



**AUDIT REPORT  
ON  
THE ACCOUNTS OF  
SOCIAL SAFETY NETS  
(FEDERAL GOVERNMENT)**

**AUDIT YEAR 2024-25**

**AUDITOR-GENERAL OF PAKISTAN**

**SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND  
GOOD GOVERNANCE IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES FOR  
THE CITIZENS OF PAKISTAN**



## PREFACE

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 and Section 11 of Zakat and Ushr Ordinance, 1980, require the Auditor-General of Pakistan to conduct audit of the receipts and expenditure from the Federal Consolidated Fund and Public Account including collection, deduction and utilization of Zakat fund.

This report is based on the audit of Social Safety Nets programs of the Federal Government managed by Ministry of Overseas Pakistanis & Human Resource Development; Ministry of Human Rights; and Ministry of Poverty Alleviation & Social Safety for the financial year 2023-24. The Directorate General Audit, Social Safety Nets, Islamabad, a Field Audit Office (FAO) of the Auditor-General of Pakistan conducted audit during Audit Year 2024-25 on test check basis with a view to report significant findings to the stakeholders. The main body of the Audit Report includes only systemic issues and significant audit findings. Relatively less significant issues are listed in Annexure-I of the Audit Report, which shall be pursued with the Principal Accounting Officers (PAOs) at the DAC level. In cases where the PAO does not initiate appropriate action, the audit observations will be brought to the notice of the Public Accounts Committee in the next year's Audit Report. Sectoral analysis has been added in this report covering strategic review and overall perspective of audit results.

Chapter 7 of this report deals with Impact Audit of Zakat Collection, Exemption, and Remittance in the Central Zakat Fund. This approach critically reviews business processes to identify risks impeding the achievement of intended objectives. Furthermore, Impact Audit has been conducted and incorporated in Chapter 8, which evaluates the impact of the Benazir Income Support Program Undergraduate Scholarship Project (BUSP).

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

Most of the observations included in this report have been finalized in the light of management response and discussion in the DAC meetings.

There are certain audit paras which were also reported in previous years Audit Reports for the years 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24. Recurrence of such irregularities is matter of concern and needs to be addressed.

The Audit Report is submitted to the President of Pakistan in pursuance of Article 171 of the Constitution of Islamic Republic of Pakistan, 1973 for causing it to be laid before both houses of *Majlis-e-Shoora* [Parliament].

Islamabad

Dated: February, 2025

Muhammad Ajmal Gondal  
**Auditor-General of Pakistan**



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## ABBREVIATIONS & ACRONYMS

ABL	Allied Bank Limited
AD	Assistant Director
AGPR	Accountant General Pakistan Revenues
AIR	Audit and Inspection Report
AJK	Azad Jammu and Kashmir
AR	Audit Report
ATL	Active Taxpayer List
ATM	Automated Teller Machine
AY	Audit Year
BAFL	Bank Alfalah Limited
BB	Branchless Banking
BE&OE	Bureau of Emigration and Overseas Employment
BISP	Benazir Income Support Program
BNF	Benazir Nutrition Food
BNP	Benazir <i>Nashonuma</i> Programme
BoD	Board of Directors
BoG	Board of Governors
BoK	Bank of Khyber
BoP	Bank of Punjab
BOQ	Bill of Quantities
BoT	Board of Trustees
BPS	Basic Pay Scales
BSC	Banking Services Corporation
BSTS	Balochistan Sales Tax on Services
BSU	BISP Scholarships for Undergraduates
BUSP	BISP Undergraduate Scholarship Project
BVS	Biometric Verification System
CBT	Computer-Based Testing
CCI	Council of Common Interests
CCT	Conditional Cash Transfer
CCTV	Closed-Circuit Television
CDA	Capital Development Authority

CDR	Call Deposit Receipt
CGPA	Cumulative Grade Point Average
CII	Council of Islamic Ideology
CNIC	Computerized National Identity Card
CoC	Condition of Contract
COVID	Corona Virus Disease
CP Fund	Contributory Provident Fund
CPF	Contributory Provident Fund
CPWD	Central Public Works Department
CRE	Centre for Rural Economy
CSE	Centre for Social Entrepreneurship
CSR	Composite Schedule of Rates
CT	Cash Transfers
CZA	Central Zakat Administration
CZF	Central Zakat Fund
DA	Dearness Allowance
DAC	Departmental Accounts Committee
DDO	Drawing and Disbursing Officer
DG	Director General
DGA SSN	Directorate General Audit, Social Safety Nets
DGSE	Directorate General of Special Education
DHQ	District Headquarter Hospital
DWE	Directorate of Workers Education
DZF	District Zakat Fund
E&D	Efficiency and Discipline
EOB	Employees Old Age Benefits
EOBI	Employees Old Age Benefits Institution
EOL	Extra Ordinary Leave
EOT	Extension of Time
EPC	Engineering, Procurement and Construction
ERE	Employee Related Expenditure
ERF	Electronic Registry Form
ESSI	Employees Social Security Institution
FAM	Financial Audit Manual

FAP	Foreign Aided Project
FBR	Federal Board of Revenue
FDR	Fixed Deposit Receipt
FED	Federal Excise Duty
FIA	Federal Investigation Agency
FY	Financial year
GB	Gilgit-Baltistan
GFR	General Financial Rules
GoP	Government of Pakistan
Govt.	Government
GP Fund	General Provident Fund
GPA	Grade Point Average
GPO	General Post Office
HBL	Habib Bank Limited
HEC	Higher Education Commission
HEIs	Higher Education Institutions
HO	Head Office
HR	Human Resource
HRA	House Rent Allowance
HSD	High Speed Diesel
IATA	International Air Transport Association
ICT	Islamabad Capital Territory
ID	Identity Document
IFA	Individual Financial Assistance
IMEI	International Mobile Equipment Identity
IPs	Insured Persons
IPC	Interim Payment Certificate
ISSAIs	International Standards of Supreme Audit Institutions
IT	Information Technology
IVF	In Vitro Fertilization
KfW	<i>Kreditanstalt für Wiederaufbau</i>
KIBOR	Karachi Inter Bank Offer Rate
KSA	Kingdom of Saudi Arabia
LMA	Limited Mandate Account

LPA	Lead Partner Agency
LZCs	Local Zakat Committees
MB	Measurement Book
MCA	Motor Car Advance
MCB	Muslim Commercial Bank
MD	Managing Director
MIS	Management Information System
MoHR	Ministry of Human Rights
MoU	Memorandum of Understanding
MTBF	Medium Term Budgetary Framework
NADRA	National Database and Registration Authority
NBP	National Bank of Pakistan
NCCWD	National Commission of Child Welfare and Development
NCHD	National Commission for Human Development
NCSW	National Commission on Status of Women
NFC	National Finance Commission
NFCH	National Foundation for Communal Harmony
NOC	No Objection Certificate
NPGP	National Poverty Graduation Program
NRA	Non-Refundable Advance
NSER	National Socio-Economic Registry
OEC	Overseas Employment Corporation
OEPs	Overseas Employment Promoters
O.M	Office Memorandum
OPD	Outdoor Patient
OPF	Overseas Pakistanis Foundation
OP&HRD	Overseas Pakistanis & Human Resource Development
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PASS	Poverty Alleviation & Social Safety Division
PAQJIMS	Pir Abdul Qadir Jeelani Institute of Medical Sciences
PBM	Pakistan Bait-ul-Mal
PE	Protectorate of Emigrants
PEC	Pakistan Engineering Council

PIA	Pakistan International Airline
PKR	Pakistani Rupee
PLS	Profit and Loss Saving
PM	Prime Minister
PMU	Project Management Unit
PMT	Proxy Mean Test
PO	Provincial Office
POE	Protectorate of Emigrants
POL	Pakistan Oilfields Limited
POs	Partner Organizations
POS	Point of Sale
PPAF	Pakistan Poverty Alleviation Fund
PPRA	Public Procurement Regulatory Authority
PRIMACO	Pakistan Real Estate Investment and Management Company
PSC	Project Steering Committee
PSDP	Public Sector Development Programme
PSH	Pakistan Sweet Homes
PSPA	Punjab Social Protection Authority
PTCL	Pakistan Telecommunication Company Limited
PTV	Pakistan Television Corporation
PWD	Pakistan Public Works Department
PWWB	Punjab Worker Welfare Board
PWWF	Punjab Worker Welfare Fund
PZF	Provincial Zakat Fund
P2P	Peer-to-peer
RO	Regional Office
Rs.	Rupees
SAP	Systems, Applications & Products
SBP	State Bank of Pakistan
SDGs	Sustainable Development Goals
SECP	Securities and Exchange Commission of Pakistan
SIM	Subscriber Identity Module
SLICP	State Life Insurance Corporation of Pakistan
SOP	Standard Operating Procedure

SPDU	Social Protection Delivery Unit
SPHCR	Social Protection for Health and Climate Resilience
SPS	Special Pay Scale
SRCL	School for Rehabilitation of Child Labour
SSC	Special Savings Certificate
SSN	Social Safety Nets
TA	Travelling Allowance
TDR	Term Deposit Receipt
TRDP	Thardeep Rural Development Programme
TVO	Trust for Voluntary Organizations
UBL	United Bank Limited
UCT	Unconditional Cash Transfer
UNDP	United Nations Development Programme
VPN	Virtual Private Network
VR	Voluntary Registration
WEC	Women Empowerment Centre
WeT	<i>Waseela-e-Taleem</i>
WWB	Workers Welfare Board
WWF	Workers Welfare Fund
ZCCAs	Zakat Collection Controlling Agencies
ZCOs	Zakat Collection Offices

## EXECUTIVE SUMMARY

The Directorate General Audit (DGA), Social Safety Nets, Islamabad, is a Field Audit Office under the Department of the Auditor-General of Pakistan. This office is responsible for auditing social safety and welfare programs at both federal and provincial levels. Its mandate encompasses Compliance with Authority Audits, Certification Audits of Foreign-Aided Projects, Special Audits, Special Studies, and Performance Audits of entities within its jurisdiction.

The Directorate conducts audits for prominent programs and entities, including the Benazir Income Support Program (BISP), Pakistan Poverty Alleviation Fund (PPAF), Pakistan Bait-ul-Mal (PBM), and the Ministry of Overseas Pakistanis and Human Resource Development (OPHRD) along with its allied offices. These offices include the Employees Old Age Benefits Institution (EOBI), Overseas Pakistanis Foundation (OPF), Overseas Employment Corporation (OEC), Workers Welfare Fund (WWF), Workers Welfare Boards (WWBs), Bureau of Emigration and Overseas Employment (BE&OE), and the Directorate of Workers Education (DWE). Additionally, the Directorate oversees audits of the Ministry of Human Rights, Ministry of Poverty Alleviation and Social Safety, Central Zakat Fund (CZF), Provincial Zakat Funds (PZFs), District Zakat Funds (DZFs), and Zakat deductions managed by Zakat Collection Controlling Agencies (ZCCAs) and Zakat Collection Offices (ZCOs).

The Directorate General operates with a human resource of 28 officers and staff, collectively contributing 6,972 man-days annually. The annual budget amounting to Rs. 115.501 million was allocated to this office for the Financial Year 2024-25.

### **a. Scope of Audit**

The audit universe of the Directorate General Audit (DGA), Social Safety Nets, comprises 486 formations operating under 11 Principal Accounting Officers (PAOs). For the FY 2023-24, the total expenditures and

receipts of these formations amounted to Rs. 620,013.57 million and Rs. 132,470.96 million, respectively.

This report covers the audit of 54 formations under 05 PAOs, with a total expenditure of Rs. 583,244.64 million during FY 2023-24. This represents 94% audit coverage of the auditable expenditure.

Additionally, the report includes observations from the audit of expenditure totaling Rs. 5,859.475 million, which pertain to 9 formations under 2 PAOs for the Audit Year 2023-24.

**b. Recoveries at the instance of Audit**

The audit identified recoverable amounts totaling Rs. 29,621.247 million, as highlighted in this report. Of this, an amount of Rs. 13.152 million was recovered and verified prior to the finalization of the report.

**c. Audit Methodology**

The audit planning phase involved an extensive application of desk audit techniques. These included the examination of permanent files, computer-generated data, and other relevant documentation, alongside a review of the regulatory framework, policies, and procedures applicable to the audited entities. A comprehensive risk assessment was conducted by analyzing the internal control structures of the entities. This desk review enabled auditors to understand the systems, procedures, and operational environment of the auditee entities and to identify high-risk areas for focused audit intervention.

The audit was carried out in accordance with the Financial Audit Manual (FAM) issued by the Department of the Auditor-General of Pakistan. The FAM adheres to the principles outlined in the International Standards of Supreme Audit Institutions (ISSAIs), ensuring the audit's alignment with globally recognized best practices.

The primary objective of the audit was to assess compliance with applicable laws, rules, regulations, and policies, as well as to evaluate the adequacy and effectiveness of internal controls. Evidence was gathered through various methodologies, including:

- i. Inquiries with management,
- ii. Examination of policy documents and monitoring reports,
- iii. Review of payment vouchers, and
- iv. Collection, interpretation, and analysis of primary and secondary data.

This systematic and standards-based approach ensured a thorough evaluation of the entities' governance, financial management, and operational practices.

#### **d. Audit Impact**

The audit highlighted major issues, most of which were acknowledged by the management of the audited entities. In response, the entities agreed to address the identified deficiencies and implement necessary corrective actions. Additionally, the management demonstrated a positive commitment to strengthening internal controls by initiating reviews and updates to their control frameworks.

Notable examples of reforms and policy enhancements introduced by the audited entities as a direct result of the audit are as follows:

##### **Overseas Employment Corporation (OEC):**

- i. Compliance with Corporate Governance Rules has been initiated, including the preparation of quarterly financial reports.
- ii. Development of a comprehensive business plan has commenced.

##### **Workers Welfare Fund, Islamabad:**

- i. The practice of allowing motor car advances to employees more than twice has been discontinued, ensuring better compliance with financial discipline and regulatory standards.
- ii. The practice of pasting printing papers on Cash book has been discontinued and the practice of manually recording financial transactions on Cash book has been started.

## **Bureau of Emigration and Overseas Employment:**

- i. The management has started the process of re-activating dormant/inactive Overseas Employment Promoters.
- ii. The practice of uploading Annual Reports on Labour Migration on the website of Bureau has been started by the management.

These initiatives reflect the constructive impact of the audit process, fostering improved governance, financial discipline, and operational transparency within the audited entities.

### **e. Comments on Internal Controls and Internal Audit Department**

The audit team conducted a comprehensive evaluation of the internal controls within the audited entities to gain a thorough understanding of their control systems. The objective was to identify material and significant weaknesses and provide actionable recommendations for corrective measures. While internal controls are established in the entities, there is a critical need for regular review and timely updates to ensure their continued relevance and effectiveness. Furthermore, although internal audit mechanisms are in place in most of the audited entities, these require enhanced focus and commitment from management to optimize their functionality and ensure robust oversight.

### **f. The key audit findings of the report;**

- i. 01 case of fraud and embezzlement.<sup>1</sup>
- ii. 03 cases of non-production amounting to Rs. 233.985 million.<sup>2</sup>
- iii. 34 cases of irregular expenditure/payments and violation of rules amounting to Rs. 13,865.761 million.<sup>3</sup>
- iv. 47 cases of recovery amounting to Rs. 29,583.016 million.<sup>4</sup>

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<sup>1</sup> Para No. 4.4.49

<sup>2</sup> Para No. 5.4.2, 5.4.3 & 6.4.1

<sup>3</sup> Para No. 2.4.3, 2.4.6, 2.4.8, 3.4.1, 3.4.5, 3.4.6, 3.4.9, 4.4.1, 4.4.9, 4.4.13, 4.4.19, 4.4.22, 4.4.23, 4.4.24, 4.4.25, 4.4.26, 4.4.27, 4.4.30, 4.4.31, 4.4.32, 4.4.34, 4.4.37, 4.4.42, 4.4.43, 4.4.45, 4.4.46, 4.4.48, 4.4.50, 5.4.1, 5.4.5, 6.4.6, 6.4.8, 6.4.9 & 6.4.11

<sup>4</sup> Para No. 2.4.4, 2.4.5, 2.4.9, 2.4.10, 2.4.11, 2.4.12, 2.4.13, 2.4.14, 2.4.15, 3.4.2, 3.4.3, 3.4.7, 3.4.10, 4.4.2, 4.4.3, 4.4.4, 4.4.5, 4.4.6, 4.4.7, 4.4.10, 4.4.12, 4.4.15, 4.4.16, 4.4.17, 4.4.18, 4.4.20, 4.4.21, 4.4.29, 4.4.33, 4.4.35, 4.4.36, 4.4.38, 4.4.39, 4.4.40, 4.4.41, 4.4.44, 6.4.2, 6.4.3, 6.4.4, 6.4.5, 6.4.7, 6.4.13, 6.4.14, 6.4.16, 6.4.18, 6.4.19 & 6.4.20

- v. 18 cases of weak internal controls amounting to Rs. 134,885.832 million.<sup>5</sup>

**g. Recommendations**

The recommendations presented in this audit report are designed to enhance the financial management practices and overall governance of the audited entities. Effective and timely implementation of these recommendations is crucial to fully realize the benefits of the audit process.

Based on the findings detailed in this report, the following major recommendations are submitted for the consideration of the management of the audited entities:

- i. Cases involving fraud and embezzlement should be thoroughly investigated. Prompt recovery of misappropriated amounts should be ensured, and strict disciplinary or legal action must be taken against the individuals found responsible.
- ii. Record may be produced in the listed case of non-production of record and disciplinary action be initiated against the responsible officials.
- iii. All unauthorized expenditure identified by the audit should be regularized through the competent authorities in accordance with applicable rules and regulations.
- iv. Recoveries identified in the audit observations should be pursued diligently and deposited into the relevant accounts without delay.
- v. Principal Accounting Officers (PAOs) must periodically review and update the internal control frameworks to ensure their adequacy and effectiveness.
- vi. An effective internal audit function should be established within the entities to strengthen governance. Internal audit reports must be prepared and shared with management promptly to facilitate informed decision-making and timely corrective actions.

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<sup>5</sup> Para No. 2.4.1, 2.4.2, 2.4.7, 2.4.16, 3.4.4, 3.4.7, 4.4.8, 4.4.11, 4.4.14, 4.4.28, 4.4.47, 4.4.51, 4.4.52, 5.4.4, 6.4.10, 6.4.12, 6.4.15 & 6.4.17

- vii. Data exchange protocols should be established between BISP, PBM and other social safety organizations (including those working at provincial level) to ensure targeted interventions are made to help the most needed citizens. DG SSN must be provided complete access to the database of all these organizations.
- viii. The Directorate General Special Education needs to develop authentic data on disabilities, including Autism, in the ICT region and the country (in collaboration with the provinces). The Directorate on the basis of this data needs to come up with workable plans for education, treatment, parent/care giver support and employment for persons with disabilities (including Autism).

# Chapter 1

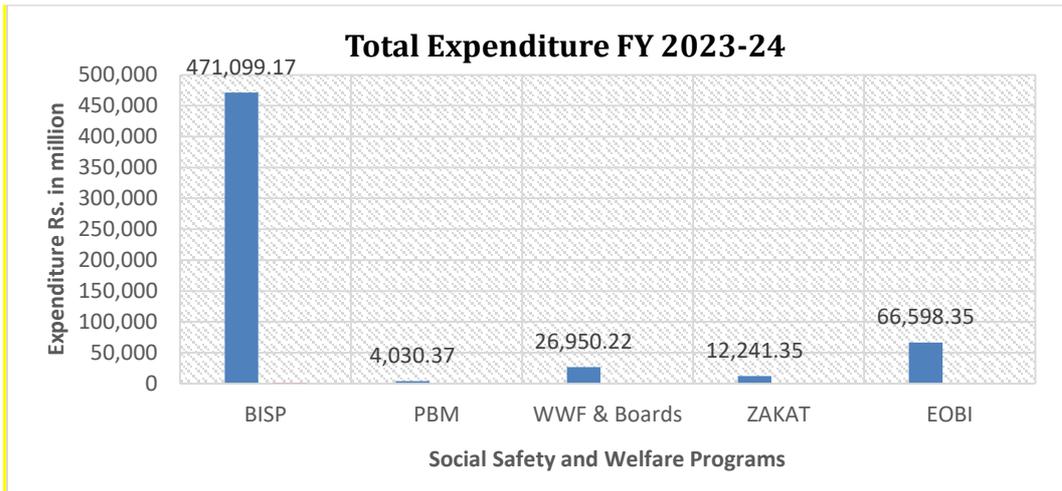
## SOCIAL PROTECTION SECTOR ANALYSIS

### 1.1 Introduction

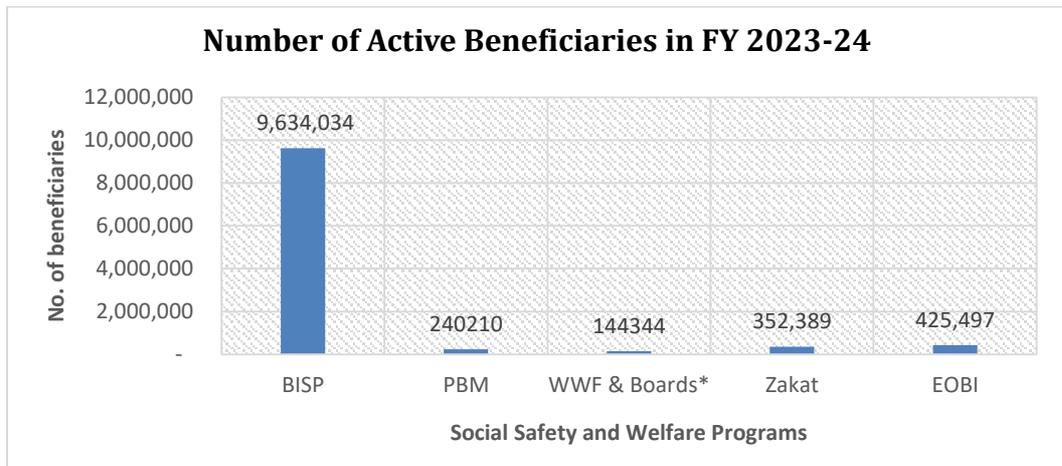
The Social Protection sector has emerged as a critical area of state intervention, witnessing increased budgetary allocations over the years. The primary goal of this sector is to ensure universal access for the poor and marginalized segments of society to basic necessities such as adequate food, clothing, and housing. To achieve this objective, successive federal and provincial governments have introduced various social safety programs over time.

The first social protection initiative in Pakistan, the Provincial Employees Social Security Scheme, was launched in 1967. Since then, the sector has evolved significantly, with key institutions and programs such as the Benazir Income Support Programme (BISP), Pakistan Poverty Alleviation Fund, Workers Welfare Fund (WWF), Employees' Old-Age Benefits Institution (EOBI), Pakistan Bait-ul-Mal (PBM), and Central/Provincial/District Zakat Funds addressing the needs of both chronic and transient poor populations. Over time, the number of beneficiaries registered under these programs has steadily increased.

In FY 2023-24, the total expenditure on these programs amounted to Rs. 580,919.47 million. The details of expenditure and the number of beneficiaries are illustrated in the graphs below.



*\* excluding of Workers Welfare Board, Sindh*



*\*excluding of Workers Welfare Board, Sindh*

To enhance the coverage and effectiveness of Social Protection programs and address poverty in all its dimensions, the government has introduced several strategic reforms. Conditional Cash Transfers (CCTs) have been streamlined to improve their reach and efficiency, ensuring targeted assistance to the most vulnerable populations. The establishment of the Poverty Alleviation Coordination Council aims to synergize the efforts of public and private organizations engaged in poverty alleviation and to develop a comprehensive framework for capacity building and performance

enhancement. Furthermore, the creation of the Ministry of Poverty Alleviation and Social Safety consolidates all social protection programs under a single administrative framework, enabling effective management and delivery through a one-window operation. A cornerstone of these efforts is the BISP Program, which adopts a multi-dimensional approach to poverty reduction. Key initiatives under the program include the *Kafalat* Program for financial assistance to deserving households, Undergraduate Scholarships for students from low-income families, BISP *Nashonuma* to combat malnutrition, and the *Sehat Insaf* Card, which provides free medical treatment to approximately eight million families across the country. These initiatives collectively strengthen social safety nets, improve living standards, and create pathways for sustainable poverty alleviation.

## **1.2 Sectoral Analysis**

### **1.2.1 Benazir Income Support Programme**

The Benazir Income Support Programme (BISP) is a flagship federal cash transfer social safety net initiative of the Government of Pakistan. Established in 2008, its long-term objectives include eradicating extreme and chronic poverty, achieving the Sustainable Development Goals (SDGs), and empowering women through a comprehensive social protection framework.

With a nationwide presence, BISP operates from its headquarters in the federal capital, supported by six zonal/regional offices located in provincial capitals, Azad Jammu & Kashmir, and Gilgit-Baltistan, along with 34 divisional and 385 district offices. From its inception uptill June 30, 2024, BISP has disbursed Rs. 2,126,038 million through various cash transfer programs, benefitting 9.634 million individuals. Beneficiary eligibility is determined using the Poverty Score Card under the National Socio-Economic Registry (NSER), where a PMT score of 32 (New Survey) qualifies individuals for assistance.

## **Key Programs under BISP:**

- i. **Unconditional Cash Transfers (UCT):** Provides a minimum income support package of Rs. 8,500 per quarter to individuals identified as poor on the Poverty Score Card.<sup>6</sup>
- ii. **Conditional Cash Transfer (CCT):** Includes the *Waseela-e-Taleem* Program, which supports primary, secondary & higher secondary education.<sup>7</sup>
- iii. **Nutrition *Nashonuma* Program:** Offers women cash stipends, specialized nutritious food, immunizations, antenatal and postnatal checkups, health awareness sessions, and initiatives to tackle stunting in children across 158 districts of the country.<sup>8</sup>
- iv. **Undergraduate Scholarships Program:** Awarded 102,003 need-based scholarships to financially disadvantaged students, focusing on female education across 135 public universities.<sup>9</sup>

In FY 2023-24, the Benazir Income Support Programme (BISP) disbursed significant funds under its various initiatives to support poverty alleviation and social protection efforts. A total of Rs. 358,033 million was allocated for Unconditional Cash Transfers (UCT), providing essential financial assistance to low-income households. Additionally, Rs. 59,716 million was distributed under the Conditional Cash Transfer (CCT) program, primarily through the *Waseela-e-Taleem* initiative, aimed at promoting primary education. The Nutrition *Nashonuma* Program, targeting malnutrition and stunting in children, received Rs. 34,665 million, while the Undergraduate Scholarships Program disbursed Rs. 4,098 million, fostering educational opportunities for underprivileged students with a focus on gender inclusivity.

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<sup>6</sup><https://www.bisp.gov.pk/Detail/YTgzNjKxM2YtN2ViMC00MjA5LWI0MDMtNzM4ZWJmMGVINzc5>

<sup>7</sup><https://www.bisp.gov.pk/Detail/YzNlY2Q2ZGYtNjIwZS00MjNiLWFhMmEtZGM5NWNkMjZhMjQ3>

<sup>8</sup><https://www.bisp.gov.pk/Detail/YjAyMjI5ZDQtMTVvOC00YTNIWWE5NjctMjA1NTYwN2JhOTE3>

<sup>9</sup><https://www.hec.gov.pk/english/scholarshipsgrants/Ehsaas/Pages/default.aspx>

### **Strengthening the BISP Framework:**

BISP has developed a Management Information System (MIS) database of beneficiaries through multiple public and private sector surveys. Recognizing the need for frequent updates to monitor the financial status of beneficiaries, BISP has transitioned from a static registry to a dynamic registry platform. This system, implemented under the Multi-Entry Localized Access (MELA) framework, enables frequent updates, on-demand registrations, and secure data validation through the National Database and Registration Authority (NADRA). It is designed as a shock-responsive registry, capable of capturing socio-economic changes in calamity-affected areas. However, data integration across multiple social safety organizations remains a challenge, with audits reporting deficiencies in beneficiary records.

### **Key Challenges and Recommendations:**

While BISP has made significant strides in improving its payment mechanisms, including the introduction of a Biometric Verification System, instances of fraud and embezzlement continue to surface. These issues highlight inadequacies in the program's internal controls. The Complaint Monitoring System requires enhancement to ensure timely resolution of recipients' concerns. Moreover, delays and incomplete reconciliations among BISP, banks, and post offices remain grey areas, compounded by the retention of undisbursed funds by banks, which violates the terms of agreements.

To evolve as a productive and robust vehicle for social protection, BISP must address these gaps, strengthen its inbuilt controls, and foster greater transparency and accountability in its operations.

#### **1.2.2 Pakistan Bait-ul-Mal**

The Pakistan Bait-ul-Mal (PBM), established in 1992 under the PBM Act, 1991, is a welfare fund dedicated to poverty alleviation by providing assistance to the poorest and most vulnerable segments of society. Operating through its district-level establishments, PBM extends support to eligible individuals irrespective of gender, caste, creed, or religion, based on criteria approved by the Bait-ul-Mal Board. To qualify for PBM assistance, a

household's monthly income must be below Rs. 17,000. During FY 2023-24, PBM disbursed Rs. 6,509.772 million across its core projects and schemes aimed at improving the socio-economic conditions of marginalized groups.

### **Key Initiatives of PBM:**

**Individual Financial Assistance (IFA):** This program supports poor individuals, widows, and orphans by covering expenses for medical treatment, education, and general financial aid.

- i. **Schools for Rehabilitation of Child Labour (SRCLs):** These schools aim to rehabilitate bonded child laborers by providing them access to primary education. Since 1995, PBM has established 159 National Centres for Rehabilitation of Child Labour across the country, with approximately 17,107 children enrolled.<sup>10</sup>
- ii. **Women Empowerment Centers (WECs):** PBM operates 162 WECs nationwide, providing free training in skills such as cutting, sewing, knitting, embroidery, and computer literacy. These centers are targeted toward widows, orphans, and underprivileged girls, fostering skill development for economic empowerment.<sup>11</sup>
- iii. **Pakistan Sweet Homes:** These facilities provide free food, medical treatment, education, and lodging for orphaned children. Currently, there are 51 Pakistan Sweet Homes operating nationwide.<sup>12</sup>
- iv. **Individual Financial Assistance (Medical):** PBM offers Individual Financial Assistance (IFA) to support impoverished individuals, including widows, orphans, and disabled persons, particularly for medical treatments. This assistance covers major ailments such as cancer, heart diseases, hepatitis, tuberculosis, vital organ surgeries, and kidney dialysis. Eligible individuals can receive up to Rs. 1.5 million

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<sup>10</sup> <https://www.pbm.gov.pk/ncrcl.html>

<sup>11</sup> <https://www.pbm.gov.pk/vds.html>

<sup>12</sup> <https://www.pbm.gov.pk/psh.html>

for medical expenses, based on recommendations from designated hospital committees or certified medical professional.<sup>13</sup>

- v. ***Panagahs (Shelter Homes)***: PBM established 51 *Panagahs* across the country to provide shelter and food to homeless individuals. Out of 51, only 12 *Panagahs* were functional during the FY 2023-24 (5 in Islamabad and 7 in Sindh).<sup>14</sup>

### **1.2.3 Workers Welfare Fund**

The Workers Welfare Fund (WWF), established under the Workers Welfare Fund Ordinance, 1971, serves as a key institution for improving the welfare and living standards of industrial labor in Pakistan. With an initial contribution of Rs. 100 million from the Federal Government and additional funding from the private sector, WWF has played a pivotal role in providing essential housing, healthcare, and educational facilities to industrial workers across major industrial cities.

The core objectives of WWF include:

- i. Financing housing schemes for industrial workers, encompassing the construction of houses, flats, and development of residential plots.
- ii. Establishing health facilities such as hospitals, medical wards, and dispensaries.
- iii. Developing education facilities, including secondary and higher secondary schools, technical institutes, and industrial homes.
- iv. Offering death grants to the widows or legal heirs of deceased workers.
- v. Providing marriage grants for the marriage of workers' daughters.

During FY 2023-24, the total expenditure incurred by WWF and its provincial boards, including WWF Islamabad, Workers Welfare Board Punjab, Khyber Pakhtunkhwa, and Quetta, amounted to Rs. 26,950.22 million.

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<sup>13</sup> <https://www.pbm.gov.pk/medical.html>

<sup>14</sup> <http://shelterhome.pbm.gov.pk/index.php>

#### **1.2.4 Zakat**

Zakat plays a pivotal role in poverty alleviation by not only providing direct support to the poor and needy but also facilitating the redistribution of wealth, which helps curb unemployment and mitigates the risk of economic recession. The funds collected through Zakat are allocated to assist marginalized segments of society, including the poor, orphans, widows, handicapped individuals, and those requiring rehabilitation for subsistence or reintegration into society.

Zakat funds are distributed either directly through Local Zakat Committees or indirectly via various institutions, such as educational, vocational, social institutions, and healthcare facilities, to ensure broad-based support for the underprivileged.

The administration of Zakat has been devolved to the provinces and federal areas, with the Ministry of Poverty Alleviation and Social Safety (Zakat Cell) overseeing the collection and disbursement of funds to these regions based on a formula approved by the Council of Common Interests (CCI) until the next National Finance Commission (NFC) Award. The selection of *Mustahiqeen* (eligible beneficiaries) is carried out by the respective Local Zakat Committees.

In FY 2023-24, a total of Rs. 12,241 million was collected in Zakat funds and distributed across the provinces and federal areas.

#### **1.2.5 Employees' Old-age Benefits Institution**

The Employees' Old-Age Benefits Institution (EOBI) was established under the EOBI Act, 1976, with effect from 1st April 1976. The statute aims to provide social security and benefits to the employees of industries, commercial organizations, and other entities covered under its provisions. EOBI offers a range of benefits, including Old-Age Pension, Invalidity Pension, Old-Age Grant, and Survivor's Pension to eligible beneficiaries. The institution's mandate aligns with Article 38(C) of the Constitution of Pakistan, which aims to provide compulsory social insurance for the welfare of citizens in their old age.

However, several significant issues have been identified in the provision of pension grants, including:

- i. Non-recoveries of contribution from employers.
- ii. Loss to EOBI due to transfer of funds in de-credited accounts.
- iii. Instances of non-lending of vacant space at EOBI buildings.
- iv. Additionally, less contribution collection due to non-receipt of Employers Salaries Record from Federal Board of Revenue.

In FY 2023-24, EOBI incurred a total expenditure of Rs. 66,598.355 million, emphasizing the scale of the pension system but also highlighting the need for rectification of the aforementioned issues to ensure financial prudence, operational transparency, and the equitable distribution of benefits

### **1.3 Cross-Sectional Challenges and Recommendations**

#### **1.3.1 Cross-Sectional Challenges:**

Social protection programs in Pakistan are plagued by fragmentation, duplication, and inefficiencies due to operating in silos under multiple ministries and weak inter-ministerial coordination. The absence of a unified framework results in unclear division of responsibilities, inconsistent eligibility criteria, and fragmented databases. This lack of integration leads to beneficiaries receiving support from multiple programs, diluting the overall impact and undermining the sector's ability to achieve poverty alleviation and foster self-sustainability. Additionally, administrative overlaps, such as EOBI operating under the Ministry of Overseas Pakistanis and Human Resource Development instead of being unified under the Ministry of Poverty Alleviation and Social Safety, exacerbate inefficiencies.

#### **1.3.2 Recommendations:**

**Unified Framework:** Establish a centralized system with a national poverty measurement criterion and an integrated database, periodically reviewed to monitor program progress and impact.

**Sustainability-Focused Interventions:** Transition from indefinite cash transfer programs to structured poverty graduation schemes, incorporating skill enhancement, asset transfers, and micro-financing to empower beneficiaries.

**Governance and Accountability:** Define clear mandates and responsibilities for each program, supported by robust key performance indicators (KPIs) and a comprehensive monitoring and evaluation framework.

**Institutional Strengthening:** Develop financial rules and autonomous funds for social protection bodies, placing them under unified administrative control to ensure financial discipline and operational autonomy.

**Disaster Readiness:** Formulate proactive policies for emergency cash transfers and benefits to address natural calamities such as earthquakes and floods effectively.

**Policy Reforms:** Address systemic inefficiencies, including cumbersome delivery mechanisms, inadequate funding, ineffective targeting, and limited coverage, through immediate policy interventions to ensure timely, efficient, and impactful service delivery.

#### **1.4 Conclusion**

To transform Pakistan's social protection sector into a dynamic and result-oriented system, structural reforms are imperative. A centralized framework with integrated databases and standardized poverty metrics will eliminate redundancies, enhance targeting, and amplify impact. By coupling time-bound cash transfers with poverty graduation initiatives, the sector can shift from creating dependency to fostering self-reliance among beneficiaries. Institutional strengthening through autonomous financial structures and disaster-responsive policies will ensure operational resilience and readiness. With strategic policy interventions and a focus on governance, the social protection sector can emerge as a cornerstone for sustainable poverty alleviation and equitable social development, delivering measurable outcomes that align with Pakistan's long-term socio-economic objectives.

## Chapter 2

### BENAZIR INCOME SUPPORT PROGRAMME

#### 2.1 Introduction

A. The Government of Pakistan launched BISP in July 2008 with an immediate objective to eradicate poverty and to evaluate the status of marginalized and under privileged sections of society, especially women, through establishment of comprehensive Social Protection Net. Accordingly, the Benazir Income Support Programme Act, 2010 was passed by the parliament to provide a basis for regulation and establishment of an autonomous Social Safety Net Authority to coordinate the design and implementation of targeted programs for the poor. The purpose of the program is to:

- Enhance financial capacity of the poor and their dependent family members;
- Formulate and implement comprehensive policies and targeted programs;
- Reduce poverty and promote equitable distribution of wealth, especially for the low-income groups.

The President of Pakistan is the Chief Patron of the organization while the Prime Minister is the Executive Patron of BISP. A Special Assistant on Poverty Alleviation and Social Safety to the Prime Minister, with the status of Federal Minister, manages its operations as Chairperson with the help of a Board constituted by the President on the advice of the Prime Minister.

Key powers and functions of the Board are as under:

- To approve the budget of the program prepared by the management;
- To take decisions on the financial aspects of the program;
- To monitor the program in a transparent manner;
- To make regulations and approve policies and manuals in order to carry out the purposes of the Ordinance;

- To approve criteria of eligible families for financial assistance under the program;
- To present annual progress reports to the Council and consider recommendations.

### B. Comments on Budget & Accounts (Variance Analysis)

Budget allocated to the Benazir Income Support Program for the FY 2023-24 was Rs. 471,149 million, out of which the Program incurred an expenditure of Rs. 471,099.17 million resulting in savings of Rs. 49.83 million which is 0.01% of the Final Budget.

(Rs. in million)

Grant No	Grant Type	Original Grant/ Appropriation	Supplementary Grant/ Appropriation	Final Grant/ Appropriation	Actual Expenditure	Excess/ (Savings)	% age Excess/ (Saving)
26	Current	471,149.000	-	471,149.000	471,099.174	(49.826)	(0.010%)

### C. Sectoral analysis on the achievements against targets under MTBF

The performance indicators, targets and achievements for the FY 2023-24 by BISP is tabulated below:

Outputs	Selected Indicators	Performance	Targets	Achievements
UCT	No. of beneficiaries (In thousand)		9,000	9,634
<i>Waseela-e-Taleem</i> program	Number of beneficiaries (In thousand)		12,115	15,735
NSER	Number of Households (In thousand)		33,150	Details not provided

The Audit profile of Benazir Income Support Program for the FY 2023-24 is as follows:

**Table 1: Audit Profile of Benazir Income Support Program**

(Rs. in million)

Sr. No.	Description	Total Nos	Audited	Expenditure audited (FY 2023-24)
1	Formations	40	09	471,099.174
2	Assignment Accounts (excluding FAP)	01	01	471,099.174
3	Foreign Aided Projects (FAP)	04	04	59,240.40

## 2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 141,378.554 million were raised as a result of audit. This amount also includes recoverable of Rs. 4,813.964 million as pointed out by the audit.

**Table 2: Overview of the Audit observations**

(Rs. in million)

Sr. No.	Classification	Amount
1	<b>Reported cases of fraud, embezzlement and misappropriation</b>	-
2	<b>Irregularities</b>	<b>5,768.403</b>
A	HR/ Employees related irregularities	63.708
B	Procurement related irregularities	30.363
C	Management of accounts with commercial banks	-
D	Financial Management	5,674.332
3	<b>Value for money and service delivery issue</b>	-
4	<b>Others</b>	<b>135,610.151</b>

## 2.3 Brief comments on the status of compliance with PAC Directives

Year of AR	PAC Status	No. of Actionable points	Compliance	Non-compliance	% Compliance
2011-12	Held	3	2	1	66.67
2012-13	Held	8	-	8	-
2013-14	Held	18	6	12	33.33
2014-15	Held	9	-	9	-
2015-16	Held	2	-	2	-
2016-17	Held	5	-	5	-
2018-19	Held	14	6	8	-
2019-20	Held	10	-	10	-
2020-21	Not Held	-	-	-	-
2021-22	Not Held	-	-	-	-
2022-23	Not Held	-	-	-	-
2023-24	Not Held	-	-	-	-

## 2.4 AUDIT PARAS

### Irregularity and Non-Compliance

#### **2.4.1 Non-availability of beneficiary's spouse CNIC within survey database – Rs. 116,953.208 million**

Clause 4.1 of the agreement for data validation of the National Socio-Economic Registry was executed between BISP and NADRA on 11.12.2019 for a minimum contract price of 225 million which states that NADRA shall provide the services to BISP in accordance with Appendix-A to the Agreement. Para 3(a&c) of Appendix-A defining scope of the agreement further provides that NADRA shall carry out validation of 6 x fields i.e. (CNIC Number, Name, Father/Husband Name, Gender, Date of Birth, Marital Status) of NSER data with national Database using its own resources and infrastructure. Moreover, NADRA will provide, CNIC number of spouse/Father name and present addresses for only sample household heads having PMT score required to declare them as beneficiaries for ground verification.

Federal Cabinet, approved exclusion of government employees and their spouse from Regular BISP UCT Program.

BISP management accommodated more than 9.3 million female beneficiaries under UCT Program on the basis of NSER survey upto FY 2024.

Audit observed that out of 9.3 million, information of spouse's CNIC against 3,077,716 beneficiaries was not available with BISP. A sum of Rs. 116,953.208 million was paid to such beneficiaries as cash transfer during the FY 2023-24.

Audit held that in the absence of CNIC of spouse of beneficiaries the possibility of receipt of assistance by spouse of Government Servant/businessmen or other non-deserving beneficiaries could not be minimized.

