1.245 Million

Rule-17(1) of SPPRA Rules 2010, states that, “Procurements over one hundred thousand rupees and up to one million rupees shall be advertised by timely notifications on the Authority’s website and in print media in the manner and format prescribed in these rules”.

Secretaries, Union Councils, District East incurred expenditure of Rs 1.245 million on quotation basis instead of calling tenders, during 2013-15, in violation of above rule. Details are provided at Annex-VII.

Violation from prescribed rules resulted into unauthorized expenditure and due to weak internal controls.

Audit was of the view that managements did not invite tenders which resulted in award of contracts in a non-transparent manner.

The matter was reported to the management during May, 2016 but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on managements on account of procurements/execution of works without tenders.

[AIR Para: 3]

1.2.2.6 Unauthorized Operation of Bank Accounts

According to General Financial Rules, Chapter 1, Para 2(iv), “The Bank means the State Bank of Pakistan and includes any branch of the National Bank of Pakistan acting as the agent of the State Bank of Pakistan in accordance with the provisions of the State Bank of Pakistan Act 1956”.

Further, according to Finance Department, Government of Sindh letter No.FD/PS/85/2010-11 dated 18th May, 2011 “it has been desired by the Honorable Chief

Minister that different Departments/Projects/ Programs / Companies/ Endowment funds/Employees' benefits & Charitable funds/ Autonomous & Semi-autonomous Bodies directly or indirectly under the control of the Government of Sindh now give preference to Sindh Bank Limited in their banking needs”.

Secretaries, Union Councils, District Central, during 2014-15, opened income & expenditure accounts in private banks instead of National Bank of Pakistan and Sindh Bank branches, in violation of above instruction. Details are as follows:

S. No.	Name of Town	Name of Union Council	Name of Bank / Account #
1	Gulberg Town	UC – 01 Azizabad	HBL 0063-00251111-03
2	Gulberg Town	UC – 03 Aisha Manzil	HBL 1678-00215398-03
3	Liaquatabad Town	UC – 06 Bandhani Colony	HBL 0923-00155104-03
4	Liaquatabad Town	UC – 11 Abbasi Shaheed	HBL 1117-00364872-03

Violation of prescribed rules & procedures was due weak internal control system.

Audit was of the view that opening and maintaining of bank accounts in private commercial banks was irregular.

The matter was reported to the management during April 2016 but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on management for opening and maintaining of bank accounts in private commercial banks.

[AIR Para: 5]

Hyderabad Division

1.2.3 Non-Production of Record

1.2.3.1 Non-Production of Record

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

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

Different Secretaries, Union Councils, District Matiari and Tando Muhammad Khan incurred expenditure on different head of accounts but failed to provide partial record, for the year 2014-15 to audit, in violation of the above rule and instructions. The audit was also denied access to record of issued Death/Birth/Marriage Certificates etc., which were printed on NADRA provided CRMS papers. Details are provided at Annex-VIII.

Due to non-provision of record authenticity of expenditure cannot be ascertained by audit.

Audit was of the view that non-provision of record reflects total disregard to the rules, regulations and system of internal controls.

The matter was reported to managements during March, 2016, but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on the managements for non-provision of record in accordance with rules and regulations.

[AIR Paras: 3, 1]

1.2.4 Irregularity / Non-Compliance

1.2.4.1 Award of Works against SPPRA withheld Tender IDs - Rs 9.600 Million

As per SPPRA Notification No.Dir (A&F)/SPPRA/1-3(GEN)/13-14/087 dated 03-07-2013 “IDs of the NIT/EOI are released after receipt of the Bid Evaluation Report in terms of Rule-45 of SPP Rules, 2010.

2. SPPRA will release ‘SPPRA-ID’ to the procuring agencies (Pas), once PAs submit the following documents, complete in all respect, as required under the rules: -

- i. Annual Procurement Plan as required under Rule-11 of SPP Rules, 2010;
- ii. Notice Inviting Tender, Expression of Interest (EOI) and Pre-qualification Notice (Requirement of Rule 17);
- iii. Bid Evaluation Reports (Prescribed by Rule 45);
- iv. Contract Evaluation Form along with Letter of Award, Form of Contract (Agreement) and Bill of Quantities (Requirement of Rule 50); and
- v. Integrity Pact (where applicable) (Requirement of Rule 89).

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

Secretary, Union Council, Dando, District Tando Muhammad Khan uploaded/posted their tenders on SPPRA website. Due to certain deficiencies the SPPRA withheld the IDs of each such tender. The management was required to remove the deficiencies and to get ID release in each case before proceeding further. However, the managements awarded the works for Rs 9.600 million, during 2014-15, in respect of the tenders against which SPPRA did not release the IDs. Moreover, evaluation reports were also not posted in SPPRA website. Details are provided at Annex-IX.

Violation from prescribed rule was due to weak internal controls.

Audit was of the view that work was awarded without release of withheld tender IDs by SPPRA and without issuing and uploading/hoisting of minutes of bids opening meeting on the SPPRA website resulted in violation of prescribed rules and unauthorized award of contract.

The matter was reported to the management during March, 2016, but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite

pursuance by audit.

Audit recommends fixing responsibility on management for award of work in withheld ID and without issuing & hoisting minutes of opening of bids on SPPRA.

