

July 08, 2025

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TIP2025/0708/1A

Dr. Azra Pechuho
Minister, Health & Population Welfare Department
Government of Sindh, Karachi

Subject: Complaint Against Serious Observations of Director General Audit Sindh Regarding Irregular Appointments, Excessive Payments and Expenditures, Questionable Procurements and Financial Practices, Causing a Loss of Approx. Rs 40 Billion to the National Exchequer for the year 2023-24

Dear Madam,

Transparency International Pakistan refers to its letter vide No. TIP2025/0616/1A dated 16th June, 2025 on the subject above **(Annex-A)**.

TI Pakistan appreciates that on TI Pakistan complaint sent to the office of the Chief Minister, including your office, an inquiry committee has been constituted with instructions to submit a detailed report within 15 days **(Annex-B)**.

TI Pakistan has received another complaint regarding serious Conflict of Interest and Lack of Transparency in the constitution of the inquiry committee. The complainant has made the following allegations:

1. On 1st July 2025, the Secretary Health notified an Inquiry committee comprising of the following officers with TORs to conduct an Inquiry against serious observations of DG Audit Sindh:

a. Additional Secretary (General), Health Department	Chairman
b. Deputy Secretary (Admin-I), Health Department	Member/Secretary
2. Both the members are junior officers of BPS-19 and BPS-18, and they have been mandated to conduct an inquiry into the irregularities in the accounts of NICVD for the financial year 2023-2024. This raises an important question as to how junior officers can give impartial inquiry reports against their senior officers.
3. DG Audit Sindh report for the financial year 2023-24 has raised serious concerns about irregularities in NICVD, which comes under the jurisdiction of the Health Department. Having the same department investigate the inquiry against its own officers raises concerns about transparency and impartiality. Instead, the department should include experts from the relevant departments.

Transparency International Pakistan Comments:

Transparency International Pakistan has reviewed the allegations of the complaint, prima facie, the allegations seem correct.

Following are TI Pakistan's comments:

1. The observations of the DG Audit Sindh revolve around four key areas, namely: Irregular Appointments, Excessive Payments and Expenditures, Questionable Procurements and Financial Practices. TI Pakistan recommends that senior members not below BPS-20 from each of the following departments should be included in the inquiry committee so that a transparent process is upheld:
 - Independent expert with experience in health, from a reputable health organization/hospital
 - Member from Sindh Public Procurement Regulatory Authority (SPPRA)
 - Member from the Finance Department



- Member from DG Audit
- Member from Health Department

2. As a standard practice, committees are comprised of odd numbers. Therefore, the inquiry committee must have at least 3 to 5 member.

Transparency International Pakistan's Recommendations

Transparency International Pakistan requests the Minister Health to issue directives to address Conflict of Interest by reconstituting the committee on the serious observations of the DG Audit Sindh regarding irregular appointments, excessive payments and expenditures, questionable procurements and financial practices, causing a loss of approx. to the national exchequer for the year 2023-24, to ensure that the committee investigates the matter in a fair and transparent manner.

Transparency International Pakistan is striving for the across-the-board application of the rule of law, which is the only way to stop corruption and achieve zero tolerance against corruption.

Regards,

Advocate Danial Muzaffar,
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for action under the mandate to:

1. PSPM, Prime Minister's Secretariat, Islamabad.
2. Chief Minister, Government of Sindh, Karachi.
3. Chief Secretary, Government of Sindh, Karachi.
4. Secretary, Health Department, Government of Sindh, Karachi.
5. Managing Director, Sindh Public Procurement Regulatory Authority (SPPRA), Karachi.
6. DG Audit Sindh, Karachi
7. Registrar, High Court of Sindh, Karachi.