Management replied that beneficiary profiling for BISP eligibility, including checks for government employees or pensioners (self or spouse), is not based on NSER data. Instead, the Cash Transfer (CT) Wing conducts this process through a contractual agreement with NADRA. Profiling involves

matching beneficiaries' CNICs against NADRA's database and applying filters for government employment, pensioner status, high-income indicators, and other criteria. These checks are performed both at initial eligibility determination and cyclically before each payment tranche, ensuring the exclusion of ineligible individuals. As a result, the risk of payments being made to ineligible beneficiaries is minimized through these independent profiling mechanisms.

DAC in its meeting held on 02.01.2025 directed to get the cases verified from the BISP-MIS on sample basis.

Audit recommends that data regarding spouses of beneficiaries be provided to Audit for meaningful verification of data.

{Para 14 of AIR of BISP HO Programs for the Audit Year 2024-25}

#### **2.4.2 Payment of Cash Transfer without obtaining attendance - Rs. 13.819 billion**

Chapter 3(E) of Operations Manual of Benazir *Taleemi Wazaif* Programme, attendance Compliance Cash Transfer states, "on completion of attendance compliance data for each quarter, CCT Wing shares payment parameters duly approved by Secretary BISP and requests technology wing to generate attendance compliance payment to children who have complied with 70% attendance in relevant quarter".

BISP made cash transfers amounting to Rs. 16,137.442 million under CCT programme-Attendance Compliance Payment against 6,439,563 children during quarter-1 of 2024.

Audit observed that 5,435,533 students to whom a sum of Rs. 13,665.144 million was paid during the FY 2023-24 under CCT did not comply the prerequisite criteria of 70% attendance.

Audit further observed that 57,833 students to whom a sum of Rs. 154.221 million was paid during financial year 2022-23 under CCT did not comply with the pre-requisite criteria of 70% attendance in concerned Quarter. Management of BISP did not recover/adjust the amount paid in advance without attendance upto the end of FY 2023-24.

Audit held that payment of CCT under *Waseela-e-Taleem* programmes without obtaining the attendance of students was irregular which might result in payment against students who left the institutes.

Management replied that at the time of closure of Financial Year 2023-24, Attendance collection of Q4-2023 and Q1-2024 was under process and in reference of above clause, payment of Q4-2022 for those children whose attendance was not received till closure of FY 2023-24, was generated on the basis of previous quarter attendance records. Adjustment of 3.7 million out of 4.8 million students after receiving attendance are being made. However, Adjustment of pending children will be made in subsequent payments.

Management reply is not tenable as the Operational Manual of BISP WeT states that a beneficiary child must attend school for at least 70 percent (70%) of the school effective days within a quarter. If beneficiary child did not comply (with 70 percent attendance) no cash transfers for the beneficiary child in that quarter should be paid. Moreover, no record relating to adjustment of attendance of 3.7 million students was produced to audit.

DAC in its meeting held on 02.01.2025 directed to recover the advance payments under WeT in discrepant cases alongside UCT and have the recovery verified by Audit.

Audit recommends early implementation of DAC directives.

{Para 20 & 21 of AIR of BISP HO Programs for the Audit Year 2024-25}

#### **2.4.3 Non-payment of arrears to existing and exited beneficiaries - Rs. 5.467 billion**

BISP board in its 28<sup>th</sup> meeting dated 16.02.2017 vide agenda item 3 approved re-crediting of the beneficiaries through existing payment mechanism as per the above stated SOPs and further approved that when beneficiary is verified through biometric verification system of NADRA, MIS wing will generate de-credited amount with the routine quarterly installment.

The financial statements of BISP for the FY 2022-23 were audited by KPMG.

Audit observed that an amount of Rs. 5.467 billion was recorded in the financial statements as current liability under the heading “Arrears payable to UCT beneficiaries against de-credits”, whereas neither the current liability was paid off till the close of financial year nor any mechanism for payment to existing and exited beneficiaries has been framed.

Audit held that non-payment of de-credited amount to beneficiaries was violation of the decision of BISP Board which deprived the deserving families.

Management of BISP replied that the tranche amount needs to be kept same for all beneficiaries to avoid any confusion and chances of embezzlement. Due to these reasons, the re-crediting policy was not followed after February, 2020. Now, it is being considered that the matter will be placed before the Board for revision in re-crediting policy so that no arrears or de-credited amount will be provided to re-verified beneficiaries.

Management agreed with the audit observation that the amount de-credited from accounts of beneficiaries was not repaid.

DAC in its meeting held on 02.01.2025 directed to refer the matter to BISP Board for decision.

Audit recommends that mechanism may be framed for payment of de-credited amount to beneficiaries besides fixing responsibility for non-compliance of the BISP Board decision.

{Para 15 of AIR of BISP HO Programs for the Audit Year 2024-25}

#### **2.4.4 Irregular Payment of UCT to Beneficiaries on Active Taxpayer List - Rs. 4,082.283 million**

Section 4(a) of BISP Act 2010 provides that the objectives and purposes of the program shall be to enhance the financial capacity of the poor people and their dependent family members.

BISP Board approved following Profiling filters for beneficiary exclusion:

- i. Beneficiaries who are self and/ or whose spouses are Government employees.
- ii. Beneficiaries who are high income self/spouse and appears in Active Taxpayer List of FBR.
- iii. Beneficiaries who self/spouse are Government Pensioners and fall within eligibility PMT of 32.00 and whose pension is above Rs. 29,000.

Management of BISP enrolled and paid more than nine million beneficiaries under BISP, Unconditional Cash Transfer (UCT) programme during the financial year 2023-24.

Audit observed that management of BISP paid a sum of Rs. 1,151.894 million during the FY 2023-24 to 30,307 such beneficiaries who were on Active Taxpayer List. Moreover, management of BISP paid a sum of Rs. 2,930.389 million during FY 2023-24 to 88,892 such beneficiaries whose spouses were on Active Taxpayer List.

Audit held that payment of cash transfer to non-deserving beneficiaries was violation of provisions of BISP Act and was irregular.

Management replied that the Secretary BISP has recently approved a proposal of In-house Profiling wherein MIS Wing has assigned the task to develop an API between BISP and FBR for continuous application of ATL/high income filter and also to avoid unnecessary blocking of those beneficiaries with zero or no income as per FBR record of filers.

DAC in its meeting held on 02.01.2025 directed to get the record verified from audit.

Audit recommends that the matter be inquired for fixing responsibility besides recovery of amount.

**{Para 38 & 39 of AIR of BISP HO Programs for the Audit Year 2024-25}**

#### **2.4.5 Irregular out of districts withdrawal of Cash Transfers - Rs. 454.733 million**

Clause 4(2)(c) of the contract with banks provides that Financial institutions shall ensure system based (geo fencing/ IMEI tagging of agent BVS device) restrictions for all beneficiaries, to restrict out of district cash withdrawal or fund transfer.

Clause 4(2)(d) further provides that, in case of a beneficiary who is not within her registered district, visits any BVS Agent to withdraw cash or fund transfer, the system shall identify the out of district beneficiary at the time of biometric and display the error message 'to visit the BVS enabled branch or BVS ATM of the FI' or as per BISP's guidelines.

Audit observed that the Branchless Banking Agent (BB Agent) has illegally withdrawn a sum of Rs. 20.493 million from accounts of 2872 beneficiaries by using their credentials. Audit further observed that a sum of Rs. 434.240 million against 38,971 cases was withdrawn from districts other than the district of beneficiaries.

Audit held that the amount withdrawal by using credential of beneficiaries of other districts was illegal. Furthermore, out of district withdrawal increased the chances of fraudulent withdrawal.

Management replied that HBL imposed district lock for BISP beneficiaries. Field operation wing devices mechanism for out of district beneficiaries enrolled with HBL in cluster-II & III. Beneficiary shall visit to BISP Tehsil office for whitelisting, data will be shared through regional office to payment complaint specialist for further analysis. After data scrutiny by PCS, data shared to partner bank for district unblocking. There are three tiers for whitelisting of beneficiaries and almost minimum chances of illegal and unauthentic withdrawal from beneficiaries' accounts. However, analysis will be conducted with the help of MIS team for further clarity and needs few more days to complete this activity.

The reply was not tenable as no data of whitelisting was produced for verification. Furthermore, the objected amount also included embezzled amount of Rs. 20.493 million made through Branchless Banking Agent.

DAC in its meeting held on 02.01.2025 to get the record verified from audit on a sample basis after conducting a Fact Finding.

Audit recommends that the matter be inquired for fixing responsibility and recovery of amount.

{Para 13 of AIR of BISP HO Programs for the Audit Year 2024-25}

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and Audit Year 2023-24 vide para no. 2.4.7 and 2.4.4 having financial impact of Rs. 107.406 million and 839.719 million respectively. Recurrence of the same irregularity is a matter of serious concern.

#### **2.4.6 Unjustified de-crediting of funds from beneficiaries Accounts – Rs. 115.262 million**

Clause 6.4.1(a) of the Contracts with Banks states that if a BISP beneficiary doesn't perform any activity i.e., withdrawal from LMA or transferred to linked BB saving account for six months or any other period as subsequently approved by the BISP Board, the bank shall block his/her LMA and de-credit amount available in the LMA.

Clause 8.1(a)(i) of the Contracts with Bank Alfalah and HBL states that the Bank shall make it a routine to regularly deposit all de-credited Funds including forced de-credited funds in the Government Treasury in accordance with Clause 6.4.1(c) on weekly basis, i.e., on every Monday, if not a holiday, without any failure or delays (next working day in case of holiday). In case, the Bank fails to transfer de-credited Funds in the Government Treasury in accordance with above, the Bank shall be liable to penalty on the retained de-credited Funds in BISP main account @ one year KIBOR Offer Rate per day. Such amount shall be adjustable out of services charges claim of the Bank.

Management of BISP de-credited the funds amounting to Rs. 4,620.674 million from beneficiaries account maintained with Bank Alfalah and HBL during the FY 2023-24.

Audit observed that a sum of Rs. 115.262 million was de-credited from accounts of such beneficiaries who had received cash transfer against only one quarter and the amount was de-credited without fulfilling the required length of time. Audit further observed that the de-credited amount was not repaid to beneficiaries which deprived the deserving families.

Audit held that de-crediting of funds from beneficiaries' accounts before completion of required time period was not justified which deprived the poor families.

Management replied that accounts were wrongly de-credited in August, 2023 as their 9 months de-crediting period was not completed. Resultantly, as approved by the Competent Authority, these beneficiaries were regularly disbursed under UCT/Kafalat as well as special cash assistance programmes including PM Ramzan Package.

Management agreed with the audit observation that the accounts were wrongly de-credited.

DAC in its meeting held on 02.01.2025 directed that the de-credited amounts be paid to the beneficiaries whose accounts were incorrectly de-credited, and that evidence be provided to Audit for verification.

Audit recommends that the matter be inquired for fixing responsibility besides payment of de-credited funds to beneficiaries.

{Para 16 of AIR of BISP HO Programs for the Audit Year 2024-25}

#### **2.4.7 Scholarship payments to ineligible students - Rs. 115.258 million**

According to para 3.2(d) of revised Operations and payment Manual of BUSP amended after 52<sup>nd</sup> Board (Feb-2022) "Underlining household income (from all sources) equal to or less than the threshold set by the PSC". The threshold household income for the project as decided by PSC is Rs. 45,000.

Para 3.4 of revised Operations and payment Manual of BUSP amended after 52<sup>nd</sup> Board (Feb-2022) states that the Scrutiny Committee established by the HEIs will short-list all candidates who fulfill the eligibility

criteria, based on the information provided in their applications, and who have provided all the information sought for under the rules such as proof of family income, assets, past academic record, age (where appropriate), and submission of scanned copies of the required documents.

Management of BISP paid a sum of Rs.4,098.204 million to HEIs through HEC on account of Benazir under-graduate scholarship programme during financial year 2023-24.

Audit observed that management of BISP made payment of Rs. 115.258 million on account of Benazir under-graduate scholarship programme against unauthorized and ineligible candidates during the FY 2023-24. Details are as under:

Rs. in million

<b>Sr. No</b>	<b>Nos. of Students</b>	<b>Amount paid</b>	<b>Reason for ineligibility</b>
1	169	13.199	Children of Government Officers in BS-17 to 20
2	78	15.980	Students whose fathers were operating their own registered businesses
3	904	86.079	Students whose father were appearing in active taxpayer list
<b>Total</b>	<b>1151</b>	<b>115.258</b>	

Audit held that payment against non-deserving students was irregular and creates serious doubts regarding the verification procedure adopted by HEIs for selection of students.

Management replied that HEC believes the screened information provided by the audit does not fall within the selection period of 2019-2021, as raised by the HEIs. Since scholarships are time-bound, most Batch-I and II awardees have already graduated, making the enquiry process for these cases cumbersome. Of the 894 awardees, their study durations have ended, and they are no longer under HEI administration after degree issuance. The audit's reference to Para 3.4 of the BSU Operation and Payment Manual is no longer applicable. Further investigation is required, and HEC has suspended payments for awardees with due payments in the current financial year.

The reply was not tenable as the reason behind inclusion of non-deserving students was the failure of Institutional Scholarship Award Committees, who did not take into consideration the financial position of students at the time of selection for scholarship.

DAC in its meeting held on 02.01.2025 directed an investigation and recovery of amounts paid in cases of government employees and students whose fathers were managing their own registered business. DAC also directed to get the relevant record verified from audit in cases where parents were found in ATL.

Audit recommends early implementation of DAC directives.

{Para 27 of AIR of BISP HO Programs for the Audit Year 2024-25}

#### **2.4.8 Loss due to non-contribution of employer's share in C.P Fund - Rs. 92.070 million**

Para 7 of BISP Employee's Contributory Provident (C.P) Fund Regulation – 2023 states that the Fund shall comprise:

- a. Contribution from employees at the rate of 8.33% of their pay on monthly basis through monthly pay bill to be deducted as source by Payroll Section of BISP.
- b. Matching Contribution made by BISP in relation to each employee at the same rate as subscribed by the employee, out of its regular budget for the year.
- c. Any profit earned on the sums contributed by the employee and the employer.”

Para 10 of BISP Employee's Contributory Provident (C.P) Fund Regulation – 2023 states that “BISP will contribute a matching subscription only for the period for which an employee serves BISP and is entitled for Pay & Allowances”.

BISP board in its 60<sup>th</sup> meeting dated 2<sup>nd</sup> August, 2023 against agenda item No.4 approved BISP Employee's Contributory Provident (C.P) Fund Regulation – 2023 duly applicable from 1<sup>st</sup> July, 2023.

Audit observed that:

- i. BISP regular employees contributed a sum of Rs. 66.399 million during the period July 2023 to June 2024.
- ii. Out of this amount Rs. 60.600 million was invested in National Bank of Pakistan through TDRs.
- iii. Equal subscription of Rs. 66.40 million from the BISP (employer) was not contributed to C.P Fund.
- iv. Non-contribution of the employer's share resulted in non-investment of funds.

### Calculation of loss

Amount Rs. in million

Sr. No.	Name of Bank	Amount of Investment	Annual Interest Rate	Period (Years)	Interest Amount
1	NBP	38.000	18.90%	3	21.546
2	NBP	22.600	18.25%	1	4.125
Loss due to non-investment					25.671
Employer's Share not contributed					66.400
<b>Total Loss</b>					<b>92.070</b>

Audit held that the failure to contribute the employer's share resulted in a loss of potential profit amounting to Rs. 25.671 million, which would have been earned if the employer's contribution had been invested alongside the employee's share.

Management replied that matter has been taken up with Finance Division for opening of Bank Account.

Reply is not tenable as non-contribution of employer's share in CP fund is the violation of Rule 10 of BISP CP Fund Regulations-2023.

DAC in its meeting held on 24.12.2024 directed the BISP management to actively follow up the matter of opening of a bank account with the Finance Division and provide an updated status at the next DAC meeting.

Audit recommends early implementation of DAC directives.

{Para 2 of AIR of BISP HO (Admin) for the Audit Year 2024-25}

#### 2.4.9 Irregular House-Hold survey payments - Rs 77.246 million

According to clause v (a) of contract agreement signed between BISP and National Commission for Human Development (NCHD) on 16.10.2023 BISP shall pay Rs. 50/- (exclusive of applicable Government Taxes if any) per verified/validated/ accepted household registration (ERF). The validation will be performed as per the System-Based Validation/Verification parameters.

Clause v (c) state that payment shall be made on generation of request from NCHD and verification of registration from BISP database against user IDs of NCHD field staff.

Management of BISP signed contract agreement with National Commission for Human Development (NCHD), regarding provision of services for the registration of households under Dynamic National Socio Economic Registry.

Audit observed that the management of BISP paid a sum of Rs. 77.246 million to NCHD on account of services rendered by them for National Socio-Economic Registry (NSER) without conducting data quality analysis to verify and validate the household registration.

Details are as under:

S. No.	Date	Quarter	Invoice No	House-Hold Surveyed	Amount (Rs. in million)
1.	24.05.2024	Oct-Dec 2023	01-05/2024	577,722	28.886
2.	24.05.2024	Jan-Mar 2024	02-05/2024	967,205	48.360
<b>Total</b>				<b>1,544,927</b>	<b>77.246</b>

Audit held that payment made to NCHD without verification of parameters i.e less survey time, household size, invalid mobile numbers and replication of mobile numbers was the violation of contract and compromised on quality of data.

Management replied that NCHDs' submitted data was analyzed to measure predefined discrepancies frequencies. Discrepant data was identified and communicated to NCHD for resolution. NCHD is responsible to resolve discrepancies and will receive payment against non-discrepant household. It is

important to note that for resolution of discrepancies through Roster Update, NCHD will not paid anything in addition. Besides the first quarters, where the agreement was that NCHD will address discrepancies (which have been addressed to some extent), for the unresolved ones, BISP deducts the amount in subsequent invoices.

Management agreed with the view point of audit that verification/validation of all data was not carried out.

DAC in its meeting held on 02.01.2025 directed to recover the amount.

Audit recommends that data of households with discrepancies should be recalculated and payment of these household should be recovered besides fixing responsibility for payment against un-verified data.

{Para 32 of AIR of BISP HO Programs for the Audit Year 2024-25}

#### **2.4.10 Unauthorized payment of deputation allowance – Rs. 63.708 million**

According to rule 33 (3) of the Benazir Income Support Programme (Employees’ Service) Regulations, 2018 “the employees on deputation shall have the option to either stick to their pay scales as prevalent in their parent organization along with deputation allowance or to opt for the programme’s pay package applicable to the scale to which they have been posted on deputation”.

The management of Benazir Income Support Program paid an amount of Rs. 63.709 million as Deputation Allowance to the deputationist during FY 2023-24.

Audit observed that deputation allowance was paid to those employees who have opted for Programme’s pay package.

Audit held that payment of deputation allowance to those employees who have opted for Programme’s pay package was held as irregular.

Management replied that in exercise of the powers conferred by Section 23 of the BISP Act, the BISP Board in its 31<sup>st</sup> meeting held on 08-03-

2019 approved Employees Service Regulation-2018 which was notified on 24-04-2019. Rule 60(1) of BESR, 2018 states that “The prevailing pay scale scheme i.e. Special Pay Scale (SPS) and allowances approved by the board in 2010, shall continue. However, any change in the prevailing scheme of pay scales shall be specified by the Management and approved by the board.”

The reply is not acceptable as it was a violation of BISP Service Regulations 2018.

DAC in its meeting held on 24.12.2024 decided to pend the para for decision in the next DAC.

Audit recommends to recover the amount of deputation allowance from all deputationists.

{Para 1 of AIR of BISP HO (Admin) for the Audit Year 2024-25}

**Note:** The issue was reported earlier also in the Audit Reports for the Audit Year 2022-23 vide para no. 2.4.10 having financial impact of Rs. 33.613 million. Recurrence of the same irregularity is a matter of serious concern.

#### **2.4.11 Excess payment of Top up of the *Nashonuma* CCT – Rs. 55.202 million**

Component 1 of para 1 of Grant and Project Agreement entered into between the Islamic Republic of Pakistan represented by the Ministry of Economic Affairs (the Recipient), Benazir Income Support Programme (BISP), Islamabad (the “Project-Executing Agency”) and *KfW* dated 09.06.2023 states that:

- Top up of the *Nashonuma* Conditional Cash Transfer (up to 1000 PKR per quarter) to beneficiaries in all flood affected districts for up to 2 years.
- Pilot of conditional cash transfers for adolescent girls (age: 15-19) in selected flood affected districts.

The Executing Agency i.e., BISP disbursed *Nashonuma* Conditional Cash Transfers to 519,985 beneficiaries (June-September 2023) and 570,672 beneficiaries (October-December 2023) in flood-affected districts under the Social Protection for Health and Climate Resilience (SPHCR) project.

Disbursement claims of Rs. 519.988 million and Rs. 570.672 million were submitted to KfW for reimbursement on November 8, 2023, and January 23, 2024, respectively.

Audit observed, during FAP Audit of Social Protection for Health and Climate Reliance (SPHCR) that instead of Top up cash transfers of Rs. 1000 per beneficiary per quarter, Top up Cash Transfers of 4-10 times against some beneficiaries were claimed from the donor during the two quarters from June 15, 2023 to December 2023.

Audit held that undue favour was granted to 25,127 beneficiaries which has resulted in excess payment of Rs. 55.202 million.

Management replied that payments for the BNP program are made every three months. Payments are made to the registered beneficiary every three months until they graduate (when the child becomes two years old). Since the initial report covers four months, from June to September 2023, some BNF beneficiaries have finished their quarter and received their next quarterly payout. For instance, if the beneficiary had been paid on June 20, the beneficiary would have also gotten money on September 20–30, making two appearances, and the BNF beneficiary would have also received payment in December. Moreover, there could be 3-4 payments against one CNIC where Mother would be enrolled being pregnant and her one child would also be enrolled so she is getting payment being PW and for her child.

The reply was not tenable as cases of 4-10 times payments were objected by audit.

DAC meeting has not been convened so far.

Audit recommends that excess amount paid may be recovered/adjusted in future payments besides fixing responsibility against person(s) at fault.

{ML No. 4.1.1 of FAP Audit of SPHCR for the Audit Year 2024-25}

#### **2.4.12 Non-recovery of embezzled amount – Rs. 40.684 million**

Para 6.8(iv) of banking contract provides that Bank shall provide the names and contact details of the committed Fraud Management Unit to

coordinate and report any fraud. Further, the Fraud Management team will conduct joint inquiries in coordination with BISP Officials, against any misappropriation or embezzlement.

The management of BISP disbursed cash transfers amongst beneficiaries of UCT and CCT during the FY 2023-24 through two partner banks i.e., Bank Alfalah and HBL.

Audit observed that an amount of Rs. 40.684 million was embezzled through Branchless Banking, fake biometric, out of district/ auto withdrawals and Illegal deductions during the FYs 2021-24 by Branchless Banking Agents and POS Agents, which was not recovered till the close of audit. Details are as follows:

Rs. in million

Formation Name	FY(s)	Para No. of AIR	No. of Cases / Agents Involved	Fraudulent Amount not recovered	Embezzlement through
BISP HO	2023-24	11	5473	16.612	Branchless Banking Agents
Zonal Office Malakand	2021-23	4	02	2.208	POS Agents
Zonal Office Multan	2023-24	1	318	3.288	POS Agents
Zonal Office Multan	2023-24	6	999	1.056	Illegal deduction by POS Agents
District Office Multan	2022-24	4	Details not provided	9.913	Auto withdrawal
Zonal Office Sukkur	2022-23	1	02	4.524	-do-
Dist. Office Bahawalpur	2022-24	2	284	2.519	-do-
District Office Khairpur	2022-23	4	25	0.564	-do-
<b>Total</b>				<b>40.684</b>	

Audit held that failure to recover embezzled funds expose program to financial risks, undermines accountability and compromises its financial integrity.

Management of BISP HO replied that out of 6,473 deductions complaints, 5290 beneficiaries have been compensated.

Management of Zonal Office Malakand replied that the matter has already been referred to the FIA. However, the remaining formations did not submit reply till the finalization of Audit Report.

The replies are not tenable as further details and progress was not shared with audit.

DAC in its meeting held on 02.01.2025 directed to pursue the matter of recovery of embezzled amount and get the record verified from audit.

Audit recommends early compliance of DAC directives.

**Note:** The issue was reported earlier also in the Audit Reports for the Audit Year 2019-20, 2021-22 and 2023-24 vide para no. 2.5.1, 2.4.2 and 2.4.19 respectively having financial impact of Rs. 96.915 million. Recurrence of the same irregularity is a matter of serious concern.

#### **2.4.13 Less deduction of Income Tax – Rs. 30.363 million**

According to Section 153(1)b of Income Tax Ordinance, 2001 every prescribed person making a payment in full or part including a payment by way of advance to a resident person or permanent establishment in Pakistan of a non-resident person:

- a) for the sale of goods;
- b) for the rendering of or providing of services;
- c) on the execution of a contract, other than a contract for the sale of goods or the rendering of or providing of services,

shall, at the time of making the payment, deduct tax from the gross amount payable at the rate specified in Division III of Part III of the First Schedule.

The Benazir Income Support Programme (BISP) contracted M/s NADRA on November 4, 2022, for implementing the NSER Dynamic Registry, paying a mobilization advance of Rs. 313.67 million (10% of total cost), to be recovered through invoice adjustments. Additionally, Rs. 53.34 million was spent on purchasing 3,000 point-to-point Data SIMs and reactivating 2,209 SIMs during FY 2023-24.

Audit observed that income tax amounting to Rs. 30.363 million, was not deducted from the payments made to the following vendors during the FY 2023-24. Details are as follows:

Rs. in million

<b>Name of Vendor</b>	<b>Para no. of AIR</b>	<b>Total Amount Paid</b>	<b>I.T not deducted</b>
NADRA	1	313.665	28.230
M/s IVAS	2	53.336	2.133
<b>Total</b>			<b>30.363</b>

Audit held that the management extended undue favor to M/s NADRA and M/s IVAS and caused loss amounting to Rs. 30.363 million to the Government Exchequer.

Management in case of NADRA replied that this was an advance payment to NADRA, which was done at several instances in previous contracts with NSER and other BISP programs. This was not an invoice issued for services rendered, rather a mobilization advance was adjusted in 4 equal installments, after adjustments/withholding of relevant taxes (income/sales etc.). Moreover, this advance was issued against the bank guarantee of UBL Bank which was released after adjusting the advance in 4 quarters through quarterly invoices.

Management reply is not tenable as BISP did not deduct the tax against total amount of invoice but deducted the same after deduction of mobilization advance (from the net amount).

Management in case of M/s IVAS replied that the SIM procurement was carried out with M/S IVAS which BISP has also done during the teachers' model implementation in 2020-2021. The SIM cards were specially linked with VPN protected services. The concerned agency was a single source for providing secured P2P connectivity. During the procurement process, BISP was apprised that, at first, the agency was not a commercial entity, and secondly, the agency pays the applicable taxes in advance for the bulk connection procurement with telecom operators directly, hence, tax deduction of any sort at source should not be carried out.

Management agreed with the view point of audit that income tax was not deducted by BISP at the time of making payment to M/s IVAS.

DAC in its meeting held on 02.01.2025 pended the para with the direction that the adjustment be made in the next payments.

Audit recommends recovery of the income tax and deposit of the same in Government Treasury.

{Para 1 & 2 of AIR of BISP HO Programs for the Audit Year 2024-25}

#### **2.4.14 Irregular payment to the spouses of Government employees – Rs. 6.084 million**

Section 4(a) of BISP Act 2010 provides that the objectives and purposes of the program shall be to enhance the financial capacity of the poor people and their dependent family members.

Federal Cabinet, *inter alia*, approved exclusion of government employees and their spouses from Regular BISP UCT Program.

Management of BISP enrolled and paid more than nine million beneficiaries under regular UCT program during the FY 2023-24.

Audit observed that 227 spouses of Government employees & pensioners (Grade 01 to Grade 20) were in receipt of fund under Unconditional Cash Transfers program. A sum of Rs. 6.084 million was disbursed to these beneficiaries by BISP during the FY 2023-24.

Audit held that payment of cash transfer to non-deserving beneficiaries was violation of provisions of BISP Act and was therefore held as irregular.

Management replied that the beneficiaries mentioned are temporarily blocked. After verification they will be blocked permanently. It is also worth mentioning that recruitments/retirements is an ongoing activity, thereby there is ample chance of identification/reoccurrence of such cases in future.

DAC in its meeting held on 02.01.2025 pended the para with the direction to verify the information, identify government servants who received UCT benefits, and recover the disbursed amounts in such cases.

Audit recommends that the matter be inquired for fixing responsibility besides recovery of amount.

{Para 34 of AIR of BISP HO (Programs) Audit Year 2024-25}

**Note:** The issue was reported earlier also in the Audit Reports for the Audit Year 2019-20, 2021-22, 2022-23 and 2023-24 vide para no. 2.5.1, 2.4.6, 2.4.26, 2.4.9 and 2.4.14 respectively having financial impact of Rs. 23,779.387 million. Recurrence of the same irregularity is a matter of serious concern.

#### **2.4.15 Overlapping of BISP and Government of Punjab Programs - Rs. 3.661 million**

Para 18 of Agenda no. 3 to the minutes of 60<sup>th</sup> BISP Board held on August 02, 2023 provides that every effort is being made to avoid duplication, for instance, Government of Punjab is implementing *Zewar-e-Taleem* program for girls student in secondary schools in 16 Districts of South Punjab, hence BISP is not implementing its CCT Education Program in these districts.

The *Zewar-e-Taleem* Program provides conditional cash transfers to girl students in 16 low-literacy districts, aiming to improve school enrolment, retention, and address nutritional needs. A monthly stipend of Rs. 1,000 is disbursed through the branchless banking system developed by the Punjab Social Protection Authority (PSPA) to girls in government schools from grades 6 to 10 in districts such as Bahawalnagar, Bahawalpur, DG Khan, and others. Management of Benazir Income Support Programme paid Conditional Cash Transfer (CCT) under WeT programme during FY 2023-24.

Audit observed that cash transfer regarding admission and attendance compliance amounting to Rs. 3.661 million was made by BISP to 1046 girls studying in Public School (class 6<sup>th</sup> to 10<sup>th</sup>) of such districts where *Zewar-e-Taleem* cash transfer Program was launched by Government of Punjab.

Audit held that the payment of CCT under WeT Programme to those students who were already in receipt of cash transfer from Government of Punjab was overlapping of funds which deprived the other deserving children.

Management replied that 1,206 payments for 733 children from 173 schools were incorrectly marked as “Public” instead of “Un-identified” in the BISP database due to an error by the Technology Wing. These schools fall under the “Un-identified” category, and the stipend payments are being stopped only for identified public schools. Updated data, including the correct

school type, has been shared with the audit and will be verified in the BISP database. The school types for un-identified schools will be updated during the ongoing attendance collection activity.

The management's reply and justification was not acceptable, as the data provided clearly listed the schools as "Public." Furthermore, management acknowledged that a significant number of schools, aside from those identified by the audit, remain un-identified (Public or Private). Despite that, BISP has disbursed substantial payments under the WeT programme without verifying the status of these schools.

DAC in its meeting held on 02.01.2025 directed to get the record verified from audit.

Audit recommends that the matter be inquired and data/record of registration of child under WeT programme be reviewed besides fixing of responsibility and recovery of amount. Furthermore, status of all un-identified schools be rechecked and action be taken accordingly. In addition, there is also a need for having a data exchange protocol between BISP, PBM and provincial social safety organizations to ensure that targeted interventions are made to help the most needy citizens.

{Para 41 of AIR of BISP HO Programs for the Audit Year 2024-25}

#### **2.4.16 Irregular enrollment of PBM SRCL Students in BISP *Taleemi Wazaif* CCT Programme – Rs. 2.792 million**

Para No. 18 of 60<sup>th</sup> Board Meeting of BISP provides that all provincial governments were taken on board before commencing the Benazir *Taleemi Wazaif* CCT Programme and every effort being made to avoid duplication. Para 20(iv) further provides that the design committee should review the design of the CCT programme to develop a framework of CCT intervention.

The management of BISP enrolled 228,325 children in Benazir *Taleemi Wazaif* CCT Programme during the FY 2023-24.

Audit observed during audit of BISP Zonal Office Swat and District Office Swat, on sample basis that, the management enrolled 129 students of

Pakistan Bait ul Mal fully sponsored students in Benazir *Taleemi Wazaif* CCT Programme during the FYs 2018-24.

Audit held that enrollment of PBM students in Benazir *Taleemi Wazaif* CCT Programme who have been studying in Schools for rehabilitation of Child Labour of Pakistan Bait ul Mal on fully sponsored basis was held as duplication of benefits and a stipend amount paid to the mothers of such students amounting to Rs. 2.792 million was held as irregular.

Management replied that this office had no access to the database of Pakistan Bait-ul-Mal and the Compliance Monitors who had the sole responsibility of enrollment of students are under direct supervision of CCT Wing HQ.

The reply was not tenable as the name of Pakistan Bait-ul-Mal (PBM) is clearly displayed on all PBM schools and the responsibility of Zonal offices include the monitoring and supervision of payments made to the beneficiaries.

Despite repeated requests, DAC meeting has not been convened so far.

Audit recommends that necessary action may be taken to avoid duplication of benefits besides fixation of responsibility against person(s) at fault. There is also a need for having a data exchange protocol between BISP, PBM and provincial social safety organizations to ensure that targeted interventions are made to help the most needy citizens.

**{Para 1 & 4 of AIR of BISP ZO Swat and DO Swat for the Audit Year 2024-25}**

## Chapter 3

### PAKISTAN BAIT-UL-MAL

#### 3.1 Introduction

A. Pakistan Bait-ul-Mal (a welfare fund) was established in 1992 by PBM Act, 1991 (amended 2002 & 2016) under the umbrella of Ministry of Social Welfare & Special Education. The mission of the PBM is to provide social protection to the poor and marginalized segments of the society. All the programs of Pakistan Bait-ul-Mal are funded through “Grant-in-Aid” provided by Government of Pakistan. The Pakistan Bait-ul-Mal is administered by the Board which is constituted by the Federal Government. All administrative and financial powers under the Act are exercised by the Managing Director who is appointed by the Federal Government.

According to Section 4 of PBM Act, 1991, the money in the Bait-ul-Mal shall be utilized for the following purposes:

- Provide financial assistance to destitute and needy widows, orphans, invalid, infirm and other needy persons;
- Rendering help for rehabilitation of the persons specified in clause (a) in various professions or vocations;
- Provide assistance to children of the deserving persons for educational pursuits;
- Provide residential accommodation and necessary facilities to the deserving persons;
- Provide free medical treatment to indigent sick persons and set up free hospitals, poor houses and rehabilitation centers and give financial aid to charitable institutions, including industrial homes and other educational institutions established specially for poor and needy;
- Provide stipends to educated youth during training before their employment in jobs;
- Provide stipends and financial assistance to brilliant but poor students who cannot afford to acquire higher technical or medical education abroad for lack of money;

- Sponsor and promote self-employment scheme; and
- Any other purpose approved by the Board having regard to the aims and objects of the Bait-ul-Mal.

## B. Comments on Budget & Accounts (Variance Analysis)

Statement of Accounts of Bait-ul-Mal Fund for the year 2023-24 was as under:

Rs. in million	
<b>Particulars</b>	<b>Amount</b>
Total Budget	2,479.384
Total Disbursements	2,479.347
Balance (Lapsed)	0.037

## Budget of Formations Audited:

Rs. in million					
<b>Sr. No.</b>	<b>Name of Formation</b>	<b>FY(s)</b>	<b>Receipts / Budget</b>	<b>Expenditure</b>	<b>Excess / Saving</b>
01	Pakistan Bait-ul-Mal Provincial Office Gilgit	2022-24	417.311	522.292	-104.981
02	Pakistan Bait-ul-Mal Provincial Office Peshawar	2022-24	1,619.062	2,112.161	-493.099
03	Pakistan Bait-ul-Mal Regional Office Islamabad	2022-24	1,143.080	1,395.921	-252.841
	<b>Total</b>		<b>3,179.453</b>	<b>4,030.374</b>	<b>-850.921</b>

## C. Sectoral analysis on the achievements against targets agreed under MTBF

The performance indicators, targets and achievements for the FY 2023-24 by PBM is tabulated below:

<b>Output</b>	<b>Selected performance indicators</b>	<b>Targets</b>	<b>Achievement</b>
Provision of financial assistance related to health and education through IFA	Number of beneficiaries of individual financial assistance general	9,000	2,638
	Number of beneficiaries of individual financial assistance medical	18,000	8,723
	Number of beneficiaries of individual financial assistance education	11,000	4,502

The Audit profile of Pakistan Bait-ul-Mal for the FY 2023-24 was as follows:

**Table: Audit Profile of Pakistan Bait-ul-Mal**

(Rs. in million)

Sr. No.	Description	Total	Audited	Expenditure audited FY 2023-24
1	Formations	154	04	6,509.72
2	Assignment Account (excluding FAP)	09	03	4,030.374

### 3.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 3,252.047 million were raised as a result of audit. This amount also includes recoverable amount of Rs. 1,624.126 million. Summary of audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	<b>Irregularities</b>	<b>2,269.108</b>
A	HR/ Employees related irregularities	97.120
B	Procurement related irregularities	-
C	Management of Accounts with Commercial banks	-
D	Financial Management	2,171.988
2	<b>Value for money and service delivery issue</b>	<b>24.790</b>
3	<b>Others</b>	<b>958.149</b>

### 3.3 Brief comments on the status of compliance with PAC Directives

Year of AR	PAC Status	No. of Actionable points	Compliance	Non-compliance	% Compliance
1993-94	Held	9	8	1	89
1997-98	Held	8	7	1	88
2000-01	Held	1	0	1	0
2003-04	Held	2	0	2	0
2006-07	Held	5	3	2	60
2007-08	Held	3	0	3	0
2009-10	Held	11	7	4	64
2010-11	Held	16	1	15	6

2015-16	Held	11	0	11	-
2016-17	Held	3	0	3	-
2017-18	Held	3	0	3	-
2018-19	Held	5	0	5	-
2019-20	Held	3	-	3	-
2021-22	Not Held	-	-	-	-
2022-23	Not Held	-	-	-	-
2023-24	Not Held	-	-	-	-

### 3.4 AUDIT PARAS

#### Irregularities & non-compliance

##### 3.4.1 Irregular transfer of funds - Rs. 1,373.007 million

According to para 15 of *Asaan* Assignment Account Procedure 2020 (amended in 2023), Cash withdrawal or transfer of funds to any bank account is not allowed except employees related deductions like pension contribution, provident fund and GP Fund, etc. These deductions shall be made as per Rules / Policy Guidelines / Procedure of the relevant offices. Payment shall be made only through crossed cheque to contractors, vendors, suppliers, employees, etc.

The management of Pakistan Bait-ul-Mal Provincial/Regional Offices Peshawar, Gilgit and Islamabad transferred funds of Rs. 1,373.007 million from the Sub-Assignment Accounts maintained with National Bank of Pakistan to commercial bank accounts during the FY 2023-24.

Details are as follows:

Rs. in million			
Sr. No.	Formation Name	Para No. of AIR	Amount transferred from Assignment Account
1	PBM, PO, Peshawar	1	716.670
2	PBM, RO, Gilgit	1	175.755
3	PBM, RO, Islamabad	7	480.582
<b>Total</b>			<b>1,373.007</b>

Audit observed that the funds were transferred from the Assignment Account to operational account without the approval of Finance Division.

Audit held that transfer of funds from (sub) Assignment Account to operational accounts, to avoid the lapse of fund, was irregular and unauthorized.

The management of PBM Provincial Office, Peshawar replied that the funds were transferred to meet ERE expenditure. However, as directed by Audit, ERE and deductions are now directly transferred from sub assignment account.

The management of PBM Regional Office, Gilgit replied that the amount was transferred to meet the expenditure for monthly salary along with preparation of monthly ERE schedule, and cross cheques issued to Manager NBP Jutail, Gilgit for onward transferring of monthly salary to all the concerned employees as per pay roll. It is pertinent to mention that same was forwarded to PBM Head Office Islamabad for reconciliation purpose etc., with AGPR, Islamabad. It is mentioned here that this disbursement procedure is with understanding of AGPR for timely disbursement of salary.

The management of PBM, regional office, Islamabad, replied that funds were withdrawn after fulfilling all codal formalities.

The replies are not tenable as the transfer was made against the prevailing Assignment Account Procedure.

DAC in its meeting held on 02.01.2025 directed, in case of PBM RO Islamabad, to verify the record from audit.

However, despite repeated requests, PAO has not been able to convene DAC meeting of PBM PO Peshawar and PBM RO Gilgit so far.

Audit recommends that the available funds in the operational account irregularly withdrawn from Assignment Account should be deposited into Government Treasury. This practice must be stopped in future besides fixing of responsibility against person(s) at fault.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 and 2023-24 vide para no. 3.4.1 and 3.4.1 having financial

impact of Rs. 2,550.577 million. Recurrence of the same irregularity is a matter of serious concern.

### 3.4.2 Payments in violation of MOU - Rs. 814.650 million

According to Clauses No.4.7, 4.13 and 4.14 of MOU signed on 12<sup>th</sup> March 2024 between the Hospitals and Pakistan Bait-ul-Mal, hospitals shall be responsible to facilitate and provide all relevant information/documents/ record to the PBM monitoring and evaluation/ inspection teams as and when required. Hospitals shall be responsible for training of the patients from qualified audiologist and speech therapist and shall provide backup support to the patients. Said services will not be charged separately from the patients. Hospitals shall be responsible for opening a separate dedicated interest bearing account in the National bank of Pakistan for PBM funds. The unspent amount and interest on deposits will be reconciled and re-imbursed to PBM quarterly.

PBM Head Office, Islamabad released an amount of Rs.814.650 million to hospitals for treatment of Deaf and Hard of Hearing Child Patients (by birth). Details are as under:

Rs. in million		
Sr No.	Hospitals	Amount
1.	Ali Medical Centre F-8 Islamabad	276.55
2.	CDA Hospital Islamabad	152.65
3.	CMH Abbottabad	2.15
4.	CMH Rawalpindi	13.80
5.	Fauji Foundation Hospital Rawalpindi	25.80
6.	Mukhtar Ahmed Shiekh Hospital Multan	2.00
7.	National Hospital and Medical Centre Lahore	2.00
8.	Razia Saeed Hospital Multan	77.40
9.	Saidu Group of Hospitals Swat	189.20
10.	Sudais Medical Complex Charsadda	73.10
<b>Total:</b>		<b>814.65</b>

Following discrepancies were observed:

- i. No record of the actual utilization of funds was maintained and available with PBM.