[AIR Paras: 1, 2]

1.2.4.2 Non-Clearance of Outstanding Liabilities - Rs 6.856 Million

Rule 163 of the Sindh Local Council (Accounts) Rules, 1983, states that, “A Register of liabilities in Form No.121 shall be maintained by the Accounts Officer of the Council in which every liability against the Council shall be noted on the date on which it accrued showing full particulars thereof. This Register shall be placed before the Mayor or the Chairman as often as necessary, but not later than once in every quarter with a view to enable him to arrange early clearance of all the liabilities mentioned therein. It is also calculated to serve the purpose of preparing the Schedule of Liabilities (Form of the Budget Rules) to be appended with Budget Estimates for the ensuring year”.

Further, Para 289 of Treasury Rules (TR) Vol-I & II, states that, “all charges incurred must be paid and drawn at once and under no circumstances may be allowed to stand over to be paid from grant of another financial year”.

Secretaries, Union Councils, District Matiari and Tando Allahyar incurred accrued expenditure on account of salaries of staff amounting to Rs 6.856 million, during 2014-15, in violation of above rules. Details are provided at Annex-X.

Deviation from laid down procedures was due to weak internal control.

Audit was of the view that management failed to pay salaries and created liabilities thus affecting the budget position of next financial year. Moreover, the efficiency of staff is also affected causing bad service delivery and public nuisance.

The matter was reported to the management during March, 2016 but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on managements for creation of huge liabilities on account of non-payment of salaries.

[AIR Paras: 4, 3]

1.2.4.3 Irregular Establishment Expenditure beyond Sanctioned Strength – 4.550 Million

As per Government of Sindh, Local Government Department office letter No.SOA/LG/4 (18)/2011 Dated 18-05-2012 “The sanctioned strength was revised for Union Councils of Karachi as per Schedule of Establishment Rules as under: -

Sr. No.	Designation	Scale	Quantity
01	Secretary, Union Council	07/08	01
02	Computer Operator	09	01
03	Jr. Clerk	07	02
04	Naib Qasid	01	02
05	Malhi	01	02
06	Chowkidar	01	02
Total			10

Further, according to SFR, Rule 68, “When the entertainment of a new establishment or a change, temporary or permanent, is proposed in an office, a letter fully explaining the proposal and the conditions which have given rise to them, together with the proposition statement, if necessary under Para III, should be submitted to the competent authority. In this letter should be set out inter alia:-

- i. the present cost, either the section or sections affected of the total establishment as the circumstances of the case may indicate to be necessary;
- ii. details of the pay of the post or posts and the number of posts which it is proposed to add or modify.”

Secretaries, Union Councils, District Matiari, Tando Allahyar, Tando Muhammad Khan and Thatta, during 2014-15, paid salaries amounting to Rs. 4.550 million to 59 officials posted in different posts over and above the sanctioned strength, against the rules. Details are provided at Annex-XI.

Violation of prescribed rules & procedures was due to weak internal control system.

Audit was of the view that appointments over and above the sanctioned strength were made without any legal authority and in violation of the rules.

The matter was reported to the management during March-April, 2016 but management did not respond to audit observation. The PAO also failed to convene the

DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on management for unauthorized appointments over and above the sanctioned strength.

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

1.2.4.4 Unauthorized Payments through Open Cheques – Rs 0.497 Million

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

Secretaries, Union Councils, District Thatta made payments of Rs 0.497 million, during 2014-15, to various suppliers/contractors through open cheques, in violation of rule. Details are provided at Annex-XII.

Deviation from prescribed rule was due to weak internal controls.

Audit was of the view that payments made through open cheques rendered the transactions doubtful.

The matter was reported to the management during April 2016, but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on official(s) at fault on account of payments through open cheques.

[AIR Para: 2]

1.2.4.5 Unjustified Payment of Pension - Rs 0.217 Million

According to Sindh Local Councils (Accounts) Rules, 1983, Rule-76 “The Accounts officer shall be personally responsible to see that (i) all rules/orders in force have been duly observed”.

According to SI No.85 (vii) of Pension Manual 2006, Personal appearance of pensioners and payment through life certificate, a pensioner must take payment in person after identification by comparison with the Pension Payment Order, at least once a year.

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

Secretaries, Union Councils, District Tando Allahyar, incurred expenditure amounting to Rs 216,804 on payment of pension to retired employees and deceased families, during 2014-15 but failed to justify the payment by producing “life certificate of pensioners” and “no marriage certificates” issued by gazetted officer for family pensioners. Details are as under:

(Amount in Rupees)

U.C	Particulars	Pensioner	Paid to	Monthly	Yearly
Dhinghano Bozdar	Family Pension	Akrim, Rtd. Peon	Mst Akbri	4,313	51,756
	Pension	Abdul Salam, Rtd. O/Peon	Self	4,701	56,412
	Pension	Hussain Bux, Rtd. Beldar	Self	4,752	57,024
	Family Pension	M. Siddique, Rtd. Chowkidar	Mst. Zeenat	2,847	34,164
Sub-Total					199,356
Chamber-II	Family Pension	Ramzan, Rtd. Malhi	Mst. Husna	1,454	17,448
	Sub-Total				
Total					216,804

Deviation from prescribed rule was due to weak internal controls.