Note:

This is to clarify that Transparency International Pakistan is not a complainant; it acts as a whistleblower and operates under Article 19-A of the Constitution of Pakistan which gives the right to the public to know how the government is being run by public officers. Article 19-A makes the right to access information pertaining to a public authority a fundamental right, and a three-member bench in the case of Mukhtar Ahmad Ali vs the Registrar, Supreme Court of Pakistan, Islamabad, headed by Chief Justice Qazi Faez Isa in the landmark judgment on 16 October 2023, in CP No. 3532/2023, has declared that;

"What previously may have been on a need-to-know basis Article 19A of the Constitution has transformed it to a right-to-know, and the Access to information is no longer a discretion granted through occasional benevolence, but is now a fundamental right available with every Pakistani which right may be invoked under Article 19A of the Constitution"

June 16, 2025

TIP2025/0616/1A

Syed Murad Ali Shah
Chief Minister Sindh
CM House, Karachi

Subject: Complaint Against Serious Observations of Director General Audit Sindh Regarding Irregular Appointments, Excessive Payments and Expenditures, Questionable Procurements and Financial Practices, Causing a Loss of Approx. Rs.40 Billion to the National Exchequer for the year 2023-24

Dear Sir,

Transparency International Pakistan has received a complaint against serious observations of DG Audit Sindh regarding irregularities in the appointments of officers in NICVD hospital, excessive payments and expenditures, questionable procurement and financial practices as identified by Director General Audit, causing a loss of approx. Rs. 40 Billion to the national exchequer for the year 2023-24 (**Annex-A**).

The complainant has made the following allegations:

1. The DG Audit Sindh in the Annual Audit & Inspection Report on the accounts maintained by the Executive Director, National Institute of Cardiovascular Diseases (NICVD), Karachi for the financial year 2023-24 has identified 42 irregularities of serious nature (**Annex-B**).
2. The NICVD appointed officials to the following positions and undue favor was extended to the favorite employees by irregular appointment, favoritism and weak internal controls. As a result, the payments/salaries made to them were found to be irregular and without justification and need to be recovered from the time of their appointment/joining besides fixing the responsibility on the person(s) at fault. As a result, the amount of Rs. 170 million was spent on illegal payments during 2023-2024, as quoted below:

Sr.	Name, of Officers and Grade	Designation	Gross Pay (Monthly)	Recoverable Amount (Yearly in)
1.	Mr. Kashif	Manager SICVD	200,000*12	2,400,000
2.	Mr. Altaf	Assistant Manager SICVD	150,000*12	1,800,000
3.	Mr. Mateen	Assistant Manager SICVD	150,000*12	1,800,000
4.	Mr. Syed Fazle Abbas	Head of Security	700,000*12	8,400,000
5.	Abdul Latif Dar	Head of Security	361,967*12	4,343,604
6.	Mr. Dawar Hussain	Head of Human Resource	649,284*12	7,791,408
7.	Syed Khurshid Hyder	Manager Corporate Affairs	275,383*12	3,304,596
8.	Mr. Khalil Ahmed Khan	Head of Administration	414,879*12	4,978,548
9.	Mr. Faisal Abdul Sattar	CFO	2,789,420*12	33,473,040
10	Irregular Hiring of Contract Employees			102.158 million
	Total Recoverable Amount			Rs. 170 million



*The appointment of Mr. Faisal Abdul Sattar (BS-19) as CFO (at annual cost of Rs. 33.47 million) is found by DG Audit to be irregular and unauthorized (**Annex-C**).

3. According to the audit inspection report, certain record was not produced (10 items) which creates an impression that there is something wrong that management wants to conceal from the audit's eye. The matter was pointed out to the management, but no reply was received (**Annex-D**)
4. The para 11 of the audit and inspection report (2023-24) reveals that an amount of Rs 4.1 billion was paid on account of unjustified payments of high salary to employees and Rs. 8.798 million paid on account of irregular and unjustified payments of Monetization allowance. The increase in salaries is in violation of finance regulation of government of Pakistan for autonomous/semi-autonomous bodies and corporations which requires to be in concurrence of Standing Committee of Finance Division on recommendation of the respective Board of Director/Governors, as quoted below (**Annex-E**)

S. No	Particulars	Financial Year	Expenditure
1	Salaries Pension and Allowances	2023-2024	Rs. 4,191,009,716
2	Irregular and un-justified payments of Monetization Allowance	2023 – 2024	Rs. 8.798 million
3	Unauthorized payment on account of Monetizing Allowance	2023-2024	Rs. 270.756 million
4	Irregular and un-justified payments of Non-Practicing Allowance	2023 – 2024	Rs. 657 million
5	Irregular and un-justified payments for extended hour allowance	2023 – 2024	Rs. 240.159 million
6	Unjustified payment of salary other than payroll to the staff	2023 – 2024	2,004.747 million
	Total loss of the Exchequer		Rs. 7.3 Billion