- ii. No separate Bank Account in National Bank of Pakistan was maintained and amount of Profit was not refunded to PBM.
- iii. No monitoring was carried out.
- iv. No reconciliation with bank account of hospitals was carried out.
- v. Post-Surgical Services of Audiology and Speech Therapy were not provided to the patients.
- vi. Due to non-treatment of patients in time, the children got out of age bracket of 05 years. Resultantly they were deprived of the Cochlear Implant Surgery.
- vii. An amount of Rs. 114 million was utilized in excess of the available funds of 700 million under the head of Cochlear Implant.

Audit held that due to non-adherence to MOUs, the authenticity of funds utilized could not be ascertained.

Management replied that all financial record is available for verification. Hospitals were directed to open separate bank accounts, reconciliation statements and monitoring reports would be shared with audit as & when finalized. Post-Surgical Services of Audiology & Speech Therapy of patients would be carried out by hospitals on the recommendation of Speech Therapist of concerned hospitals. The Cochlear Foundation has pledged to cover the difference for patients, under 42 months of age. Additional funds were utilized from donation/IFA recovery accounts.

The reply was not tenable as no record was verified from audit.

DAC in its meeting held on 02.01.2025 directed the management to conduct a fact finding inquiry to probe into the matter.

Audit recommends that directives of DAC be implemented.

{Para No.1 of AIR of PBM HO Islamabad}

### **3.4.3 Non-surrender of unspent balances – Rs. 798.981 million**

Para 01 (iv) of the revised procedures for operation of Assignment Accounts of Federal Government states that assignment account will be part of consolidated fund. Amounts remaining unspent at the close of financial year will appear as saving under the respective budget grant surrendered in

time. Unspent ceiling /balance in assignment accounts will not be carried forward in the next financial year.

Pakistan Bait-ul-Mal Head Office Islamabad and Provincial/Regional Offices, at Peshawar, Gilgit and Islamabad have been operating many accounts alongside of assignment account.

Audit observed that an amount of Rs. 798.981 million was lying as unspent balances in other than the assignment account which was not refunded/surrendered to the Government. Details are as follows.

(Rs. in million)

Formation Name	Para No. of AIR	FY	No. of accounts	Amount to be refunded	Remarks
PBM HO Islamabad	4	2022-24	08	586.334	Operational accounts
PBM RO Islamabad	2	2022-23	04	195.211	Operational accounts
PBM RO Gilgit	3	2022-23	01	8.972	Admin Account
PBM PO Peshawar	15	2022-24	06	8.464	Panagah accounts
<b>Total</b>				<b>798.981</b>	

Audit held that the unspent balances, in admin (operational) accounts, being part and parcel of the Assignment Account was not surrendered/refunded and carried forward in the next financial year, which was held as irregular.

The management of PBM Head Office, regional offices at Islamabad and Gilgit replied that the clarification has been sought from Finance Division which was still awaited. However, the management of PBM Provincial Office, Peshawar replied that the balances in the Panagah Account were released by Government of Khyber Pakhtunkhwa under MoU and the same would be refunded to Provincial Government.

The reply was not tenable as funds were carried forward to the next year in violation of rules.

DAC in its meeting held on 02.01.2025 directed to refund the amount in Government treasury.

Audit recommends early deposit of unspent balances into Government Treasury besides closure of all operational accounts that have been used by PBM side by side with the assignment account.

**Note:** The issue was reported earlier also in the Audit Reports for the Audit Year 2019-20, 2021-22 and 2023-24 vide para no. 4.5.8, 3.4.2 and 3.4.2 respectively having financial impact of Rs. 933.703 million. Recurrence of the same irregularity is a matter of serious concern.

#### **3.4.4 Irregular payment to Government employees – Rs. 116.743 million**

Individual Financial Assistance (IFA) policy of Pakistan Bait-ul-Mal provides that the Government servants (including those on contract) and their family members are not eligible to apply for the IFA. Employees serving in public sector organizations, corporations, and autonomous bodies are also not eligible to apply.

Sr. no. 2 of eligibility criteria provided in Pakistan Sweet Home (PSH) policy states that the following criteria shall be observed for enrolment of child in the PBM Sweet Home:

- i. If father or both parents are not alive.
- ii. Age bracket of 4 to 6 years.
- iii. Family is deserving.
- iv. As a very special case and in case of non-availability of orphan falling under Clause- i & ii, if the parents are unable, or unfit to provide basic needs to children, i.e., health, education, shelter, nutrition, security. The least priority category is ‘family is ultra poor’.

The management of PBM HO Islamabad, PBM PO Peshawar and PBM RO Gilgit accommodated 18,320 beneficiaries under IFA schemes and Pakistan Sweet Home during the financial years 2022-24.

Audit observed that funds under Individual Financial Assistance (IFA) schemes amounting to Rs. 84.613 million were utilized on 435 government employees / pensioners. Details are as follows:

Rs. in million

Sr. No.	Name of formation	Para No. of AIR	FY(s)	No. of beneficiaries	Program/ scheme	Amount
1	PBM HO Islamabad	2	2023-24	276	IFA Services	61.971
2	PBM PO Peshawar	23	2022-24	159	IFA Services	22.642
<b>Total</b>				<b>435</b>		<b>84.613</b>

Audit further observed that funds under the scheme of PSH amounting to Rs. 116.743 million were utilized on 106 such students who were the dependents of Government employees/pensioners. Details are as follows:

Rs. in million

Sr. No.	Name of formation	Para No. of AIR	FY(s)	No. of students	Program/ scheme	Amount
1	PBM PO Peshawar	21	2022-24	64	PSH	24.99
2	PBM RO Gilgit	10	2022-24	42	PSH	7.14
<b>Total</b>				<b>106</b>		<b>32.13</b>

Audit held that expenditure of IFA schemes incurred on Government employees/pensioners amounting to Rs. 84.613 million was irregular. Furthermore, the expenditure of Rs. 32.13 million incurred on the dependents of Government Servants/Pensioners under PSH scheme was also irregular because the least priority category for eligibility in PSH scheme states that the family should be 'ultra poor' to qualify.

Management replied that PBM did not have any mechanism or access to check this criterion. PBM relies on the investigation report of Assistant Director of relevant district. Moreover, the policy of PSH and SRCL did not restrict students whose guardians are government servants.

The reply was not tenable as dependents of government servants and pensioners were ineligible for IFA schemes. Additionally, their enrollment in PSH was considered irregular, as they did not fall under the definition of ultra-poor. As per the PSH Policy, the ultra-poor constitute the least prioritized category for admission, with maximum monthly income thresholds of Rs. 18,000 under the World Food Program and Rs. 7,500 under the Pakistan Bureau of Statistics.

DAC in its meeting held on 02.01.2025 directed to conduct a fact finding and further directed to develop a mechanism of data sharing with NADRA and respective accounts offices.

Audit recommends implementation of the DAC directives.

### **3.4.5 Irregular appointment and expenditure on Contingent Staff - Rs. 97.120 million**

According to Regulation No.27 of Financial Management and Powers of Principal Accounting Officers Regulations, 2021, “The Finance Division shall approve appointment of contingent paid staff within the budgetary provisions and as per the instructions issued from time to time”.

Management of Pakistan Bait-ul-Mal Regional Office Islamabad incurred expenditure of Rs. 97.120 million on 285 contingent employees during Financial Year 2022-24.

Audit observed that 285 contingent employees were appointed without approval of Finance Division.

Audit held that appointment of contingent paid staff was irregular.

The management replied that the contingent staff was hired against various projects of PBM.

The reply was not tenable as no PC-I against the projects was found available in the record.

DAC in its meeting held on 02.01.2025 directed to place the matter before Bait-ul-Mal Board for taking up the same with Finance Division for ex-post facto approval.

Audit recommends early compliance of DAC directives.

{Para 14 of AIR of PBM RO Islamabad for the Audit Year 2024-25}

### **3.4.6 Wasteful expenditure on PSH Skardu - Rs. 22.174 million**

According to Rules 11 & 12 of GFR Vol -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 subordinate disbursing officers.

Pakistan Bait-ul-Mal Head Office directed PBM Gilgit vide letter dated 27.03.2023, to partially convert the Shelter Home/Panagah at Skardu into Pakistan Sweet Home (PSH) for accommodation of 03 x PBM Sweet Homes’s students of senior classes i.e., 9<sup>th</sup> & 10<sup>th</sup>.

Audit observed that the management of PBM Regional Office Gilgit hired a building with a capacity of over 100 people, against a rent of Rs. 225,000 monthly, to accommodate only 19 students. Out of 18 bedrooms, 14 remained vacant and unutilized. Additionally, 17 employees served just 19 students. Moreover, staff from Panagah were transferred to Pakistan Sweet Home despite having different job descriptions and skill sets.

Audit further noted that shifting of students from Gilgit to Skardu, without any provision in the rules, disrupted the education of the students. As a consequence, the exam results of the students were negatively affected with some of them dropping out of school.

Audit held that management of PBM Gilgit incurred an amount of Rs. 22.174 million during 2022-24 on Pakistan Sweet Home which was not an economical utilization of resources.

The management replied that PSH boarders used only a portion of the Shelter Home building, with expenses covered by PSH's budget. The building shift was initiated through tender but failed; a new tender is underway to find a building near DHQ Skardu.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends that an economic arrangement should be made.

{Para 4 of AIR of PBM Gilgit for the Audit Year 2024-25}

### 3.4.7 Doubtful enrolment of PSH/SRCL students – Rs. 16.261 million

The mission statement of SRCL Project as defined in the SRCL Policy provides “to wean away child labourers from their hazardous workplace and bring them into main stream of education”.

The scope/mission of Pakistan Sweet Home Policy states that the PBM Sweet Homes aims to develop a modern institutional approach towards welfare of orphans, to provide modern education and realize their potential to participate in the main stream of life with pride and dignity.

Pakistan Bait-ul-Mal (PBM) Regional Office, Gilgit accommodated 291 children in 3 Pakistan Sweet Homes (PSH) and 685 children in 5 Schools for Rehabilitation of Child Labour (SRCL). Meanwhile, PBM Provincial Office, Peshawar provided shelter to 890 students in PSH and education to 1,081 students in SRCL schools across 8 district-level Sweet Homes during the FYs 2022-24.

Audit observed that 32 students of SRCL were found enrolled in BISP’s WeT Programme well before their admissions in SRCL. Moreover, 28 students of PSH were also found enrolled in Government/private schools, as per BISP database, which creates doubt regarding their admission in PSH. Details are as follows:

Rs. in million

Name of formation	Para No. of AIR	Project / Program	No. of students	Amount	Remarks
PBM PO Gilgit	11	SRCL	19	8.360	Further details are at <b>Annexure-II</b>
		PSH	14		
PBM PO Peshawar	19	PSH	14	5.466	Further details are at <b>Annexure-III</b>
PBM PO Peshawar	26	SRCL	13	2.435	Further details are at <b>Annexure-IV</b>
<b>Total</b>			<b>60</b>	<b>16.261</b>	

Audit held that admission of students in BISP WeT Programme/Government schools before their admission in SRCL schools proved that they were not child labour/out of schools. Moreover, PSH students also enrolled at the same time in Government Schools raised doubts about their admission in PSH. The amount of Rs. 16.261 million incurred on such students by the management of PBM during the FYs 2022-24 was held as irregular.

The management replied that the policy did not restrict admission of such students who were enrolled with WeT programme of BISP.

The reply was not tenable as the students were already enrolled in BISP WeT.

Management of PBM PO Peshawar replied that management clarified that children previously enrolled in government schools were later withdrawn by their guardians and admitted to Pakistan Sweet Homes (PSH), or vice versa. As a result, the child's data may appear in both records within the same academic or financial year, but this does not indicate simultaneous enrollment. Furthermore, children initially enrolled in government schools later dropped out and became street children. Upon request from their parents, PBM SRCL Management enrolled these children, in accordance with the policy that allows both child laborers and street children to be admitted to SRCLs.

The reply was not tenable as the admission dates and proof of enrollment for these students in PBM-sponsored schools were not provided to the Audit. Additionally, the status of these students remained marked as active in the BISP database during the specified period.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends that the matter may be inquired and responsibility be fixed in cases where students were also found enrolled in other schools.

### **3.4.8 Irregular payment to PBM employees – Rs. 8.702 million**

Para 8 of Conflict of Interest Policy of PBM provides that a conflict of interest is a situation in which an individual is in a position to exploit a professional or official capacity for personal benefits.

Eligibility criteria for admission in Women Empowerment Center (WEC) provides that those in the categories of widows with dependent children, orphans, destitute and poorest of poor will be accommodated.

The management of PBM, Provincial Office, Peshawar accommodated a total number of 1,081 and 2,153 students in 24 SRCL schools and 26 WEC respectively. An expenditure of Rs. 403.29 million and 260.77 million was incurred on SRCL and WEC projects respectively during the FY 2022-24.

Audit observed that 43 PBM employees appeared as self/father/guardian of 43 SRCL and WEC students, which was held as irregular. Details are at **Annexure-V**.

Audit held that expenditure incurred on such students amounting to Rs. 8.702 million (Rs. 5.809 million on 31 SRCL students and Rs. 2.895 million on 12 WEC students) was held as irregular.

Management replied that parents of the children were illiterate and didn't have mobile phones, so they requested PBM staff to mark themselves as guardians of their children. In some cases, students were close relatives of the PBM SRCL employees and nominated themselves as guardian to facilitate them. However, the stipend received has been paid to actual beneficiaries. Written statements of the beneficiaries on stamp papers are available for verification.

The reply was not tenable as stipend was received by such employees of PBM.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends that the inquiry may be conducted, responsibility fixed and necessary action be taken against such employees besides recovery of amount drawn by such employees as stipend and subsistence allowance.

{Para 24 of AIR of PBM Peshawar for the Audit Year 2024-25}

### **3.4.9 Irregular expenditure on WEC students – Rs. 2.616 million**

Para 3.3 of Pakistan Bait ul Mall Policy for Women Empowerment Centre (WEC) states that the trainees of WEC may be allowed to get admission in another trade (not more than two) after completion of training in one trade. However, they may not be entitled to daily stipend for second time.

The management of PBM Regional Office Gilgit accommodated 2,957 women under Women Empowerment Centre initiative during the FYs 2021-24.

Audit observed that 21 students of WEC were enrolled and accommodated for more than twice (upto 5 times in 02 cases).

Audit held that accommodation of same woman twice resulted in depriving of 28 eligible women and irregular utilization of funds of Rs. 2.616 million (Avg. cost of Rs. 93,440 per women). Details are at **Annexure-VI**.

The management replied that the enrollment process in WECs was totally manual and it was difficult to identify the duplication in admissions.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends to inquire the matter and fix responsibility.

{Para 18 of AIR of PBM Gilgit for the Audit Year 2024-25}

### **3.4.10 Irregular withdrawal of stipend/subsistence allowance – Rs. 1.793 million**

Para 3.9(iv) of School for Rehabilitation of Child Labour (SRCL) policy provides that to fill vacuum of family income, students / parents will be paid:

- i. Stipend @ Rs. 10/- per day to the student on attendance basis to be paid through parents accounts maintained at designated Banks/ Post Offices on monthly basis.
- ii. Subsistence allowance as wage compensation to parents @ Rs.300 per month will be paid through designated Banks/Post Offices in advance.

The management of Pakistan Bait-ul-Mal (PBM) executed an agreement with the United Bank Limited (UBL) on 21.10.2020 for disbursement of PBM funds and stipends to beneficiaries/their parents through UBL Omni on monthly/quarterly basis.

Audit observed that payments of stipend/subsistence allowance amounting to Rs. 1.793 million were made by UBL Omni, on disbursement of codes on single mobile number which were registered against multiple beneficiaries of WEC and SRCL (one number against upto 6 beneficiaries) irrespective of different father/guardian names during the FYs 2022-24.

Audit held that use of one mobile number in receiving of amounts of multiple beneficiaries, without being parents/guardian of such beneficiaries, was doubtful.

The management replied that stipend payments were transferred to parents' CNICs and withdrawn after biometric verification at UBL Omni or EasyPaisa. Mobile numbers were used for notifications, and beneficiaries, often relatives or neighbors, receive payments after biometric verification.

The reply was not tenable as Mobile number in Omni transactions is used for security PIN submission. Moreover, cash can also be withdrawn without biometric by using a 16 digit disbursement code and showing original CNIC to UBL Omni *Dukandar*.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends to inquire the matter, to fix responsibility and recovery of amount from person(s) at fault.

{Para 20 of AIR of PBM Peshawar for the Audit Year 2024-25}

## Chapter 4

### MINISTRY OF OVERSEAS PAKISTANIS AND HUMAN RESOURCE DEVELOPMENT

#### 4.1 Introduction

A. The Ministry of Overseas Pakistanis and Human Resource Development oversees matters concerning Overseas Pakistanis and human resource development in Pakistan. According to Rules of Business, 1973 following functions are assigned to allied departments/ offices:

1. National policy, planning and coordination regarding manpower development and employment promotion for intending overseas workers.
2. Preparation of short and long-term programs for manpower development and employment promotion abroad.
3. Research into problems of overseas Pakistanis; promotion and coordination of measures best suited to resolving them and motivating Pakistani citizens abroad to strengthen their links with the mother country.
4. Policy for linkages between the training of workers/labour force with the latest requirements abroad.
5. Linkage of training imparted at training institutes like National Training Bureau, Pakistan Manpower Institute, etc. with the efforts for increase in manpower export through Overseas Employment Corporation and Bureau of Emigration and Overseas Employment. This would also include close coordination and linkage with the Community Welfare Attaches abroad.
6. Welfare of Pakistani emigrants abroad and their dependents in Pakistan.
7. Periodic assessment, review and analysis of manpower resources and employment requirements overseas.

8. Administrative control of Overseas Pakistanis Foundation.
9. Special Selection Board for selection of Community Welfare Attaches for posting in Pakistan Missions abroad.
10. Administration of:
  - a) Emigration Ordinance, 1979;
  - b) Control of Employment Ordinance, 1965;
  - c) Workers Welfare Fund Ordinance, 1971;
  - d) Companies Profits (Workers Participation) Act, 1968;
  - e) Employees' Old Age Benefits Act, 1976 including supervision and control of the employees' old age benefits institutions.
11. Administrative control of:
  - a) Overseas Employment Corporation; and
  - b) Bureau of Emigration and Overseas Employment.
12. Foreign Employment and Emigration.
13. Administration of the Industrial Relations Act, 2012 and keeping a watch on labour legislation from international perspective, coordination of labour legislation in Pakistan and the Industrial Relations Commission.
14. Dealing and agreements with international organizations in the fields of Labour and Social Security.

**B. Comments on Budget & Accounts**

Statement of Receipts/ Budget allocated and expenditure for the FY(s) 2022-24 of the formation audited is as under:

Rs. in million

S. No.	Name of Formation	FY(s)	Receipts/ Budget	Expenditure
1	M/o Overseas Pakistanis &HRD	2022-24	730.188	708.771
2	Employees Old-Age Benefits Institution (EOBI) Head Office Karachi	2023-24	127,584.148	66,598.355
3	EOBI Regional office Abbottabad	-	-	
4	EOBI Regional office City, Karachi	-	-	
5	EOBI Regional office Faisalabad (North)	2022-24	16.344	8.505
6	EOBI Regional office Faisalabad (South)	2022-24	16.731	10.958
7	EOBI Regional office Karachi (Central)	-	-	
8	EOBI Regional office Quetta	2022-24	11.942	8.358
9	Bureau of Emigration and Overseas Employment (HQs) Islamabad	2023-24	405.720	370.349
10	Protector of Emigrants, Peshawar	2021-24	139.870	123.394
11	Protector of Emigrants, Rawalpindi	2021-24	195.268	184.827
12	Overseas Pakistanis Foundation Head Office Islamabad	2023-24	7,004.597	6,563.661
13	Overseas Pakistanis Foundation Regional Office, Karachi	2022-24	32.739	32.650
14	Overseas Pakistanis Foundation Regional Office, Peshawar	2022-24	39.133	44.373
15	Overseas Employment Corporation Islamabad	2022-24	1,654.893	680.991
16	Worker Welfare Fund Islamabad	2023-24	-	2,578.001
17	Worker Welfare Board Punjab Lahore	2023-24	16,740.069	16,237.117
18	Worker Welfare Board Khyber Pakhtunkhwa Peshawar	2023-24	7,171.103	6,779.782
19	Worker Welfare Board Balochistan Quetta	2023-24	1,881.784	1,355.321
<b>Total</b>				<b>102,285.413</b>

**C. Sectoral analysis on the achievements against targets agreed under MTBF**

The performance indicators, targets and achievements for the FY 2023-24 by Ministry of Overseas Pakistanis and Human Resource Development Division is tabulated below:

<b>Outputs</b>	<b>Selected Performance Indicators</b>	<b>Targets</b>	<b>Achievements</b>
Promotion of overseas employment and welfare of overseas Pakistanis	Number of Community Welfare Attachés around the world	24	Details not provided
	Number of complaints of emigrants registered by Community Welfare Attaches	38500	
	Percentage of complaints of emigrants resolved by Community Welfare Attaches	72%	
Resolution of Industrial Disputes	Number of labor disputes resolved	17400	
Overseas employment promotion and regulation of overseas employment promoters	Number of employees hired by foreign countries	1,050,000	
Monitoring and control of immigration and overseas employment	Computerization of data of outgoing emigrants	1,050,000	

The Audit Profile of Ministry of Overseas Pakistanis and Human Resource Development for the FY 2023-24 was as follows:

<b>Sr. No.</b>	<b>Description</b>	<b>Total Nos</b>	<b>Audited</b>	<b>Rs. in million Expenditure audited FY 2023-24</b>
1	Formations	69	19	102,285.41
2	Authorities/ Autonomous Bodies etc., under the PAO	68	18	101,576.64

## 4.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 21,678.050 million were raised as a result of audit. This amount also includes recoverable of Rs. 19,887.888 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

		Rs. in million
Sr. No.	Classification	Amount
<b>1</b>	<b>Irregularities</b>	<b>1,511.923</b>
A	HR/ Employees related irregularities	387.337
B	Procurement related irregularities	999.048
C	Management of accounts with commercial banks	109.395
D	Financial Management	16.143
<b>2</b>	<b>Values for money and service delivery issues</b>	<b>713.146</b>
<b>3</b>	<b>Others</b>	<b>19,452.981</b>

## 4.3 Brief comments on the status of compliance with PAC Directives

Year of AR	Formation	PAC Status	No. of Actionable points	Compliance	Non-compliance	% Compliance
2013-14	Ministry of OP&HRD	Not Held	1	0	1	-
2011-12	-do-	Held	2	1	1	50
2014-15	-do-	Not Held	8	0	8	-
2016-17	-do-	Not Held	3	0	3	-
2012-13	EOBI	Held	13	0	13	-
2012-13	EOBI SAR (Mega Issues)	Held	12	0	12	-
2014-15	EOBI	Held	17	2	15	12
2015-16	EOBI	Held	17	0	17	-
2017-18	EOBI	Held	3	0	3	-
1989-90	OEC	Held	5	3	2	60
1990-91	OEC	Held	5	3	2	60
1991-92	OEC	Held	9	6	3	67
1992-93	OEC	Held	7	5	2	71
1996-97	OEC	Held	10	8	2	80
1997-98	OEC	Held	7	6	1	86
2000-01	OEC	Held	5	4	1	80
2005-06	OEC	Held	7	6	1	86
2006-07	OEC	Held	7	3	4	43

2007-08	OEC	Held	2	1	1	50
2010-11	OEC	Held	5	1	4	20
2011-12	OEC	Held	3	2	1	66
2012-13	OEC	Held	3	0	3	-
2013-14	OEC	Held	7	5	2	71
2016-17	OEC	Held	4	0	4	-
2017-18	PRIMACO	Held	28	0	28	-
1987-88	OPF	Held	20	19	1	95
1989-90	OPF	Held	12	9	3	75
1990-91	OPF	Held	5	4	1	80
1992-93	OPF	Held	5	3	2	60
1994-95	OPF	Held	7	4	3	57
1995-96	OPF	Held	10	6	4	60
1996-97	OPF	Held	12	10	2	83
1997-98	OPF	Held	7	5	2	71
1999-20	OPF	Held	3	1	2	33
2000-01	OPF	Held	14	11	3	79
2001-02	OPF	Held	2	0	2	-
2003-04	OPF	Held	19	3	16	16
2004-05	OPF	Held	3	1	2	33
2006-07	OPF	Held	9	5	4	56
2007-08	OPF	Held	4	1	3	25
2008-09	OPF	Held	10	3	7	30
2009-10	OPF	Held	8	4	4	50
2010-11	OPF	Held	26	8	18	31
2011-12	OPF	Held	13	9	4	69
2013-14	OPF	Held	7	3	4	43
2014-15	OPF	Held	3	3	0	-
2016-17	OPF	Held	12	2	10	17
2017-18	OPF	Held	9	7	2	22
2019-20	OPF	Held	7	0	7	-
2021-22	OPF	Not held	-	-	-	-
2012-13	WWF & Boards	Held	44	4	40	10
2015-16	WWF & Boards	Held	17	0	17	-
2017-18	WWF & Boards	Held	15	4	11	27
2019-20	WWF	Held	4	0	4	-
2006-07	EOBI	Held	1	0	1	-
2007-08	EOBI	Held	1	0	1	-
2008-09	EOBI	Held	2	0	2	-
2016-17	EOBI	Held	2	0	2	-
2008-09	OPF	Held	1	0	1	-

2009-10	OPF	Held	1	0	1	-
2009-10	WWF/Boards	Held	1	0	1	-
2016-17	WWF/Boards	Held	2	0	2	-
2022-23		Not Held	-	-	-	-
2023-24		Not Held	-	-	-	-

#### 4.4 AUDIT PARAS

##### **Ministry of Overseas Pakistanis and Human Resource Management**

##### **Irregularity and non-compliance**

#### 4.4.1 Irregular cash withdrawal of honorarium - Rs. 11.749 million

According to Rule-157 of Federal Treasury Rules “Cheques drawn in favour of Government officers and departments in settlement of Government dues shall always be crossed “A/c payee only - not negotiable”.

Drawing and Disbursing Officer of Ministry of Overseas Pakistanis and Human Resource Development, Islamabad had drawn cash money of Rs. 11.749 million for disbursement of honorarium to their officers & officials during financial years 2021-22 and 2022-23. Details are as under:

Rs. in million						
FY	Officers/ official (BPS 1-18)	Officers/ official (BPS 19-22)	Gross Amount	Net Amount	No. of employees	Cheque No. and Date
2023-24	7.850	2.357	10.208	9.731	211 (one month basic)	0049916 dt:28.06.2024
2022-23	2.124	0.000	2.124	2.018	177 @ 12000 each	9257499 dt: 28.12.2022
<b>Total</b>	<b>9.974</b>	<b>2.357</b>	<b>12.332</b>	<b>11.749</b>		

Audit observed that instead of making payment of honorarium through crossed cheques or through payroll, the cash money of Rs. 11.749 million was withdrawn by the DDO for making payment to officers/officials of the Ministry.

Audit held that cash withdrawal of honorarium amounting to Rs. 11.749 million by the DDO was in violation of rules and irregular. Audit

is further of the view that the honoraria were not included in salaries i.e. payment through salary slips of the employees which reduced the tax slabs for the purpose of payment of income tax and resulted into loss to Government exchequer.

The matter was reported and discussed with the management on 29.08.2024 but no response has been received till the finalization of Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends appropriate action against the persons concerned for not processing the case of honorarium in a timely manner. Audit further recommends that such practice should be discontinued in future.

{Para No. 1 of AIR of Ministry of Overseas for the Audit Year 2024-25}

#### **4.4.2 Loss due to investment in low return TDRs - Rs. 9.45 million**

Para 23 of GFR states that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Ministry of Overseas Pakistanis and Human Resource Development invested an amount of Rs. 218 million in 03 TDRs in NBP.

Audit observed that total amount of Rs. 30 million have been invested in 02 TDRs (Rs. 20 and 10 million each) in NBP on a profit rate of 3.75% only during the financial years 2022-23 and 2023-24. Whereas other TDR (Rs. 188 million) in the NBP is yielding profit @ 19.50% during the same period.

Audit further observed that TDRs were opened in the financial year 2010-11 for a term of 01 year and have been rolled over on maturity since

then. The profit rate of two TDRs of Rs 20 million and 10 million each in the financial year was 13.5 % which has been squeezed to 3.75% only during the FYs 2022-24.

Audit held that the investment of Rs. 30 million at 3.75% has resulted into a loss of Rs. 9.45 million (19.50-3.75%) to the Welfare Fund.

The matter was reported and discussed with the management on 29.08.2024 but no response has been received till the finalization of Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends inquiry in the matter to fix responsibility besides recovery of financial loss.

{Para No. 9 of AIR of Ministry of Overseas for the Audit Year 2024-25}

#### **4.4.3 Loss due to delay in submission and deposit of Pay Orders – Rs. 2.414 million**

Para 23 of GFR states that every Government officer should realize fully and clearly that he will be held personally responsible for any loss sustained by Government through fraud or negligence on his part and that he will also be held personally responsible for any loss arising from fraud or negligence on the part of any other Government officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

Ministry of Overseas Pakistanis and Human Resource Development has been operating one Saving Bank account in Faysal Bank for cash security deposits made by Overseas Employment Promoters and invested Rs. 218 million in TDRs out of cash security deposits.

Audit observed delay in preparation/submission of pay orders to the Ministry by the Faysal Bank and National Bank and onward deposit in OPF Account during the FYs 2022-23 and 2023-24. Details are as follows:

Rs. in million

Name of Bank	No. of POs / TDRs	PO Generated Period / TDR profit credit Period	Avg. days delayed by Bank	Avg. days delayed by Ministry	Total amount of POs / Profit on TDRs	Avg. KIBOR	Estimated Loss
Faysal Bank	10	14.12.23 to 11.03.24	12	2	48.286	0.21	0.394
NBP	01	14.01.23 to 06.07.24	Total 288 / Avg. 72	-	48.106	0.21	2.020
<b>Total</b>							<b>2.414</b>

Audit held that the delay in preparation/ submission of pay orders has resulted into loss of Profit income to Welfare Fund amounting to Rs. 2.414 million.

The matter was reported and discussed with the management on 29.08.2024 but no response has been received till the finalization of Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends that the financial loss may be recovered from the Banks and inquiry may be conducted to fix responsibility against delay in deposit of interest amount into the account of OPF.

{Para No. 7 of AIR of Ministry of Overseas for the Audit Year 2024-25}

#### **4.4.4 Loss due to un-authorized withdrawal - Rs. 2.349 million**

Para 26 of GFR Volume-I states that subject to any special arrangement that may be authorized by competent authority with respect to any particular class of receipts, it is the duty of the departmental controlling officers to see that all sums due to Government are regularly and promptly assessed, realized and duly credited in the public account.

Ministry of Overseas Pakistanis and Human Resource Development has been operating one Saving Bank account No. 01201490013991 in Faysal Bank for cash security deposits made by Overseas Employment Promoters.

Audit observed during scrutiny of bank statement of the Faysal Bank that an amount of Rs. 140.526 million was withdrawn on 31.05.2021 and was deposited back into the account on 17.09.2021. No authorization of withdrawal of such amount was found in the Ministry's Record.

Audit held that unauthorized withdrawal of amount of Rs. 140.526 million for more than three and a half months has resulted in loss of interest amount of Rs. 2.349 million (Average of six months profit  $4,026,300/6 \times 3.5$  months) to the Government exchequer.

The matter was reported and discussed with the management on 29.08.2024 but no response has been received till the finalization of Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends an inquiry in the matter to fix responsibility besides recovery of financial loss.

{Para No. 8 of AIR of Ministry of Overseas for the Audit Year 2024-25}

### **Employees' Old-age Benefits Institution**

#### **4.4.5 Non-recovery of Contribution from employers – Rs. 18,678.449 million**

Para No.05.11 of EOBI Operating Manual states that all the Regional Heads have been invested with the powers of Assistant Collector (Grade-1) to recover the arrears of contributions as arrears of land revenue.

Management of EOBI received contributions of Rs. 60,155.717 million from Registered Employers during the FY 2023-24.

Audit observed that a sum of Rs.15,673.236 million was outstanding against defaulting employers on account of contributions for the FY 2023-24.

Furthermore, demand notices / VR-08 to employers for recovery of Rs. 3,693.118 million were issued by EOBI out of which Rs. 3,005.213 million was outstanding at the close of financial year. Details are as under:

Rs. in million		
Sr. No.	Nos of Employers/ No. of VRs	Amount
1	32286	15,673.236
2	1707	3,005.213
<b>Total</b>		<b>18,678.449</b>

Audit held that non-recovery of contribution was a failure on the part of management which resulted in loss to EOBI.

Management replied that the data noted in observation has been shared with EOBI's Regional Offices across Pakistan and they have been working on it.

DAC in its meeting held on 28.01.2025 directed to recover the amount of outstanding contributions with the recommendation to take up the matter with BoT for closure of establishment.

Audit recommends that the amount of contribution be recovered.

{Para 2 of AIR of EOBI HO Karachi for the Audit Year 2024-25}

**Note:** The issue was reported earlier also in the Audit Reports for the Audit Year 2020-21, 2021-22, 2022-23 and 2023-24 vide para no. 4.5.3, 4.4.1, 4.4.2 and 4.4.2 respectively having financial impact of Rs. 10,516.547 million. Recurrence of the same irregularity is a matter of serious concern.

#### **4.4.6 Non-recovery of Statutory Increase from employers - Rs. 272.321 million**

Section 13 of EOBI act 1976 states that if any employer fails to pay on the due date, the contribution payable by him under sub-section (1) of section 9, the amount so payable by him shall be increased by such percentage or amount as may be prescribed, provided that in no case shall such increase exceed fifty percent of the amount due. Employers were required to deposit their contribution in the bank on every 15<sup>th</sup> of the month, if an employer fails

to deposit the contribution on due date, they will be bound to pay 2% additional amount for every increasing month up to 50% of the amount as a statutory increase.

The management of EOBI Regional Office, Manga Mandi, Lahore, EOBI Regional Office Kotri, EOBI Regional Office Karachi Central and EOBI Regional Office Karachi City had to recover Statutory Increase from registered employers during the financial years 2020-21 to 2022-23.

Audit observed that the PR-03 forms provided by banks were not scrutinized by the management of the following EOBI Regional Offices for statutory increase. Audit further noted that most of the deposits made after the time limit were without Statutory Increase. On test check basis and data provided by EOBI, it was noticed that a sum of Rs. 272.321 million on account of Statutory Increase along with contribution was still recoverable from employers. Details are as follows:

Rs. in million

Sr. No.	Name of formation	Para No. of AIR	Date of reporting	No. of employers	Amount of statutory increase
1	EOBI, RO, Manga Mandi	2	29.05.2024	69	220.121
2	EOBI, RO, Kotri	3	10.05.2024	66	1.89
3	EOBI, RO, Karachi Central	3	10.10.2024	849	31.80
4	EOBI, RO, Karachi City	5	06.11.2024	459	18.51
<b>Total</b>					<b>272.321</b>

Audit held that due to non-collection of Statutory Increase, the revenue of the institution was adversely affected.

The matter was reported to the management, but no reply has been received.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends calculating complete amount of outstanding statutory increase, recover the amount from employers and fix the responsibility against the person(s) at fault.

#### **4.4.7 Discrepancies between EOBI MIS and actual bank deposits- Rs. 107.046 million**

Para 1(viii) of Banking Services Agreement between EOBI and Bank Alfalah Ltd., provides that, “MCA means EOBI Main Contribution Account at BAFL, in which all funds collected at designated collecting branches will be consolidated.”

The management of EOBI reported total contribution figure of Rs. 60,155.718 million for the FY 2023-24.

Audit observed that an amount of Rs. 107.046 million was found entered in EOBI MIS against 447s establishments as contribution collected /deposited during the financial year 2023-24 but the same was not found credited/ deposited in Main Collection Account of EOBI maintained with Bank Al-Falah Limited. Audit further observed that cheques amounting to Rs. 311.518 million were deposited in bank by 447 establishments as contribution but were returned and no effort on the part of management was made for re-deposit of the same in EOBI account.

Audit held that entries in EOBI contribution record in MIS without corresponding bank deposit indicating potential revenue leakage and resulted in Loss to EOBI.

Management replied that a letter has been sent to BAFL to mention the reason of difference between these two statements. Moreover, a soft copy of 447 establishments to whom these cheques pertained, have been emailed to all 40 Regional Offices for their verification.

DAC in its meeting held on 28.01.2025 directed to reconcile the record within 02 months and reconciliation report be shared with Audit.

Audit recommends to inquire the matter for fixing responsibility besides recovery of amount from employers.

{Para 48 of AIR of EOBI HO Karachi for the Audit Year 2024-25}

#### **4.4.8 Non-increase in monthly pension - Rs. 97.758 million**

According to Notification No.1(4)/2023-EOBI dated 17-08-2023 issued by Ministry of Overseas Pakistanis & Human Resource Development, Federal Government increased the minimum pension from Rs. 8,500 p.m to Rs.10,000/- per month alongwith 17% increase in formula pension to the existing pensioners of EOBI w.e.f 1<sup>st</sup> July, 2023.

Management of EOBI Head Office, Karachi disbursed pension of Rs. 57,100 million during FY 2023-24

Audit observed that the management of EOBI did not increase the monthly pension of 5431 Persons in violation of the decision of the Federal Government. A sum of Rs.97.758 million was less paid on account of pension for the FY 2023-24.

Audit held that non increase of monthly pension was violation of the decision of federal government which deprived the pensioners.

Management replied that any increase in the minimum pension was automatically adjusted for each eligible pensioner through their IT system. Upon reviewing the matter, it was identified that due to a technical error, the increases were not applied in these cases. The issue was immediately escalated to their IT Team, which has now revised and increased the pensions for 4381 active pensioners whose data was received from BAFL through their last payroll.

DAC in its meeting held on 28.01.2025 directed the management of EOBI to resolve the matter under intimation to Audit.

Audit recommends to inquire the matter for fixing responsibility beside payment of pension as per rates approved by the Government.

{Para 47 of AIR of EOBI HO Karachi for the Audit Year 2024-25}

#### **4.4.9 Loss to EOBI due to non-lending of vacant space at EOBI buildings – Rs. 80.426 million**

Clause 1.2 of the Agency Agreement signed between EOBI and PRIMACO entails that “The principal shall pay service charges equal to 3%

of the rent collected”. As per Clause 1.2 of the Agency Agreement, agent shall be responsible for running all rental properties of the principal.

Employees Old Age Benefits Institution (EOBI) has a total area of 506,098 sq. feet which could be rented out for generating the revenue for the Institution.

Audit observed that covered area of 41,035 sq. feet of the buildings of EOBI remained vacant during the FY 2023-24. Details are as follows:

			Rs. in million
Sr. #	Name of Property	Vacant Area in Sq. Ft.	Expected annual Rent Amount
1	EOBI House Islamabad	6,433	18.804
2	EOBI Building 66 A Johar Town Lahore	18438	32.525
3	EOBI Building Hayatabad, Peshawar	4800	3.974
4	EOBI Ex-Awami Markaz Karachi	10,164	23.784
5	EOBI Building Nazimabad	1200	1.339
<b>Total</b>		<b>41,035</b>	<b>80.426</b>

Audit held that non-lending out area of vacant space shows poor performance and in-efficiency on the part of the management which resulted in loss of Rs. 80.426 million to the EOBI.

Management replied that the above figure of vacant space area stood as on 30-06-2024. However, from July 2024 onwards, out of 41,035 square feet area, PRIMACO has rented out additional area of 24,133 Square Feet. As regards the remaining area of 16,902 Square Feet, efforts are under way to rent out that space.

DAC in its meeting held on 28.01.2025 directed to verify the area rented out and justification of remaining vacant area be provided to Audit. DAC further directed to prepare a comprehensive plan for vacant area and be placed before BoT.

Audit recommends to inquire the matter besides pursuing the matter vigorously for early lending out of building allocated for rental purposes.

{Para 5 of AIR of EOBI HO Karachi for the Audit Year 2024-25}

#### **4.4.10 Loss due to non-depositing of Contribution – Rs. 4.68 million**

Section 12 (3) of EOBI Act, 1976 provided that if an employer fails to maintain records or to submit returns as required by regulations, or otherwise fails to comply with the provisions of sub-section (1) and thereby makes it difficult to ascertain the identity of persons required to be insured or the amount of contribution payable, the contribution shall be assessed on the basis of such evidences as the institution may find satisfactory for this purpose in the prescribed manner.

Regional Head of EOBI Regional Office, Bin Qasim issued VR-09, VR-11, VR-12 and VR-14 to M/s Royal Air Port Services for the period from 01.07.2020 to 30.06.2021.

Audit observed that in response to demand notices issued by EOBI Regional Office, Bin Qasim, M/s Royal Air Port Services submitted 24 cheques amounting to Rs. 4.680 million as EOBI contribution on 14.06.2022. Regional head retained these cheques instead of immediate deposit of the same in EOBI Main Contribution Collection Account due to which the validity of all cheques expired.

Audit held that financial mismanagement on the part of management resulted in loss to EOBI.

Management replied that the Bin Qasim region received 24 cheques from the employer totaling Rs. 4.680 million, as recorded in VR-14. The employer filed an application under Section 33 to the Adjudicating Authority on 21/06/2022. The cheques, which had a six-month validity period, expired due to a delayed hearing by the Adjudicating Authority, which took place after 15 months. As of now, the application has been pending before the Authority for 30 months.

Management agreed with the audit observation that the contribution could not be received due to non-deposit of cheques and expiry of cheques validity.

DAC in its meeting held on 28.01.2025 directed to share the final decision of Adjudicating Authority with Audit for verification.

Audit recommends to recover the amount besides fixation of responsibility against person(s) responsible.

{Para 29 of AIR of EOBI HO Karachi for the Audit Year 2024-25}

#### 4.4.11 Unjustified variation in numbers of Insured Persons (IPs)

Section 2(i) of The Employees Old Age Benefits Act 1976 defines Insured Person as an employee who is or was in insurable employment.

Sec 2(ii) further provides that "insurable employment" means employment of a person under a contract of service or apprenticeship, whether written or oral, express or implied and in respect of which contributions are payable under this Act;

EOBI received contribution of Rs. 60,155.718 million from different employers during the FY 2023-24.

Audit observed inconsistencies in the collection of contributions due to variations in the number of insured persons reported each month. It was also noted that contributions were not collected for employees on deputation or temporary transfer to other organizations.