Audit was of the view that pension payment without verification resulted into weak financial management. Besides, chances of misappropriation of public money cannot be ruled out, since the offices failed to observe due diligence by neglecting codal formalities before issuing payments.

The matter was reported to the management during March, 2016 but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on management for payment of pension without producing life certificate of pensioners and without obtaining no marriage certificates for family pensioners.

[AIR Para: 5]

1.2.4.6 Improper Maintenance of Cash Book

According to Rule 77 read with (i) and (ii) of CTR Vol-I, all monetary transactions should be entered in the Cash Book as soon as they occur and attested by the head of the office in token of check.

Secretaries, Union Councils, District Matiari, during 2014-15, incurred expenditure on various heads of account but did not maintain cash book properly e.g. head of accounts not mentioned, daily non-closing of cash book, non-verification by

DDO, non-attachment of revenue stamps and other various codal formalities, in violation of rules.

Violation from prescribed rule was due to weak internal controls.

Audit was of the view that due to improper maintenance of cash book, audit could not verify the authenticity of expenditure.

The matter was reported to the management during March, 2016, but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on managements for improper maintenance of cash book, besides, same be completed.

[AIR Para: 5]

Shaheed Benazirabad Division

1.2.5 Non-Production of Record

1.2.5.1 Non-Production of Record

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

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

Secretaries, Union Councils, Chanesar-I, Chanesar-II, Daur, 60 Mile, Khadhar, Kazi Ahmed-I, Kazi Ahmed-II & Daulatpur, District Shaheed Benazirabad, for the financial year 2014-15, following record was not produced to audit for verification. The audit was also denied access to record of issued Death/Birth/Marriage Certificates etc., which were printed on NADRA provided CRMS papers.

Name of UCs	Details
UC.Chanesar-I, Chanesar-II, Daur, 60 Mile, Kazi Ahmed-II, Daulatpur	· Cheque issue register.
	· Details of account maintained with Sindh Bank.
	· Complete detail of certificate fees/other than OZT.
	· Service books/personal files of officials.
	· Sanctioned Strength of Union Council.
	· Internal audit report.
	Bank Statements partial
UC. Khadhar & UC Kazi Ahmed-I	Non-production of complete record

Audit was of the view that non-provision of record reflects total disregard to the rules, regulations and system of internal controls.

Due to non-provision of record authenticity of expenditure cannot be ascertained by audit.

The matter was reported to managements during May, 2016, but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on the managements for non-provision of record in accordance with rules and regulations.

[AIR Para: 1]

1.2.6 Irregularity / Non-Compliance

1.2.6.1 Unauthorized Payments through Open Cheques – Rs 0.940 Million

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

Secretaries, Union Councils, District Shaheed Benazirabad made payments of Rs 0.940 million, during 2014-15, to various suppliers/contractors through open cheques, in violation of rule. Details are provided at Annex-XIII.

Audit was of the view that payments made through open cheques rendered the transactions doubtful.

Deviation from prescribed rule was due to weak internal controls.

The matter was reported to the management during May, 2016, but they did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on official(s) at fault on account of payments through open cheques.

[AIR Para: 2]

1.2.6.2 Unauthorized Appointment of Daily Wages Staff Rs 0.276 Million

According to Notification Issued from Local Government Department Government of Sindh vide No.SOA/(LG)1(27)/2011 dated 6-6-2011, “no appointment in any grade shall be made henceforth without consolidated advertisement and fresh

approval of the Government. Approval, if any, earlier issued in this regard may be treated cancelled / withdrawn.”

Further, according to rule 10 (i) of GFR Vol-I, “Every public officer is expected to exercise the same vigilance in respect of expenditure incurred from the public money as a person of ordinary prudence would exercise in respect of expenditure of his own money.”

Secretaries, Union Councils, 60 Mile & Kazi Ahmed-II, District Shaheed Benazirabad, during 2014-15, appointed 03 employees on fixed pay/daily wages basis despite availability of adequate regular staff, causing over burden on public exchequer by paying an amount of Rs. 276,000 on account of their salaries. Furthermore approval for appointment of such daily wages staff was also not obtained from LGD, GoS. Detail is as under:

(Amount in Rupees)

Name of UC	Designation	Monthly pay	Amount for the year
UC 60 Mile	S.Workers at fixed pay 2*8,000	16,000	192,000
UC Kazi Ahmed	S.Worker	7,000	84,000
Total			276,000

Audit was of the view that appointments over and above the sanctioned strength were made without any legal authority and in violation of the rules.

Violation of prescribed rules & procedures was due to weak internal control system.

The matter was reported to the management during May, 2016 but management did not respond to audit observation. The PAO also failed to convene the DAC meeting despite pursuance by audit.

Audit recommends fixing of responsibility on management for unauthorized appointments over and above the sanctioned strength.