5. The audit has observed a substantial delay in the processing of miscellaneous purchases made by the procurement department and sanctioning the expenditure from the accounts department resulting in creation of a huge liability accumulating to Rs. 11,018.369 million and has recommended inquiry into the matter (**Annex-F**)
6. The audit mentions serious irregularities in the procurement process (constitution of procurement committee without approval of the head, non-formulation of complaint redressal committee, unsigned bid evaluation reports and non-availability/hoisting of BER on SPPRA website), amounting to Rs. 826.830 millions (**Annex-G**). These procurements are in violation of SPPRA Rules 2010 and include:

S. No	Tender Description	Estimated Value
1	Annual Tender for Supply of Drugs and Medicines	516,330,065
2	Supply of Liquid Medical Oxygen Plant for Satellite Centers	98,000,000
3	Supply of Liquid Medical Oxygen Plant for NICVD Karachi	73,000,000
4	Supply, Installation & Commissioning of Medical Gas Piping with bed panels	9,500,000
5	Annual tender for Supply of Surgical Disposable Items (heart valve)	100,000,000
6	Annual tender for Supply of Surgical & Disposable Miscellaneous items	20,000,000
7	Annual tender for Supply of Surgical & Disposable Items for Cardiac Surgery	Not known



8	Supply of Surgical and Sutures as per list	100,000,000
9	Supply of Surgical & Disposable Anesthesia Items	Not known
10	Supply of Adult Angiography & Angioplasty Items	Not known

7. Besides the above tenders, other procurement irregularities as identified by the DG Audit Sindh includes the following **(Annex-H)**:

- Non-observance of government rules for procurement through Central Procurement Committee of Rs. 4,933.589 million
- Doubtful purchases without inviting open tenders – Rs. 1,023.604 million
- Irregular procurement of medicines – Rs. 417. 040 million
- Doubtful consumption of stent/catheter – Rs. 1,011.567 million
- Irregular procurement of POL – Rs. 27.167 million
- Doubtful payment of security deposit to contractors – Rs. 74. 999 million
- Irregular expenditure on account of repair of various items – Rs. 180.867 million
- Doubtful/Irregular expenditure of conveyance & travelling – Rs. 9.936 million
- Irregular expenditure on mess expense – Rs. 10. 828 million

8. The audit observation also highlights cash withdrawal amounting to Rs. 55.254 million from accounts in violation of financial regulations which strictly prohibit cash withdrawals and recommends stoppage of the practice, recovery of the amount and holding inquiry into the matter **(Annex-I)**.

Transparency International Pakistan Comments

Transparency International Pakistan has reviewed the allegations of the complaint. Based on the authenticity of the submitted documents of DG Audit Sindh in the Annual Audit & Inspection Report on the accounts maintained by ED, NICVD, for the financial year 2023-24, prima facie the allegations/objections mentioned in the complaint appears correct.

Following are TI Pakistan comments:

- The DG Audit Sindh has observed gross irregularities in the appointments, salaries, pensions, different allowances and procurement processes adopted by NICVD during the period 2023-2024. The cash withdrawal of amounts worth millions, in clear violation of financial regulations, highlights significant risks of misappropriation and must be probed to hold responsible person(s) accountable.
- The affairs of NICVD have been subject of various allegations. The DG Audit Sindh report on NICVD for the period 2020-2021 unearthed similar violations, including loss to the exchequer amounting to Rs. 69 million for the year 2020-21 (Rs. 345 million in 5 years) to the national exchequer and allegations of misappropriation of Rs. 927.049 million of Doubtful transfer of funds from bank accounts. TI Pakistan had written to the Minister Health vide its letter No. TL22/1031/1A dated October 31, 2022 **(Annex-J)**. However, details of any inquiry conducted or any responsible persons hold accountable, have not been shared or made public.
- The Auditor General Pakistan must also investigate if the violations deducted by DG Audit Sindh in two different Audit Reports of 2022 and 2024 are either correct or wrong. If found correct, action must be taken against the violators or in case the deducted violations are false, the auditors must be made accountable.