Some instances are as under:

Month	PTCL	PTV HQ	OPF, Islamabad
	Nos. of IPs	Nos. of IPs	Nos. of IPs
June- 2023	18,000	1723	478
July-2023	18,000	1434	478
August-2023	17,591	1723	618
Sept-2023	15,030	993	457
Oct-2023	17,256	1184	478
Nov- 2023	15,900	1307	404
Dec-2023	14,593	744	484
Jan-2024	17,500	1650	404
Feb-2024	14,988	1195	426
March-2024	14,956	1232	330
April-2024	17,060	1233	465
May-2024	14,955	1233	-

Audit held that variation in numbers of employees against whom contribution received exposed weak internal and financial controls which resulted in loss to the Institution.

The management of EOBI replied that for contributions and insurable employment to be valid, there must be a legal employer-employee relationship within an establishment covered by the EOB Act, 1976. If an insured person is transferred to an entity where the EOB Act does not apply, their contributions will stop. Their insurable employment will resume only after they join another establishment covered under the Act.

The management's reply was not acceptable because employees on deputation remain employees of their parent office, and contributions for them should still be collected.

DAC in its meeting held on 28.01.2025 directed to reconcile the record and verify the same from Audit.

Audit recommends to inquire the matter besides recovery of contribution from employers.

{Para 13 of AIR of EOBI HO Karachi for the Audit Year 2024-25}

#### **4.4.12 Payment without vouchers**

Para 12 of Income Tax Ordinance 2001 defines salary as any salary received by an employee in a tax year, other than salary that is exempt from tax under this Ordinance, shall be chargeable to tax in that year under the head Salary.

Rule 9(14) of Part II of EOBI, (Employees Service) Regulations, 1980 states that Driver Allowance admissible to entitled officer i.e., of grade-9 and above, rate equal to the minimum wages for skilled worker as Driver per month.

EOBI office Order No. 245/2011 dated 30-07-2011 revised the prescribed maximum fuel payment/ reimbursement limits in respect of official vehicles allocated to the authorized/ entitled officers as under:

Designation	Diesel Vehicles	Petrol/CNG Vehicles		
		Petrol Liter	CNG KG	Total
Directors/Regional Heads	150 liters diesel	45	105	150
Dy. Director General	250 liters diesel	75	175	250
Director General	300 liters diesel	90	210	300

Employees Old Age Benefits Institution (EOBI) paid a sum of Rs.39.792 million to its officers on account of Fuel & maintenance of Vehicles and Rs. 0.945 million as Driver allowance during the FY 2023-24.

Audit observed that re-imburement of Fuel Expenses and driver allowance amounting to Rs. 40.737 million was made to the officers of EOBI without receiving supporting vouchers /invoices and the same was not included in taxable income of the employee for the purpose of calculation of tax.

Audit held that payment on account of re-imburement of expenditure without receiving supporting vouchers/invoices and non-deduction of income tax was unjustified/irregular.

Management replied that as per Section 12(c) of Income tax ordinance 2001, salary does not include “any allowance solely expended on the performance of the employee’s duties of employment”. The fuel and driver allowance purely pertained to the operational duties hence the tax had not been deducted on the above amount.

Management reply is not relevant as the payment was made without any supporting vouchers/ invoices.

DAC in its meeting held on 28.01.2025 directed to verify the requisite record from Audit.

Audit recommends to inquire the matter besides recovery of amount.

{Para 40 of AIR of EOBI HO Karachi for the Audit Year 2024-25}

#### **4.4.13 Non-framing and vetting of Service rules**

Section 44(1) of the EOB Act, 1976 provides that the Federal Government may, subject to condition of previous publication, by notification in official gazette, make rules to carry out the purposes of this Act 1976.

Section 45(1) of the EOB Act, 1976 states that the Board may subject to the condition of previous publication, by notification in the official Gazette, make regulations not inconsistent with the provisions of this Act or the rules.

Establishment Division F.N0.6/4/96-R-3 dated 02.11.2021 circulated to all ministries/division inter-alia states that soon after an organization is established, it is mandatory to frame service rules in order to run the organization in a legit manner. Para (2) of format of Service rules states that all Autonomous Bodies, Corporations, Organizations etc. need to submit its draft Rules for approval to the Competent Authority as specified in their respective Act/ Ordinance. However, these service Rules are required to be submitted to Establishment Division for vetting /concurrence.

Management of EOBI made the Service Regulations notified by Ministry SRO No.413(i)/81 dated 09.05.1981.

Audit observed that management of EOBI did not frame service rules and got vetted the same from Establishment Division.

Audit held that non-preparation of service rules was violation of the instructions of the Establishment division.

Management replied that Establishment Division vide letter No. 6/4/96-R-3 dated 2.11.2021 has directed to convert the Service Rules in Prescribed Format. For this purpose a committee has been constituted vide office order No. 231/2023 dated 15.08.2023 to convert EOBI Service Rules / Regulation in the standard format. The committee is also mandated to incorporate all the amendments which have been made by Board of Trustees from time to time.

DAC in its meeting held on 28.01.2025 directed to ensure compliance and report to Audit.

Audit recommends that the responsibility for non-compliance may be fixed besides early framing of service rules.

{Para 14 of AIR of EOBI HO Karachi for the Audit Year 2024-25}

#### **4.4.14 Non-registration of 208 Employers**

Section 11(1&3) of EOBI act 1976 (Registration of Employers and Insured Persons) states that an employer shall before expiration of thirty days from the day on which the Act becomes applicable to the industry or establishment in respect of which he is the employers, communicate to the Institution the name and particulars of the industry or establishment. On receipt of a communication, the Institution shall register the name of the industry or establishment.

Audit observed during scrutiny of the record of the EOBI Regional Office, Islamabad and EOBI Regional Office, Abbottabad that the 208 employers were not yet registered with EOBI for the FYs 2022-24. Details are at **Annexure-VII**.

Audit held that non-registration of employers occurred due to non-adherence to the EOBI Act 1976 and inadequate implementation of administrative and internal controls.

The matter was reported to the management but no reply was received.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends early registration of employers and strengthening of administrative and internal controls.

{Para 10 &1 of EOBI RO Islamabad & Abbottabad for the Audit Year 2023-24 & 2024-25 respectively}

#### **Workers Welfare Fund Islamabad**

#### **4.4.15 Non-deduction of LD - Rs 86.905 million**

Clause-47.1of CoC Part-I/II regarding imposition of Liquidated Damages for Delay in completion of work states that the Contractor fails to

comply with the Time for Completion in accordance with Clause-48, for the whole of the Works or, if applicable, any Section within the relevant time prescribed by Clause-43, then the Contractor shall pay to the Employer the relevant sum stated in the Appendix to Tender as liquidated damages. Appendix A to Bid provides 1 % of contract price for each day of delay in completion of the works subject to a maximum of 10% of contract price shall be deducted.

The management of Workers Welfare Fund, Islamabad awarded work “Construction of 500 Single Houses at Labour Complex at Zone-V, Islamabad vide acceptance letter No.WWF/WKs/10(2)Zone-V/2012 dated 04<sup>th</sup> June, 2012 to M/S Friends Construction Syndicate (Pvt) Limited at agreed cost Rs.869.053 million.

Audit observed that construction work, scheduled for completion by June 2020 (extended deadline), remained incomplete as of June 2024, with 90% progress achieved against the planned 100%. This 10% delay makes the contractor liable for liquidated damages of Rs. 86.905 million. Furthermore, no action has been taken against the consultant or employer's staff for their lapses.

Audit held that WWF suffered the loss due to delay in completion of work.

The management replied that the project was delayed due to several factors. A legal dispute over land acquisition, filed by locals on October 12, 2011, caused delays. Additionally, a 95-foot strip of land was encroached upon by Naval Anchorage, halting work on five blocks. Ayaz Builders blocked and diverted a natural nullah, obstructing site access and the supply chain. The 126-day protest in 2014 further disrupted the movement of materials and machinery. Finally, the spread of COVID-19 and changes to the Master Plan approved by the CDA also contributed to the delays.

The management's reply is not acceptable for the following reasons: Firstly, if there were land issues, the work should not have been awarded before clearance. Secondly, the audit was not provided with proof of land

encroachment by Naval Anchorage. Thirdly, no evidence was shared regarding the blockage and diversion of the nullah by Ayaz Builders. Additionally, the project, which began in 2012, remains incomplete as of June 2024. Lastly, the management did not provide the audit with details of the revised Master Plan.

DAC in its meeting held on 19.11.2024 pended the para with the direction to share Extension of Time (EOT) with Audit for verification.

Audit recommends that matter may be inquired and also recovery be made from contractor on the account of LD.

{Para No.6 of AIR of WWF Islamabad for the Audit Year 2024-25}

#### **4.4.16 Overpayment due to excess quantity measured - Rs. 81.116 million**

Clause 51.1 of the contract agreement executed between WWF Islamabad and M/S Friends Construction Syndicate (Pvt.) Limited dated 03.08.2012 provides that there will be no change in increase/decrease in quantities without approval of the competent authority.

The Workers Welfare Fund, Islamabad awarded work “Construction of 500 Single Houses at Labour Complex at Zone-V, Islamabad vide acceptance letter No.WWF/WKs/10(2)Zone-V/2012 dated.04<sup>th</sup> June, 2012 to M/S Friends Construction Syndicate (Pvt) Limited at agreed cost of Rs.869.053 million.

Audit observed that Consultant Al-Jadid Associates submitted 57<sup>th</sup> Interim Payment Certificate (IPC) of M/s Friends Construction Syndicate (Pvt) Ltd and the contractor was overpaid in terms of quantity that amounting to Rs.81.116 million.

Details are at **Annexure-VIII**.

Audit held that the overpayment on the account of quantities occurred due to non-adherence of the contractual provision.

The management replied that all the variation in works recommended by the consultant of the project were duly approved by the competent authority of Workers Welfare Fund, Islamabad.

Reply of the management is not tenable, as approved variation orders of the excess quantity were not provided to audit along with replies.

DAC in its meeting held on 19.11.2024 directed to get the excess quantities verified from Audit to prove whether those quantities are covered in variation orders or otherwise.

Audit recommends that the matter may be inquired besides recovery of overpaid amount.

{Para No.4 of AIR of WWF Islamabad for the Audit Year 2024-25}

### **Workers Welfare Board Punjab**

#### **4.4.17 Non-recovery of dues from Labour Colonies allotted on Ownership Basis - Rs.204.540 million**

Section 11-C (a)(i) of the Workers Welfare Ordinance 1971 provides that subject to the provision of this ordinance , a Board, for discharge of its functions under this ordinance, shall as soon as may be after its constitution, make and carry into effect a scheme regulating or providing for the regulation of matters connected with allotment, cancellation of allotment and fixation of rent of the houses financed by the money allocated from the Fund, and their maintenance and repairs.

Workers Welfare Board Punjab, Lahore allotted various properties including flats/plots/houses at different areas of the province.

Audit observed that the management of PWWF did not recover an amount of Rs. 204.540 million from the allottees of these labour colonies upto June 2024. Details are given at **Annexure-IX**.

Audit held that due to non-collection of dues from allottees, the revenue of the Workers Welfare Fund was affected adversely.

The matter was reported to the management on 12.11.2024 but no reply was received till the finalization of the Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends to pursue the recovery from allottees.

{Para No. 17 of AIR of PWWB for the Audit Year 2024-25}

#### **4.4.18 Non-recovery from Labour Colonies allotted on Rental Basis– Rs.163.113 million**

Section 11-C (a)(i) of the Workers Welfare Ordinance 1971 provides that subject to the provision of this ordinance , a Board, for discharge of its functions under this ordinance, shall as soon as may be after its constitution, make and carry into effect a scheme regulating or providing for the regulation of matters connected with allotment, cancellation of allotment and fixation of rent of the houses financed by the money allocated from the Fund, and their maintenance and repairs.

Workers Welfare Board Punjab, Lahore rented out flats/Houses/Quarters in nine labour colonies at different areas of the province.

Audit observed that the management of Workers Welfare Board Punjab, Lahore did not recover an amount of Rs.163.113 million from the allottees of these labour colonies upto June 2024. Details are given at **Annexure-X**.

Audit held that due to non-collection of rent from allottees, the revenue of the Workers Welfare Fund was affected adversely.

The matter was reported to the management on 12.11.2024 but no reply was received till the finalization of the Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends to pursue the recovery from allottees.

{Para No. 16 of AIR of PWWB for the Audit Year 2024-25}

#### **4.4.19 Irregular Payment of Gratuity and CPF – Rs 71.138 million**

Finance Division Office Memorandum No.F.15(3)R-14/84 dated 16.10.1984 states that the payment of ‘gratuity’ cannot, therefore, be made part of the CPF Scheme, and as such it should not be paid in addition to CP

Fund contribution. All such autonomous/Semi-autonomous bodies and corporations etc. under the administrative control of ministries/divisions, where the pension scheme does not exist that the payment of 'gratuity' in addition to contributory provident fund is not allowed to their employee on their quitting the service.

The Punjab Worker Welfare Board, Lahore adopted both schemes i.e., payment of Gratuity and Contributory Provident Fund.

Audit observed that the WWB, during the financial year 2023-24, paid an amount of Rs. 71.138 million as Gratuity and Rs. 23.446 million as Contributory Provident Fund to its employee in contravention to the above instructions of the Finance Division. Details are given in **Annexure-XI**.

Audit held that the payment of Gratuity in addition to Contributory Provident Fund is irregular.

The matter was reported to the management on 12.11.2024 but no reply was received till the finalization of the Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends to seek early clarification from Finance Division.

**{Para No. 11 of AIR of PWWB for the Audit Year 2024-25}**

**Note:** The issue was reported earlier also in the Audit Reports for the Audit Year 2021-22 and 2023-24 vide para no. 4.4.29 and 4.4.25 having financial impact of Rs. 11.927 million. Recurrence of the same irregularity is a matter of serious concern.

#### **4.4.20 Undue financial benefit to the contractor – Rs. 47.332 million**

As per PEC standard bidding documents clause IB 28.4 if the Bid of the successful bidder is seriously unbalanced in relation to the Employer's estimate of the cost of work to be performed under the Contract, the Employer may require that the amount of the Performance Security set forth in Clause IB.32 be increased at the expense of the successful bidder to a level sufficient

to protect the Employer against financial loss in the event of default of the successful bidder under the Contract.

The Secretary of the Worker Welfare Board, Punjab awarded the contract for the construction of the Workers Welfare Complex (Phase-I) near Sundar Industrial Estate to M/s Muhammad Asad Contractors (Pvt) Ltd. on 19.06.2017, for Rs. 430.287 million, with a 30-month completion period. As of IPC No. 20 (dated May 16, 2024), the total work completed and paid to the contractor amounted to Rs. 330.703 million. The department also secured a 10% performance security of Rs. 43.029 million from the contractor.

Audit observed that performance security expired on 18.12.2020 but authority could not revalidate the performance security from the contractor. Audit further observed that receipt of insurance premium was also not available in office record.

Audit held that the management's actions led to the failure to revalidate the insurance policy, resulting in a loss of Rs. 43.029 million, and a non-recovery of Rs. 4.303 million in insurance premiums (1% of Rs. 430.287 million).

The matter was reported to the management on 12.11.2024 but no reply was received till the finalization of the Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends that performance security may be revalidated by the contractor and insurance premium needs to be recovered.

{Para No. 24 of AIR of PWWB for the Audit Year 2024-25}

#### **4.4.21 Non-imposition of LD – Rs 43.029 million**

As per sub clause 8.8 & 14.15(b) of particular condition of approved PEC bidding documents, the project is approved with a specific period of completion. Efforts should be made to complete the project within the stipulated period to ensure flow of benefits well in time. Maximum amount of

Delay Damage / penalty @ 10% of agreed cost may be imposed on the contractor for non-completion of the work within stipulated time period.

The Secretary of the Worker Welfare Board, Punjab awarded the contract for the construction of the W.W. Complex (Phase-I) near Sundar Industrial Estate to M/s Muhammad Asad Contractors (Pvt) Ltd. on June 19, 2017, for Rs. 430.287 million, with a 30-month completion period. According to the record, as of IPC No. 20 (dated May 16, 2024), the total work completed and paid to the contractor amounted to Rs. 330.703 million. The department also secured a 10% performance security of Rs. 43.029 million from the contractor.

Audit observed that the contractor failed to complete the work within the stipulated timeframe. Moreover, the Authority neither imposed the 10% penalty of Rs. 43.029 million nor granted a time extension to the contractor.

Audit held that the authority incurred a loss due to the non-recovery of liquidated damages from the contractor.

The matter was reported to the management on 12.11.2024 but no reply was received till the finalization of the Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends early recovery of LD from the contractor.

{Para No. 25 of AIR of PWWB for the Audit Year 2024-25}

### **Workers Welfare Board Khyber Pakhtunkhwa**

#### **4.4.22 Non-utilization of land due to non-demarcation - Rs 632.720 million**

Rule 12 of GFR Vol-I Provides that A controlling officer must see not only that the total expenditure is kept within the limits of the authorized appropriation but also that the funds allotted to spending units are expended in the public interest.

The management of the Workers Welfare Board Khyber Pakhtunkhwa, Peshawar purchased Land. Details are as follows:

Rs. in million			
S. No.	Particulars	Mutation No.	Amount
01	260 Kanal in Shahi Bala Regilalma, Peshawar vide cheque dated. 30.04.2009	3008	143.000
02	840 Kanal in Shahi Bala Regilalma Peshawar vide cheques dated. 31.05.2012	3203	489.720
<b>Total 1100 Kanals (260 + 840)</b>			<b>632.72</b>

Audit observed that the land purchased in 2009 and 2012 for the construction of Labour Colonies was neither properly safeguarded through demarcation and fencing to prevent encroachment nor utilized for any legitimate purpose or project. Furthermore, the land is currently occupied by land grabbers, and the Workers Welfare Board (WWB) Khyber Pakhtunkhwa has been unable to reclaim possession.

Audit held that the failure to demarcate land promptly resulted in the undue blockage of Rs. 632.720 million in Workers Welfare Funds and the non-utilization of the purchased land for legitimate purposes.

The management stated that the issue of demarcating 1,100 Kanals of WWB land was raised with the Deputy Commissioner, Provincial Government, and DHA. A committee was formed, and six meetings held, but the final report is awaited.

Reply of the department is not tenable, as the land was acquired in 2009 and 2012, but the demarcation of the same couldn't be done till now even after the lapse of fifteen years.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends that the matter may be investigated to fix the responsibility against the persons at fault.

{Para 1 of AIR of WWB Khyber Pakhtunkhwa for the Audit Year 2024-25}

#### 4.4.23 Non-obtaining of Performance Bonds - 291.251 million

Clause 10.1 of the Condition of the Contract provides that the successful Bidder shall furnish to the Employer a Performance Security in the amount of ten percent (10%) of the Contract Price stated in the Letter of Acceptance within fourteen (14) days after the receipt of letter of acceptance either in the form of an irrevocable Bank Guarantee from a Scheduled Bank of Pakistan or Insurance Guarantee from an Insurance Company of “AA” rating of PACRA, in favour of Employer.

The management of the Workers Welfare Board Khyber Pakhtunkhwa, Peshawar awarded works under the following three projects. Details are as under:

Rs. in million				
S. No.	Name of Project	Name of Contractor	Contract Cost (in million)	Performance Security Cost @ 10% (in million)
01	Construction of 1200 Family Flats at Regililma, Peshawar (Phase-I)	M/s Haji Muhammad Khan & Sons	1243.14	124.314
		M/s Khyber Grace (Pvt) Ltd.	1242.87	124.287
02	Construction of 80 Family Flats & Allied Works at Regililma	M/s Gul Anwar & Co	213.603	21.360
03	Construction of Working Folks Grammar School (Male/Female) at Shahbaz Azmat Khel, Bannu.	M/s Bannu Construction Co.	212.900	21.290
<b>Total</b>				<b>291.251</b>

Audit observed that the contractor failed to provide Performance Security for the projects, and the cost, included in BOQ items, was not recovered as required by the contractual provisions.

Audit held that the non-provision of Performance Security increases the risk of financial loss.

The management replied that performance security bonds from contractors were securely stored in a locker. The requested securities were unavailable during the audit due to the absence of the responsible personnel.

The reply was not tenable, as original performance bonds were not provided to audit.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends to inquire the matter, under intimation to audit.

{Para 25 of AIR of WWB KPK Peshawar for the Audit Year 2024-25}

#### **4.4.24 Irregular payments without certification of claims – Rs. 49.385 million**

Article 5.9 of the contract agreement signed between Workers Welfare Board and Consultant M/s Zaheer-ud-Din (Pvt) stated that the consultant will check and pass the bill of the contractors duly entered in measurement books as per actual work done and will be responsible for any over payment.

Khyber Pakhtunkhwa Workers Welfare Board awarded the contract for detailed drawing, design, and construction supervision of the Working Folks Grammar School (Male/Female) at Shahbaz Azmat Khel, Bannu to M/s Zaheer-ud-Din Consultant (Pvt) on 20-03-1999.

Audit observed that an amount of Rs. 49.385 million was paid to the contractor M/S Bannu Construction (Pvt) Ltd without scrutiny and passing of bill by the consultant during FY 2022-23. Details are as follows:

Rs. in million

<b>Bill No.</b>	<b>Cheque No &amp; date</b>	<b>Amount</b>
17th R/Bill	42859389 / 05.08.22	9.493
3rd Escalation claim	48007156 / 26.12.22	18.162
Withheld amount 3rd escalation claim	48007175 / 11.01.23	4.54
18th R/Bill	48007196 / 09.02.23	14.022
4th Escalation claim	53117640 / 29.05.23	3.168

Audit held that due to non-verification of bills by the consultant, the accuracy of the amount paid to the contractor could not be confirmed.

The matter was discussed with the management on 29.05.2024 but no reply was received.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends that inquiry may be conducted in the matter.

{Para 8 of AIR of WWB KPK Peshawar for the Audit Year 2023-24}

#### **4.4.25 Irregular payment of Escalation Charges - Rs. 30.180 million**

Standard procedure for price adjustment 2009 describes the weightages of Specified Items. As per procedure each of the cost elements, having cost impact of five (05) percent or higher can be selected for adjustment. Cost elements of HSD and labour shall be included in the Price Adjustment formula irrespective of their percentage determined for a particular project, if these are applicable for that project.

Workers Welfare Board, Khyber Pakhtunkhwa, Peshawar awarded contract for construction of School at Shahbaz Azmat Khel to M/s Bannu Construction Company. The estimated cost of the project was Rs. 389.552 million. Workers Welfare Board paid a sum of Rs. 30.180 million to contractor as escalation against the project upto close of FY 2022-23. The weightage of cost elements used for calculation and payment of escalation was as under;

<b>Cost Element</b>	<b>Description</b>	<b>Weightages</b>
I	Fixed Portion	0.350
II	Local Labour	0.150
III	Cement in Bags	0.150
IV	Reinforcing Steel	0.200
V	High Speed Diesel (HSD)	0.030
VI	Bricks	0.100
VII	Bitumen	0.020
<b>Total</b>		<b>1.000</b>

Audit observed that the entire escalation payment was irregular and unjustified based on the following reasons:

- a. The selection of Bitumen as a cost element was contrary to the Standard Procedure for price adjustment, as its weightage was only 2%.
- b. The weightages assigned to all cost elements for calculating the escalation appeared to be based on assumptions, lacking supporting documentation or actual calculations.

Audit held that the payment for escalation, based on an improper formula and lacking actual calculations, was irregular.

The matter was reported and discussed with the management on 29.05.2024, however, no reply was received.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends inquiring in the matter besides fixing of responsibility on person(s) at fault.

{Para 24 of AIR of WWB KPK Peshawar for the Audit Year 2023-24}

#### **4.4.26 Irregular payment of Gratuity and CPF – Rs. 17.446 million**

Finance Division Office Memorandum No.F.15(3)R-14/84 dated 16.10.1984 states that the payment of ‘gratuity’ cannot, therefore, be made part of the CPF Scheme, and as such it should not be paid in addition to CP Fund contribution. All such autonomous/Semi-autonomous bodies and corporations etc. under the administrative control of ministries/divisions, where the pension scheme does not exist that the payment of ‘gratuity’ in addition to contributory provident fund is not allowed to their employee on their quitting the service.

Worker Welfare Board, Khyber Pakhtunkhwa Peshawar has adopted both schemes i.e., payment of Gratuity and Contributory Provident Fund.

Audit observed that the WWB, during the financial years 2022-24, paid an amount of Rs. 23.995 million as Gratuity and Rs. 17.446 million as Contributory Provident Fund to its employees. Details are as under:

Rs. in million

No. of employees	Para No. of AIR	FY	Gratuity Amount	CPF Amount
12	7 (Audit Year 2023-24)	2022-23	13.203	8.737
09	31 (Audit Year 2024-25)	2023-24	10.792	8.709
<b>Total</b>			<b>23.995</b>	<b>17.446</b>

Audit held that the payment of Gratuity in addition to Contributory Provident Fund was irregular.

Management replied that the employees of KP WWB had no pension facility and Contribution Provident Fund and Gratuity was being paid to the employees of Workers Welfare Board, Peshawar in the light Workers Welfare Fund Employees Service Rules 1997 duly approved by the Governing Body, hence there is no irregularity involved.

Management reply was not tenable as the payment of gratuity in addition to CPF was not made in accordance with the provision of above mentioned instructions issued by Finance Division.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends to seek an early clarification from Finance Division besides discontinuation of the additional stream.

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2021-22 and 2023-24 vide para no. 4.4.26 and 4.4.22 having financial impact of Rs. 14.70 million. Recurrence of the same irregularity is a matter of serious concern.

#### **4.4.27 Excess allocation of Educational Scholarship to employees - Rs. 9.082 million**

The Governing Body of WWF in its 149<sup>th</sup> meeting held on 27<sup>th</sup> July, 2021 fixed maximum limit in percentage for educational and other expenses for WWBs/WWF, Head Offices and regional Office i.e., 15% of the allocated budget.

Workers Welfare Board Khyber Pakhtunkhwa, Peshawar paid a sum of Rs. 798.184 million as scholarship during the financial years 2022-23.

Audit observed that out of total allocation of Rs. 860 million, a sum of Rs. 138.082 million was paid as reimbursement of Educational Expenses for the children of the employees of Workers Welfare Board against the admissible limit of Rs. 129 million which was Rs. 9,082,000 in excess.

Details are as under:

<b>Total Allocation under the Scholarship (Rs.)</b>	<b>Budget under head (Rs.)</b>	<b>Amount paid to employees of WWB (Rs.)</b>	<b>Amount admissible for employees of WWB i.e 15% of total allocation (Rs.)</b>	<b>Excess amount (Rs.)</b>
860 million		138.082 million	129 million	9.082 million

Audit held that the workers Welfare fund/Board was established for the welfare of Workers. However, the management of WWB utilized the same on its employees.

The matter was reported and discussed with the management on 29.05.2024 however no reply was received.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

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

{Para 10 of AIR of WWB KPK Peshawar for the Audit Year 2023-24}

#### **4.4.28 Loss due to illegal occupation of flats - Rs. 7.128 million**

Para 5 (e) of Worker Welfare Board Allotment Rules 2002 states that the worker is working in an establishment which is registered with the Directorate of Industries, Commerce & Labour KPK, the ESSI and the EOBI and was also contributing to the Workers Welfare Fund are eligible for allotment of flats/quarters.

The Workers Welfare Board Peshawar has 7744 flats/quarters in different districts of Khyber Pakhtunkhwa.

Audit observed that 1188 flats/quarters in seven labour colonies were occupied by unauthorized persons since long which resulted in an annual loss of Rs. 7.128 million to Workers Welfare Board.

Audit held that occupation of flats by unauthorized persons was irregular.

The matter was discussed with the management on 29.05.2024 but no reply was received.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends that the flats/quarters may be vacated and be allotted to the eligible worker.

{Para 03 of AIR of WWB KPK Peshawar for the Audit Year 2023-24}

#### **4.4.29 Irregular payment on account of medical treatment – Rs. 3.203 million**

According to Finance Division Office Memorandum No.F.6(1)R-10/2010-171-2011 dated 24th March 2011, in consultation with the Ministry of Health, serving and retired civil employees of the Federal Government, or their families, suffering from chronic diseases are entitled to reimbursement for medicines purchased for OPD treatment. These diseases include chronic pulmonary, cardiovascular, cancer, blood disorders, hepatitis, diabetes, skin diseases, injuries, and more, including conditions such as epilepsy, burns, and dental treatments.

The management of the Workers Welfare Board (KPK), Peshawar made payment on account of medical treatment amounting to Rs.3.203 million.

The audit observed that the management paid medical charges for IVF treatment (Low Ovarian Reserve/Hormonal Deficiency), which was not

covered under the Finance Division's guidelines for medical reimbursement during FY 2023-24.

Audit held that the IVF medical reimbursement claim was not valid as it neither qualifies as a chronic disease nor has approval from the Ministry of Health or Finance.

The management replied that before paying the medical charges, the prescription was sent to the Deputy Director (Admin) and Director (General) Health Services Khyber Pakhtunkhwa on 20.07.2020 for approval. An office order/NOC for the IVF treatment reimbursement was subsequently received from the Deputy Director (Medical), Directorate General, Health Services Khyber Pakhtunkhwa.

The reply was not tenable as IVF did not fall under chronic disease.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends fix the responsibility against the persons at fault and also recover the amount pointed out.

{Para 13 of AIR of WWB KPK Peshawar for the Audit Year 2024-25}

#### **4.4.30 Mis-procurement of CCTV Cameras – Rs.2.661 million**

Rule 9 of PPRA-2004 states that a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.

The management of the Workers Welfare Board Khyber Pakhtunkhwa, Peshawar procured and installed CCTV Cameras for the Labour Colonies during the FY 2023-24.

Details are as follows:

Rs. in million

<b>S. No.</b>	<b>Name of Colony</b>	<b>JV No</b>	<b>Cheque No</b>	<b>Cheque Date</b>	<b>Amount</b>
01	50-Family Quarters, Haripur	127	60306490	28.06.2024	0.392
02	118-Family Quarters, Haripur	131	60306502	28.06.2024	0.461
03	400-Family Quarters, Hattar	129	60306496	28.06.2024	0.437
04	Labour Colony Gadoon	04	57502164	02.04.2024	0.420
05	150-Family Flats, Haripur	130	60306500	28.06.2024	0.462
06	600 (240) Family Flats, Hattar	128	60306493	28.06.2024	0.488
<b>Total</b>					<b>2.661</b>

Audit observed during the scrutiny of the accounts record of the Workers Welfare Board, Peshawar that the management made payment on account of procurement and installation of CCTV Cameras on quotation basis through splitting during the FY 2023-24.

Audit held that the procurement conducted on a quotation basis and its splitting appeared to be a deliberate attempt to bypass the tender process, thereby undermining competition.

The management replied that the Workers Welfare Board Khyber Pakhtunkhwa, Peshawar installed the cameras based on quotations due to the urgency of security needs and the impending closure of the financial year to prevent fund lapsing.

The reply was not tenable as the procurement was made through quotations in the month of June, 2024 instead of tender.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends to inquire the matter, under intimation to audit.

{Para 17 of AIR of WWB KPK Peshawar for the Audit Year 2024-25}

## **Workers Welfare Board, Balochistan**

### **4.4.31 Irregular payment of Gratuity and CPF - Rs.110.816 million**

According to Finance Division office Memorandum No. F.15 (3)R-14/84 dated 16.10.1984, the payment of gratuity cannot, therefore, be made part of the CPF Scheme and as such it should not be paid in addition to CP Fund contribution. All such autonomous/semi-autonomous bodies and corporation etc. under the administrative control of ministries/divisions, where the pension scheme does not exist that the payment of 'gratuity' in addition to contributory provident fund is not allowed to their employee on their quitting the service.

Worker Welfare Board, Balochistan has adopted both schemes i.e., payment of Gratuity and Contributory Provident Fund.

Audit observed that Worker Welfare Board, Balochistan paid an amount of Rs.110.816 million as Gratuity and Rs. 22.397 million as Contributory Provident Fund to its employee during the FY 2023-24.

Audit held that gratuity in addition to contributory provident fund (CPF) was disallowed by the Finance Division.

The matter was reported to the management on 11.08.2024 but no reply was received.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends to seek an early clarification from Finance Division besides discontinuation of the additional stream of CP Fund.

{Para 24 of AIR of WWB Balochistan, Quetta for the Audit Year 2024-25}

### **4.4.32 Excess allocation of educational scholarship to employees - Rs. 34.578 million**

According to section-7(b) of Worker Welfare Board Act-2022, "the fund may be applied for financing of other measures including education,

training, skill development, apprenticeship, marriage grants, death grants and talent scholarships for the welfare of the workers and their families”.

Worker Welfare Board Quetta incurred an expenditure of Rs.34.578 million on educational scholarship during the FY 2023-24.

Audit observed that Rs. 27.98 million, representing 81% of the total expenditure, was allocated to educational scholarships for children of WWB employees rather than workers. Details are as under:

Total Allocation	Expenditure on children of WWB Employees (Rs. in Million)	Expenditure on children of Workers (Rs. in Million)	Total Expenditure (Rs. in Million)	% of WWB Employees
34.578	27.98	6.598	34.578	81%

Audit held that 81% of the more benefits were allocated to WWB employees instead of workers, leading to a violation of the relevant act and depriving workers of their rightful benefits.

The matter was reported to the management on 11.08.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

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

{Para 26 of AIR of WWB Balochistan, Quetta for the Audit Year 2024-25}

#### **4.4.33 Unauthorized holding of dual job by Board’s employees**

According to Section-10(1) of Balochistan Worker Welfare Fund Act-2022, “The employees of Balochistan Worker Welfare Board constituted under the workers welfare fund ordinance 1971(XXXVI of 1971) other than those who are on deputation from other departments and corporations, shall continue as employees under the Act on the existing terms and conditions until amended subsequently by the Govt”.

Management of Worker Welfare Board Balochistan, Quetta has total human resource strength of 807 officers and officials as on 30.06.2024.

Audit observed that 8 officers/officials were found to be simultaneously employed in both WWB and other government departments. Detail is at **Annexure-XII**.

Audit held that the failure to disclose dual employment positions by the concerned individuals resulted in potential misuse of resources and a loss to the department and public funds.

The matter was reported to the management on 11.08.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting.

Audit recommends that a Fact Finding inquiry may be conducted, responsibility may be fixed and amount of double salaries drawn be recovered.

{Para 13 of AIR of WWB Balochistan, Quetta for the Audit Year 2024-25}

## **Overseas Pakistanis Foundation**

### **4.4.34 Un-authorized award of contract - Rs. 97.604 million**

The BoG of Overseas Pakistanis Foundation in its 139<sup>th</sup> meeting held on 8<sup>th</sup> July, 2017 has resolved to approve the financial powers to the Managing Director, OPF and adoption of Technical Sanctions as per standard engineering practices:

<b>Sr. No.</b>	<b>Description of Powers</b>	<b>Previous</b>	<b>Revised</b>
1.	Consultancy & Services Contract	Upto 2.0 million subject to Budget provision	Upto Rs.5.0 million. Subject to budget provision
2.	Award of contract for land development construction buildings	Upto Rs. 50.0 million subject to Budget provision	Upto Rs.100.0 million, subject Budget provision

Overseas Pakistanis Foundation, Head Office, Islamabad awarded contract of Security services of Rs.97.604 million to M/s Piffers Security during the FY 2023-24.

Audit observed that the award of contract of security services for Rs. 97.604 million was beyond the financial powers of Managing Director and therefore, the entire process of tender was irregular.

Audit held that sanction and award of contract of Security Services without approval of the competent forum was irregular which shows the weakness of internal and financial controls.

Management replied that Rs. 5.0 million limit was delegated for consultancy works. However, security services are categorized under contract awards, which fall within the delegated authority of Rs. 100 million.

Management reply was not tenable as the contract was of security services and not of construction which was beyond the delegated powers of the Managing Director.

DAC in its meeting held on 19.11.2024 pended the para with the direction to the management to seek the ex-post facto approval of the Board.

Audit recommends that matter be inquired for fixation of responsibility besides adoption of remedial measures to avoid recurrence of such irregularity in future.

{Para 9 of AIR of OPF HO Islamabad for the Audit Year 2024-25}

#### **4.4.35 Non-deposit of FED - Rs. 16.546 million**

Section V Rule 7(1) Treasury Rules of the Federal Government volume-I Revised edition 2019 states that Payment of Revenues of the Federal Government into the Federal Consolidated Fund 7. (1) Save as hereinafter provided in this section, all moneys received by or tendered to Government officers on account of the revenues of the Federal Government shall without undue delay be paid in full into a treasury or into the Bank, or in the case of moneys received by, or tendered to the Ambassador of Pakistan in the United Kingdom, into such Bank or Banks as may be authorized by the State Bank of

Pakistan in this behalf, and shall be included in the Federal Consolidated Fund of the Federal Government. Moneys received as aforesaid shall not be appropriated to meet departmental expenditure, nor otherwise kept apart from the Federal Consolidated Fund of the Federal Government. No department of the Government may require that any moneys received by it on account of the revenues of the Federal Government be kept out of the Federal Consolidated Fund of the Federal Government.

Trial Balance of Overseas Pakistanis Foundation for the financial year 2023-24 reflected an amount of Rs. 16.546 million as Federal Excise Duty payable to Federal Board of Revenue.

Audit observed that Federal Excise Duty collected by OPF from allottees of housing schemes was not paid to the Federal Board of Revenue.

Audit held that due to non-transfer/ deposit of amount of FED resulted in loss to Government exchequer.

Management replied that FED amount of Rs. 16.546 million was deducted from customers in the financial year 2008. After that period, rule of FED was changed and its applicability was removed at the FED Act 2005. At that time this amount was charged from allottee and it will be refunded to allottee. Point will be discussed with the Statutory audit team for its adjustment and charging/recording of the amount as a payable to allottee.

Management agreed with the audit observation to the extent that the amount of FED is lying as withheld with OPF.

DAC in its meeting held on 19.11.2024 directed the management to re-verify the applicability of FED during that particular period and the report be shared with Audit.

Audit recommends that the amount be deposited in Government Treasury.

**{Para 16 of AIR of OPF HO Islamabad for the Audit Year 2024-25}**

#### 4.4.36 Non-recovery of penalty charges - Rs. 10.60 million

Section vii of OPF office order No.38/2018 dated 6<sup>th</sup> February 2018 states, the house will be constructed within two years from the issuance of NOC for construction and section viii defines the rates of charges against grant of extension of construction period for six months in case the construction was not completed within two years.

Overseas Pakistanis Foundation planned and established 11 housing schemes in different cities of the Pakistan. These schemes are located at different locations in the cities of Islamabad, Lahore, Gujrat, Peshawar, Dadu, Larkana and Mirpur (AJK).

The management of OPF issued NOCs for construction of houses to the allottees of different housing schemes. The construction of houses was required to be completed within two years from the date of issuance of NOC. In case of extension for construction period for another 6 months the allottees were required to pay the charges.

Audit observed that a sum of Rs. 10.600 million was due against the allottees of two Housing Schemes on account of delay in construction of houses after issuance of NOC but the same were not recovered by the management of Overseas Pakistanis Foundation. Management of OPF was required to calculate and recover the amount of charges against all other housing Schemes as well. Details are given below:

Rs. in million

Sr. No.	Society Name	Delay/Extension of Construction charges
1	OPF Housing Scheme Gujrat	8.000
2	OPF Housing Scheme Phase-V Islamabad	2.600
	<b>Total:</b>	<b>10.600</b>

Audit held that the non-recovery of amounts from housing scheme allottees led to reduced receipts, resulting in financial loss and missed opportunities for generating revenue.

Management replied that allottees who delayed construction are subject to a penalty of Rs. 100,000 every six months. Those who obtained NOC but haven't started construction will be required to pay the penalty. Additionally, allottees who have completed construction but haven't submitted the completion certificate will face restrictions on sale or transfer until dues are cleared.

DAC in its meeting held on 19.11.2024 directed to expedite recovery and verify record from audit.

Audit recommends to inquire the matter for fixation of responsibility for non-receipt of due amount within time besides recovery of amount.

{Para 30 of AIR of OPF HO Islamabad for the Audit Year 2024-25}

#### **4.4.37 Loss due to irregular award of contract - Rs. 10.490 million**

According to the Rule 2(1)(h) of PPRA Rules 2004, "most advantageous bid" means, a bid or proposal for goods, works or services that after meeting the eligibility or qualification criteria, is found substantially responsive to the terms and conditions as set out in the bidding or request for proposals document.

Overseas Pakistanis Foundation, Islamabad procured Goods / Equipment & Tool Kits amounting to Rs.28.017 million from M/s MSK International during FY 2022-23.

Audit observed that OPF opened financial bids on 04.04.2022 and declared M/s ICONS as the lowest bidder with a bid amount of Rs. 19.309 million, and a bid security of Rs. 0.387 million, which met the 2% requirement. However, the OPF Purchase Committee raised concerns about the bid security and initiated a re-tender process. In the second round of bidding on 29.04.2022, the management excluded an item (Provision sum of Rs. 1.000 million) from the tender documents, resulting in higher bids. Ultimately, M/s MSK International was approved as the lowest bidder with a quoted amount of Rs. 29.980 million.

Details are as under:

Rs. in million

Sr. No.	Name of Bidder	1 <sup>st</sup> Tender	Remarks	2 <sup>nd</sup> Tender	Remarks
		Bid Amount		Bid Amount	
1.	M/s ICONS	19.309	1 <sup>st</sup> Lowest	32.869	Highest
2.	M/s MSK International	29.567	2 <sup>nd</sup> Lowest	29.980	1 <sup>st</sup> Lowest
3.	M/s Dewan Constructions	30.000	3 <sup>rd</sup> Lowest	31.240	2 <sup>nd</sup> Lowest
4.	M/s Haji Jan	34.800	Highest	-	-

Audit held that the re-tendering process led to a higher bid, resulting in a loss of Rs. 10.491 million to the Foundation, and giving undue advantage to the contractor.

Management replied that M/s Icons' bid of Rs. 19.309 million was evaluated at Rs. 20.309 million with a bid security of Rs. 0.387 million (1.9%). As it did not meet the 2% requirement, the bid was deemed non-responsive, leading to retendering.

Management reply was not justifiable as the amount of Bid security was 2% of quoted amount.

DAC in its meeting held on 19.11.2024 directed to refer the matter to PPRA for clarification.

Audit recommend that matter be inquired and responsibility be fixed against the person(s) responsible besides adoption of remedial measures to avoid reoccurrence of such irregularity in future.

{Para 2 of AIR of OPF HO Islamabad for the Audit Year 2024-25}

#### **4.4.38 Irregular grant of Monetization Allowance - Rs. 7.561 million**

As per Cabinet Division letter No. 1/15/2012CPC dated Feb 11, 2013 all the autonomous and semi-autonomous bodies, Corporations etc were allowed to adopt the vehicle monetization policy with the approval of the respective Board of Directors/Governors. However, the parameters of the Transport Monetization policy introduced by Ministries/Divisions/Departments should be strictly adhered to.