[AIR Para: 3]

ANNEXES

Memorandum for departmental accounts Committee (MFDAC)

UC-1	Union Councils of Matiari For F.Y 2014-15	
Para No	Para	Amount
6	Non-maintenance of dead stock register	
8	Internal audit inspection not conducted	
UC-2	Union Councils of Tando Muhammad Khan For F.Y 2014-15	
5	Improper maintenance of cash book	
6	Internal audit and inspection not conducted	
UC-3	Union Councils of Tando Allahyar For F.Y 2014-15	
1	Non-Reconciliation of revenue	240,000
4	Non accountal of procured articles into stock register	262,754
6	Non-maintenance of dead stock register	
7	Annual physical verification of stock and stores not conducted	
8	Internal audit & inspection not conducted	
UC-4	Union Councils of District South, Karachi For F.Y 2014-15	
4	Non-maintenance of dead stock register	125,300
5	Non-production of service books	
6	Annual physical verification of stocks & stores not conducted	
7	Internal audit and inspection not conducted by the controlling officer	
UC-5	Union Councils of District West, Karachi For F.Y 2014-15	
3	Expenditure without supporting vouchers	293,595
4	Non-maintenance of pre audit register	
5	Non-conducting of internal audit & inspection	
UC-6	Union Councils of District Central, Karachi For F.Y 2014-15	
6	Irregular/ unauthorized expenditure without approved budget	
7	Annual physical verification of stocks & stores not conducted	
9	Payment without payees acknowledgement	145,000
10	Irregular expenditure without pre audit	88,000
UC-7	Union Councils of District East, Karachi For F.Y 2014-15	
7	Internal inspection not conducted by the controlling officer	
8	Annual physical verification of stocks & stores not conducted	
UC-9	Union Councils of District Shaheed Benazirabad For F.Y 2014-15	
4	Non-deduction of GST	26,636
5	Loss to Government due to non-deposit of income tax	7,599
6	Non accountal of material	156,683
7	Annual physical verification of stocks & stores not conducted	
8	Improper maintenance of cash book	

Non-Production of Record

District East

(Amount in Rupees)

UC No.	Name of U C	Area	F.Y	Detail of Record	Amount
05	Mehmoodabad	Jamshed Qtrs	2013-2014	O.Z.T Share, Service Books	2,370,000
				CRMS, NADRA Data	0
06	PECHS-1	Jamshed Qtrs	2013-2014	O.Z.T Share, Service Books	2,370,000
				CRMS, NADRA Data	0
13	Pakistan Quarters	Jamshed Qtrs	2013-2014	O.Z.T Share, Service Books	2,370,000
				CRMS, NADRA Data	0
Total					7,110,000

District Central

UC No.	Name of U C	Area	F.Y	Detail of Record	Amount
04	Ancholi	Gulberg Town	2013-2014	Complete Record not produced.	-

Statement Showing Details of Non-Production of Record (Partial)

S #	Name of Town	Name of Union Council	Details of Record Not Produced
1	Gulberg Town	UC – 01 Azizabad	Service Books, Approved Sanctioned & Working Strength, Total NADRA CRMS/Security Papers (CRMS Forms) received
2	Gulberg Town	UC – 03 Aisha Manzil	Service Books, Approved Sanctioned & Working Strength, NADRA CRMS/Security papers (CRMS Forms) received
3	North Nazimabad Town	UC – 09 Bufferzone – II	Service Books, Approved Sanctioned & Working Strength, NADRA CRMS (CRMS Forms) received
4	North Nazimabad Town	UC – 10 Bufferzone	Budget Book, Service Books, Approved Sanctioned & Working Strength, Total NADRA CRMS/Security Papers (CRMS Forms) received
5	Liaquatabad Town	UC – 04 –Dakhana	Budget Book ,Service Books, Approved Sanctioned & Working Strength, Total NADRA CRMS/Security Papers (CRMS Forms) received
6	Liaquatabad Town	UC – 06 Bandhani Colony	Budget Book, Service Books, Approved Sanctioned & Working Strength, Total NADRA CRMS/Security Papers (CRMS Forms) received
7	Liaquatabad Town	UC – 08 Commercial Area	Service Books, Approved Sanctioned & Working Strength, Total NADRA CRMS/Security Papers (CRMS Forms) received

Statement Showing Details of Non-Production of Record (Partial)			
S #	Name of Town	Name of Union Council	Details of Record Not Produced
8	Liaquatabad Town	UC – 11 Abbasi Shaheed	Budget Book, Service Books, Approved Sanctioned & Working Strength, Total NADRA CRMS/Security Papers (CRMS Forms) received
9	New Karachi Town	UC – 05 Abuzar Ghafari	Service Books, Approved Sanctioned & Working Strength, Total NADRA CRMS/Security Papers (CRMS Forms) received
10	New Karachi Town	UC – 08 Faisal Colony	Service Books, Approved Sanctioned & Working Strength, Budget Book, NADRA CRMS Receipts

District South

S.No.	UC	Town	Detail of Record Not Produced	Period
1	UC 1	Lyari Town	Income Other Than Regular Budget Record of New Appointment Property Record Expenditure Statement Dully Verified by LFA Budget Books	2014-15
2	UC 2	Lyari Town		
3	UC 3	Lyari Town		
4	UC 4	Lyari Town		
5	UC 6	Lyari Town		
6	UC 7	Lyari Town		
7	UC 8	Lyari Town		
8	UC 10	Lyari Town		
9	UC 11	Lyari Town		
10	UC 1	Saddar Town		
11	UC 2	Saddar Town		
12	UC 8	Saddar Town		