Transparency International Pakistan's Recommendations

- Transparency International Pakistan requests the Chief Minister to look into the serious allegations of complaint and observations of DG Audit Sindh regarding violations of government rules and irregularities, and if found correct then recover all the amount caused by irregularities in the accounts of NIVCD as reported in the DG Audit Sindh in the Annual Audit & Inspection Report for the financial years 2020-21 and 2023-24. If the deducted violations remain unaddressed, it will cause Billions of loss to the national exchequer.
- The Chief Minister is also requested to issue directives to ensure the recommendations and observations of the audit report are implemented.



Transparency International Pakistan is striving for across the board application of Rule of Law, which is the only way to stop corruption, and achieve against Zero tolerance against corruption.

Regards

(Advocate Daniyal Muzaffar)
Trustee/Legal Advisor
Transparency International Pakistan

Copies forwarded for the information with request to take action under their mandate to:

1. PSPM, PM House Islamabad
2. Chief Secretary Sindh, Karachi
3. Minister Health, Govt of Sindh, Karachi
4. Auditor General of Pakistan, AGP Islamabad
5. Director General Audit Sindh, Karachi
6. Chairman, NAB, Islamabad
7. DG NAB, Karachi
8. Registrar, Sindh High Court, Karachi
9. Registrar, Supreme Court of Pakistan, Islamabad

Note:

This is to clarify that Transparency International Pakistan is not the complainant. It acts as whistleblower and operate under Article 19-A, of the Constitution of Pakistan which gives the right to public to know how government is being run by public officers. Article 19-A makes the right to access of information pertaining to a public authority a fundamental right, Justice Syed Mansoor Ali Shah in his landmark judgment in case of *Ataullah Malik v. Federation of Pakistan* includes following order;

Right to information is another corrective tool which allows public access to the working and decision making of the public authorities. It opens the working of public administration to public scrutiny. This necessitates transparent and structured exercise of discretion by the public functionaries. Article 19-A empowers the civil society of this country to seek information from public institutions and hold them answerable. PLD 2010 Lahore 605.



**GOVERNMENT OF SINDH
HEALTH DEPARTMENT**

NOTIFICATION

SO (PAC) MISC/2025/Inquiry (NICVD): In pursuance of direction of Honorable Minister for Health & Population Welfare Department, Government of Sindh an Inquiry Committee, comprising the following officers and TORs to conduct an Inquiry against serious observation of Director General Audit Sindh regarding irregularities in the appointments of officers in National Institute of Cardiovascular Disease (NICVD) Karachi, excessive payments and expenditure, questionable procurement and financial practices, causing a loss to the National Exchequer for the year 2023-24:

- | | |
|--|---------------------------|
| 1. Additional Secretary (General), Health Department | Chairman |
| 2. Deputy Secretary (Admn-I), Health Department | Member / Secretary |

TERMS OF REFERENCE (TORs):

The Committee shall probe into the matter against serious observation of Director General Audit Sindh regarding irregularities in the appointments of officers in National Institute of Cardiovascular Disease (NICVD) Karachi, excessive payments and expenditure, questionable procurement and financial practices, causing a loss to the National Exchequer for the year 2023-24.

The committee shall submit its report alongwith recommendation to Secretary Health within (15) days.

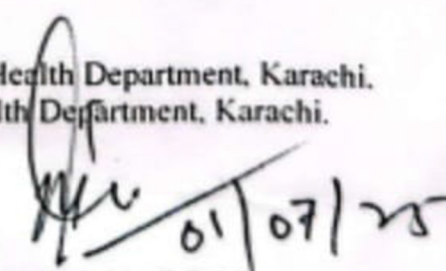
**REHAN IQBAL BALOCH
SECRETARY HEALTH**

SO (PAC) MISC/2025/Inquiry (NICVD)

Karachi dated 1st July, 2025

A copy is forwarded for information to:-

1. P.S to Minister Health & Population Welfare Department, Government of Sindh Department.
2. P.S to Secretary, Health Department, Karachi.
3. P.A to Additional Secretary (Admn-I/ General), Health Department, Karachi.
4. P.A to Deputy Secretary (Admn-I/ General), Health Department, Karachi.
5. Office file.


(MUHAMMAD HAROON)
SECTION OFFICER (PAC / BUDGET)