Overseas Pakistan Foundation paid an amount of Rs.7.562 million as monetization allowance to its Directors during the Financial Year 2023-24.

Audit observed that management of OPF paid monetization of transport facility to OPF officers in grade 10 and above. However, as per Ministry of OP & HRD letter dated August 13, 2005 OPF Grade 10 is equal to BPS 19 of Government pay Scales. Therefore, OPF officers in Grade 10 were not entitled to avail the benefits of such monetization. Details are at **Annexure-XIII**.

Audit held that grant of monetization allowance to non-entitled officers was irregular.

Management replied that the Board of Governors of the Overseas Pakistanis Foundation can take all those decisions that are ancillary, incidental and necessary to meet the objectives for which the Overseas Pakistanis Foundation was incorporated and which are enumerated in Article III of the Memorandum of Association of the Overseas Pakistanis Foundation. The Approval of the Federal Government is not required for such decisions to attain finality.

Management reply was not relevant as the monetization policy was for officers of BPS 20 and above and OPF adopted the policy.

DAC in its meeting held on 19.11.2024 pended the para till receipt of response from the Establishment Division.

Audit recommends that recovery be made from non-entitled officers besides adoption of remedial measures to avoid recurrence of such irregularity in the future under intimation to Audit.

{Para 14 of AIR of OPF HO Islamabad for the Audit Year 2024-25}

#### **4.4.39 Non-recovery of service and allied charges - Rs. 7.126 million**

Section ix of office order No.38/2018 dated 6<sup>th</sup> February 2018 of OPF define “maintenance charges, boundary wall & Sui Gas charges etc”

To cater the housing need of Overseas Pakistanis and to provide them residential facilities, OPF had established housing schemes in different cities

of the Pakistan. Thousands of plots were developed in these schemes which were allotted to Overseas Pakistanis. These schemes are located at the different locations in the cities of Islamabad, Lahore, Gujrat, Peshawar, Dadu, Larkana and Mirpur (AJK).

Audit observed that OPF management is collecting service and allied charges solely from the allottees of the OPF Housing Scheme Lahore. As of the close of the financial year 2023-24, an outstanding amount of Rs. 7.126 million remains unrecovered. Details are as follows:

Rs. in million	
<b>OPF Housing Scheme Raiwind Road, Lahore</b>	<b>Bills not Paid</b>
Block A	0.645
Block B	0.389
Block C	2.812
Block D	3.205
Block E	0.075
<b>Total</b>	<b>7.126</b>

Audit held that non recovery of service and allied charges from the allottees of housing schemes results in low receipts of the foundation and ultimately results in loss to the organization.

Management replied that the notice is being issued to the defaulters for payment of outstanding dues.

DAC in its meeting held on 19.11.2024 directed the management to share block-wise pendency of outstanding charges with Audit and pursue the recovery vigorously.

Audit recommends early implementation of DAC Directives.

{Para 26 of AIR of OPF HO Islamabad for the Audit Year 2024-25}

#### **4.4.40 Overpayment to contractors – Rs. 6.595 million**

As per PEC standard procedure and formula for price adjustment 2022 each of the cost elements, having cost impact of three (03) percent or higher can be selected for adjustment. Cost elements of HSD and labour shall be

included in the Price Adjustment formula irrespective of their percentage determined for a particular project, if these are applicable for that project.

Overseas Pakistanis Foundation Islamabad paid Rs. 56.989 million as escalation to Contractor M/s JHK Construction for the project "Construction of Six Apartment Buildings at OPF Housing Scheme Zone-V Islamabad" up to the financial year 2023-24. The total estimated cost of the project was Rs. 819.5 million, with the total cost of blocks calculated by the consultant at Rs. 22.157 million, which represents only 2.7% of the total cost.

Audit observed that the price adjustment formula included the cost element "Block," which accounted for less than three percent of the total cost. This cost element was ineligible for inclusion in the formula for price adjustment. As a result, Rs. 6.595 million was paid to the contractor in excess due to the inclusion of this cost element. Details are as follows:

Rs. in million			
<b>Sr. No</b>	<b>Bill dated</b>	<b>Amount of Escalation Paid</b>	<b>Escalation against Block</b>
1	09.05.2023	54.399	6.036
2	14.02.2024	2.589	0.560
<b>Total</b>			<b>6.596</b>

Weakness of internal and financial controls was the cause of excess payment.

Audit held that excess amount was paid to contractors against price adjustment which is required to be recovered.

Management replied that price escalation was calculated by consultant on the prevailing formulas issued by Pakistan Engineering Council. Moreover, work was awarded at the cost of Rs. 819.500 million however, amount Rs. 730.350 million was related to construction works, therefore, the price escalation of blocks amounting to Rs. 22.156 million was 3.03% of Rs. 730.350 million.

The management's reply was deemed unacceptable, as the weightage should have been based on the total project cost, which the consultant also

used for the escalation calculation. Additionally, the construction of the six apartment buildings was an EPC/Turnkey contract.

DAC in its meeting held on 10.11.2024 pended the para with the direction to the management to share its working indicating period and the cost definition under relevant standards.

Audit recommends implementation of DAC directives.

{Para 10 of AIR of OPF HO Islamabad for the Audit Year 2024-25}

#### **4.4.41 Non-adjustment of outstanding advances - Rs. 4.284 million**

As per Rule-4(3) of the Public Sector Companies (Corporate Governance) Rules, 2013 “The Chief Executive is responsible for the management of the Public Sector Company and for its procedures in financial and other matters, subject to the oversight and directions of the Board, in accordance with the Ordinance. His responsibilities include implementation of strategies and policies approved by the Board, making appropriate arrangements to ensure that funds and resources are properly safeguarded and are used economically, efficiently and effectively and in accordance with all statutory obligations”.

Management of OPF Regional office, Karachi made advance payments to employees against certain expenses and TA/DA which was required to be adjusted/repaid.

Audit observed that a sum of Rs 4.284 million was not adjusted/recovered from employees against the advances. Details are at **Annexure-XIV**.

Audit held that non-adjustment of outstanding amount of advances from employees resulted in loss to the organization.

Management replied that outstanding advances were sent to the Head Office for adjustment/ settlement.

DAC in its meeting held on 10.12.2024 directed the management to get the record of adjustment verified from audit.

Audit recommends implementation of DAC directives.

{Para 12 of AIR of OPF RO Karachi for the Audit Year 2024-25}

#### **4.4.42 Irregular expenditure incurred on transportation of dead bodies without calling of open tender - Rs. 1.845 million**

Rule 12(1) of Public Procurement Rules 2004 states that Procurements over five hundred thousand Pakistani Rupees and up to the limit of three million Pakistani Rupees shall be advertised on the Authority's website in the manner and format specified by regulation by the Authority from time to time. These procurement opportunities may also be advertised in print media, if deemed necessary by the procuring agency.

The management of OPF Peshawar incurred an expenditure of Rs. 1.845 million on transportation of dead bodies from airport to different locations during the FYs 2021-24.

Audit observed that the expenditure was incurred without calling of open tenders.

Audit held that in the absence of open tender, the principle of economy could have been compromised.

Management stated that OPF signed an MoU with Al-Khidmat Foundation Islamabad to secure nominal ambulance rates. Due to the emergency nature of the service and unpredictable cases, it was not suitable for open tendering. Additionally, Khyber Pakhtunkhwa's hilly terrain makes it challenging to fix transportation rates due to varying fuel options.

The reply was not tenable as the expenditure exceeded five hundred thousand Pakistani Rupees, requiring an open tender process.

DAC in its meeting held on 10.12.2024 directed that a fact finding inquiry may be conducted. DAC further directed that in future tender must be ensured in such cases.

Audit recommends implementation of DAC directives.

{Para 2 of AIR of OPF RO Peshawar for the Audit Year 2024-25}

## **Overseas Employment Corporation**

### **4.4.43 Irregular purchase of Air Tickets without competition - Rs. 187.205 million**

In accordance with Rule 12(2) of the Public Procurement Regulatory Authority (PPRA) Rules, 2004, any procurement exceeding Rs. 3 million must be advertised on the authority's website as well as in widely circulated print media, including at least two national newspapers—one in English and one in Urdu.

OEC Travel Wing's agreement with IATA was suspended twice (01.09.2022 to 14.09.2022 & 01.09.2023 to 22.12.2023). During this time, OEC travel wing bought tickets, amounting to Rs. 187.205 million, from various vendors in Islamabad.

Audit observed that the air tickets amounting to Rs. 187.205 million were procured from various vendors in Islamabad without following the mandatory open tender process during the FYs 2022-24. Details are as under:

Rs. in million

<b>S. No.</b>	<b>Name of Vendor</b>	<b>Year</b>	<b>Amount</b>
01	M/S Silkways Travel Islamabad	2022-23	19.489
02	M/S Silkways Travel Islamabad	2023-24	38.410
03	M/S Viking Travel Pakistan Islamabad	2023-24	79.376
04	M/S Flight Connection Islamabad	2023-24	39.253
05	M/S Flight Connection Islamabad	2022-23	10.677
	<b>Total</b>		<b>187.205</b>

Audit held that the procurement of air tickets amounting to Rs. 187.205 million without following the prescribed open tender process constitutes a clear violation of PPRA Rule 12(2). These purchases are therefore considered irregular and require immediate justification from the OEC Travel Wing Islamabad.

The OEC management replied that during IATA license suspension, agencies can still issue tickets via exchange orders, acting as a guarantee for payment, while IATA controls their ticket stock until the license is restored.

Reply of the management was not tenable as it was the violation of the PPRA rules.

DAC in its meeting held on 05.12.2024 directed to conduct a fact finding inquiry.

Audit recommends implementation of DAC directives.

{Para 30 of AIR of OEC for the Audit Year 2024-25}

#### **4.4.44 Irregular grant of allowances– Rs. 129.23 million**

As per paragraph (h) of sub rule (1) of Rule 12 of the Rules of Business 1973-provides that no division shall without previous consultation with Finance Division, authorize the issue of any order which will involve in a change in the term and conditions of service of the Government servants on their statutory rights and privileges, which have financial implications”

Finance Division O.M No. F.4(3)/R-4/2011-Revised dated 23.01.2024, endorsed by the Auditor General of Pakistan in letter No. 266/20-corr/d/c/2023-24/c-p dated 14.02.2024, and circulated by the Directorate General Audit SSN in letter No. 217/DGA/SSN/Audit-/2021-22 dated 29.02.2024, clearly states that no division shall authorize any orders affecting the finances of the federation without prior consultation with the Finance Division. Additionally, any allowances or monetary benefits granted to government employees, including those in autonomous or semi-autonomous bodies and corporations, must have Finance Division concurrence and competent authority approval; otherwise, they must be stopped immediately.

Overseas Employment Corporation (OEC), an autonomous body has adopted the government pay scales.

Audit observed that the following allowances were granted to the employees of OEC during the FYs 2022-24 without obtaining concurrence of Finance Division. Details are as follows:

Allowance Title	Para No. of AIR	Amount (Rs. in million)	Remarks
70% House Rent Allowance	21	84.19	More than Govt. prescribed ceiling of 45 %
25% Utility Allowance	22	24.70	Not admissible in Govt.
Fuel Facility	23	5.36	Allowed to BS-17 and above w/o BoD approval
Conveyance Allowance	23	14.98	Enhancement allowed to BS-01 to 16. Also w/o approval of BoD
<b>Total</b>		<b>129.23</b>	

Audit held that the concurrence of Finance Division must be obtained where any orders affecting the finances, including allowances or monetary benefits granted to employees is involved.

Management replied that the Board of Directors has the authority to amend traveling allowance, overtime rules, and employee benefit schemes at their discretion. Additionally, Clause 38(g) of the OEC's Articles of Association grants directors the power to hire, set remuneration, and dismiss employees.

The reply was not tenable as per Finance Division O.M No. F.4(3)/R-4/2011-Revised dated 23.01.2024, which requires prior consultation with the Finance Division for financial matters and approval for allowances or benefits.

DAC in its meeting held on 05.12.2024 directed OEC to seek clarification from the Finance Division.

Audit recommends implementation of DAC directives.

#### **4.4.45 Irregular award of contract - Rs. 37.235 million**

Board of Directors (BoD) of the Overseas Employment Corporation (OEC) in its 81<sup>st</sup> meeting held on 11.09.2023, under Agenda Item No. 01,

decided that OEC would study the regulations of sister organizations and other entities to frame its own service, financial, and operational regulations. These would then be submitted to the HR, Finance, and Investment Committee for consideration before BoD approval. Until finalization, the Managing Director (MD) of OEC was authorized to ensure financial control and discipline within the approved budget allocation.

Rule-188 of the General Financial Rules (GFR) Vol-I stipulates that in provinces and areas where the Pakistan Public Works Department (PWD) operates, including Punjab, Sindh, NWFP, Baluchistan, and all Federal Public Works, construction and related activities must be executed by the PWD. Exceptions to this rule can only occur if the Government issues special orders entrusting the work to a provincial government or another agency.

Para 6.09 of the Central Public Works Department (CPWD) Code mandates that a detailed estimate must be prepared for each proposed work, which must be sanctioned by the competent authority.

A contract worth Rs. 37.235 million was awarded to M/s Link Services (SMC-Pvt) Ltd for the establishment of a 2<sup>nd</sup> CBT Lab in Karachi.

Audit observed following irregularities in the contract awarded to M/s Link Services (SMC-Pvt) Ltd, during the FYs 2022-24:

- i. M/s Link Services, registered with the Pakistan Engineering Council (PEC) under Category C for Electrical and Solar Energy Systems, was awarded a contract for civil works, violating procurement rules.
- ii. No detailed estimate, PC-I, rate analysis, or CSR was produced for the project.
- iii. Measurements were not recorded in the Measurement Book (MB), nor was a completion certificate provided.

Audit held that these violations, involving a contract worth Rs. 37.235 million, reflect non-compliance with procurement rules, inadequate oversight, and potential financial risks.

Management replied that the contract did not involve civil works and was awarded to M/s Link Services (SMC-Pvt) Ltd. in compliance with PPRA Rules, with approval from the BoD in its 81<sup>st</sup> and 82<sup>nd</sup> meetings.

The management's response was deemed unsubstantiated, as it contradicted the audit evidence, with the bills indicating that the work pertains to civil, not electrical, tasks.

DAC in its meeting held on 05.12.2024 directed to hold a fact finding inquiry in the matter and share the report within two month's time.

Audit recommends early implementation of DAC directives.

{Para 27 of AIR of OEC for the Audit Year 2024-25}

#### **4.4.46 Loss due to non-encashment of Defence Savings Certificate – Rs. 1.98 million**

According to Rule 2A(a) of the Corporate Governance Rules, 2013, the criteria for sound and prudent management of a Public Sector Company are as follows: “The business of the Public Sector Company is carried on with integrity, objectivity, due care, and the professional skills appropriate to the nature and scale of its activities.”

The management typically invests surplus funds in treasury bills for a period of three months, rolling them over upon maturity, earning approximately 20% interest. As of June 20, 2024, the value of such investments was Rs 1,410.081 million.

Audit observed that the management failed to encash matured defence saving certificates, amounting to Rs 2 million, in 2022. These certificates, initially invested in 2012 for a 10-year period, matured in 2022, but the funds were not reinvested in treasury bills. Details are provided below:

<b>Date of Investment</b>	<b>Face value (Rs.)</b>	<b>Net Profit on maturity (Rs.)</b>	<b>Interest rate on T bills</b>	<b>Potential loss of two years (Rs.)</b>
17.04.2012	2,000,000	4,953,000	20%	1,981,200

Audit held that due to negligence by the investment committee and lack of internal controls, OEC incurred a financial loss of approximately Rs. 1.98 million. Had the matured defense saving certificates been reinvested in treasury bills, substantial interest could have been earned at the prevailing 20% rate.

The management stated that appropriate action will be taken against the responsible officer/official, and the outcome will be shared with the Audit in due course.

DAC in its meeting held on 05.12.2024 directed the management to hold an impartial inquiry into the matter and share the report within two months' time.

Audit recommends early implementation of DAC directives.

{Para 13 of AIR of OEC for the Audit Year 2024-25}

#### **4.4.47 Loss due to suspension of IATA license – Rs. 1.32 million**

Para 10 of GFR: "Every public officer incurring or authorizing expenditure from public funds should exercise the same vigilance as a person of ordinary prudence would exercise in respect of expenditure of his own money."

Rule 17(1) of Corporate Governance, 2013: "The board of directors of a Public Sector Company shall ensure that an effective internal control system is instituted which covers all material risks faced by the Public Sector Company and its operations, including financial, operational, and compliance controls."

Overseas Employment Corporation entered into an agreement with IATA on January 6, 2020, to sell air passenger transportation services and arranged a bank guarantee of PKR 11.3 million, which is renewed annually after completing necessary documentation.

Audit observed that the failure to provide required financial security led to the suspension of the IATA agreement twice, causing disruptions in operations and a 1% higher cost on ticket purchases. The bank guarantee of

PKR 11.3 million was not renewed due to non-compliance with SECP regulatory requirements. Details are as follows:

Rs. in million

Sr. No.	Period of suspension		Reason of suspension	Business in suspension period from other vendors	Additional 1% cost
	From	To			
1.	01.09.2022	14.09.2022	Noncompliance with SECP Rules, non-submission of updated Form A and Form 29	14.891	0.149
2.	01.09.2023	22.12.2023		117.218	1.172
<b>Total</b>				<b>132.109</b>	<b>1.321</b>

Audit held that OEC sustained this loss due to negligence on the part of management, and another suspension could lead to the termination of the license, which would negatively impact the operations of the travel wing and the organization's revenue.

Management replied that the Ministry may initiate inquiry against the Officer at fault i.e., the then Executive Director/Acting MD, since under the E&D rules the appointing Authority of the Executive Director CG-II/BS-20 is Secretary OP&HRD.

DAC in its meeting held on 05.12.2024 pended the para with the direction to hold a fact finding inquiry in the matter.

Audit recommends early implementation of DAC directives.

{Para 11 of AIR of OEC for the Audit Year 2024-25}

### **Bureau of Emigration and Overseas Employment**

#### **4.4.48 Undue extension without tender – Rs.6.164 million**

Rule 16A (4) of PPRA 2004 provides that open and closed framework agreement may be made with service provider. Maximum duration of open framework agreement shall not be more than three years and closed framework should not exceed one year.

The management of BE&OE awarded a tender to M/s Wular Engineer from 01-11-2018 to 31-10-2019, with a further renewal until 31-10-2021, at an agreed cost of Rs 202,800 per month, with a 10% annual increase.

Audit observed that the management continued acquiring services from M/s Wular Engineer from 01.11.2021 to 19.02.2024 at an agreed amount of Rs 223,080 per month, without calling for an open tender, resulting in a payment of Rs 6.164 million. Details are as under:

Rs. in million		
Period	Months/days	Amount paid
01.11.2021 to 31.12.2021	02	0.446
01.01.2022 to 31.12.2022	12	2.677
01.01.2023 to 31.12.2023	12	2.677
01.01.2024 to 31.01.2024	01	0.223
01.02.2024 to 19.02.2024	19 days	0.141
<b>Total</b>		<b>6.164</b>

Audit held that the management of BE&OE continued the services of M/s Wular Engineer after the designated period, violating PPRA rules, and incurred an irregular expenditure of Rs. 6.164 million.

Management replied that a fresh tender was initiated on 29.04.2022, but was rejected on 09.03.2023 due to the expiry of the bid validity period. In the interim, M/s Wular Engineer was directed to continue services until the new tender was awarded, in compliance with PPRA rules.

DAC in its meeting held on 09.01.2025 directed to conduct a Fact Finding inquiry into the matter.

Audit recommends early implementation of DAC directives.

{Para 2 of AIR of BE&OE for the Audit Year 2024-25}

#### **4.4.49 Repatriation of Nurses from KSA due to fake certificates**

Rule-30 of the Emigration Rules, 1979 outlines the actions the Labour Attache should take upon receiving complaints from emigrants. If the complaint is against an employer, the Labour Attache must assist in resolving the grievance and, if necessary, guide the emigrant to seek remedy through

local labor courts or authorities. In cases involving an Overseas Employment Promoter, the Labour Attache refers the complaint to the Secretary or Director General with the necessary facts and recommendations. If the complaint is from an employer against the promoter, the Labour Attache is required to investigate and report accordingly. Lastly, if the complaint is from an employer against the emigrant, the Labour Attache persuades the emigrant to comply with the Foreign Service agreement and recommends deportation in cases of gross misconduct.

The BE&OE granted six permissions to M/s Sahou Manpower (OEP License No. 3295/RWP) between October 2022 and March 2023 to recruit 108 nurses for employment in KSA. However, only 92 nurses were successfully sent abroad to M/s Mawarid Manpower Company in Saudi Arabia. Details are as under:

S. No	Permission No.	Date	Granted By	Total Jobs	Registered Emigrants
01.	1302789	25.10.2022	Mr. Gul Akbar	3	3
02	1351905	12.12.2022	Mr. Kazim Ehsan Malik	10	10
03	1458839	10.03.2023	-do-	10	10
04	1502190	14.04.2023	-do-	25	25
05	1521672	09.05.2023	-do-	40	40
06	1879721	04.09.2023	-do-	20	20
<b>Total</b>				<b>108</b>	<b>108</b>

Audit revealed that M/s Sahou Manpower issued counterfeit Data Flow and Experience letters for nurses, resulting in their repatriation. A formal complaint was filed by M/s Mawarid Manpower Company in Saudi Arabia regarding the fraudulent documents. The repatriated nurses alleged that Mian Zulfiqar, a sub-agent of M/s Sahou Manpower, took substantial amounts of money from them to prepare and upload fake certificates on the Mumaris platform.

Audit concluded that the issuance of fake data flows led to the repatriation of nurses from KSA, causing significant reputational damage to Pakistan's image in the international labor market.

Management replied that the nurses' repatriation was due to fake data flows uploaded by the OEP and associates, leading to the cancellation of the

OEP's license and a complaint forwarded to FIA, where the investigation is ongoing.

DAC in its meeting held on 09.01.2025 pended the para with the direction that a copy of the inquiry report be shared with audit and firm action be taken against the OEP.

Audit recommends early implementation of DAC directives.

{Para 3 of AIR of BE&OE for the Audit Year 2024-25}

#### **4.4.50 Non-initiation of disciplinary action against absconder**

Rule 5.3 of Estacode (Chapter-5) states that the civil servant applying for grant of leave are not to leave their offices/places of duty without waiting for actual sanction of the leave applied for. Attention is invited to F.R.67 wherein it is clearly stated leave cannot be claimed as of right. Thus an application for leave should not be anticipated as grant of leave. It should therefore, be brought home to the civil servants serving under the control of Ministries/Divisions that if they apply for grant of leave, they must wait for sanction of leave and should not leave the place of their duty before the leave applied for is actually granted by the competent authority. Non-compliance of these instructions might warrant action on account of misconduct under the relevant rule.

Mr. Adil Nawaz was the regular employee of BE&OE and drawing his salary from their respective ID.

Audit observed that Mr. Adil Nawaz, Deputy Director (BS-18), applied for Ex-Pakistan leave for two years starting October 2, 2023. However, the application was received by the Director General 17 days later, on October 18, 2023. Furthermore, the Deputy Director (Establishment) issued an explanation on the same day regarding Mr. Nawaz's unexplained absence since October 1, 2023, but no response was provided by the officer. Despite this, Mr. Nawaz left the country without obtaining a proper NOC and continued to draw his salary.

Audit held that no action was taken against the absconding officer, nor was his pay stopped, highlighting administrative inefficiency.

Management replied that the Ministry of Overseas Pakistanis has been requested to initiate disciplinary proceedings and stop the officer's salary, and the case is pending with the Ministry.

DAC in its meeting held on 09.01.2025 directed to stop the officer's salary, recovering irregular salary payments through the DDO, and disciplinary action be taken.

Audit recommends early implementation of DAC directives.

{Para 16 of AIR of BE&OE for the Audit Year 2024-25}

### **Protectorate of Emigrants Rawalpindi**

#### **4.4.51 Non-performance of 454 Overseas Employment Promoters**

Rule 9(2) (d) of Emigration Rules 1979 states that if a licensee fails to send any person abroad during last five years, a special committee constituted by the Secretary shall, on the basis of record including past performance and conduct of such licensee, examine such cases for renewal or refusal for renewal of the license. Where the committee so recommends to renew the license, the Secretary may renew the license with forfeiture of an amount of not less than twenty-five thousand rupees from the security deposited under these rules in addition to the renewal fee.

848 valid OEPs are registered (as per online data on website) with BE&OE under the Jurisdiction of the Protectorate of Emigrants Office, Rawalpindi.

Audit observed that 454 Overseas Employment Promoters (OEPs) have not facilitated any emigrants abroad since 2019.

Audit held that the non-performance of Overseas Employment Promoters (OEPs) indicates a significant failure to fulfill their responsibilities, undermining the integrity of the emigration process and hindering the recruitment efforts critical for successful operations.

The management replied that such cases are referred to the Special Committee through Bureau of Emigration and Overseas Employment as and when they apply for renewal of the licenses.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends prompt action may be initiated against the persons at fault, besides strengthening of the administration and internal controls.

{Para No.05 of AIR of POE Rawalpindi}

## **Protectorate of Emigrants, Peshawar**

### **4.4.52 Irregular Protection and Registration of Government Employees**

Para No.26 of the instructions (consolidated and explicated on basis of the decisions of the Cabinet dated:18<sup>th</sup> October, 2018, 22<sup>nd</sup> Feb, 2023 and 02<sup>nd</sup> March, 2024) issued by the Cabinet Division vide letter No.9-148/2002-Min.II.dated.07<sup>th</sup> March, 2024 provides that NOC for proceeding abroad by all Government servants shall be required from parent Division/Head of Department.

The management of the Protectorate of Emigrants, Peshawar protected 303,942 emigrants during the FYs 2020-21 to 2023-24.

Audit observed that 1,625 employees (BPS 1-19) were registered by the Protectorate of Emigrants, Peshawar, during the FYs 2020-24. However, no policy or guidelines are in place to facilitate their employment abroad or the issuance of protectors for this purpose.

Audit held that issuance of protector to the Government employees and their departure abroad on employment basis without any approval or NOC was irregular.

The matter was reported to the management on 04.10.2024, but no response was received.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends to inquire the matter.

{Para No.01 of AIR of POE, Peshawar}

## Chapter 5

### Ministry of Human Rights

#### 5.1 Introduction

A. The Ministry of Human Rights established as an independent Ministry in 2015, has a broad mandate, tasked with establishing and strengthening institutional mechanisms for the protection of human rights, enshrined under the Constitution of Pakistan, 1973 and in line with Pakistan's international human rights obligations.

In order to develop Pakistan into a country where every Citizen lives in equality, dignity and freedom with complete protection of fundamental human rights without any discrimination as guaranteed by the Constitution of Pakistan. To accomplish the functions assigned under the Rules of Business 1973, Ministry of Human Rights has been divided into the following sections and attached departments:

- i. Administration Section
- ii. Human Rights Section
- iii. International Cooperation Section
- iv. Development Section
- v. Social Welfare Section

The attached departments of the Ministry include:

- i. Directorate General of Special Education
- ii. National Commission of Child Welfare and Development
- iii. Child Protection Institute
- iv. Zainab Alert Response and Recovery Agency
- v. Legal Aid and Justice Authority
- vi. National Commission of Human Rights
- vii. National Commission of Child Rights
- viii. National Commission on the Status of Women

## B. Comments on Budget and Accounts (Variance Analysis)

			Rs. in million
Name of Office	FYs	Budget Allocation	Expenditure
Ministry of Human Rights Islamabad	2022-24	964.520	914.977
Directorate General of Special Education, Islamabad	2022-24	639.198	445.619
National Commission on the Status of Women, Islamabad	2021-24	288.885	278.584
National Special Education Centre for Hearing, Islamabad	2021-24	458.397	458.842
<b>Total</b>			<b>2098.022</b>

## C. Sectoral Analysis

The performance indicators, targets and achievements for the FY 2022-23 by Ministry of Human Rights is tabulated below:

Outputs	Selected Performance Indicators	Planned Targets	Targets Achieved
Review, Protection & Implementation of Human Rights laws, Policies and measures (Reports/actions) at National/Provincial level	New Laws/ amendments / Rules by MoHR	3	Details were not provided to Audit
	No. of beneficiaries for financial assistance to Human Rights Violations by MoHR	400	
Coordination with regard to HR related International Commitments	Coordination in implementation of united Nations Convention on the Rights of child (UNCRC) and its optional Protocols	2	
	Establishment of National Commission on the rights of child by NCCWD	2	
Disseminating HR related Awareness, Research, Training program etc.	Awareness/advocacy (No. of child rights awareness programme)	50	
	Awareness/advocacy (No. of Awareness program) by MoHR through social & electronic media.	120	

Strengthening redressal of Human Rights violations	Awareness/advocacy (No.of Awareness programme) by MoHR through electronic, print media.	19000	
	Human Rights Violation - No. of cases by MoHR / Regional Officer HR for redressal through monitoring	10000	

## 5.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 251.936 million were raised by audit. Summary of audit observations classified by nature is as under:

		Rs. in million
Sr. No.	Classification	Amount
<b>1</b>	<b>Irregularities</b>	<b>17.951</b>
A	HR related irregularities	1.320
B	Financial management	16.631
<b>2</b>	<b>Value for money and service delivery issues</b>	<b>-</b>
<b>3</b>	<b>Non-production of record</b>	<b>233.985</b>

## 5.3 Brief comments on the status of compliance with PAC Directives

The Directorate General Audit Social Safety Nets started auditing and reporting Ministry of Human Rights since 2021-22. No PAC on the paras has been held so far.

## 5.4 AUDIT PARAS

### Ministry of Human Rights

#### Irregularity & non-compliance

#### 5.4.1 Lapse of Funds by the Ministry - Rs. 16.631 million

Para 95 of GFR Vol-I states that all anticipated savings should be surrendered to Government immediately they are foreseen but not later than 15<sup>th</sup> May of each year in any case, unless they are required to meet excesses under some other unit or units which are definitely foreseen at the time. However, savings accruing from funds provided after 15<sup>th</sup> May shall be

surrendered to Government immediately, they are foreseen but not later than 30<sup>th</sup> June of each year.

The Ministry of Human Rights had a total budget grant for the FY 2023-24 of Rs. 569.515 million and it expanded Rs. 553.183 million. Thus, having saving of Rs. 16.331 million under ID 8361.

Audit observed that the management of Human Rights Division was required to surrender the savings by 15<sup>th</sup> of May to avoid lapse of funds but it was not done. Details are as under:

Rs. in million

Sr. No.	Head of Account	Final Budget	Actual Expenditure	Lapsed Amount
1.	A01-Employee Related Expenses	293.737	293.543	0.194
2.	A03-Operating Expenses	101.603	100.346	1.257
3.	A04-Employee Retirement Benefits	3.449	3.447	0.002
4.	A05-Grants, subsidies	19.900	19.900	0.000
5.	A06-Transfer	68.542	68.542	0.000
6.	A09-Expenditure on Acquiring of Physical Assets	5.719	5.719	0.000
7.	A12-Civil Work	20.627	13.480	7.146
8.	A13-Repair & Maintenance	55.937	48.206	7.731
	<b>Total</b>	<b>569.515</b>	<b>553.183</b>	<b>16.331</b>

Audit held that due to the non-surrender of anticipated savings amounting to Rs. 16.331 million, the funds lapsed, rendering them unusable for other development or non-development activities.

Management stated that PWD provided a schedule of cheques for Rs. 44.542 million, of which Rs. 5.50 million was submitted after the FY 2023-24 closure and could not be booked in the SAP system. Additionally, Rs. 20.626 million was allocated for boundary wall construction, with Rs. 13.480 million booked and Rs. 7.1 million returned to the Federal Treasury.

DAC in its meeting held on 07.11.2024 directed to produce latest relevant record for verification.

Audit recommends implementation of DAC directives.

## **Directorate General of Special Education**

### **Non-production of record**

#### **5.4.2 Non-provision of record of Development Expenditure - Rs. 140.498 million**

In terms of section 14(2) of the Auditor General's ordinance, 2001, non-production of record tantamount to hindrance in the auditorial function of the Auditor General of Pakistan. The section 14(2) states that 'the officer in charge of any office or department shall afford all facilities to provide record for audit inspection and comply with requests for information in complete form as possible and with all reasonable expedition.

Rule 158 of the General Financial Rules (GFR) mandates that all public works must be documented with detailed records, including approved estimates, tender documents, and progress reports. The failure to maintain and produce these records constitutes a breach of this rule, as it hinders proper financial oversight.

During the scrutiny of records of Directorate General of Special Education (DGSE) Islamabad, covering the financial years 2022-2023 and 2023-2024, the procedures outlined in the PWD Manual to govern the preparation of estimates, application of CSR rates, and overall execution of public works projects, it was observed that an amount of Rs. 140.498 million was allocated for the repair and maintenance of various centers. A tender amounting to Rs. 100.710 million was awarded by the Pakistan Public Works Department (Pak PWD) for this purpose. However, the following essential records were not produced for audit despite repeated requests.

1. Approved Engineer's Estimate/ Cost Abstract/PC-1
2. Demand of the Centers/Detailed list of works required to be carried out at the centers.
3. Letter of Award of work to PWD.
4. Drawings/ Designs/Specifications/Requirements for each center.
5. Schedule of Rates used by Pak PWD.
6. Market Rate Analysis.

7. Progress Reports by the Work Section.
8. Acceptance of Expenditure.
9. Measurement Book (MB).
10. Weekly/monthly/quarterly reports of the works section.
11. Work Completion Certificate.
12. Defect Liability Period.

Audit held that the failure to provide critical records essential for verifying the accuracy and legitimacy of expenditure raises serious concerns about transparency in financial and operational management.

Management replied that the detailed record was available for verification.

The reply is not tenable as the requisite record was not produced to audit.

DAC in its meeting held on 24.01.2025 directed to provide the record to audit within 15 days.

Audit recommends that to fix the responsibility on the person at fault besides establishing strong internal control and checks.

{Para No 02 of AIR of DGSE for the Audit Year 2024-25}

#### **5.4.3 Misplacement of record - Rs. 93.487 million**

According to the General Financial Rules (GFR) and the Public Finance Management Act, 2019, it is the responsibility of the concerned department to maintain and safeguard all financial records and documents. The failure to produce the required documentation during an audit is a violation of these rules, which mandate that all relevant records must be readily accessible for audit scrutiny.

Directorate General of Special Education (DGSE), Islamabad, incurred an expenditure of Rs. 93.487 million on the repair and maintenance of various centers during the financial years 2022-2024.

Audit observed that despite repeated requests through requisitions dated 19.08.2024, 22.08.2024, and 01.09.2024, critical records, including File

No. 12-15/2016 SE 135(pt) of the Works Section, were not produced. This file, missing for over a year, is essential for verifying financial transactions related to the expenditure. Additionally, the allotment file for Principal Villa No. 4, HIC H-9/2 Islamabad, also remains unproduced despite repeated written and verbal requests.

Audit held that the non-production of these critical records hinders the audit process, raises concerns over financial transparency, and highlights poor document management practices within DGSE.

Management replied that the files were in custody of Ex-DGSE.

DAC in its meeting held on 24.01.2025 directed to conduct an inquiry at the Ministry level.

Audit recommends that an inquiry may be conducted to fix the responsibility against person(s) at fault besides tracing and production of requisite files.

{Para No 10 of AIR of DGSE for the Audit Year 2024-25}

### **Irregularity and non-compliance**

#### **5.4.4 Non-performance of functions**

In accordance with presidential directives, the Directorate of Special Education was established in 1985 to develop model institutions for the rehabilitation, education, and training of persons with disabilities. Its mandate includes community-based rehabilitation, pre-vocational and vocational skills development, raising public awareness, and providing training for professionals. The Directorate is also responsible for formulating and implementing policies and plans, as well as delivering medical, educational, and vocational rehabilitation services to support persons with disabilities.

The following key functions, among others, were assigned to the Directorate General of Special Education (DGSE), Islamabad:

- i. Establishing model institutions for rehabilitation, special education, training, community-based rehabilitation, pre-vocational training, and vocational skills development for persons with disabilities.
- ii. Raising awareness and providing training for the public and professionals.
- iii. Preparing and executing policies and plans for persons with disabilities.
- iv. Providing medical, educational, and vocational rehabilitation services for persons with disabilities.

Audit observed that these functions were not properly performed by the DG (SE). Moreover, an expenditure amounting to Rs. 21.787 million was incurred on Community Center I-9/4 in 2006 which remains unused, with no SOPs developed for its utilization.

Audit held that the lack of adherence to mandated responsibilities must be addressed to ensure the effective achievement of objectives aimed at supporting persons with disabilities.

Management replied that over 100 Special Education Centers had been established nationwide to address the needs of various disabilities. These centers actively conduct awareness campaigns through multiple channels and provide rehabilitation services, including student assessments for admission and during school hours. Furthermore, the Directorate General of Special Education (DGSE) developed a National Policy for Persons with Disabilities in consultation with all stakeholders, which is being implemented at both federal and provincial levels. However, in the case of Community Centre, the management replied that proposals were submitted from the works section of DGSE to the Competent Authority but no action was taken.

DAC in its meeting held on 25.01.2025 directed to conduct an inquiry and to fix responsibility against person(s) at fault. DAC further directed to share performance report with Audit.

Audit recommends early compliance of DAC directives. Moreover, the Directorate needs to develop authentic data on disabilities, including Autism,

in the ICT region and the country (in collaboration with the provinces). The Directorate on the basis of this data needs to come up with workable plans for education, treatment, parent/care giver support and employment for persons with disabilities (including Autism).

{Para No. 11& 13 of AIR of DGSE for the Audit Year 2024-25}

## **National Commission on the Status of Women**

### **Irregularity and non-compliance**

#### **5.4.5 Irregular retention of deputationists - Rs 1.32 million**

As per para 20A(1) of Esta-Code regarding appointment on deputation provides that “a person in the service of a Provincial Government or an autonomous, semiautonomous body or corporation or any other organization set-up, established owned, managed or controlled by the Federal Government who possesses the minimum educational qualifications, experience or comparable length of service prescribed for a post shall be eligible for appointment to the said post on deputation for a period not exceeding three years which may be extended for another period of two years on such terms and conditions as may be sanctioned by Federal Government in consultation with the lending Organization.”

The following officers were posted in NCSW, Islamabad on deputation from State Engineering Corporation (SEC) and National Foundation for Communal Harmony (NFCH).

S #	Name of Officers	Designation & Scale	Date of joining in NCSW on Deputation	Completion date	Charge Relinquish date	Period exceeding five years	Excess Deputation allowance (Rs.)
1	Mr. Shahid Iqbal	Director BPS-19	01-12-2015	30 <sup>th</sup> Nov 2020	15 Apr 2024	40 Months & 15 days	562,000
2	Mr. Mukhtar Ahmed	Director BPS-19	04-11-2016	3 <sup>rd</sup> Nov 2021	Till date	33 Months & 27 days	518,800
3	Mr. Suleman Shah	Director BPS-19	27-04-2016	26 April 2021	30 Dec 2022	08 Month & 4 days	241,600
<b>Total</b>							<b>1,322,400</b>

Audit observed that the aforementioned officers have served more than five years in NSCW on a deputation basis without being repatriated to their parent departments, which was a violation of Establishment Division orders.

Audit held that retention of services of deputationists beyond five years was a violation of rules and has also resulted in loss to Government exchequer.

The matter was reported to the management of NCSW on 07.10.2024 but no response was received till the finalization of Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends that immediate action should be taken to repatriate these officers to their parent departments besides recovery of deputation allowance paid.

**{Para No.3 of AIR of NCSW for the Audit Year 2024-25}**

## Chapter 6

### Ministry of Poverty Alleviation and Social Safety

#### 6.1 Introduction

A. The Division of Poverty Alleviation and Social Safety was established to implement the umbrella initiative, Ehsaas. Launched on March 27, 2019, the objective of Ehsaas is to reduce inequality, invest in people, and lift lagging districts. Ehsaas is about the creation of a ‘welfare state’ by countering elite capture and leveraging 21<sup>st</sup> century tools – such as using data and technology to create precision safety nets; promoting financial inclusion and access to digital services; supporting the economic empowerment of women; focusing on the central role of human capital formation for poverty eradication, economic growth and sustainable development; and overcoming financial barriers to accessing health and post-secondary education. The functions of the Division are as follows:

- i. The program’s principles and approaches center on tapping whole-of- government multi-sectoral collaboration of solutions;
- ii. Ensuring joint federal-provincial leadership; and main-streaming the role of the private sector through an approach which will provide a level playing field on the one hand and foster locally-relevant innovation on the other, to create jobs and promote livelihood in quick-win areas.
- iii. The program’s premise is grounded in the importance of strengthening institutions, transparency and good governance.
- iv. The program is for the extreme poor, orphans, widows, the homeless, the disabled, those who risk medical impoverishment, for the jobless, for poor farmers, for laborers, for the sick and undernourished; for students from low-income backgrounds and for poor women and elderly citizens. This plan is also about lifting lagging areas where poverty is higher.