District West

S #	Name of Union Council	Remarks
01	UC Bhutta Village	Reconciled Expenditure Statement, Reconciled Revenue Statement, Budget Control Register, Vouchers, Personal files and Service Books of Staff, Details of certificates issued, Details of approved sanctioned strength and details of working strength.
02	UC Cantonment Board, Manora	
03	UC-Banaras (UC-06)	
04	UC-Frontier Colony	
05	UC-Chisty Nagar	
06	UC-Baloch Goth	
07	UC-Bilalo Colony	
08	UC-Data Nagar	
09	UC-Baba Bhit	

District Malir

Complete Non-Production

Improper Maintenance of Cash Book

District South

(Rupees in Million)

S. No.	UC	Town	Period	Amount
1	UC 1	Lyari Town	July 2014 to June 2015	1.200
2	UC 2	Lyari Town		1.200
3	UC 3	Lyari Town		1.200
4	UC 1	Saddar Town		1.200
5	UC 2	Saddar Town		1.200
6	UC 8	Saddar Town		1.200
Total				7.200

District Central

S. No.	UC	Town	Period	Amount
1	UC – 01 Azizabad	Gulberg Town	July 2014 to June 2015	-
2	UC – 03 Aisha Manzil	Gulberg Town		-
3	UC – 06 Bandhani Colony	Liaquatabad Town		-
4	UC – 08 Commercial Area	Liaquatabad Town		-
5	UC – 11 AbbasiShaheed	Liaquatabad Town		-
6	UC – 05 AbuzarGhafari	New Karachi Town		-
7	UC – 08 Faisal Colony	New Karachi Town		-

Payments through Open Cheques

(Amount in Rupees)

UC	Town	District	Amount
Union Council – 01 Azizabad	Gulberg Town	Cental	531,846
Union Council – 03 Aisha Manzil	Gulberg Town	Cental	199,998
Union Council – 09 Bufferzone II	North Nazimabad Town	Cental	318,168
Union Council – 10 Bufferzone	North Nazimabad Town	Cental	341,808
Union Council – 06 Bandhani Colony	Liaquatabad Town	Cental	56,580
Union Council – 11 AbbasiShaheed	Liaquatabad Town	Cental	26,000
Union Council # 08 Faisal Colony	New Karachi Town	Cental	178,246
UC No.03 PIB Colony, Gulshan-e-Iqbal	Gulshan-e-Iqbal Town	East	1,112,813
UC No.06 Gilani Railway Station, Gulshan-e-Iqbal	Gulshan-e-Iqbal Town	East	303,439
UC No.07 Shanti Nagar, Gulshan-e-Iqbal	Gulshan-e-Iqbal Town	East	259,285
UC No.11 Metrovillecolony, Gulshan-e-Iqbal	Gulshan-e-Iqbal Town	East	521,378
UC No.04 Chanesar Goth, Jamshed Quarters	Jamsheed Town	East	518,008
UC No.06 PECHS-I, Jamshed Quarters	Jamsheed Town	East	580,177
Union Council 1	Lyari Town	South	98,218
Union Council 2	Lyari Town	South	98,146
Union Council 8	Lyari Town	South	57,900
Union Council 1	Saddar Town	South	43,662
Union Council – 6	Site Town	West	326,950
Union Council – 7	Site Town	West	446,142
Total			6,018,764

Details of Un-due Creation of Liabilities

(Amount in Rupees)

S. No.	Name of Town	Name of UC	No. of Employees	OZT/ Month	Salary / Month (Approx.)	Salary during 2014-15 (Approx.)	Amount of Liabilities
1	Gulberg Town	UC – 01 Azizabad	8	1,200,000	130,000	1,560,000	360,000
2	North Nazimabad Town	UC – 09 Bufferzone – II	10	1,200,000	140,000	1,680,000	480,000
3	Liaquatabad Town	UC – 04 Dakhana	11	1,200,000	155,510	1,866,120	666,120
4	Liaquatabad Town	UC – 06 Bandhani Colony	12	1,200,000	165,214	1,982,568	782,568
5	Liaquatabad Town	UC – 11 Abbasi Shaheed	11	1,200,000	144,996	1,739,952	539,952
6	New Karachi Town	UC – 05 Abuzar Ghafari	14	1,200,000	190,000	2,280,000	1,080,000
7	New Karachi Town	UC – 08 Faisal Colony	12	1,200,000	160,000	1,920,000	720,000
Total					8,400,000		4,628,640

Posting Over & Above the Sanctioned Strength

(Amount in Rupees)

S. No.	Designation	BPS	Sanctioned Strength	Working Strength	Excess Staff			
					Excess	Pay	Months	Total
District Central								
Union Council – 01 Azizabad, Gulberg Town								
1	Malhi	2	1	2	1	11,627	12	139,524
Union Council – 03 Aisha Manzil, Gulberg Town								
1	Computer Operator	9	1	2	1	14,129	12	169,548
Union Council – 09 Bufferzone - II , North Nazimabad Town								
1	Junior Clerk	7	2	3	1	13,443	12	161,316
Union Council – 10 Bufferzone, North Nazimabad Town								
1	Junior Clerk	7	2	4	2	13,443	12	322,632
2	Naib Qasid	1	2	3	1	11,627	12	139,524
3	Chowkidar	1	2	3	1	11,627	12	139,524
Union Council – 04 Dakhana, Liaquatabad Town								
1	Naib Qasid	1	3	4	1	11,627	12	139,524
Union Council – 06 Bandhani Colony, Liaquatabad Town								
1	Junior Clerk	7	1	4	3	13,443	12	483,948
2	Naib Qasid	1	2	5	3	11,627	12	418,572
3	Malhi	1	1	2	1	11,627	12	139,524
Union Council – 08 Commercial Area, Liaquatabad Town								
1	Naib Qasid	1	2	4	2	11,627	12	279,048
2	Malhi	1	1	2	1	11,627	12	139,524
Union Council – 08 Faisal Colony, New Karachi Town								
1	Junior Clerk	7	3	6	3	13,443	12	483,948
Sub-Total					21			3,156,156
District East								
UC No.06 PECHS-I, Jamshed Quarters, Karachi								
1	Computer Operator	09	1	3	2	14,129	12	339,096
2	Jr. Clerk	07	2	3	1	13,443	12	161,316
3	Malhi	01	2	3	1	11,627	12	139,524
Total					4			639,936

(Amount in Rupees)

S. No.	Designation	BPS	Sanctioned Strength	Working Strength	Excess Staff			
					Excess	Pay	Months	Total
UC No.07 Shanti Nagar, Gulshan-e-Iqbal, Karachi								
4	Jr. Clerk	07	2	5	3	13,443	12	483,948
	Total				3	13,443		483,948
	Sub-Total				7			1,123,884
Total								4,280,040

Award of Contracts without Tender

(Amount in Rupees)

Sr. No.	UC No.	Name of UC	Name of Town	Cheque No.	Date	Name of Work	Name of Payee	Utilization
01	03	PIB Colony	Gulshan-e-Iqbal	5510755	17-06-2014	Lifting of Garbage	M/s Shagufta Enterprises	130,000
				5510756	17-06-2014	Lifting of Garbage	M/s Shagufta Enterprises	135,000
				Sub Total				265,000
02	11	Metroville Colony	Gulshan-e-Iqbal	5325639	23-04-2014	Development Work	-	250,000
				5325677	19-06-2014	Development Work	-	265,000
				5325692	24-06-2014	Development Work	-	100,000
				Sub Total				615,000
03	04	Chanesar Goth	Jamshed Quarters	6051308	17-04-2014	Development work	-	265,000
				6051317	19-04-2014	Development work	-	100,000
				Sub Total				365,000
Grand Total							1,245,000	

Non-Production of Record

District Matiari

S.No.	Name of U.C	Description of Record
Taluka Matiari		
1	Matiari	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
2	Shah Aalam Shah Jee Wasin	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
3	Udero Lal Village	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
4	Udero Lal Station	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
Taluka Hala		
5	Bhit Shah	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
6	Hala (01)	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
7	Hala (02)	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
8	Hala Old	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
Taluka Saheedabad		
9	Saheedabad	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates
10	Shameer Rahoo	Budget Control Register
		Detail of revenue generated against, Birth, Marriage, Death, Residence etc. certificates

District Tando Muhammad Khan

Union Council Dando

S. No.	Detail of Record
1	Mall Piri Auction Record
2	Income Tax Deduction from Mall Piri Contractor
3	Approval of NIT from Sindh Government
4	Tendering Process Record
5	Letter of formations of Procurement Committee
6	Contractor SBR and FBR Registration
7	Administrative Approval, Technical Sanction, MBs, Bills, Completion Certificate
8	Minutes of Tender Opening Meeting
9	Attendance Sheet of Bidder participated in Tender Opening
10	Bank Statement

Works against SPPRA withheld Tender IDs

(Rupees in Million)

S. No.	Name of Work	Estimated Cost
1	Construction of CC Block at various location in Memon Muhalla, UC Dando, Tando Muhammad Khan	1.000
2	Construction of CC Block at various location in Patha Muhalla, UC Dando, Tando Muhammad Khan	1.000
3	Construction of CC Block at various location in Syed Muhalla, UC Dando, Tando Muhammad Khan	1.000
4	Construction of CC Block at various location in Bhatti Muhalla, UC Dando, Tando Muhammad Khan	1.000
5	Construction of CC Block at various location in Shedi Muhalla, UC Dando, Tando Muhammad Khan	1.000
6	Construction of CC Block at various location in Khatti Muhalla, UC Dando, Tando Muhammad Khan	1.000
7	Construction of CC Block from girls high school to Mori Pul, UC Dando, Tando Muhammad Khan	0.800
8	Construction of CC Block from taxi stop to main road, UC Dando, Tando Muhammad Khan	0.700
9	Construction/Repair surface drain in Memon/Pathan/Syed Muhalla, UC Dando, Tando Muhammad Khan	1.000
10	Construction/Repair surface drain in Khatti/Bhatti/Shedi Muhallad, UC Dando, Tando Muhammad Khan	0.8
11	Repair/Renovation of UC Dando Office Building, UC Dando, Tando Muhammad Khan	0.300
12	Supply of Trolley Mounted Pumping Machinery with all accessories for UC Dando, Tando Muhammad Khan	Offer Rate
Total		9.600

Details of Outstanding Liabilities

District Matiari

(Amount in Rupees)