## B. Comments on Budget & Accounts

(Rs. in million)

S. No.	Name of Office	FY(s)	Budget Allocated	Expenditure
1	Ministry of Poverty Alleviation	2022-24	1,375.352	1,251.915
2	Central Zakat Fund Islamabad	2023-24	12,241.350	12,241.350

## C. Sectoral analysis on the achievements against targets agreed under MTBF

The performance indicators, targets and achievements for the FY 2023-24 by Ministry of Poverty Alleviation and Social Safety is tabulated below:

Outputs	Selected Performance Indicators	Planned Targets	Targets Achieved
Mainstreaming the Poverty Alleviation and Social Protection Services	Number of assets to be transferred to poor households	83539	Details were not provided to Audit
	Number of livelihood beneficiaries to be trained	260604	
	Number of beneficiaries to receive Interest Free Loan	53232	

The Audit profile of Ministry of Poverty Alleviation and Social Safety Division for the FY 2023-24 was as follows:

**Table 1: Audit Profile of PASS DIVISION**

Sr. No.	Description	Total Nos	Audited	Rs. in million
				Expenditure audited FY 2023-24
1	Formations	61	21	13,493.27

### 6.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 12,008.007 million were raised by audit. This amount includes a recoverable amount of Rs. 3,257.038 million. Summary of audit observations classified by nature is as under:

Rs. in million

Sr. No.	Classification	Amount
<b>1</b>	<b>Irregularities</b>	<b>5,070.350</b>
A	HR/ Employees related irregularities	2.736
B	Procurement related irregularities	21.428
C	Management of Accounts with Commercial banks	25.931
D	Financial Management	5,020.255
<b>2</b>	<b>Value for money and service delivery issues</b>	-
<b>3</b>	<b>Others</b>	<b>6,937.657</b>

### 6.3 Brief comments on the status of compliance with PAC Directives

Audit Year	Status of PAC/Remarks	No. of Audit Paras (Sub-Paras) Discussed	Paras (Sub-Paras) Not Complied	Percentage of compliance
1995-98	PAC held	19(104)	3(36)	65
1998-99	PAC held	79	14	82
1998-99	PAC held	21	21	0
1999-00	PAC held	21	21	0
2000-01	PAC held	47	5	90
2002-03	PAC not held	-	-	-
2003-04	PAC held	7 (23)	(12)	48
2004-05	PAC held	8	8	0
2005-06	PAC not held	-	-	-
2006-07	PAC held	8	5	37.5
2007-08	PAC held	8(16)	8(5)	69
2008-09	PAC held	10	7	30
2009-10	PAC held	3	3	0
2010-11	PAC held	18 (64)	(44)	31
2011-12	PAC not held	-	-	-
2012-13	PAC not held	-	-	-
2013-14	PAC held	13	10	23
2014-15	PAC not held	-	-	-
2015-16	PAC not held	-	-	-
2016-17	PAC held	1(7)	1(7)	0
2017-18	PAC held	10	10	-
2018-19	PAC held	05	-	100
2019-20	PAC not held	-	-	-
2021-22	PAC not held	-	-	-

2018-19	PAC held (PPAF)	5	5	-
2018-19	PAC held (ZCCA)	2	2	-
2018-19	PAC held (CZF)	4	4	-
2022-23	PAC not held	0	0	-

#### 6.4 AUDIT PARAS

##### **Ministry of Ministry of Poverty Alleviation and Social Safety**

##### **Non-production of record**

##### **6.4.1 Non-production of record relating to *Sehat Tahafuz* Program**

According to Section 14 sub section 2 of the Auditor General’s Ordinance, 2001 “The officer in-charge of any office or department shall afford all facilities and provide record for audit inspection and comply with request for information in as complete a form as possible and with all reasonable expedition”

Audit observed that the management of Ministry of Poverty Alleviation and Social Safety Islamabad did not produce the following data/record/details relating to *Sehat Tahafuz* Program for the FYs 2021-24:

- i. Data regarding 38,000 patients upto 30.06.2024
- ii. Soft data of the whole program of *Sehat Tahafuz* Program
- iii. Bank Statements and transaction trail of all hospitals
- iv. Bank Statements of the project
- v. PMT Score of each patient
- vi. Hospital-wise expenditure
- vii. Signed/approved copy of Revised PC-1
- viii. Audit Logs/ application/ platform
- ix. Treatment packages
- x. Beneficiary satisfaction survey, appeals and complaints
- xi. Deployment of two Verification Officers in each hospital

Audit held that the non-production of records constitutes a serious irregularity and significantly impedes the audit functions of the Auditor-General of Pakistan. Furthermore, the expenditure incurred on patient

treatment appears to have been mis-utilized and not directed towards bona fide patients, raising concerns about transparency and accountability.

The matter was reported to the management on 07.10.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests dated 20.12.2024 and 07.01.2025, the PAO has not been able to convene DAC meeting so far.

Audit recommends that disciplinary action be taken against the person(s) at fault.

{Para 23 of AIR of Ministry of PASS for the Audit Year 2024-25}

### **Irregularity and non-compliance**

#### **6.4.2 Excess payment made to PAQJIMS hospital – Rs. 25.650 million**

Para 11 of GFR Vol-I states that 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 subordinate disbursing officers.

The Pir Abdul Qadir Jeelani Institute of Medical Sciences (PAQJIMS) received funding from the *Sehat Tahafuz* Program for Cochlear Implantation procedures.

Audit observed that PAQJIMS treated 114 patients at a cost of Rs. 1.545 million per patient, compared to Rs. 1.320 million per patient charged by CDA Hospital, Islamabad.

Audit held that undue favor extended to PAQJIMS Hospital resulted in an excess payment of Rs. 25.650 million and depriving numerous deserving individuals of the program's intended benefits.

The matter was reported to the management on 07.10.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends that fact-finding inquiry to uncover the underlying facts be initiated.

{Para 25 of AIR of Ministry of PASS for the Audit Year 2024-25}

#### **6.4.3 Excess payment of Operating Cost to POs - Rs. 21.428 million**

Clause I (b) in the 2<sup>nd</sup> Schedule of the Finance agreement for the National Poverty Graduation Program (NPGP) encompasses recurring and overhead costs, including audit costs. Recurring and overhead costs, including salaries and allowances for the Lead Partner Agency (LPA) and Partner Organizations (POs), are addressed through a fixed percentage (4% for LPA and 8% for POs) of eligible expenditures under Grant and Subsidies, Training and Workshops, and Consultancies (Categories I, II, III).

Project Management Unit (PMU) of NPGP Loan No. 2000001958, recorded an expenditure of Rs. 1,438.330 million as operating costs for PMU and partner organizations till June 30, 2024.

Audit observed, during FAP audit of NPGP, that four POs were paid an excess amount of Rs. 21.428 million as operating costs. Details are as follows:

Rs. in million

<b>Name of PO</b>	<b>Operating Cost Paid</b>	<b>Operating Cost allowed @ 8%</b>	<b>Excess Payment</b>
LASOONA	91.555	81.387	10.168
SABAWON	88.755	87.174	1.582
TRDP	106.377	102.925	3.452
TVO	6.512	0.285	6.227
<b>Total</b>	<b>293.198</b>	<b>271.770</b>	<b>21.428</b>

Audit held that undue favour was granted to the Partner Organizations and excess amount was paid as operating cost.

Management explained that program activities were suspended or slowed for 15 out of 30 working months between January 2020 and June 2022, and April to June 2023, due to COVID-19 restrictions and rupee cover issues, which were beyond the control of PMU and POs. As a result, planned

program costs could not fully cover fixed operating expenses. With funds now available and activities resumed, it is anticipated that the program cost will be utilized to offset past excess operating costs and meet current operational needs.

The management's response is not tenable, as undue favor was extended to Partner Organizations by disbursing operating costs exceeding the permissible limits.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends recovery of the excess amount from partner organizations besides adoption of corrective measures for future.

{ML No. 4.1.3 of FAP Audit of NPGP for the Audit Year 2024-25}

#### **6.4.4 Unauthorized treatment of government servants - Rs 10.378 million**

Clause 8.2.3 of Revised PC-1 of *Sehat Tahafuz* Program under the heading “Technology Platform for Tahafuz” states that Streamline beneficiary with identity verification by developing functionality with the doctor app (or otherwise) that will leverage NADRA’s database to verify beneficiary.

Under the eligibility assessment section of the *Sehat Tahafuz* Program, the beneficiary's data is retrieved from the National Socio Economic Registry (NSER) to determine their eligibility.

Audit observed that *Sehat Tahafuz* Program operated/treated government employees and their families which are entitled for medical reimbursement in 2 hospitals i.e. CDA hospital, Islamabad and Gambat hospital, Sindh from the funds of the project amounting to Rs 10.378 million. Details are as follows:

S. No.	Name of Hospital	Name of Employee	Invoice Number of Hospital	CNIC	Name of Patient	BPS	Serving in	Amount (Rs in million)
1	Pir Abdul Qadir Shah Jeelani	Zaheer ud Din	ETPA-8742	41301-8159512-3	Asfand Yar	16	Govt. of Sindh	1.545
2		Alla Dino	REQ-18294	45203-0821064-1	Sughra	7	Govt. of Sindh	1.545
3	Institute of Medical Sciences Gambat	Nazir Ahmad	ETPA-0369	45304-9580383-1	Muhamma d Talha	17	Govt. of Sindh	1.545
4		Lufuf Ali	ETPA-0653	45102-6175332-1	Lutuf Ali	15	Govt. of Sindh	0.119
5		Saima	ETPA-9802	45504-1314423-0	Saima	9	Govt. of Sindh	0.119
6		Wazir Ali Jamro	ETPA-8725	45202-7872935-5	Aliza Bushra	11	Government of Sindh	1.545
7	CDA Hospital	Tanzeel Arshad	ETPA-8987	34201-2942178-3	Muhamma d Musa	7	Gujrat, Punjab	1.320
8	Islamabad	Muhammad Waseem	ETPA-7517	15201-6503535-3	Umair Waseem	16	Chitral, KPK	1.320
9		Syed Wilayat Hussain	ETPA-8345	14301-4175909-7	Sehrish Batool	16	Kohat, KPK	1.320
<b>Total</b>								<b>10.378</b>

Audit held that treating government employees eligible for reimbursement under the project is unauthorized, risking double payments and questioning the authenticity of the NSER database. This practice deprived rightful beneficiaries of their due assistance.

The matter was reported to the management on 07.10.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends that a fact-finding inquiry to uncover the underlying facts be initiated and responsibility be fixed besides recovery.

{Para 30 of AIR of Ministry of PASS for the Audit Year 2024-25}

#### **6.4.5 Missing stock items of projects - Rs. 9.85 million**

Para-158 to 162 of GFR-Vol-I require conducting physical verification of store/stock at least once in a year by an officer not custodian or ledger

keeper or accountant of the store and record a certificate to that effect in stock register.

The Ministry of Poverty Alleviation and Social Safety executed four projects and purchased different assets for such projects over the period of time.

Audit observed during physical verification of stores that the assets/items were found to be missing. Details are as under:

<b>Name of Project</b>	<b>Para No. of AIR</b>	<b>Missing assets/items</b>	<b>Amount (Rs. in million)</b>
<i>Sehat Tahafuz</i> Program	37	25 Laptops	4.9
Social Project Delivery Unit	47	07 Laptops & 04 desktop computers	2.16
Centre for Rural Economy	7	11 laptops, 02 Split AC 1.5 ton, 01 Standing AC 1.5 ton, 01 Digital Camera, 01 Refrigerator DW-650 & 01 LED 55 Inch	2.79
Centre for Social Entrepreneurship			
<b>Total</b>			<b>9.85</b>

Audit held that missing of assets/Items from the Store/Stocks was a serious irregularities occurred which may have resulted in misuse/theft of assets/items. Moreover, actual position of store/stocks could not be measured.

The matter was reported to the management on 07.10.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends to initiate a fact finding, fix responsibility against the person(s) at fault besides recovery of assets/items.

#### **6.4.6 Non-observance of Austerity Measures - Rs. 2.997 million**

Para No. (2)(ii) Ministry of Finance OM No. F.7(1)Exp.IV/2016-340 dated 07<sup>th</sup> July, 2022 regarding Austerity measures for financial year 2022-23 requires that Principal Accounting Officers shall ensure that existing entitlement for petrol for government functionaries be reduced by 30%.

Ministry of Poverty Alleviation and Social Safety had received an amount of Rs. 2.337 million under the Head “POL Charges” during the FY 2022-23.

Audit observed that the Ministry did not observe austerity measures under the head of account “A 03807 - POL Charges”. Details are as under:

Rs. in million

S. No.	Head of Account	Original Budget	Actual Expenditure	30% to be reduced	Excess Expenditure
1	A 03807 – POL Charges	2.337	4.633	1.636	2.997

Audit held that due to weak controls, vehicles from the Cabinet Division were used by the Ministry of Poverty Alleviation, resulting in unauthorized POL expenses of Rs. 2.30 million.

The matter was reported to the management on 07.10.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends to implement Finance Division’s directives in true letter & spirit, responsibility be fixed on the person(s) at fault and avoid recurrence of such transactions in future.

{Para 4 & 6 of AIR of Ministry of PASS for the Audit Year 2024-25}

#### **6.4.7 Less deduction of Income Tax- Rs. 2.736 million**

According to para 4 Chapter II charge of tax Income Tax Ordinance, 2001. Tax on taxable income: (1) Subject to this Ordinance, income tax shall be imposed for each tax year, at the rate or rates specified in Division I or II of Part I of the First Schedule, as the case may be, on every person who has taxable income for the year. (2) The income tax payable by a taxpayer for a tax year shall be computed by applying the rate or rates of tax applicable to the taxpayer under this Ordinance to the taxable income of the taxpayer for the year, and from the resulting amount shall be subtracted any tax credits allowed to the taxpayer for the year.

Ministry of Poverty Alleviation and Social Safety recruited many employees under the Project Social Protection Delivery Unit (SPDU).

Audit observed that income tax amounting to Rs. 2.736 million was less deducted from the salaries of the 12 employees during the financial years 2020-23.

Audit held that the irregularity was occurred due to non-observance of above mentioned rules, which resulted in loss to the government exchequer.

The matter was reported to the management on 07.10.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends recovery of less deduction as that the income tax must be deducted according the recommended annual slab as laid down by the Federal Government.

{Para 45 of AIR of Ministry of PASS for the Audit Year 2024-25}

#### **6.4.8 Non-verification of degrees**

Cabinet Secretariat (Establishment Division) D.O. No. 6(28) 2011-DG-II dated 08.03.2011 circulated the directives of the Prime Minister, according to which “all the Autonomous bodies/Companies, Corporations were required to take the measures to authenticate degrees/certificates of all the employees of their organization. It would be the responsibility of concerned Head of Organization to have the degrees/certificates verified”.

Ministry of Poverty Alleviation and Social Safety recruited many employees under the Projects *Sehat Tahafuz* Programme and Social Protection Delivery Unit (SPDU).

Audit observed that the academic degrees of employees of *Sehat Tahafuz* programme and Social Protection Delivery Unit (SPDU) alongwith the employees of Ministry of PASS Islamabad were not verified from concerned universities /institution/HEC.

Audit held that without verification of degrees, the authenticity of qualification criteria met for the acquiring of job could not be ascertained.

The matter was reported to the management on 07.10.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends that the degrees be verified from the appropriate forum, if not verified, necessary action be taken by the PAO.

{Para 17, 38 & 49 of AIR of Ministry of PASS for the Audit Year 2024-25}

## **Central Zakat Administration**

### **Irregularity and non-compliance**

#### **6.4.9 Non-investment of idle Zakat funds in any non-interest bearing instruments– Rs. 4,475.400 million**

Section 8(d&e) of the Zakat and Ushr Ordinance 1980 provides that the moneys in a Zakat Fund including Ushr proceeds shall, *inter alia*, be utilized for investment in any non-interest bearing instruments as is permitted under Shariah.

Central Zakat Administration had an average balance of Rs. 4,475.400 million as idle Zakat funds at its disposal in the Central Zakat Fund Account No. 08 during the FY 2023-24.

Audit observed that the funds had remained idle for more than one year, which was not invested in any non-interest bearing instruments as is permitted under Shariah.

Audit held that the failure to invest idle Zakat funds in permissible Shariah-compliant, resulted in a significant opportunity loss. Proper investment could have generated profit, thereby increasing the Zakat fund to better serve its intended beneficiaries.

Management responded that the Central Zakat Council (CZC) approved investments from the Zakat Fund in NIT and ICP in its 65th meeting under Section 8(d) of the Zakat and Ushr Ordinance, 1980. However, following the Council of Islamic Ideology's declaration deeming such investments un-Islamic, the CZC, in its 105th meeting on 10.11.2010, approved the disinvestment of these funds.

The reply was not tenable as investment in non-interest bearing instruments is admissible according to Zakat and Ushr Ordinance 1980. Moreover, complete history showing other reasons for investment and disinvestment was not shared with audit.

DAC in its meeting held on 29.01.2025 directed the Ministry of Poverty Alleviation and Social Safety to seek a fresh opinion from Council of Islamic Ideology.

Audit recommends that the idle Zakat funds may be invested in any non-interest bearing instruments as permitted under Shariah.

{Para 1 of AIR of CZF for the Audit Year 2024-25}

#### **6.4.10 Late deposit of Zakat - Rs. 1,854.723 million**

According to Rule-33(4) of Zakat Collection and Refund Rules,1981," ZCCAs will remit immediately after the close of the periods given in consolidated Zakat Collection Reports (Form CZ-08A and CZ-08B), the aggregate of the amount collected by their ZCOs, less refunds, to the Central Zakat Account No.8- Central Zakat Fund with the State Bank of Pakistan, provided that the ZCCAs dealing with assets at Serial No.1 (Savings Bank and similar accounts) will make, in addition to the above remittances, an additional remittance immediately after the deduction date."

An amount of Rs. 12,114.008 million in total has been deposited by the Zakat Collection and Controlling agencies during the period 20.06.2023 to 07.06.2024 into Central Zakat Fund Account No.08 (Source CZ-21).

Audit observed that 11 ZCCAs did not timely deposit the Zakat amounting to Rs. 1,854.723 million into the Central Zakat Fund Account No.08, which was held as irregular. Details are as **Annexure-XV**.

Audit held that delayed remittance of Zakat breached legal obligations and provided undue benefit of Rs. 331.905 million to the ZCCAs.

Management replied that letters have been addressed to SBP, SECP and the concerned agencies to ensure deposit of Zakat in conformity with Zakat collection and refund rules 1981.

DAC in its meeting held on 29.01.2025 directed the Ministry of Poverty Alleviation & Social Safety Division to issue an advisory to the relevant formations. Furthermore, the DAC instructed that the reasons for the delay, as well as records indicating no float obtained by the formations, be verified from Audit.

Audit recommends that responsibility for late deposit of Zakat may be fixed besides taking remedial measures to avoid such irregularity in future.

{Para 5 of AIR of CZF for the Audit Year 2024-25}

**Note:** The issue was reported earlier also in the Audit Report for the Audit Year 2022-23 vide para no. 6.4.3 having financial impact of Rs. 4,493.664 million. Recurrence of the same issue / irregularity is a matter of serious concern.

#### **6.4.11 Non-release of available Zakat in CZF to the provinces – Rs. 516.208 million**

Council of Islamic Ideology (CII) in its 222<sup>nd</sup> meeting held on 26.10.2020 made different recommendations for improvement and transparency in the Zakat System.

Serial No. 2 of the letter communicated to CZA vide letter No. 44/ICII/2019/1(3) dated 11.03.2022 provides that Zakat fund should not be kept in Reserve Fund and delay in release of Zakat is not encouraged. So that the Zakat collected in previous year should be released for onward disbursement amongst Zakat *mustahiqeen* before the start of the next year.

Audit observed that CZA released Zakat Funds amounting to Rs. 7,393.440 million to the provinces on 25.08.2023. Such amount was the

closing balance of CZF as on 30.06.2023. The summary for approval of the distribution of Zakat Fund was initiated by CZA on 10.08.2023.

Audit held that the calculation of disbursements based on the closing balance of 30.06.2023 instead of the updated balance as of 31.07.2023 resulted in Rs. 516.208 million remaining undisbursed, causing delays in provincial allocations and idle Zakat funds.

Management replied that this practice is in vogue before and after devolution of subject of Zakat in the Ministry that the amount of Zakat collected may be obtained from SBP on the basis of financial year and also released the same.

The reply was not tenable as retention of Zakat collection is discouraged by CII.

DAC in its meeting held on 29.01.2025 directed to verify the requisite record from Audit.

Audit recommends that the timely release of funds may be ensured and idle keeping of Zakat funds should be discouraged.

{Para 13 of AIR of CZF for the Audit Year 2024-25}

#### **6.4.12 Non-deposit of Zakat by certain ZCCAs – Rs. 9.445 million**

Rule 25-B(2) of Zakat Collection and Refund Rules 1981 states that the head office of the bank or other institutions (ZCCA), after consolidating the accounts received from its ZCOs, shall deposit the same, alongwith the Zakat deducted at source, in the nominated office of the State Bank of Pakistan under the head “Central Zakat Account No. 8- Central Zakat Fund”.

A total amount of Rs. 12,114.008 million was deposited by the Zakat Collection and Controlling Agencies into the Central Zakat Fund Account No. 08 during the period from 20.06.2023 to 07.06.2024, as per Source CZ-21.

Audit observed, on a sample basis, from the forms CZ-21 and CZ-22 submitted by SBP for the period 10.04.2023 to 09.05.2024, that Systems

Limited did not remit Zakat during FY 2023-24, as required. Details are as follows:

<b>Name of Company</b>	<b>Remarks</b>	<b>Estt. Zakat not realized (Rs. in million)</b>
Systems Limited	Dividend declared on 31.12.2023 but no Zakat deposited as per CZ-21 nor statement of unrealized Zakat submitted to CZA	9.445
	<b>Total</b>	<b>9.445</b>

Audit held that non-deduction and deposit of Zakat resulted into loss to Zakat Fund.

Management replied that the letter has been issued to Systems Limited for clarification regarding the nature of dividend paid.

The reply was not tenable as clarification obtained from Systems Limited was not verified from audit.

DAC in its meeting held on 29.01.2025 directed to verify the requisite record from Audit.

Audit recommends that the matter of non-deduction/deposit of Zakat may be justified otherwise Zakat may be deducted and deposited into Zakat Fund besides fixing responsibility for non-compliance.

{Para 2 of AIR of CZF for the Audit Year 2024-25}

#### **6.4.13 ZCCA deposits not found in SBP report– Rs. 1.952 million**

Para-64 of Accounting procedure for the Central Zakat Fund states that "At the close of each month, the entries recorded in the registers maintained in the Central Zakat Administration will compared with the figures reported by the State Bank of Pakistan through the monthly statements on forms CZ-21 and CZ-22 and the accompanying documents.

A total amount of Rs. 12,114.008 million was deposited by the Zakat Collection and Controlling Agencies into the Central Zakat Fund Account No. 08 during the period from 20.06.2023 to 07.06.2024, as per Source CZ-21.

Audit observed that an amount of Rs. 1.952 million, deposited by the SLICP Abbottabad Zone into the Central Zakat Fund Account, was not found in the Zakat deposits data compiled by the Central Zakat Authority (CZA). Details are as follows

Rs. in million

Sr. No.	Name of ZCCA	Code No.	Date	Deposit date	Zakat deposited
1	SLICP Abbottabad	499/2441	21.11.2023	13.12.2021	0.939
2	-do-	499/2441	21.11.2023	09.03.2022	1.013
<b>Total</b>					<b>1.952</b>

Audit held that non deposit and reconciliation of Zakat resulted in unauthentic reporting and subsequent loss to the Zakat exchequer.

Management replied that SBP has been asked to furnish the revised statement of collection report on CZ-21 for the respective period.

DAC in its meeting held on 29.01.2025 directed that the confirmation of credit of such amount into CZF-08 be verified from Audit.

Audit recommends that the missing amount may be traced out and be deposited into Zakat fund.

{Para 14 of AIR of CZF for the Audit Year 2024-25}

## **Zakat Collection/Deduction Offices**

### **Irregularity and non-compliance**

#### **6.4.14 Exemption allowed without CZ-50 – Rs. 2,441.705 million**

Rule 20 (1) of Zakat (Collection and Refund) Rules, 1981 describes that Zakat shall not be deducted in respect of the assets of a person claiming exemption on ground of faith and fiqah under the first proviso to sub section (3) of section 1 of the Ordinance, provided he files with the ZCO a declaration, on the form CZ-50 or an attested true copy thereof, within a period not less than thirty days preceding the valuation date.

The management of following banks maintained PLS saving accounts. The Zakat was deducted on these accounts on 1<sup>st</sup> Ramadan each year as per prescribed procedure.

Audit observed that following ZCCAs granted exemptions from Zakat to certain account holders without obtaining the declarations on form CZ-50 as declarations (CZ-50) were not provided during audit.

Rs. in million

Sr. No.	Name of formation	Para No. of AIR	FY(s)	No. of accounts/ instrument holders	Amount
1	Bank of Khyber HO Peshawar	1 (AY 2023-24)	2021-23	15 account holders	2.075
	-do-	3 (AY 2024-25)	2021-24	25 account holders	0.495
2	SBP (BSC), Lahore	1 (AY 2023-24)	2021-23	28 DSC holders	5.011
	-do-	4 (AY 2023-24)	2021-23	42 SSC holders on unattested or without CZ-50	4.368
3	SBP, HO Karachi	11	2023-24	23 employees / certificate holders	4.779
4	ABL, HO, Lahore	1	2021-24	208 shareholders	8.012
	-do-	2	2021-24	12 employees	2.849
5	BoP, HO, Lahore	1	2022-24	199 shareholders	3.36
6	ABL Napier Road Branch Lahore	1	2023-24	06 account holders	0.878
7	MCB, Privilege Branch, Lahore	1	2023-24	38 account holders	14.581
8	Meezan Bank, Gulbai Branch, Karachi	1	2022-24	06 Account holders	1.152
9	Meezan Bank, HO, Karachi	6	2023-24	10 shareholders	2.702
10	HBL, HO Karachi	03	2021-24	16 employees	1.235
11	HBL Main Branch Karachi	04	2021-24	7218 Saving Account holders	1,796.046
	-do-	05	2023-24	365 TDRs	576.849
12	UBL HO Karachi	03	2021-24	57 employees/ certificate holders	5.026
13	MCB HO Lahore	01	2021-24	14 employees	1.936
14	UBL Main Br. Karachi	02	2023-24	2823 account holders	7.502
15	-do-	04	2023-24	20 account holders	2.849
<b>Total</b>					<b>2,441.705</b>

Audit held that non-deduction of Zakat without availability of declarations (CZ-50) was held as irregular and a loss to Zakat exchequer.

Management of State Bank of Pakistan, Banking Services Corporation, Lahore and Bank of Khyber replied that the original CZ-50 forms can be shared along with cases wherein only photocopies are available, the attestation of Oath Commissioner can be witnessed.

Management of BoK HO Peshawar, ABL HO Lahore, ABL Main Branch Lahore and BoP HO Lahore replied that the required declarations are available for verification.

The reply is not tenable as original/ notarized copies of declarations were not produced to audit for verification.

However, the matter was reported to the management of remaining ZCCAs but no reply has been received so far.

The reply was not tenable as CZ-50 were not provided to audit.

DAC in its meeting held on 29.01.2025, in cases of BoK HO Peshawar, ABL HO Lahore, ABL Main Branch Lahore and BoP HO Lahore, directed to produce complete declarations/notarized copies in original to Audit. Moreover, it was further directed that where no declarations are available, recovery be made.

However, despite repeated requests, PAO has not been able to convene DAC meeting of the remaining formations so far.

Audit recommends that the amount of Zakat not deducted without obtaining valid declaration forms should be recovered and deposited into Zakat Fund Account CZF 08 under intimation to Audit.

#### **6.4.15 Irregular exemptions granted to Trusts/Funds/Companies – Rs. 1,668.551 million**

Rule 21 of Chapter III of Zakat (Collection and Refund) Rules, 1981, “Zakat not to be deducted in respect of the assets of a person excluded from the definition of sahib-e-nisab- Zakat shall not be deducted in respect of the assets of a person claiming exclusion from the definition of sahib-e-nisab under any

of the sub-clauses(a) to (n) of clause (xiii) of section 2 of the Ordinance, the claim for such exclusion to be established through appropriate documentary evidence.

The Ministry of Law clarified on 07 June 2024 that the responsibility for verifying the documents of those claiming to be non-sahib-e-nisab lies with the Administrator General. The Administrator General is tasked with ensuring the accuracy of these declarations. This responsibility is in line with the Ordinance's provisions on the collection and disbursement of Zakat.

Audit observed that several banks granted exemptions totaling Rs. 1,668.551 million to companies, firms, foundations, and Provident Fund Accounts from compulsory Zakat deductions on savings accounts and TDRs, based on claims of non-sahib-e-nisab. However, these exemptions were granted without proper scrutiny and verification of supporting documents from the Administrator General, Ministry of Poverty Alleviation and Social Safety. Details are as follows:

Rs. in million

Sr. No.	Name of ZCCA	Para No. of AIR	No. of companies / firms / foundations / PF exempted	FY(s)	Amount of Zakat exempted	Remarks
1	MCB Privilege Branch Lahore	7	01	2022-24	4.205	Saving account
2	BoK University Road Peshawar	5	18	2021-24	5.353	Companies/ Partnership
3	Meezan Bank Gulbai Branch Karachi	6	01	2022-24	5.600	Saving Account
4	Meezan Bank, HO, Karachi	04	01	2021-24	31.008	Provident Fund
	-do-	07	28	2023-24	12.751	Funds/ Trusts
5	UBL HO Karachi	05	20	2021-24	1.064	Funds/ Trusts
	-do-	06	01	2020-23	21.413	Provident Fund
	-do-	08	06	2023-24	235.873	Companies
6	UBL Main Branch Karachi	03	15	2023-24	1,351.284	Funds/ Trusts
	<b>Total</b>				<b>1,668.551</b>	

Audit held that grant of exemption without approval of the Administrator General was irregular.

The management of BoK University Road Peshawar explained that during the migration from U-Bank to T-24 system, the account sector code was incorrectly entered as private limited instead of government accounts. This has since been corrected by the data cleansing team, and CZ-50 forms for non-government accounts have been obtained and are now on record. Meezan Bank Gulbai Branch Karachi clarified that the Ministry of Law issued instructions on Zakat exemption verification via OM dated 07-06-2024, while the first Ramadan fell on 12-03-2024, before the issuance of these instructions. However, they proactively informed customers to have their exemption certificates attested by the Administrator General, Ministry of Poverty Alleviation and Social Safety. However, the matter was reported to the remaining banks but no response was received till the finalization of Audit Report.

The reply was not tenable as the Ministry of Law provided clarification on 07.06.2024, whereas the Zakat (Collection and Refund) Rules, have been in place since 1981.

However, the matter was reported to the management of remaining ZCCAs but no reply has been received so far.

DAC in its meeting held on 29.01.2025, in case of BoK University Record Peshawar, directed to get the record verified from Audit.

However, despite repeated requests, PAO has not been able to convene DAC meeting of the remaining formations so far.

Audit recommends that necessary verification of exemption documents may be carried out from Administrator General and NOC be obtained, otherwise Zakat amount may be deducted and deposited into CZF-08.

#### 6.4.16 Loss to Zakat Fund due to irregular exemption – Rs. 681.137 million

Rule 20 (1) of Zakat (Collection and Refund) Rules, 1981 describes that Zakat shall not be deducted in respect of the assets of a person claiming exemption on ground of faith and fiqah under the first proviso to sub section (3) of section 1 of the Ordinance, provided he files with the ZCO a declaration, on the form CZ-50 or an attested true copy thereof, within a period not less than thirty days preceding the valuation date.

Rule 2(b) of Zakat (Collection and Refund) Rules, 1981 states that “Valuation Date” means commencing day of Zakat years, that is, the first day of Ramadhan-ul-Mubarak. provided he files with the ZCO a declaration, on the form CZ-50 or an attested true copy thereof, within a period not less than thirty days preceding the valuation date.

Zakat deducting Agencies granted exemption to its employees from deduction of Zakat on permanent advances / final settlement, on life insurance policies and on Saving accounts / TDRs on provision of declarations.

Audit observed that exemptions of Rs. 681.137 million were granted on declarations which were not filed within a period less than thirty days preceding the valuation date. Details are as follows:

Rs. in million

Sr. No.	Name of formation	Para No. of AIR	Financial Year(s)	No. of accounts/ instrument holders	Amount
1	Jubilee Life Insurance Company, Karachi	1	2022 and 2023	18 employees on Provident fund & 64119 policies holders	614.686
2	SBP, BSC, Lahore	2	2021-23	18 employees on Final payment of PF	0.358
	-do-	3		31 employees on NRA	0.418
3	ABL, HO, Lahore	3&4	2021-24	77 employees	11.815
4	BoP, Main Branch, Gulberg Lahore	4	2021-24	19 account holders	4.358

5	BoP, HO, Lahore	3	2023-24	3 employees	0.152
6	MCB, Privilege Branch, Lahore	4	2023-24	4 account holders	2.016
7	Meezan Bank, Gulbai Branch, Karachi	3	2022-24	04 account / TDR holders	0.294
8	SBP, HO, Karachi	10	2022-24	9 employees/ certificate holders	0.515
9	HBL, HO, Karachi	02	2021-24	12 employees	1.011
10	MCB, HO, Lahore	02	2021-24	347 employees on FS	36.803
	-do-	03	2021-24	124 employees on NRA	8.711
<b>Total</b>					<b>681.137</b>

Audit held that exemptions on CZ-50 which were received late was irregular and resulted in loss of Rs. 681.137 million to Zakat exchequer.

Jubilee Life Insurance Company, Karachi stated that obtaining CZ-50 forms 30 days before withdrawals is impractical due to the nature of full and final settlements or emergency withdrawals, but assured compliance with Zakat & Ushr Ordinance regulations. The management of State Bank of Pakistan, Banking Services Corporation, Lahore confirmed that CZ-50 forms were available prior to the valuation date and will be discussed with Head Office for a detailed response. However, the matter was reported to the management of remaining ZCCAs but no reply has been received so far.

Management of Allied Bank HO replied that the certified copies of CZ-50 forms are available for verification.

Management of BoP HO Lahore and BoP Main Branch Lahore replied that the exemptions were granted by accepting valid declarations.

The reply was not tenable as exemption from Zakat Fund was granted by the management on invalid declarations. Moreover, no record was produced to audit.

DAC in its meeting held on 29.01.2025, in case of BoP HO Lahore, directed to get the record verified from Audit. DAC in case of BoP Main Branch Lahore directed that the Ministry may seek report from the Bank.

However, despite repeated requests, the PAO has not been able to convene DAC meeting of the remaining formations so far.

Audit recommends that the amount be recovered from employees and policy holders and deposited into CZF besides fixing responsibility against person(s) at fault.

#### **6.4.17 Loss due to late deposit of Zakat deducted – Rs. 223.64 million**

Rule 3 (1) of Zakat collection and refund rules 1981 provides that “Each ZCCA shall ensure the correct deduction of Zakat by its ZCOs, and the proper accounting, control and remittance thereof, in accordance with the provision of the Ordinance, the rules and the instructions which the CZA may issue in this behalf, from time to time”. Rule 33 (4) further adds that “ZCCAs will remit immediately after the close of the periods given in consolidated Zakat Collection Reports (Forms CZ-08A and CZ-08B), the aggregate of the amount collected by their ZCOs less refunds, to the Central Accounts No. 8-Central Zakat Fund with the State Bank of Pakistan”.

A total amount of Rs. 12,114.008 million was deposited by the Zakat Collection and Controlling Agencies into the Central Zakat Fund Account No. 08 during the period from 20.06.2023 to 07.06.2024, as per Source CZ-21.

Audit observed that following ZCCAs deducted Zakat amounting to Rs. 2,960.08 million but did not timely deposit into CZF-08 during the years 2021-24. Details are as under:

Rs. in million						
Sr.No.	Name of ZCCA	Para No. of AIR	FY(s)	Amount Late Deposited/ Retained	Maximum days delayed	Average Opportunity Loss to Govt. Exchequer
1	Jubilee Life Insurance Karachi	2	2021-24	2.25	135 days	0.11
2	ABL, HO, Lahore	7	2021-24	3.68	40 days	0.06
3	BoP, HO, Lahore	8	2022-24	2.46	73 days	0.24
4	BoP, Gulberg Branch, Lahore	6	2021-24	188.28	364 days	2.72

5	BoK, Peshawar	HO,	8	2022-24	22.63	161 days	0.21
6	HBL Karachi	HO	4	2021-23	617.91	76 days	22.16
7	MCB, Lahore	HO	5	2021-24	25.45	137 days	1.05
8	-do-		6	2021-24	1,493.34	151 days	188.43
9	Meezan Bank HO Karachi		1	2019-24	604.07	46 days	8.67
<b>Total</b>					<b>2,960.08</b>		<b>223.64</b>

Audit held that the delay in depositing Zakat deducted by ZCCAs was irregular, leading to inadmissible use of funds by the banks and resulting in an opportunity loss of Rs. 223.64 million to the Government Exchequer.

Management of Jubilee Life Insurance Karachi replied that the omission was admitted.

Management of ABL HO replied that the matter was noted for future compliance.

Management of BoP HO Lahore replied that extra care would be exercised in future.

Management of BoP Gulberg Branch Lahore replied that it would be ensured to deposit Zakat within one month of date of deduction.

Management of Meezan Bank HO replied that the delay in Zakat deposit was due to the time taken to collect Zakat deducted by bank branches and subsequently compile and reconcile the Zakat before depositing it.

However, the matter was reported to the management of the remaining formations, but no reply was received till the finalization of Audit Report.

DAC in its meeting held on 29.01.2025, in cases of Jubilee Life Insurance, ABL HO, BoP HO, BoP Gulberg Branch, Lahore and BoK HO Peshawar, directed that the Ministry of Poverty Alleviation & Social Safety Division to issue an advisory to the relevant formations. Furthermore, the DAC instructed that the reasons for the delay, as well as records indicating no float obtained by the formations, be verified from Audit.

However, despite repeated requests, the PAO has not been able to convene DAC meeting of the remaining formations so far.

Audit recommends that the matter be inquired for fixation of responsibility and recovery from the ZCCAs of undue profit earned.

#### **6.4.18 Irregular refund of Zakat - Rs 33.744 million**

Para 26 of Chapter-IV of Zakat (Collection and Refund) Rules, 1981 provides that a person aggrieved by Zakat deduction and seeking a refund must file an application within 90 days, or within 105 days if claiming not to be sahib-e-nisab, using form CZ-04 or a plain paper with the Zakat Deduction Certificate (form CZ-03). The ZCO must process the application within 15 days, record it in the Zakat Refund Application Register (form CZ-05), and notify the applicant of the decision using form CZ-06.

The management of HBL Main Branch Karachi, UBL HO Karachi and UBL Main Branch Karachi refunded an amount of Rs. 33.744 million to certain Saving Account holders and against 01 Provident Fund Account during the FYs 2021-24.

Audit observed that the amount was refunded without adopting and fulfilling the conditions as prescribed in Zakat Collection and Refund Rules. Details are as follows:

Rs. in million

<b>Name of Bank</b>	<b>FYs</b>	<b>Para No. of AIR</b>	<b>Zakat Refunded</b>	<b>Remarks</b>
HBL Main Branch Karachi	2023-24	05	20.948	Without obtaining applications from 144 account holders / FDRs
UBL HO Karachi	2021-22	09	1.148	Irregular acceptance of CZ-50 of Mr. Abdul Karim against Provident Fund Account of Al-Hilal Industries Employee Provident Fund
-do-	2021-22	10	1.571	Aitzaz Ahsan & Bushra Aitzaz on invalid CZ-50 i.e., without date of issuance and Oath Commissioner stamp

-do-	2021-22	11	0.931	Shokat Liaqat and Jamil A Khaliq by accepting invalid CZ-50 i.e., different names than the title of account
UBL Main Branch Karachi	2021-24	1	9.146	Refund to 25 account holders without exemption certificates / supporting documents
<b>Total</b>			<b>33.744</b>	

Audit held that irregularity occurred due to non-observing of Zakat collection/deduction rules resulting in loss to Zakat fund.

The matter was discussed with the management of HBL Main Branch Karachi, UBL HO Karachi and UBL Main Branch Karachi on 26.12.2024 27.12.2024 and 27.12.2024 respectively, but no response was received.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends that the due Zakat amount be recovered from the account holders beside fixing responsibility against person(s) at fault.

#### **6.4.19 Less collection of Zakat – Rs. 25.931 million**

Rule 25 (B) of Zakat (Collection and Refund) Rules, 1981 states that the ZCO shall transfer, periodically, the amount of Zakat thus collected to its head office (ZCCA) for deposit into the Central Zakat Fund Account alongwith a return on for CZ-07. The head office of the bank or other institutions (ZCCA), after consolidating the accounts received from its ZCOs, shall deposit the same, alongwith the Zakat deducted at source, in the nominated office of the State Bank of Pakistan under the head Central Zakat Account No. 8-Central Zakat Fund.

Zakat Collection and Controlling Agencies (ZCCAs) deposited Rs.12.241 million during the financial year 2023-24 as Zakat collected /deducted in Central Zakat Account-VIII.

Audit observed from the accounts statement of SBP BSC Islamabad and Faisalabad that, in following cases, the deposits of Zakat were made by ZCCAs in State Bank of Pakistan for credit of Zakat into Central Zakat Fund

Account-VIII, but amounts were not cleared/ transactions were reversed without specifying any reasons. The said amounts were not again deposited by the respective ZCCAs in Central Zakat Fund Account.

Rs. in million

<b>Depositor Name</b>	<b>Date</b>	<b>Amount</b>	<b>SBP BSC</b>
GPO	11.07.2022	19.372	Islamabad
Description not mentioned in Account Statement	02.10.2023	6.559	Faisalabad
<b>Total</b>		<b>25.931</b>	

Audit held that non-clearing/reversal of cheques without specifying any reasons may have resulted in less collection of Zakat and loss to the Zakat exchequer.

The matter was discussed with the management on 18.12.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends investigating the reasons for the reversal/non-clearing of the cheques and coordinating with the Ministry and ZCCAs to recover and deposit the Zakat Fund.

{Para 4 of AIR of SBP HO for the Audit Year 2024-25}

#### **6.4.20 Less deduction of Zakat on Special Savings Certificates – Rs. 2.525 million**

Column 5 of Row 3 of First Schedule to Zakat & Ushr Ordinance 1980 specify the deduction date as “The date on which the first return is paid, or the date of encashment / redemption / withdrawal, which ever be earlier in the Zakat year” and Zakatable assets as “Fixed Deposit Receipts and Accounts and similar receipts and accounts and certificates (e.g. Khas, Deposit Certificates), by whatever name described, issued by the banks operating in Pakistan, post offices, national savings centers and financial institutions, on which return is receivable by the holder periodically or is received earlier than maturity or withdrawal”.

Zakat Collection and Controlling Agencies (ZCCAs) deposited Rs.12.241 million during the financial year 2023-24 as Zakat collected /deducted in Central Zakat Account-VIII.

Audit observed that SBP deducted Zakat from holders of SSCs only once i.e., on the encashment / maturity of SSCs after three years.

Audit held that the deduction of Zakat on SSCs only at maturity, instead of the applicable earlier date as per the Zakat and Ushr Ordinance, was irregular and resulted in a loss to the Zakat fund.

The matter was discussed with the management on 18.12.2024 but no reply was received till the finalization of Audit Report.

Despite repeated requests, the PAO has not been able to convene DAC meeting so far.

Audit recommends that the Zakat must be deducted in accordance with the provisions of Zakat and Ushr Ordinance 1980 beside fixation of responsibility for non-compliance.