S. No.	Name of UC	Liability upto June 2015
1	Shah Aalam Shah Jee Wasin	235,920
2	Bhit Shah	331,511
3	Hala (01)	397,500
4	Hala (02)	281,209
5	Hala Old(since 2012)	4,216,203
6	Saeedabad	392,713
7	Shameer Rahoo	580,194
	Total	6,522,638

District Tando Allahyar

(Amount in Rupees)

U.C	Cadre	Due	Drawn	Monthly Liabilities	Yearly Liabilities
Dhinghano Bozdar	Secretary	17,245	17,245	-	-
	Office Clerk	32,566	30,291	2,275	27,300
	Naib Qasid	22,504	20,843	1,661	19,932
	Chowkidar	18,616	17,159	1,457	17,484
	Rtd. Peon	4,313	3,921	392	4,704
	Rtd. Peon	4,701	4,274	427	5,124
	Rtd. Beldar	4,752	4,320	432	5,184
	Rtd. Chowkidar	2,847	2,589	258	3,096
	Total	107,544	100,642	6,902	82,824
Piyaro Lund	Secretary	34,988	29,400	5,588	67,056
	Office Clerk	20,617	17,000	3,617	43,404
	Junior Clerk	16,775	14,000	2,775	33,300
	Naib Qasid	14,060	11,500	2,560	30,720
	Chowkidar	13,860	11,500	2,360	28,320
	Malhi	20,442	16,500	3,942	47,304
	Total	120,742	99,900	20,842	250,104
Total	228,286	200,542	27,744	332,928	

Posting Over & Above the Sanctioned Strength

District Matiari

(Amount in Rupees)

S. No.	Cadre	Sanctioned Post	Working available Staff	Excess/Shortage	Monthly Salary
Bhit Shah					
1	Secretary	1	1	0	
2	Junior Clerk	1	2	1	15,723
3	Naib Qasid	1	2	1	13,287
4	Chowkidar	1	1	0	
5	Malhi	1	1	0	
6	Sanitary Worker	0	1	1	
	Total	5	8	3	
Hala-II					
1	Secretary	1	1	0	
2	Junior Clerk	1	3	2	33,264
3	Naib Qasid	1	1	0	
4	Chowkidar	1	1	0	
5	Malhi	1	2	1	7,000
6	Sanitary Worker	0	0	0	
	Total	5	8	3	
Saeedabad					
1	Secretary	1	1	0	
2	Junior Clerk	1	2	1	15,260
3	Naib Qasid	1	2	1	13,202
4	Chowkidar	1	2	1	13,202
5	Malhi	1	1	0	
6	Sanitary Worker	0	0	0	
	Total	5	8	3	
Shahmeer Rahoo					
1	Secretary	1	1	0	
2	Junior Clerk	1	1	0	
3	Naib Qasid	1	1	0	
4	Chowkidar	1	2	1	13,202
5	Malhi	1	2	1	13,202
6	Sanitary Worker	0	0	0	
	Total	5	7	2	
Hala-I					
1	Secretary	1	1	0	
2	Junior Clerk	1	2	1	16,044

(Amount in Rupees)

S. No.	Cadre	Sanctioned Post	Working available Staff	Excess/Shortage	Monthly Salary
3	Naib Qasid	1	2	1	7,000
4	Chowkidar	1	2	1	18,368
5	Malhi	1	1	0	
6	Sanitary Worker	0	2	2	
	Total	5	10	5	
Hala Old					
1	Secretary	1	1	0	
2	Junior Clerk	1	3	2	42,473
3	Naib Qasid	1	1	0	
4	Chowkidar	1	1	0	
5	Malhi	1	1	0	
6	Sanitary Worker	0	7	7	
	Total	5	14	9	
Shah Aalam Jee					
1	Secretary	1	1	0	
2	Junior Clerk	1	2	1	16,599
3	Naib Qasid	1	2	1	7,000
4	Chowkidar	1	2	1	
5	Malhi	1	1	0	
6	Sanitary Worker	0	0	0	
	Total	5	8	3	
Matiari-I					
1	Secretary	1	1	0	
2	Junior Clerk	1	2	1	15,724
3	Naib Qasid	1	1	0	
4	Chowkidar	1	1	0	
5	Malhi	1	1	0	
6	Sanitary Worker	0	0	0	
	Total	5	6	1	
Total monthly salary					260,550
Total Salary per year (260,550*12)					3,126,600

(Amount in Rupees)

Cadre	Sanctioned Strength	Working Strength	Salaries Impact
Sanitary Workers	Nil	10	314,505
Total	NIL	10	

District Tando Allahyar

(Amount in Rupees)

U.C	Cadre	Sanctioned Strength	Working Strength	Over & Above Strength	Salaries Impact
Tando Allahyar-III	Junior Clerk	1	2	1	195,312
Tando Allahyar-IV	Naib Qasid	1	2	1	107,751
Chamber-I	Junior Clerk	1	2	1	195,312
Chamber-II	Junior Clerk	1	2	1	195,312
	Naib Qasid	1	2	1	158,492
Piyaro Lund	Junior Clerk	1	2	1	256,658
Total		6	12	6	1,108,837