{Para no. 13 of AIR of SBP for the Audit Year 2024-25}

## **Chapter 7**

### **Thematic Audit**

#### **1. Zakat Collection, Exemption, and Remittance in the Central Zakat Fund Account through the Banking Sector**

##### **1.1 Introduction**

Zakat, a key pillar of Islamic practice, is a financial system aimed at poverty alleviation and promoting social welfare. Muslims are required to contribute 2.5% of their wealth annually if it exceeds the Nisab, the minimum wealth threshold. The Holy Quran designates eight recipients for Zakat, including the poor, needy, Zakat administrators, debt-ridden, slaves, new Muslims, wayfarers, and those in the cause of God.

In Pakistan, the Zakat collection system involves both formal and informal mechanisms. Banks play a crucial role in this system by deducting Zakat on the first of Ramadan each year. The government annually sets the Nisab to determine eligibility for Zakat deductions from bank accounts. The collected amount is then credited to the Central Zakat Fund account maintained by the State Bank of Pakistan (SBP). Banks also deduct Zakat from fixed deposits upon maturity, provident funds (non-refundable advances and final payments) to employees, and shareholders' assets. This comprehensive system ensures the equitable distribution of Zakat funds and promotes social welfare nationwide.

Effective management of Zakat collection, exemption, and remittance processes is essential for fulfilling both religious and social obligations while fostering economic and social development. Through a robust and transparent Zakat system, Pakistan aims to enhance social welfare programs, including healthcare, education, and poverty alleviation initiatives.

The banking sector's role in the Zakat system is pivotal. Banks act as intermediaries, deducting Zakat from accounts that meet the criteria, such as savings accounts with balances above the Nisab. These deductions occur at the start of Ramadan, based on the account holder's balance on the first day of

the month. The collected Zakat is remitted to the Central Zakat Fund, supporting various welfare programs.

Banks also handle the Zakat exemption process for eligible individuals, such as non-Muslims and non-residents, ensuring proper documentation and compliance. Timely and accurate remittance of Zakat is crucial; delays can compromise the system's effectiveness. Transparent and well-documented processes ensure accountability and adherence to Islamic law. A thematic audit of the Zakat system helps identify inefficiencies and non-compliance, offering recommendations to strengthen internal controls and improve overall functioning.

Zakat, a fundamental pillar of Islam, requires Muslims to contribute 2.5% of their wealth annually if it exceeds the Nisab, the minimum threshold of wealth. In Pakistan, Zakat collection operates through formal and informal mechanisms, with banks playing a central role. Each year, on the first of Ramadan, banks deduct Zakat from eligible accounts based on the Nisab set by the government, transferring the funds to the Central Zakat Fund managed by the State Bank of Pakistan (SBP). Zakat is also deducted from maturing fixed deposits, provident funds, and shareholders' assets to ensure fair distribution and support for welfare programs nationwide.

The banking sector facilitates the Zakat system by managing deductions, remittance, and exemptions for eligible individuals, such as non-Muslims and non-residents, ensuring proper documentation and compliance. Timely and accurate remittance is vital to maintaining the system's effectiveness, while transparency and well-documented processes uphold accountability and adherence to Islamic principles. Efficient Zakat management fulfills religious and social obligations, fostering economic and social development. Periodic thematic audits identify inefficiencies and recommend improvements to strengthen internal controls, ensuring the system operates effectively and equitably.

## **1.2 Background**

The Zakat system in Pakistan was established through the Zakat and Ushr Ordinance, 1980, based on Article 31(c) of the Constitution of the Islamic Republic of Pakistan. This article requires the State to ensure the

proper organization of Zakat and Ushr. The Central Zakat Fund (CZF) account was set up at the State Bank of Pakistan (SBP) for centralized collection of Zakat.

Initially, the Zakat and Ushr Department was part of the Concurrent List until the 18th Amendment in 2010, which made it a provincial subject. This change restructured the system, transferring management to the provinces. Provincial Zakat Funds (PZFs), headed by Chief Administrators Zakat, were established, along with District Zakat Committees (DZCs) and Local Zakat Committees (LZCs). However, the collection of Zakat is still managed by the Ministry of Poverty Alleviation and Social Safety, which oversees its distribution to the provinces.

### **1.3 Establishing the Audit Theme**

A thematic audit is crucial to ensure Zakat is accurately calculated, collected, exempted, and remitted in compliance with the Zakat & Ushr Ordinance and Zakat Collection & Refund Rules. This audit aims to verify that calculations are based on precise data, ensuring the correct amounts are collected from eligible individuals through various channels. It will confirm that all collections are accounted for, with no funds overlooked. Additionally, the audit will ensure that exemptions are granted fairly and consistently, backed by proper documentation to prevent favoritism and errors. The audit will also verify that Zakat is promptly remitted to the Central Zakat Fund, ensuring timely and accurate transfers. By reconciling the collection and remittance processes with the Central Zakat Fund account, the audit will identify discrepancies and provide recommendations to strengthen the system's integrity and effectiveness.

#### **1.3.1 Reasons for Selection**

The thematic audit on Zakat Collection, Exemption, and Remittance through the Banking Sector was selected to enhance the transparency, accountability, compliance, and efficiency of Zakat fund management. The audit focuses on the accuracy of calculations, proper exemption applications, and timely remittance, ensuring that all funds are collected and managed in accordance with legal frameworks and regulatory guidelines.

### **1.3.2 Purpose/Objective**

The purpose of this audit is to evaluate the effectiveness and integrity of the Zakat collection, exemption, and remittance processes, with the goal of improving transparency, accountability, and efficiency. The audit aims to identify any discrepancies, gaps in compliance, and areas of inefficiency within the system, ensuring that Zakat is collected correctly, exemptions are applied justly, and remittances to the Central Zakat Fund are accurate and timely.

### **1.3.3 Scope**

The scope of this audit covers the key processes, controls, and systems used in managing Zakat funds within the banking sector. This includes an in-depth examination of Zakat collection mechanisms, exemption validation, and remittance processes. The audit will focus on the State Bank of Pakistan, the head offices and main branches of seven commercial banks (HBL, UBL, MCB, BoP, BoK, Meezan Bank, ABL), and the Central Zakat Fund. The audit will assess compliance with legal requirements and ensure that the Zakat funds are being handled efficiently and in line with the prescribed regulations.

### **Legal and Regulatory Framework**

Zakat and Ushr Ordinance: A thorough examination of the relevant sections of the Zakat and Ushr Ordinance 1980, which govern the collection, exemption, and remittance of Zakat, ensuring adherence to legal requirements.

Zakat Collection & Refund Rules: Review of the Zakat Collection & Refund Rules 1981 and the procedures established for the operation of the Central Zakat Fund, focusing on the roles and responsibilities of various stakeholders involved in the Zakat process.

Banking Regulations: Assessment of compliance with banking regulations governing Zakat transactions, including those issued by the State Bank of Pakistan, to ensure that Zakat-related activities are conducted in accordance with established financial guidelines.

## **Stakeholders and Governmental Organizations**

The effective management and distribution of Zakat funds in Pakistan involves multiple stakeholders and governmental organizations, each playing a distinct yet interconnected role. These entities work in close coordination to ensure that Zakat is properly collected, exemptions are managed fairly, and funds are remitted to the Central Zakat Fund in a timely and transparent manner. Below is a detailed outline of the key stakeholders, their roles, and their contributions to the Zakat system within the audit scope.

### **1. Zakat Beneficiaries**

Zakat beneficiaries are the primary recipients of Zakat funds, and they include individuals or groups who are eligible to receive Zakat, as per Islamic law. These include the poor, needy, debt-ridden individuals, new Muslims, slaves, wayfarers, and those working in the cause of God. The identification of eligible beneficiaries is essential to ensure that Zakat funds reach the right people and fulfill the intended purpose of poverty alleviation and social welfare. The audit ensures that the process of identifying beneficiaries is done transparently and accurately, ensuring that funds are used to support those in genuine need.

### **2. Ministry of Poverty Alleviation and Social Safety**

The Ministry of Poverty Alleviation and Social Safety is a central governmental body that oversees the entire Zakat collection, distribution, and utilization system in Pakistan. It is responsible for the administration and management of the Central Zakat Fund (CZF). The Ministry ensures that Zakat funds are efficiently distributed to the provinces and regions, including areas like Gilgit-Baltistan and the Islamabad Capital Territory (ICT). Additionally, it is responsible for ensuring that the collected Zakat is allocated to welfare programs that promote healthcare, education, and community development initiatives for marginalized groups.

#### **Role of Ministry**

- i. The Ministry manages the Central Zakat Fund and coordinates the distribution of Zakat funds to provinces and regions.

- ii. Ensures transparency and fairness in Zakat distribution and works to maximize the impact of Zakat on social welfare.
- iii. Provides oversight and ensures that Zakat funds are utilized for welfare programs, education, healthcare, and poverty alleviation.

### **Working of Ministry**

- i. The Ministry works closely with provincial authorities and local Zakat committees to ensure that Zakat is distributed according to need.
- ii. It oversees the allocation of funds for various welfare programs, ensuring that Zakat money is used for its intended purpose, in line with the principles of Islamic charity.

### **Achievements of Ministry**

- i. The Ministry has played a key role in ensuring that Zakat funds are distributed equitably, reducing poverty and promoting social welfare.
- ii. It has helped streamline the Zakat system, ensuring greater transparency and accountability in the management of public funds.

## **3. State Bank of Pakistan (SBP)**

The State Bank of Pakistan (SBP) plays a crucial regulatory and facilitative role in the Zakat collection process. It is responsible for ensuring that the commercial banks comply with the regulations set out for Zakat deductions and remittance to the Central Zakat Fund. The SBP provides the necessary guidelines and frameworks for the deduction of Zakat from the savings accounts of eligible Muslims.

### **Role of SBP**

- i. SBP issues regulations to commercial banks for Zakat deductions, ensuring that these deductions are carried out in accordance with the Zakat and Ushr Ordinance.
- ii. It is responsible for maintaining the Central Zakat Fund Account and ensuring that Zakat funds are properly transferred to this account.

- iii. SBP also monitors the reporting of Zakat collections and works with other authorities to ensure that all Zakat transactions are accurately documented.

### **Working of SBP**

- i. The SBP issues guidelines and regulations for commercial banks to follow when deducting Zakat from qualifying accounts. These guidelines ensure that deductions are made accurately and that only eligible individuals are subject to the deductions.
- ii. It ensures that funds deducted by banks are promptly transferred to the Central Zakat Fund Account, allowing the government to maintain control over the collected Zakat.

### **Achievements of SBP**

- i. SBP has ensured that Zakat collections are transparent and that banks adhere to the regulations surrounding Zakat deductions.
- ii. The SBP's oversight has contributed to greater accuracy and timeliness in the transfer of Zakat funds to the central repository.

## **4. Commercial Banks and Financial Institutions**

Commercial banks and financial institutions are key stakeholders in the Zakat collection process, as they are responsible for deducting Zakat from the accounts of eligible account holders and remitting the collected funds to the Central Zakat Fund. These financial institutions act as the primary agents in the implementation of Zakat collection processes, following the guidelines provided by SBP.

### **Role of Commercial Banks and Financial Institutions**

- i. Zakat Deduction: Banks are tasked with deducting Zakat from the accounts of their Muslim account holders who meet the eligibility criteria. This deduction typically takes place at the beginning of Ramzan, in line with the *Nisab* threshold for Zakat.

- ii. Remittance to Central Zakat Fund: Once Zakat is deducted, the banks are required to remit the funds to the Central Zakat Fund Account, managed by the State Bank of Pakistan.
- iii. Exemption Handling: Banks also handle exemption requests and ensure that eligible individuals who are exempt from Zakat deductions, such as non-Muslims or those with valid exemption certificates, are not charged.

### **Working of Commercial Banks and Financial Institutions**

- i. Banks deduct Zakat from qualifying savings accounts and fixed deposits, as per the rules and guidelines provided by the SBP.
- ii. Banks are responsible for ensuring that the deducted Zakat is promptly transferred to the Central Zakat Fund to facilitate its distribution.

### **Achievements of Commercial Banks and Financial Institutions**

- i. Commercial banks have contributed significantly to the efficiency of Zakat collection by ensuring that deductions are made in accordance with the regulations.
- ii. By handling exemption requests, they ensure that no unauthorized deductions are made, contributing to the fairness and transparency of the system.

## **5. Provincial Zakat Funds**

Each province in Pakistan maintains its own Provincial Zakat Fund. These funds play a critical role in ensuring that Zakat is distributed at the provincial level to address local needs and support regional welfare initiatives.

Provincial Zakat Funds work in collaboration with the Central Zakat Fund to ensure that the collected funds are distributed effectively and in accordance with the needs of local communities.

### **Role of Provincial Zakat Funds**

- i. Provincial Zakat Funds are responsible for distributing Zakat within their regions, ensuring that eligible individuals and communities receive their rightful share.
- ii. They collaborate with local authorities and organizations to identify the most vulnerable groups and ensure that the Zakat distribution is carried out equitably.

### **Working of Provincial Zakat Funds**

- i. Provincial Zakat Funds allocate Zakat to local welfare programs, including healthcare, education, and community development, in line with provincial priorities.
- ii. They also oversee the identification and verification of eligible recipients, ensuring that Zakat is used appropriately at the local level.

### **Achievements of Provincial Zakat Funds**

- i. Provincial Zakat Funds have helped ensure that Zakat is used effectively at the grassroots level, supporting local communities and marginalized groups.
- ii. Their efforts have contributed to the equitable distribution of Zakat funds across the country.

The stakeholders and organizations involved in the Zakat collection, exemption, and remittance processes, including the Ministry of Poverty Alleviation and Social Safety, State Bank of Pakistan, Commercial Banks, and Provincial Zakat Funds, play an essential role in ensuring the effective and transparent management of Zakat funds in Pakistan. These entities collaborate closely to ensure that Zakat is collected, distributed, and utilized in compliance with Islamic principles, ultimately supporting social welfare and poverty alleviation in the country. The audit of this process is crucial for maintaining accountability, transparency, and efficiency in the Zakat system, ensuring that it fulfills its purpose of providing assistance to those in need.

For the financial year 2023-24, the Central Zakat Fund reported key financial figures as follows:

Rs. in million

<b>Particulars</b>	<b>Amount</b>
Opening Balance	7,393.358
Total Collections / Receipts	12,267.79
Total Available Funds	19,661.148
Disbursements Made	7,419.803
Refunds	26.36
Closing Balance	12,214.986

A total of Rs. 12,267.79 million was deposited into the fund, with Rs. 8,162.713 million being deducted by the banking sector. Zakat deductions by banks were broken down by asset category as follows:

Rs. in million

<b>Sr. No.</b>	<b>Assets code</b>	<b>Zakat deducted by Banks</b>
1	101	4,580.03
2	102	3.461
3	103	176.708
4	104	214.127
5	108	3,188.387
	<b>Total</b>	<b>8,162.713</b>

The Central Zakat Fund supports welfare programs, provincial distributions, Zakat collection and remittance, and handling refunds. It funds various community welfare initiatives such as healthcare, education, and social security for marginalized groups. The fund ensures efficient Zakat collection and distribution processes, with a portion allocated for refunds and reconciliation. The audit ensures that these financial activities are managed with transparency and accountability in alignment with Islamic principles.

## **6. Field Audit Activity**

### **6.1 Methodology**

The field audit methodology employed a combination of qualitative and quantitative techniques to assess the Zakat collection, exemption, and remittance processes. Initially, a desk audit was conducted to review key

documents such as transaction records, bank statements, and financial reports. This allowed for the verification of Zakat deductions, the legitimacy of exemptions, and the timely remittance of funds to the Central Zakat Fund, ensuring compliance with relevant regulations.

A sample-based field audit was then carried out, focusing on Zakat deductions from various banks. This approach enabled the assessment of internal controls and the accuracy of the Zakat deductions made. The audit also reviewed whether funds were promptly remitted to the Central Zakat Fund in line with regulations.

Interviews with relevant stakeholders, such as bank officials and provincial authorities, provided qualitative insights into the challenges and operational effectiveness of the Zakat system. Surveys were also conducted to gather feedback from stakeholders on the transparency, fairness, and efficiency of Zakat processes.

Through this combination of desk review, field audit, interviews, and surveys, the audit aimed to evaluate the efficiency, compliance, and transparency of Zakat management, ensuring that funds were properly collected and allocated to support social welfare programs.

### **Audit Analysis**

- i. Review of Internal Controls in Zakat Collection, Exemption, and Remittance Processes
- ii. The review of internal controls for the Zakat collection, exemption, and remittance processes revealed several significant flaws and gaps, impacting the effectiveness and transparency of Zakat management.

### **Zakat Collection Controls**

**Deduction Systems:** The banking systems used for Zakat collection are automated and secure, but the automation is not foolproof. The deductions occur as per the established Nisab (minimum threshold) and Zakat rate. However, the absence of periodic checks and validation at the central level raises concerns regarding the accuracy of deductions across different banks and branches.

**Segregation of Duties:** The segregation of duties within the bank's departments handling Zakat collection appears adequate. However, without clear oversight and regular audits, there is still a risk of potential manipulation or errors during the Zakat deduction process.

**Access Control and Authorization:** The bank has controls in place to limit who can modify Zakat-related records. However, there should be more stringent access monitoring and regular audits to ensure that only authorized personnel are making modifications.

**Reconciliation Procedures:** While banks maintain a reconciliation process to compare Zakat deductions with amounts transferred to the Central Zakat Fund, no reconciliation mechanism exists at the Central Zakat Fund level. This lack of reconciliation at the central level prevents timely detection of discrepancies between collections and remittances, leading to potential errors or mismanagement.

**Monitoring and Reporting:** Although banks have systems for monitoring Zakat collections, there were instances where periodic reports were not consistently collected from branches by the head office. This undermines the overall monitoring process, leading to incomplete oversight of Zakat collections.

### **Zakat Exemption Controls**

**Exemption Policies and Criteria:** The banks lack proper documentation of the exemption policies and criteria used to determine eligibility for Zakat exemptions. This undermines the integrity of the exemption process, as the absence of clear guidelines makes it difficult to ensure consistency and fairness in granting exemptions.

**Authorization and Approval:** While exemptions are authorized and marked in the system, no independent verification process exists to ensure that the exemptions are legitimate. This could lead to errors or abuse of the exemption system.

**Exemption Documentation and Audit Trail:** Banks do maintain records of exemptions granted, but in certain cases, bank management was unable to provide the audit trail or exemption certificates for review. This lack of proper

documentation poses a risk of fraudulent exemptions or errors going undetected.

### **Zakat Remittance Controls**

**Remittance:** There is a lack of robust internal controls to ensure that all Zakat remittances are made in accordance with the amounts collected and reconciled. This leaves room for discrepancies in the amounts remitted to the Central Zakat Fund, impacting the accuracy of the Zakat fund's balance.

**Timeliness of Remittances:** Internal controls to ensure the timely remittance of funds to the Central Zakat Fund are not adequate. Delays in remittance can result in inefficiencies, reducing the overall impact of Zakat funds for welfare programs.

**Audit Trail and Documentation:** While banks maintain transaction records and bank receipts for remittances, the absence of regular, independent audits raises concerns about the accuracy and legitimacy of the remittance process. Without a clear audit trail, discrepancies in remittances may go unnoticed.

### **Internal Audit and its Effectiveness**

The internal audit function within the banking sector is supposed to monitor and evaluate the effectiveness of controls over Zakat collection, exemption, and remittance. However, it appears that the internal audit function has not been entirely effective in identifying and addressing the gaps in the existing controls. In particular, internal audits seem to lack a comprehensive focus on the reconciliation process at the Central Zakat Fund level and the documentation and verification of exemptions. Additionally, the inconsistency in reporting from branches to head offices further exacerbates the challenges faced by internal audits in ensuring complete transparency.

Given the importance of Zakat collection and remittance in social welfare programs, the internal audit function needs to be strengthened, with a more rigorous focus on identifying systemic flaws and ensuring compliance with Zakat regulations. Regular audits, enhanced documentation practices, and a central reconciliation mechanism are essential to improving the effectiveness of internal controls and ensuring that Zakat funds are managed efficiently and transparently.

## 6.2.2 Critical Review

### Areas for Critical Review:

#### **i. Zakat Collection Mechanisms:**

**Deducting Agencies:** A thorough audit of the processes followed by banks (Zakat Deducting Agencies) in deducting Zakat at source from eligible accounts is crucial to ensure compliance with established regulations.

**Collection Efficiency:** The efficiency and effectiveness of Zakat collection through the banking sector need to be analyzed, with special attention given to identifying any leakages or inefficiencies that may hinder the full utilization of Zakat funds.

**Reconciliation:** A detailed verification of the reconciliation process between the Zakat deducted by banks and the amounts credited to the Central Zakat Fund (CZF) is essential for ensuring transparency and accountability.

#### **ii. Exemption Procedures:**

**Eligibility Criteria:** A review of the criteria for Zakat exemption and the procedures involved in granting exemptions is necessary to ensure that exemptions are applied fairly and in compliance with the law.

**Verification of Exemptions:** The audit should focus on the mechanisms in place to verify the eligibility of individuals and institutions claiming Zakat exemptions, ensuring that only eligible entities benefit from such exemptions.

**Misuse of Exemptions:** It is essential to identify any instances of misuse or fraudulent claims of Zakat exemptions to safeguard the integrity of the system.

#### **iii. Remittance to CZF Account:**

**Timeliness of Remittances:** The timeliness of Zakat remittances from banks to the CZF account must be assessed to ensure that funds are available for distribution to beneficiaries without undue delays.

**Accuracy of Remittances:** Verification of the accuracy of the amounts remitted to the CZF account is necessary to maintain transparency and prevent financial discrepancies.

**Bank Charges and Commissions:** The audit must examine whether any bank charges or commissions are being deducted from the Zakat collections before they are remitted to the CZF, as this could reduce the amount available for distribution.

### **Critical Review of Legal Framework:**

The legal framework governing Zakat collection in Pakistan reveals several issues that undermine its effectiveness and efficiency. The primary concerns are outlined below:

**Lack of Standardization:** The Zakat system in Pakistan suffers from a lack of standardized procedures, resulting in inconsistencies in both the collection and distribution processes. This leads to confusion and inefficiencies within the system.

**Weak Implementation and Enforcement:** Despite Zakat being a mandatory obligation, its collection and distribution are not adequately enforced. This results in a significant shortfall of funds, as some individuals and institutions evade Zakat payments, and the enforcement mechanisms are ineffective.

**Inefficient Distribution Mechanism:** Zakat collected in Pakistan is primarily channeled through the Central Zakat Fund, managed by the government. However, the distribution system is plagued by inefficiency, and funds often do not reach the intended beneficiaries in a timely manner, impacting their ability to address poverty and social welfare needs.

**Inconsistency in Applicability of Criteria:** The eligibility criteria for Zakat recipients are often inconsistently applied, resulting in both the exclusion of deserving individuals and the inclusion of those who do not meet the necessary criteria.

**Limited Zakat Collection:** The Zakat collection system is overly focused on direct deductions from bank accounts and does not account for other wealth

sources, such as agricultural income or business assets. This narrow approach limits the potential of Zakat to address broader socio-economic issues.

**Over-reliance on Government Systems:** The centralization of Zakat collection and distribution at the provincial level leads to inefficiencies and delays. The underutilization of voluntary donations and community-driven initiatives further limits the system's potential.

**Lack of Public Awareness:** A significant lack of public awareness regarding the Zakat system, its importance, and the proper channels for donation hinders both the collection process and the effective use of Zakat funds.

**Political Interference:** The management of Zakat funds is often subject to political influence, which compromises the objective of distributing funds equitably and based on need.

### **Critical Review of Role and Performance of Organizations:**

Several key issues were identified during the thematic audit of Zakat Collections, Exemptions, and Remittance through the Banking Sector. These issues impact the effectiveness and efficiency of the system, and they are summarized as follows:

#### **Exemptions from Deduction of Zakat Granted by Banks:**

**Exemptions Granted Without Declarations:** Several commercial banks granted exemptions from Zakat deductions without receiving the required declarations from asset holders. This lack of proper documentation exposes the system to the risk of unauthorized exemptions, resulting in inaccurate Zakat deductions and potentially leading to discrepancies in Zakat collection and remittance.

**Exemptions Granted Based on Late Declarations:** Banks accepted exemption requests after the prescribed 30-day period, violating regulatory requirements. This weakens the integrity of Zakat deductions, leading to inaccuracies and potential revenue loss for the Central Zakat Fund.

**Exemptions Based on Unattested Declarations:** The acceptance of unattested copies of exemption declarations increases the risk of fraudulent claims and unauthorized exemptions.

## **Issues Related to the Remittance of Zakat Funds:**

**Delay in Remittance:** Several banks failed to deposit the deducted Zakat in a timely manner, which not only violates prescribed timelines but also prevents the prompt utilization of Zakat funds for the intended beneficiaries. In addition, banks generated revenue from interest on the deducted Zakat but did not transfer any portion of that interest to the Central Zakat Fund.

**Non-Deposit of Zakat:** The State Bank of Pakistan's sub-field offices failed to deposit deducted Zakat for the quarter October-December 2022, amounting to over Rs. 1 million, representing a significant breach of regulatory requirements.

**Partial Deposit of Zakat:** A commercial bank only partially deposited the deducted Zakat amount into the Central Zakat Fund, retaining the remainder for an extended period. This delay raises concerns about the proper fulfillment of Zakat obligations and potential inefficiencies in managing Zakat funds.

## **Issue Related to Deduction of Zakat:**

**Non-Deduction of Zakat on SSCs:** The State Bank of Pakistan only deducted Zakat from Special Saving Certificates (SSCs) upon maturity or encashment, which violates the Zakat and Ushr Ordinance, as Zakat should have been deducted earlier in every Zakat year.

## **Issues Related to Reporting and Reconciliation of Zakat:**

**Non-Reporting by the State Bank:** The State Bank failed to report Zakat collection figures on an agency-wise basis, which hinders transparency and accurate monitoring of Zakat funds across various institutions.

**Non-Submission of Reports by ZCOs/ZCCAs:** Many commercial banks failed to obtain and submit Zakat collection reports from their field offices, which resulted in discrepancies and a lack of reconciliation of Zakat funds.

**Reconciliation Discrepancies:** A significant difference of Rs. 7.9 billion was found between the figures reported by the State Bank and the Zakat Collection and Controlling Agencies, highlighting significant discrepancies. Furthermore, errors in the Zakat Information System, such as incorrect entries and multiple

entries for the same challans, indicate a lack of proper reconciliation, jeopardizing the accuracy of financial reporting for the Central Zakat Fund.

This critical review underscores the need for an overhaul of the legal framework, organizational practices, and processes governing Zakat collection, distribution, and reporting. The identified deficiencies and inefficiencies must be addressed to ensure that Zakat funds are properly collected, distributed, and utilized for the welfare of deserving individuals and communities.

## **SIGNIFICANT AUDIT OBSERVATIONS**

### **1. Exemptions Granted Without Proper Documentation (Non-Compliance with Legal Requirements)**

**Criteria:** The exemption process must be fully documented, including the submission of valid exemption declarations (CZ-50) in a timely manner.

**Findings:** Several commercial banks granted exemptions without receiving required exemption declarations from asset holders, undermining the transparency and legitimacy of the exemption process. Additionally, exemptions were granted based on unattested photocopies of declarations, which violates the legal requirements for authenticity.

**Impact:** This compromises the integrity of Zakat collections, risking unauthorized exemptions and inaccurate deductions, which may affect the total Zakat funds collected.

### **2. Non-Timely Deposit of Zakat in the Central Zakat Fund (CZF)/ Delay in Remittance of Zakat by Commercial Banks**

**Criteria:** Zakat funds must be deposited in the Central Zakat Fund in a timely manner, as per prescribed schedules.

**Findings:** Several banks, including State Bank of Pakistan (Banking Services Corporation), failed to deposit the deducted Zakat amounts promptly. Delays in remittance of Zakat not only violate prescribed timelines but also hinder the timely distribution of funds to the intended beneficiaries.

**Impact:** Retaining Zakat amounts for extended periods delays the availability of funds for welfare programs, potentially leading to liquidity issues. Additionally, interest generated on retained funds was not transferred to the Central Zakat Fund, further reducing the funds available for distribution.

### **3. Incorrect or Incomplete Zakat Deduction from Special Savings Certificates (SSCs)**

**Criteria:** Zakat should be deducted on SSCs on the earliest date of either the first return payment or encashment/redemption, whichever comes earlier.

**Findings:** The State Bank of Pakistan (SBP) deducted Zakat from SSC holders only at the time of encashment or maturity, which violates the provisions of the Zakat and Ushr Ordinance.

**Impact:** This leads to irregular Zakat deductions and potential loss of revenue for the Central Zakat Fund, affecting the overall efficiency and transparency of the Zakat system.

### **4. Discrepancies in Zakat Reconciliation Between SBP and Central Zakat Fund**

**Criteria:** Zakat amounts reported by SBP and Central Zakat Administration must be reconciled regularly to ensure consistency and accuracy.

**Findings:** A significant discrepancy of Rs. 7,931.588 million was found between SBP's reported figures and those of ZCCAs, with several cases of duplicate entries in the Zakat Information System, further exacerbating the issue.

**Impact:** This discrepancy undermines the integrity of financial reporting for the Central Zakat Fund, making it difficult to ensure that the amounts collected are accurately accounted for and remitted to the Central Zakat Fund.

### **5. Non-Reporting of Zakat Collection on an Agency-Wise Basis by SBP**

**Criteria:** The State Bank of Pakistan should report Zakat collection data from different agencies on an agency-wise basis for proper monitoring and reconciliation.

**Findings:** SBP failed to report the figures of Zakat collection to the Central Zakat Administration on an agency-wise basis, hindering the ability to track and verify Zakat funds across institutions.

**Impact:** The lack of detailed reporting and reconciliation makes it difficult to track discrepancies, affecting the transparency and accountability of Zakat funds.

These observations are critical because they highlight key weaknesses and inefficiencies in the Zakat collection and remittance system. Addressing them will enhance the effectiveness of the Zakat process, improve transparency, and ensure that the collected funds are used efficiently to support the welfare of the deserving population.

These audit observations highlight areas where regulatory compliance, transparency, and internal controls need significant improvement to ensure the effective and fair distribution of Zakat.

## **RECOMMENDATIONS:**

### **Exemption Verification:**

Authorities must ensure stringent adherence to the certification and declaration requirements for exemptions. Robust systems should be implemented to validate all exemptions, with such exemptions granted solely when supported by timely, complete, and authentic documentation.

### **Timely Remittance:**

Immediate measures must be adopted to enforce the prompt deposit of Zakat funds into the Central Zakat Fund. Banks and financial institutions handling Zakat collection must implement effective controls to ensure compliance with the prescribed remittance timelines.

### **Monitoring and Reporting:**

Zakat authorities should establish a comprehensive monitoring framework to guarantee the timely submission of accurate reports. Instances of non-compliance must be addressed through corrective actions, and regular

audit activities should be undertaken to assess the quality of reporting and its adherence to regulatory standards.

### **Standardized Reporting and Reconciliation:**

A standardized reporting system should be mandated across all branches, with an emphasis on regular reconciliation processes to ensure the accuracy of financial records and ensure alignment with Zakat regulations.

### **Agency-Wise Reporting by SBP:**

It is essential for the SBP to implement a comprehensive agency-wise reporting framework for Zakat collection, enabling enhanced oversight and accountability across all Zakat-deduction agencies.

### **Compliance with Zakat Deduction Regulations:**

Zakat deductions must be performed strictly in accordance with the established regulations. This will safeguard the integrity of the Zakat system and ensure that the Zakat Fund is accurately maintained and utilized.

### **Prevention of Balance Manipulation:**

Stronger regulatory controls and procedural safeguards must be instituted to prevent any manipulation of account balances around the Zakat valuation period. These measures will ensure accurate Zakat deductions and preserve the integrity of the collection process.

### **Conclusion:**

The thematic audit on Zakat Collection, Exemption, and Remittance within the Central Zakat Fund Account has revealed significant flaws that undermine the efficacy of the Zakat system. The audit highlights systemic inefficiencies in three crucial areas: Zakat collection mechanisms, exemption procedures, and the timely remittance of funds. Issues such as inadequate documentation for exemptions and delayed fund transfers pose serious risks to overall Zakat management, its transparency and accountability. Additionally, the lack of proper internal controls, including non-reconciliation of collected

Zakat and failure to meet reporting requirements, exacerbates the situation and increases the potential for misuse of Zakat funds.

To rectify these challenges, it is crucial for the authorities to take swift and decisive action to overhaul the Zakat collection framework. The key to success in this regard is enhancing trust of the people in government Zakat collection and distribution. This also includes enforcing strict compliance with documentation procedures, expediting the remittance of funds, enhancing reconciliation processes, and establishing a robust reporting system across all agencies involved. Similarly, in case of Ushr collection and distribution the public trust needs to be established in the process so the existing laws and supporting rules on the subject can be fully implemented. Through these systemic reforms, the Zakat and Ushr collection and distribution process can be safeguarded, ensuring it fulfills its intended purpose of alleviating poverty and supporting vulnerable communities.

## Chapter 8

### Impact Audit

# Impact Audit of ‘Benazir Income Support Programme Undergraduate Scholarship Project (BUSP)’

## 1. Introduction

Impact Audit has been introduced in the Audit Year 2023-24 as a new methodology to assess and determine the impact and outcome results of selected Government initiatives or programs. It answers cause and effect questions about the outcomes of the initiative by separating other contributing factors or variables and what is the adequacy of the result.

Directorate General Audit, Social Safety Nets has planned the impact audit of “Benazir Income Support Programme (BISP) Undergraduate Scholarship Project (BUSP)” that aims to provide financial support to talented undergraduate students from low-income families to pursue higher education. This impact audit evaluates the outcomes of the project from 2019 to 2024 (Batch I), focusing on the accessibility, academic performance, retention rates, and socio-economic upliftment of the beneficiaries.

### 1.1 Background:

Benazir Income Support Programme was established under Benazir Income Support Programme Act 2010. The program is headed by Chief Patron who on the advice of Executive Patron shall constitute the Board of the Programme. The Programme shall consist of the Chairperson, Members, management and such structure as determined by the Board and shall function in accordance with the regulations.

The objective and Purpose of the programme are to;

- a) Enhance financial capacity of the poor people and reduce poverty and income inequality.

- b) Formulate and implement comprehensive policies and targeted programmes for the uplift of underprivileged and vulnerable peoples and;
- c) Reduce poverty and promote equitable distribution of wealth especially for the low income groups.

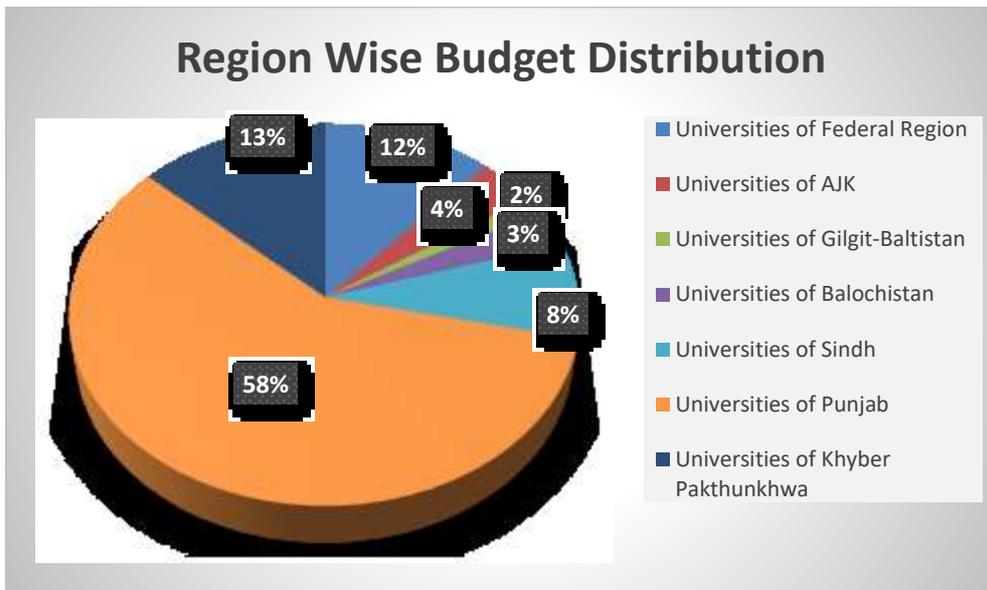
**Benazir Income Support Programme Undergraduate Scholarship Project (BUSP)**

Benazir Income Support Programme started Undergraduate Scholarship Project in 2019. Undergraduate Scholarships Project (USP), a joint project of the Higher Education Commission (HEC) and the Benazir Income Support Programme (BISP), seeks to increase access to higher education for talented undergraduate students from low-income families, especially women. BUSP is aimed to provide merit and needs-based scholarships for 4-5 years undergraduate degree programmes, including the tuition fees plus a stipend to cover living expenses, to the qualified undergraduate students from low-income families to study in public sector Higher Education Institutions (HEIs) of all regions of Pakistan, including Azad Jammu & Kashmir and Gilgit-Baltistan.

The budgetary allocation for Batch-I is as under:

Rs. in million

Batch -1	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	G/Total Funds
Universities of Federal Region	650.03	656.00	595.91	222.61	10.90	2,135.45
Universities of AJK	291.06	149.64	161.86	96.59	6.33	705.48
Universities of Gilgit-Baltistan	85.39	91.01	45.87	46.19	-	268.46
Universities of Balochistan	192.85	171.35	119.28	62.55	4.37	550.40
Universities of Sindh	499.28	422.90	266.88	253.72	11.11	1,453.89
Universities of Punjab	2,234.49	3,143.77	2,510.21	2,585.53	32.61	10,506.61
Universities of Khyber Pakhtunkhwa	811.90	537.82	699.87	308.07	19.55	2,377.21
<b>Total</b>	<b>4,765.00</b>	<b>5,172.49</b>	<b>4,399.88</b>	<b>3,575.25</b>	<b>84.88</b>	<b>17,997.50</b>



Implementation of the BISP Undergraduate Scholarship Project (BUSP) is overseen jointly by HEC and BISP, through a Project Steering Committee (PSC) established under a Memorandum of Agreement (MOA) concluded between the two Organizations.

### **1.2 Role of Project/Program**

The Benazir Undergraduate Scholarship Project (BUSP) represents a ground-breaking shift in the Government of Pakistan’s educational policy. Unlike previous financial aid programs focused on advanced degrees (MS/PhD), BUSP prioritizes undergraduate education, addressing the most critical phase where education directly impacts employability and income generation.

The program removes financial barriers for students from low-income households who cannot afford university education after completing FA/FSc. By covering tuition fees and providing stipends, BUSP ensures equitable access to higher education in key disciplines such as agriculture, engineering, business, medicine, arts, and social sciences.

Special emphasis is placed on inclusivity, with 50% of scholarships reserved for female students and 2% for physically challenged individuals. This approach not only promotes gender equality but also ensures that marginalized groups are brought into the fold of higher education.

By targeting vulnerable segments of the population, the program aims to break the cycle of poverty, empowering individuals to improve their socio-economic conditions and contribute meaningfully to society. Its focus on workforce development aligns with the government's broader vision of fostering economic growth and social equity.

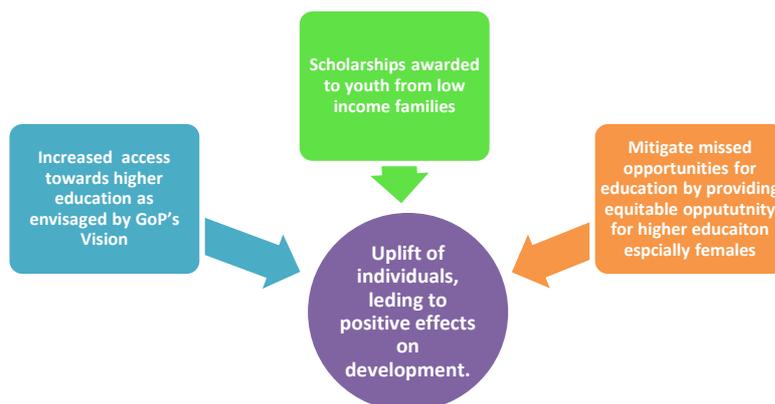
## **2. Overview of the Initiative**

The Benazir Undergraduate Scholarship Project (BUSP) is a collaborative effort between the Higher Education Commission (HEC) and the Benazir Income Support Programme (BISP). It is designed to provide merit- and needs-based scholarships to talented undergraduate students from low-income families across Pakistan, including Azad Jammu & Kashmir and Gilgit-Baltistan.

The program offers undergraduate degree programs in public sector universities. It covers tuition fees and provides stipends to meet living expenses, ensuring that financial constraints do not hinder deserving students from pursuing higher education. By supporting education in diverse disciplines, the program aims to build a skilled workforce ready to meet the country's future economic demands.

The scholarships contribute significantly to poverty alleviation by enabling recipients to secure higher education, improve employability, and lift their families out of poverty. This initiative not only supports individual growth but also aligns with national goals of equitable access to education and sustainable socio-economic development.

## Expected Outcomes of BISP UG Scholarship Project



Unlike past financial assistance schemes, which were aimed predominantly at MS and PhD programs, the BUSP focuses on the most critical segment, namely the 4-5years' undergraduate programs, which add the most to the expected lifetime income of the student.

### **3. Scope & Methodology**

#### **a. Scope of Impact Audit**

The Impact Audit covered the period from 2019-20 to 2024-25 (Batch I) since start of the Project to determine the impact of the intervention. The scope was extended to examine the data and information of the Project at BISP Head office level, Higher Education Commission and record of selected Universities. Furthermore, feedback of the scholarship holders was also be obtained on sample basis.