District Tando Muhammad Khan

Name of UC	Sr #	Name of Post	Sanctioned posts	Working Post	Excess post
Union Council Bulri Shah Karim	1	Jr.Clerck	1	3	2
	2	Naib Qasid	1	2	1
	3	Chowkidar	1	1	0
	4	Malhi	1	2	1
	Sub Total		4	8	4
Union Council Tando Ghulam Hyder	1	Jr. Clerck	1	3	2
	2	Naib Qasid	1	1	0
	3	Chowkidar	1	1	0
	4	Malhi	1	1	0
	Sub Total		4	6	2
Union Council Dando	1	Sr.Clerck	0	1	1
	2	Jr. Clerck	1	6	5
	3	Naib Qasid	1	1	0
	4	Malhi	1	1	0
	5	Chowkidar	1	1	0
	6	Sweeper	0	1	1
	Sub Total		4	11	7

Unauthorized Payment through Open Cheques

(Amount in Rupees)

Irregular Payment through Open Cheques				
Date			Instrument No.	Amount
Year	Month	Day		
UC Dhabeji, District Thatta				
NBP Account No.000583-4				
2014	07	02	18370	15,290
2014	07	03	18371	7,900
2014	07	03	18372	7,900
2014	07	28	18374	15,290
2014	07	28	18375	7,900
2014	07	28	499261	7,900
2014	09	18	499263	16,126
2014	09	22	499264	10,000
2014	09	30	499266	16,126
2014	09	30	499267	10,000
2014	09	20	499269	16,126
2014	11	06	499270	10,000
2014	11	06	547003	10,000
2014	11	21	547004	8,000
2014	12	01	547005	8,000
2014	12	26	547007	10,000
2014	12	26	547008	16,041
Sub-Total				192,599
UC Makli, District Thatta				
NBP Account No.3112490606				
2014	09	17	99444	25,000
2014	09	17	99457	27,800
2014	09	17	99458	35,000
2014	11	06	99463	55,000
2014	11	06	99464	55,000
2014	11	20	99466	45,000
2014	11	24	99467	25,000
2015	01	27	99470	8,000
2015	03	05	99472	12,500
2015	03	27	99474	15,800
Sub-Total				304,100
Grand Total				496,699

Payments through Open Cheques

(Amount in Rupees)

U.C Details	Date	Instrument	Amount
UC Chanesar-II, Nawabshah	10-02-2015	921974	9,154
	10-02-2015	921975	9,154
	10-02-2015	921976	9,154
	10-02-2015	921977	9,154
	10-02-2015	921978	9,154
	14-04-2015	921989	9,154
	14-04-2015	921990	9,154
	14-04-2015	921991	9,154
	14-04-2015	921992	9,154
	14-04-2015	921993	9,154
	11-05-2015	921998	14,030
	11-05-2015	921999	5,000
	Total		110,570
UC 60 Mile, Taluka Daur	07-04-2015	885945	16,652
	09-04-2015	885947	17,833
	11-04-2015	885946	16,188
	13-04-2015	885948	13,320
	13-04-2015	885949	13,320
	13-04-2015	885950	13,320
	15-05-2015	885953	16,188
	15-05-2015	885954	17,833
	18-05-2015	885952	16,652
	19-05-2015	885957	13,320
	19-05-2015	885955	13,320
	19-05-2015	885956	13,320
	15-06-2015	885960	17,833
	15-06-2015	885959	16,188
	15-06-2015	885961	13,320
	15-06-2015	885962	13,320
	15-06-2015	885963	13,320
	16-06-2015	885958	16,652
	Total		271,899
UC Kazi Ahmed-II, Taluka Kazi Ahmed	15-05-2015	17454623	16,652
	21-05-2015	17454625	9,157
	21-05-2015	17454626	9,157
	21-05-2015	17454627	9,157
	21-05-2015	17454628	9,157
	21-05-2015	17454629	9,157
	21-05-2015	17454630	9,157
	12-06-2015	17454637	16,652
	Total		88,246

(Amount in Rupees)

U.C Details	Date	Instrument	Amount
UC Daulatpur, Taluka Kazi Ahmed	02-07-2014	920752	15,320
	02-07-2014	920757	12,407
	24-07-2014	920759	9,256
	24-07-2014	920760	9,256
	24-07-2014	920762	16,188
	25-07-2014	920755	9,454
	25-07-2014	920761	9,256
	25-07-2014	920763	15,724
	25-07-2014	920764	17,811
	25-07-2014	920765	13,318
	25-07-2014	920766	13,318
	01-09-2014	920769	15,666
	01-09-2014	920774	3,500
	02-09-2014	920770	15,217
	02-09-2014	920771	17,236
	02-09-2014	920772	12,888
	02-09-2014	920773	12,888
	02-10-2014	920777	16,188
	02-10-2014	920778	15,724
	02-10-2014	920779	17,811
	02-10-2014	920780	13,318
	02-10-2014	920781	13,318
	02-10-2014	920782	3,500
	08-05-2015	925725	16,652
	11-05-2015	925726	16,188
	11-05-2015	925727	17,896
	11-05-2015	925728	13,536
	11-05-2015	925729	13,536
	03-06-2015	925735	9,157
	03-06-2015	925741	16,652
	04-06-2015	925742	16,188
	04-06-2015	925743	17,896
	04-06-2015	925744	13,536
	04-06-2015	925745	13,536
04-06-2015	925746	6,000	
Total			469,335
Grand Total			940,050