#### **b. Methodology**

The data was collected by applying inquiries from the management of BISP/ Higher Education Commission. This involved gathering data from multiple sources like BISP/HEC database reports, spread sheets and surveys. The level of performance achieved with the initiative vis-a-vis the level of performance are mentioned below:

<b>Sr. No</b>	<b>Aspect</b>	<b>Condition Without Scholarship</b>	<b>Condition with Scholarship</b>	<b>Impact Analysis</b>
1	Accessibility	Low ratio of students from diverse backgrounds in institutes	Scholarships make higher education more accessible to students from diverse backgrounds	Impact will be determined on the basis of comparison.
2	Selection of students for Scholarship	No Selection at all	Criteria for selection of students in line with objectives of BISP and the project targeting the most vulnerable segment of young population.	Impact will be determined on the basis of results of verification of beneficiaries of the project.
3	Continuity vs Dropout ratio	Numbers of Scholarship non-recipient students enrolled and successfully completed their programs	Numbers of scholarship recipients who stay enrolled in their respective educational programs and successfully complete their studies.	Impact will be determined by analyzing the data of both scenarios.
4	Academic Performance	Trend of Grades, attendance, and progress of Scholarship non-recipient and of recipient before award of Scholarship	Grades, attendance, and progress after award of Scholarship	Data for the period will be analyzed to determine impact
5	General / Technical Education	The data / numbers of Scholarship recipients against each field of Education.	Career outcomes and post-graduation success of Scholarship recipients (field of education wise)	Impact will be determined on the basis of outcomes against each field of Education.
6	Employment /Utility	-	Through this initiative, poorer households would	Impact will be determined

	Impact		be enabled to come out of poverty.	that how much percentage of Scholarship holder student get employment after degree completion
7	Socio Economic uplift / impact on family income after employment	Underlining household income (from all sources) equal to or less than the threshold set by the Program steering Committee. The threshold household income for the project as decided by PSC is PKR 45,000	Socio-economic condition of the family of Scholarship holder after successful completion of the programme.	Impact of scholarship program in uplifting the socio-economic status of the beneficiaries will be analyzed

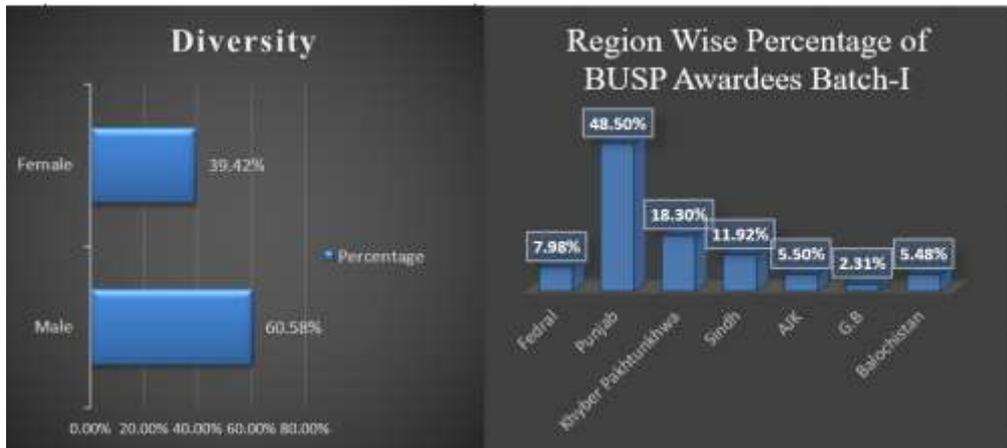
#### 4. Findings

##### 4.1 Accessibility of Benazir Undergraduate Scholarship

- **Condition with Initiative:** Scholarships were distributed to 50,540 students in the first phase from all regions of Pakistan with sharp emphasis on promoting diversity and regional representation, the program stringently followed 50 percent plus benefits policy for women.

**Regional Distribution:** 7.98% from Federal, 48.50% from Punjab, 18.30% from Khyber Pakhtunkhwa, 11.92% from Sindh, 5.5% from AJ&K, 2.31% from GB, and 5.48% from Balochistan.

**Diversity:** 39.42% female and 60.58% male students.



- **Condition without Initiative:** Candidates from backward areas, various ethnic and socio-economic backgrounds and gender were often deprived of higher education. (Source: World bank gender thematic policy notes published in October 2023 & World bank report on “challenges and solution for girl’s education in Pakistan” which was published in May 2024).
- **Impact:** Higher education became affordable to children of low-income households, promoting social equity. It enabled talented students from underprivileged backgrounds to achieve their academic ambitions. The program has also achieved a significant milestone in promoting gender parity, with 39.42% of the scholarship recipient being female. This inclusivity helped bridge the educational gap between socio-economic groups. Additionally, it contributed to a more skilled and diverse workforce, fostering national growth.

#### **4.2 Transparency in the Selection of Students for Scholarship**

The Benazir Undergraduate Scholarship Program (BUSP) selects students primarily based on university admissions rather than leveraging BISP beneficiary data for prior identification. This practice raises concerns about

alignment with the program's core objective of supporting low-income families. The aim of alleviating poverty through access to higher education appears compromised due to the selection process. To enhance the program's effectiveness, future initiatives should incorporate BISP beneficiary data, ensuring scholarships reach the most deserving and economically disadvantaged families.

- **Condition with Initiative:** As per the operational manual clause “3.2” sub-clause “d” of the scholarship program the selection criteria focused on targeting students from low-income families (equal to or less than Rs 45,000 monthly income), with a significant emphasis on merit and needs-based assessment. Verification included income assessment and academic performance reviews.

On the basis of record provided by HEC to BISP, it was noted that majority of students were eligible as per the stipulated criteria. However, it was noted on sampling basis that scholarships were granted to 1,151 ineligible students (2.27%) out of 50,540 scholarships.

The details of ineligible students is as follows: Out of 1,151 total students, 169 were selected whose parents were Government officers, 78 were selected whose fathers were running registered businesses and 904 were selected whose fathers were on active taxpayer list.

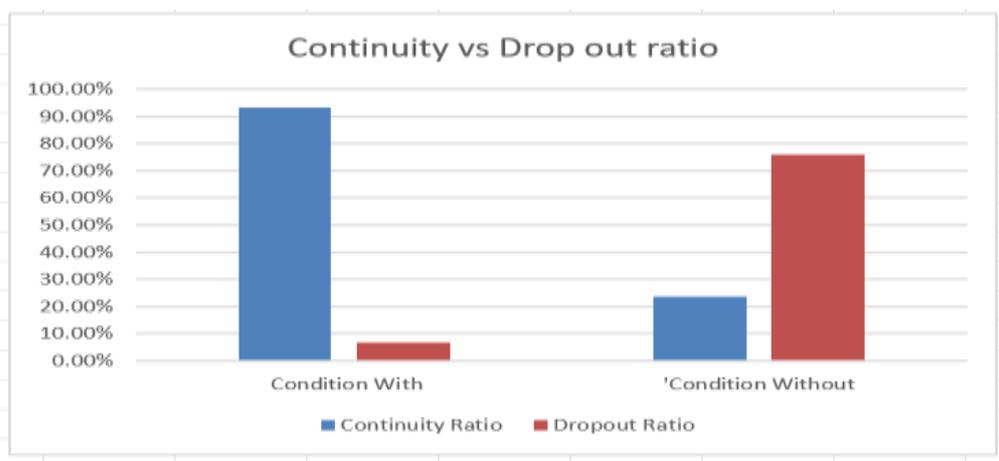
Despite discrepancy in the selection and evaluation process, universities tried to maintain transparency in the award of scholarship to deserving students.

- **Condition without Initiative:** Earlier there was no set of criteria for selection of purely need-based students from the target audience of BISP, leading to potential biases and inequities in the selection process.

- **Impact:** The selection criteria aimed to help low income students but resulted in 2.27% of scholarships being misallocated, causing a financial discrepancy of Rs.115 million. This highlights flaws in the selection process, as ineligible candidates include children of high ranking officials and business owners. No mechanism was in place to cross verify as per BISP poverty score the eligible 97.72% students to whom this scholarship was awarded.

### 4.3 Continuity vs Dropout Ratio

- **Condition with Initiative:** The BUSP achieved a retention rate of 93.42% among scholarship recipients with a dropout rate of 6.58%.
- **Condition without Initiative:** Prior to the initiative financial constraints hindered students from pursuing graduation. The national average retention rate was 23.1% and 76.9% youth leaving education due to financial reasons (National Human Development Report, 2018 UNDP).



- **Impact:** The program's effectiveness in retaining students is evident, with significantly higher retention rate and lower dropout rate compared to national average.

#### **4.4 Academic Performance**

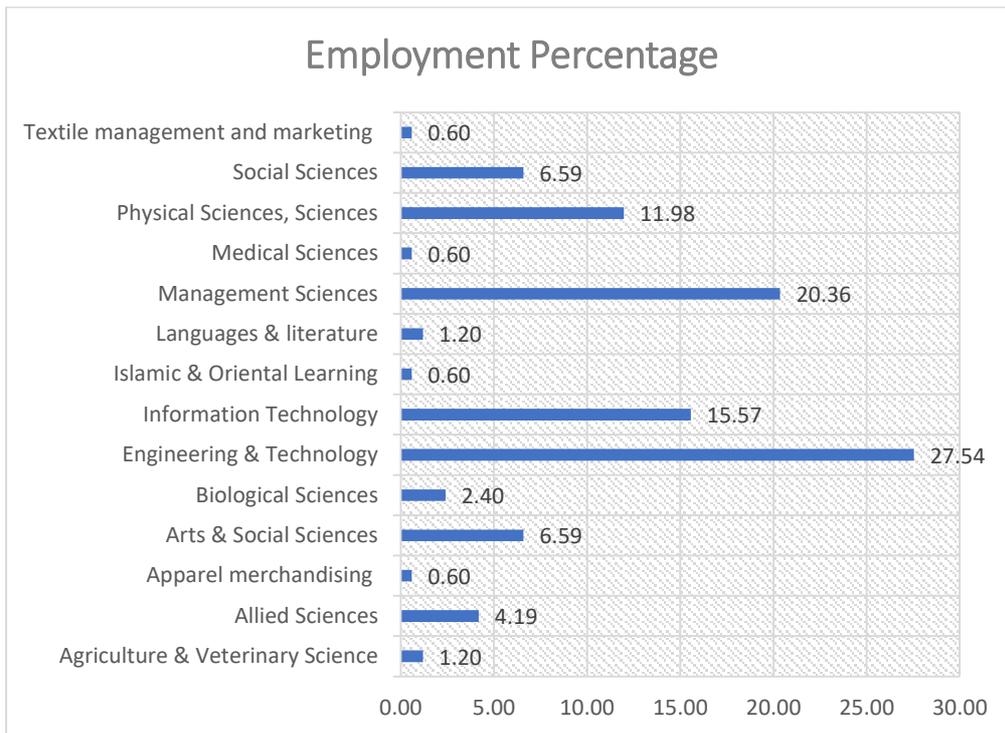
- **Condition with Initiative:** After receiving the scholarship, 81.22% of students had a CGPA of 3.00 or higher, with improved grades and attendance.
- **Condition without Initiative:** The average GPA of recipients before receiving the scholarship was 2.8.
- **Impact:** Recipient showed increased attendance and better grades, contributing significantly to their overall academic success. The scholarship program effectively enhanced student's academic performance, as evidenced by the rise in GPA and better engagement in their studies.

#### **4.5 General/Technical Education**

- **Condition with Initiative:** Pursuant to data received from the Higher Education Commission of Pakistan, encompassing eighteen universities, it has been observed that 7,307 students graduated in phase-I. Primary data was collected from 289 students, of which 167 secured employment.

Students were enrolled in 30 diverse discipline programs, yielding an employment rate of 57.7% for graduates. The top three disciplines by employment rate are:

- I. Engineering & Technology: 27.54%
- II. Management Sciences: 20.36%
- III. Information Technology: 15.57%

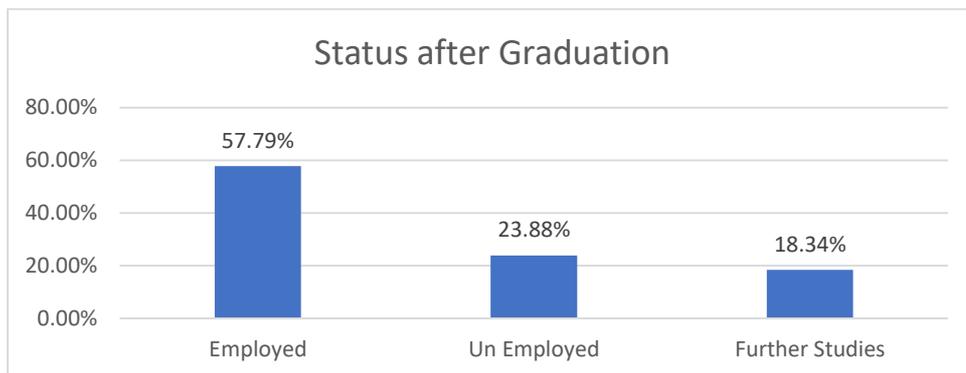


- **Condition without Initiative:** Pursuant to data received from the Higher Education Commission of Pakistan, encompassing eighteen universities, it has been observed that 7,307 students graduated in phase-I. Primary data was collected from 289 students, of which 167 secured employment.
- **Impact:** The scholarship program enabled recipients to enroll in a diverse range of discipline, leading to a substantial 57.7% employment rate for graduates. This not only increased their professional opportunities but also contributed significantly to a more skilled and productive workforce in the job market.

#### **4.6 Employment/Utility Impact**

- **Condition with Initiative:** 57.79 % of graduates who received scholarships secured employment within six months of graduation and

18.34 % graduates continued further studies, after securing further scholarships



- **Condition without Initiative:** Prior to implementation of BUSP, Low-income household faced significant challenges in accessing employment opportunities (Source: World bank report “overview of Pakistan jobs diagnostic”).

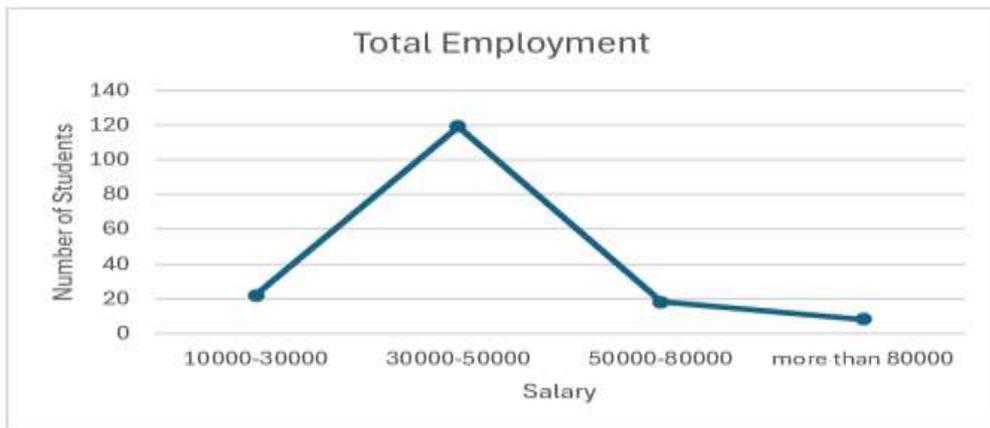
**Impact:** The program has proven effective in supporting families to rise above the poverty line. Key outcomes include: **57.79%** of students securing employment after graduation and 18.34% continuing their studies for better future job opportunities. Although 23.88% are still seeking employment, the program has significantly improved prospects for many graduates.

#### **4.7 Socio-Economic Uplift**

- **Condition with Initiative:** An analysis of employment outcomes of BUSP beneficiaries reveal that 57.7% of students secured employment after graduation, 23.8% students are actively seeking employment where as 18.3% students have opted to pursue further studies.

Out of 57.7% students who got employment in different sector, 13% of students are earning upto Rs 30,000. Whereas, 72.4 % are earning upto Rs 50,000, 9.5 % students are earing upto Rs 80,000 and

4.7% students are earning more than Rs 80,000 that is depicted below in graphical representation.



- **Condition without Initiative:** Prior to BUSP prospective candidates without professional degrees faced significant barrier to secure employment & improving socio economic status.
- **Impact:** BUSP has demonstrated a positive impact on the socio-economic status of its beneficiaries. The programme emphasis on supporting students from low income background has enabled 57.7% of graduates to secure employment and earned monthly income of PKR 30,000 or more.

## 5. Conclusion

The Benazir Income Support Programme Undergraduate Scholarship Project (BUSP) has had a significant positive impact on the educational and socio-economic outcomes of its beneficiaries. The program successfully enhanced access to higher education, improved academic performance, reduced dropout rates, and contributed to the economic upliftment of low-income families.

## 5.1 Recommendations for improvement

- **Selection process:** In order to enhance the effectiveness of BUSP, the selection process should be revised to integrate Benazir Income Support Programme beneficiaries data. This change would ensure that scholarships are awarded to the most deserving and needy families, aligning with program's objectives of assisting poor families.
- **Expand Outreach:** Increase efforts to reach more students in remote and underserved areas. Regions like KPK, Sindh, AJK and GB hold only the share of 25.21 percent in the target segment that could be increased by BISP and scholarship awarding committee.
- **Enhance Support Services:** Provide additional academic and career counseling services to scholarship recipients. It will not only enhance their professional skill but will help in the establishment of their career plan.
- **Continuous Monitoring:** Implement ongoing monitoring and evaluation mechanisms to ensure the sustained impact of the program.
- **Increase Funding:** Secure additional funding to expand the number of scholarships awarded annually.
- **Inclusion of Special Persons:** It must be ensured that special persons, physically challenged persons, and with Autism are included in the future implementation of the Programme.

This impact audit report demonstrates the value of the BUSP and provides a basis for future improvements to further enhance its effectiveness and reach.

## Annexures

### MFDAC

#### Annexure-I

Sr. No.	Name of Entity	Para No. of AIR	Subject
1.	Benazir Income Support Program (BISP) Head Office (Admin)	3	Un-accounted status of un-invested funds– Rs. 5.799 million
2.	-do-	6	Irregular payment of pay & allowances to employees on deputation after expiry of maximum period of deputation (5 Years) - Rs. 3.908 million
3.	-do-	7	Irregular payment of Pay and Allowances to compliance monitors appointed during the period 2023-24 without completing codal formalities – Rs. 32.323 million
4.	-do-	8	Non recovery of normal rent @ 5% from the allottees of Govt. accommodation – Rs. 3.839 million
5.	-do-	9	Unauthorized/unjustified expenditure on vehicles allocated to chairperson amounting to Rs. 4.006 million
6.	-do-	10	Unauthorized/unjustified expenditure on air tickets to chairperson amounting Rs.0.303 million
7.	-do-	12	Wastage of funds Rs. 49.647 million on internal audit wing
8.	Benazir Income Support Program (BISP) Head Office (Programs)	3	Loss due to less imposition of liquidated damages – Rs. 37.471 million
9.	-do-	12	Beneficiaries accounts late de-credited – Rs. 1,698.564 million
10.	-do-	30	Undue favour to Habib bank limited – Rs. 4.737 million
11.	-do-	33	Irregular retention and payment to beneficiaries who were not eligible after new survey – Rs. 4.725 billion

12.	-do-	40	Questionable eligibility: Mother's age anomalies in Waseela-e-Taleem program- Rs. 29.796 million
13.	BISP District Office Bahawalpur	1	Non-recovery of illegal deduction of amount from beneficiaries by POS Agents – Rs.0.325 million
14.	-do-	3	Non-recovery of Waseela-e-Haq Loan – Rs. 14.146 million
15.	-do-	4	Failure to maintain POS-Beneficiary Ratio and Non imposition of Penalty – Rs. 24.725 million
16.	BISP District Office Khairpur	1	Tranche-wise deficiency of 343 BVS Touch Points and non-imposition of penalty of Rs. 8.564 million
17.	-do-	2	Illegal appointment & payment of salaries to an employee of BISP having dual jobs - Rs. 0.575 million
18.	-do-	3	Non-maintenance of record of Complaint Register of beneficiaries
19.	-do-	5	Unjustified Payment of office rent without fulfillment of formalities – Rs. 0.805 million
20.	-do-	6	1,398 beneficiaries converted to non-BVS without observing SOPs.
21.	BISP District Office Batkhela Malakand	1	Non-payment of Cash Transfers to non-BVS converted beneficiaries – Rs. 0.40 million
22.	-do-	2	Non-verification of Proof of Life (POL) of Non-BVS converted beneficiaries
23.	BISP District Office Multan	3	Failure to maintain POS-Beneficiary Ratio and Non imposition of Penalty – Rs. 38.575 million
24.	BISP District Office Sukkur	2	Non-provision of required Biometric Verification Systems Touch Points amounting to Rs. 3.475 million
25.	-do-	4	Conversion of 381 BVS beneficiaries to non-BVS without observing SOPs
26.	-do-	7	Non-achievement of targets of enrollment under <i>Waseela-e-Taleem</i> Programme
27.	BISP District Office Swat	1	Non-payment of Cash Transfers to non-BVS converted beneficiaries –Rs. 1.571 million
28.	-do-	2	Non-verification of Proof of Life (POL) of Non-BVS converted beneficiaries
29.	-do-	3	Non-recovery of Loan from <i>Waseela-e-Haq</i> beneficiaries – Rs. 1.661 million

30.	-do-	5	Data cleansing required in BISP Payment Case/Compliant Management System (PCMS) as names of male beneficiaries appearing in the system
31.	-do-	6	Unjustified enrollment of children of BISP beneficiaries in private Schools having fees more than Rs. 8,000 per month
32.	-do-	7	Shifting of two motorcycles from one zone to another without the approval of H.Q/Regional Office
33.	BISP Zonal Office Multan	3	Non-de-crediting of beneficiaries' accounts – Rs. 1.927 million
34.	-do-	5	Failure to Maintain POS-Beneficiary Ratio and Non imposition of Penalty – Rs.269.511 million
35.	-do-	10	Overpayment of pay & allowances after repatriation – Rs. 1.778 million
36.	BISP Zonal Office Swat at Malakand	2	Irregular disbursement of UCT amongst beneficiaries whose PMT scores are higher than 32 after roster update – Rs. 0.930 million
37.	-do-	3	Deficiency of POS and no proof of imposition of penalty found in the record – Rs. 5.10 million
38.	-do-	5	Eight (08) Motorcycles and two (02) Laptops in BISP North Zone Malakand found missing
39.	-do-	6	Irregular payment of imprest money to the districts Incharge instead of directly to the vendors - Rs. 7.341 million
40.	-do-	7	Non-maintenance of Log Books/ Fleet cards/POL consumption details of 85 Motor Cycles allocated to the BISP Zonal office/ District Office and Tehsil Offices
41.	-do-	8	Non-lodging of FIR/inquiry against theft of Motorcycle at District Battagram
42.	BISP Zonal Office Sukkur	3	Non-provision of required Biometric Verification Systems Touch Points amounting to Rs. 17.722 million
43.	-do-	4	Non-blacklisting of POS Agents by bank
44.	-do-	5	Unjustified conversion of 3496 BVS beneficiaries to Non-BVS without observing SOPs
45.	-do-	8	Unjustified Payment of office rent by non-observing of SOPs-Rs 10.271 million

46.	-do-	10	Non-achievement of targets of enrollment under <i>Waseela-e-Taleem</i> Programme
47.	Pakistan Bait-ul-Mal (PBM) Head Office, Islamabad	3	Irregular utilization of funds out of PBM IFA Recovery Account - Rs. 608.916 million
48.	-do-	13	Unauthorized Withholding of Tax - Rs. 8.662 million
49.	-do-	21	Non-submission of Annual Reports and Statements
50.	Pakistan Bait-ul-Mal Provincial Office Gilgit	8	Irregular grant of IFA services to Government employees/pensioners – Rs. 0.260 million
51.	-do-	9	Payment of stipend/ subsistence allowance against SRCL and WEC students to other than Father/Guardian of the student – Rs. 0.909 million
52.	-do-	12	Irregular Grant of IFA General to Regular BISP beneficiaries - Rs. 0.165 million
53.	-do-	13	Wasteful expenditure on dropout / expelled students of PSH Gilgit and Ghizer – Rs. 7.50 million
54.	-do-	14	Purchase of food / miscellaneous items without calling open tender - Rs. 24.445 million
55.	-do-	15	Irregular payment of HRA to the employee who has allotted Government/ Organization owned Accommodation
56.	-do-	21	Provision of Sub-Standard School Bags to SRCL Throughout GB resulted in wastage of funds - Rs. 2.02 million
57.	Pakistan Bait-ul-Mal Provincial Office Peshawar	8	Non-closure / reconciliation of Panagah accounts – Rs. 112.858 million
58.	-do-	11	Irregular cash withdrawals from Panagah accounts maintained at District Level – Rs. 0.684 million
59.	-do-	12	Non-adjustment of permanent advances granted to panagahs – Rs. 1.452 million
60.	-do-	14	Unauthorized expenditure from panagah accounts after discontinuation of project – Rs. 1.887 million

61.	-do-	16	Non-obtaining of utilization reports from hospitals – Rs. 54.084 million
62.	Pakistan Bait-ul-Mal Provincial Office ICT	4	Non-Implementation of Treasury Single Account
63.	-do-	5	Unjustified Liabilities - Rs. 738.900 million
64.	-do-	6	Unjustified Release of Funds of Educational Grant Without Application and Supporting Documents - Rs. 2.609 million
65.	-do-	8	Fraudulent drawl of funds through ghost employee - Rs. 0.080 million
66.	-do-	12	Unjustified deposit of Operational Funds into Personal Accounts of employees - Rs. 3.534 Million
67.	EObI Head Office, Karachi	1	Non-reconciliation of contribution collection from employers – Rs. 737.300 million
68.	-do-	16	Loss to EObI due to transfer of funds in de-credited accounts- Rs. 211.070 million
69.	-do-	17	Non-recovery of Contribution from establishments since registration – Rs. 9,663.828 million
70.	-do-	28	Irregular re-instatement/re-employment of Assistant Director without approval of competent authority
71.	-do-	31	Irregular fund disbursement- Rs. 863 million
72.	-do-	39	Irregular award of Officiating charge to Non-Eligible Officers of EObI
73.	-do-	42	Payment of directorship fee to the employees of EObI - Rs. 1.150 million
74.	-do-	43	Less contribution collection due to non-receipt of Employers Salaries Record from Federal Board of Revenue
75.	-do-	44	Irregular working of Assistant Engineer in EObI without sanctioned post – Rs. 3.75 million
76.	-do-	46	Irregular excess increase in Monthly Pension - Rs. 2.293 million
77.	-do-	51	Non recovery of irregular deduction of Withholding Tax from EObI Account by Bank Alfalah – Rs. 4.670 million

78.	-do-	52	Non-recovery of profit from Bank Alfalah in respect of EOBI bank Account No. 1005051405 – Rs. 12.538 million
79.	EOBI, Regional Office Abbottabad	2	Non-recovery from defaulter Employers – Rs. 88.865 million
80.	-do-	4	Irregular payments made in cash instead of crossed cheques - Rs. 1.969 million
81.	-do-	7	Irregular expenditure without supporting documents/medical proforma signed by the authorized medial attendant - Rs. 11.106 million
82.	-do-	13	Irregular grant of pension case without observing the 15 years qualified service
83.	EOBI, Regional Office Karachi City	1	Loss to EOBI due to receipt of contribution at lesser rates- Rs. 70.134 million
84.	-do-	3	Irregular award of EOBI pension.
85.	-do-	4	Non-recovery of arrears from defaulter Employers – Rs. 92.31 million
86.	-do-	6	Lesser recoveries made against the amount already pointed out by EOBI, RO Karachi city- Rs. 3.78 million
87.	EOBI, Regional Office Faisalabad (North)	1	Non-Collection of contribution from employers since their registration – Rs. 1.806 million
88.	-do-	2	Non-collection of contribution from voluntarily registered establishments – Rs. 0.407 million
89.	-do-	3	Non-Recovery of Arrears of Contribution from Current Defaulter Employers – Rs. 15.368 million
90.	-do-	4	Non-Recovery of Arrears on Account of Contribution from those employers whose demand was raised during 2023-24 – Rs. 8.784 million
91.	EOBI, Regional Office Faisalabad (South)	1	Non-Collection of contribution from employers since their registration – Rs. 1.988 million
92.	-do-	3	Non-Recovery of Arrears of Contribution from Current Defaulter Employers – Rs. 17.883 million

93.	-do-	4	Non-Recovery of Arrears on Account of Contribution from those employers whose demand was raised during 2023-24 – Rs. 42.446 million
94.	-do-	11	Unjustified award of pension to ineligible Insured Persons –Rs. 0.572 million
95.	-do-	12	Unjustified award of invalidity pension – Rs.1.036 million
96.	EOBI, Regional Office Karachi Central	1	Missing pension files of beneficiaries.
97.	-do-	2	Non-recovery of arrears from defaulter Employers – Rs. 129.9 million
98.	-do-	4	No recoveries made against the demand notices issued by EOBI, RO Karachi central - Rs. 43 million
99.	EOBI, Regional Office Quetta	2	Non issuance of demand notice to defaulting employers
100.	-do-	4	Non-recovery of arrears from defaulter employers - Rs. 2.792 Million
101.	EOBI, Regional Office Manga Mandi, Lahore (2nd phase for AY - 2023-24)	1	Non-issuance of PI-03 Cards to Insured Persons
102.	-do-	4	Unauthorized expenditure of medical bills of the officers and staff without supporting documents - Rs. 1.458 million
103.	-do-	6	Non-recovery of arrears from defaulter Employers - Rs. 64.769 million
104.	-do-	13	Glitches in Facilitation System of EOBI while accessing Insured Persons’ data – Rs. 62.323 million
105.	EOBI, Regional Office Kotri (Sindh) (2nd phase for AY - 2023-24)	2	Old Age Pension awarded on claims submitted by a delay upto 38 years after the date of entitlement.
106.	-do-	5	Less collection of monthly contribution by E.O.B.I RO Kotri -Rs. 608.62 million
107.	-do-	6	Less collection of arrears by E.O.B.I RO Kotri - Rs. 27.72 million

108.	-do-	7	Unjustified provision of two survivor pensions under pension code 5 to same person – Rs. 0.522 million
109.	-do-	10	Payment of medical bills without prior approval of Medical officer amounting Rs. 1.6 million
110.	EOBI, Regional Office Islamabad (2nd phase for AY - 2023-24)	2	Non-recovery from defaulter Employers – Rs. 53.891 million
111.	-do-	4	Irregular expenditure without supporting documents/medical proforma signed by the authorized medial attendant amounting to Rs. 5.385 million
112.	-do-	6	Irregular expenditures of POL ceiling by Beat Officers without approved Programme of field visit for amounting to Rs. 3.225 million
113.	-do-	12	Non-deduction of conveyance allowance from EOBI Employees during Earned leave - Rs. 0.144 million
114.	Bureau of Emigration and Overseas Employment (BE&OE) Islamabad	4	Non-clearance of Liability against Death & Disability Insurance Claims - Rs. 279 million
115.	-do-	6	Prospective Loss due to non-investment of funds of Rs. 257 million
116.	-do-	10	Non-recovery of rent and utility from tenants - Rs. 68.022 million
117.	-do-	26	Loss due to inefficiency of management in award of contract – Rs. 0.324 million
118.	Protectorate of Emigrants (PE) Peshawar	2	Non-deduction/recovery of Group Insurance from the employees - Rs. 1.099 million
119.	Protectorate of Emigrants (PE) Malakand (2nd phase for AY - 2023-24)	1	Less deposit of Insurance Premium – Rs. 1.015 million
120.	-do-	2	Outstanding Insurance Claims on account of Death and Disability - Rs. 113 million

121.	Overseas Pakistanis Foundation (OPF) Islamabad	5	Loss to the OPF due to early redemption of Treasury Bills - Rs. 29.543 million
122.	-do-	8	Non-Maintenance of Separate account for Security deposit and utilization of security deposits without written agreement- Rs. 267.305 million
123.	-do-	11	Unjustified expenditure on closed OPF Hospital Mirpur - Rs. 6.980 million
124.	-do-	12	Un-justified hiring of Consultant for Escalation - Rs. 92.448 million
125.	-do-	17	Loss due to non-lending of Vacant Space of OPF Buildings Located at Karachi & Quetta - Rs. 6.982 million
126.	-do-	18	Irregular Cash Withdrawal from Bank Accounts- Rs. 8.780 million
127.	-do-	19	Loss of profit due to issuance and cancellation of Pay-order - Rs. 2.05 million
128.	-do-	21	Award of Contract to Unregistered Sales Tax Firm M/s ES Consultants Pvt. Ltd - Rs. 4.477 million
129.	-do-	27	Non recovery of amount from allottees on account of allotments of plots against Housing Scheme OPF Zone-V- Rs. 807.059 million
130.	-do-	31	Expenditure made for Bishkek students repatriation without any documentation - Rs.7.8 million
131.	OPF Regional Office Karachi	11	Irregular transfer of amount into employee account- Rs. 2.050 million
132.	OPF Regional Office Peshawar	9	Irregular late acceptance of applications for grant of Financial Aid Scheme – Rs. 10.40 million
133.	Overseas Employment Corporation (OEC) Islamabad	7	Appointment of External Auditor without the concurrence of the Auditor General of Pakistan
134.	-do-	12	Non-Reconciliation of Emigration Promotion Fee with BE&OE – Rs 215.3 million
135.	-do-	16	Loss to the OEC due to poor investment decision amounting Rs 4.862 million/annum
136.	-do-	17	Irregular Appointment of Chief Financial Officer

137.	-do-	18	Irregular selection of bank for OEC fund's management
138.	-do-	19	Non-recovery of outstanding amount of credit on issuance of Air Ticket - Rs. 1.821 million
139.	-do-	24	Irregular restoration/grant of overtime Allowance Rs.4.283 Million to the Employees of OEC without concurrence of the Finance Division
140.	-do-	25	Irregular grant of Salary Loan/Advance Rs. 23.299 million to the Employees of OEC without concurrence of the Finance Division.
141.	-do-	29	Non-refund of Rs. 1.750 million paid irregularly as Membership Fees to Islamabad Club
142.	-do-	32	Unjustified Payment to Private Travel Agencies Without Proper Documentation - Rs. 39.631 million
143.	Worker Welfare Fund, Islamabad	1	Non-finalization of Departmental Inquiries of WWF
144.	-do-	5	Loss to WWF due to non-allotment of flats/houses to the workers - Rs. 12.528 million
145.	-do-	13	Non-submission of Annual Returns by 227 Companies/employers
146.	Worker Welfare Board, Punjab, Lahore	1	Non-reconciliation of 2% Workers Welfare Fund Collection – Rs. 18.697 billion
147.	-do-	3	Non-surrendering of unspent balances by Punjab Worker Welfare Board – Rs. 11,112.23 million
148.	-do-	4	Non-Credit of 5% of Companies Profit collected by Punjab Revenue Authority into Punjab Workers Welfare Fund Account – Rs. 7.806 billion
149.	-do-	7	Unauthorized expenditure without approval of the Governing Body – Rs. 16.237 billion
150.	-do-	12	Loss to Punjab Workers Welfare Fund due to not obtaining tax exemption Rs. 6.655 million
151.	-do-	13	Less deduction of Income Tax on Salary – Rs. 2.082 million
152.	-do-	14	Administrative inefficiency in Absorption of Mr. Yasir Syed and payment of Arrears – Rs. 10.821 million

153.	-do-	15	Un-authorized Medical re-imbursement of employees – Rs. 11.121 million
154.	-do-	18	Loss to WWF due to non-allotment of WWF properties – Rs. 34.652 million
155.	-do-	19	Non-deduction of Income Tax at Source on account of educational dues/scholarship paid directly to the Universities by Punjab Worker Welfare Board – Rs. 42.385 million
156.	-do-	23	Payment to contractor against Quantities claimed in excess to BOQ - Rs. 28.962 million
157.	Worker Welfare Board (WWB) Peshawar (2nd phase for AY - 2023-24)	1	Non-deduction of Income Tax at Source on account of educational dues/scholarship paid directly to the Universities by Worker Welfare Board Khyber Pakhtunkhwa – Rs. 33.463 million
158.	-do-	14	Non-deduction of Sales Tax from the payment of Contractor/consultant's payments – Rs. 3.148 million
159.	-do-	17	Unjustified award of Educational Scholarship to failed students - Rs.7.18 million
160.	-do-	19	Loss due to non-recovery of rent from Provincial Ombudsman - Rs. 6.292 million
161.	-do-	20	Loss due to non-recovery of rent against 100 family Quarter at Kashtra Garhi Habib Ullah - Rs. 1.200 million
162.	-do-	21	Non-recovery of embezzled amount from United Bank Limited- Rs. 78.072 million
163.	-do-	23	Un-authorized medical reimbursement of employees – Rs. 10.306 million
164.	-do-	25	Irregular payment of House Rent Allowance and non-deduction of house rent Charges from employees of WWB having Government accommodation- Rs. 9.306 million
165.	Worker Welfare Board (WWB) Peshawar (AY - 2024-25)	5	Non-receipt of School Fee from entitled and non-entitled students – Rs. 9.550 million
166.	-do-	6	Non-eviction of 1,304 illegal occupants/trespassers from workers flats/colonies and non-recovery of market rent- Rs.156.480 million approximately

167.	-do-	8	Non-imposition/ Deduction of 10 % Liquidated Damages from the Contractor due to non-completion of work timely - Rs. 21.922 million
168.	-do-	9	Un-authorized medical reimbursement of employees – Rs. 118.279 million
169.	-do-	10	Loss to WWB on account of missing vehicles
170.	-do-	16	Non-allotment of 106 flats (reserved) for closed units located at Gadoon, Swabi
171.	-do-	20	Loss to WWB due to non-renting out of vacant floors of Office Building – Rs. 261.027 million
172.	-do-	23	Over payment of maintenance cost due to contractor non-compliance – Rs. 2.667 million
173.	-do-	26	Non-verification of contractual employees credentials on the light of Honorable Supreme Court of Pakistan order
174.	-do-	34	Irregular award of vehicles to Assistant Directors -Rs.2.295 million
175.	-do-	38	Irregular promotion of teacher from BPS-14 to BPS 17
176.	Worker Welfare Board (WWB) Balochistan, Quetta	1	Unauthorized investments of Contributory Provident Fund - Rs. 922.497 million
177.	-do-	4	Unauthorized withholding of tax on profits-Rs.48.271 million
178.	-do-	5	Non-framing of Rules under Balochistan Worker Welfare Act-2022
179.	-do-	6	Non-establishment of Balochistan Worker Welfare Fund
180.	-do-	8	Non preparation of Financial Statements
181.	-do-	9	Unjustified release of death grant by ignoring share of family members according to succession certificate - Rs.14.400 million
182.	-do-	15	Unauthorized placement of funds without competitive rates - Rs.471.011
183.	-do-	30	Unjustified appointments beyond advertised limits
184.	Ministry of Human Rights, Islamabad	6	Non-recovery of House Rent Allowance and House Rent Charges - Rs. 1.117 million
185.	-do-	7	Irregular payment of Deputation Allowance-Rs. 1.140 million

186.	-do-	12	Non-implementation of Time Scale Policy
187.	Director General Special Education (DGSE) Islamabad	5	Un-justified Surrendering of huge amount from Development Budget - Rs. 71.951 million
188.	-do-	6	Non-payment of Electricity Charges for Housing Colony I-9/4, Islamabad - Rs. 2.840 million
189.	-do-	7	Non-payment of ceiling of 16 Employees who have allotted Government Accommodation by Estate Office despite having own colony of DGSE
190.	-do-	19	Irregular promotion of DG SE without fulfillment of threshold criteria
191.	National Commission on Status of Women (NCSW) Islamabad	12	Non-Establishment of Executive Committee as Required by NCSW Act 2012
192.	-do-	18	Unauthorized Acceptance of Resignation without Completion of Disciplinary Proceedings
193.	-do-	21	Irregular Transfer of Officers Without Concurrence of the Establishment Division
194.	National Special Education Centre for Hearing Impaired Children (NSEC HIC) Islamabad	1	Non-Payment of Encashment of LPR to the Family of Deceased Employees of NSEC, Islamabad - Rs.1.210 million
195.	Ministry of Poverty Alleviation and Social Safety and Two Projects	2	Excess expenditure than allocated budget - Rs. 27.775 million
196.	-do-	8	Irregular payment on account of Rent of Residential Building on invalid/Dubious Special Power of Attorney – Rs. 0.342 million
197.	-do-	10	Non-preparation of PC-IV for PSDP Closed Projects (CRE, CSE, STP & SPDU).
198.	-do-	11	Non-reconciliation of Accounts with AGPR accounts - Rs. 269.100 million
199.	-do-	13	Loss due to Occupation of Extra Space for Office Building than the actual requirement - Rs. 5.144 million annually

200.	-do-	15	Non-collection of declaration of assets from officers/officials
201.	-do-	26	Non-recovery of 4 stolen tablets along with SIMS
202.	-do-	27	Violation of Service Agreement due to non-opening of separate bank account by hospitals
203.	-do-	29	Irregular payment to PAQSJIMS Gambat hospital without post operation Beneficiary Survey
204.	-do-	31	Non-issuance of PC-IV - Rs 1,989 million
205.	-do-	32	Non-reconciliation of Assignment Account with AGPR-Rs 681.762 million
206.	-do-	33	Payment to CDA hospital, Islamabad without non-renewal services providing agreement.
207.	-do-	34	Non-formulation of Experts Groups/Committees
208.	-do-	35	Non-maintenance of Cash Book for <i>Sehat Tahafuz</i> Program-Rs. 681.762 million
209.	-do-	36	Difference due to non-availability of counter folios of cheque books
210.	-do-	39	Non-conduct of Internal audit
211.	-do-	42	Non-issuance of PC-IV – Rs. 329.193 million
212.	-do-	43	Non-maintenance of Cash Book for Social Protection Delivery Unit (SPDU)
213.	-do-	44	Non-maintenance of Stock Register amounting to Rs. 15.146 million
214.	Central Zakat Fund (CZF), Islamabad	3	Irregular debit of amount from CZF-08 without authorization of CZA- Rs. 26.36 million
215.	-do-	4	Non-receipt of challans against Zakat (voluntary) on form CZ-28 from SBP – Rs. 9.09 million
216.	-do-	6	Non reconciliation of Zakat Fund - Difference of Rs. 7,931.588 million
217.	-do-	12	Non-production/maintenance of record
218.	-do-	15	Non-confirmation of advance deposit by MCB in Account No. 08 of Central Zakat Fund - Rs. 484 million
219.	BoP, HO, Lahore	5	Less Deposit of Zakat - Rs. 3.747 million
220.	MCB, Jail Road, Lahore	9	Avoidance from Deduction of Zakat by using banking Accounting System – Rs. 33.971 million
221.	Meezan Bank, Gulbai Branch, Karachi	7	Avoidance from Zakat by transferring of Funds from Company's Account which was liable to Zakat to Sole proprietor Exempted Account – Rs. 1.030 million

**Annexure-II**  
**(Para No. 3.4.7)**

**Doubtful enrolment of PSH/SRCL students – Rs. 16.261 million**  
**PBM, RO, Gilgit**

Sr. No.	Name of Students	FORM B	Date of Admission in SRCL	SRCL District	BISP enrolment date	BISP School Name
1	Maaz	2140614320649	19-2-2024	Gilgit	11/11/2021	Govt. Girls Primary School Edi Muhalah Gilgit Kashrote
2	Iqra	2140614320649	19-2-24	Gilgit	11/11/2021	Govt. Girls Primary School Edi Muhalah Kashrote Gilgit
3	Urooj	7150138578608	1/2/2024	Gilgit	8/15/2023	Govt. Girls Primary School Edi Muhalah Kashrote Gilgit
4	Aiman Zehra	7150121229474	6/2/2024	Gilgit	4/12/2022	Boys Primary School Nagaral Gilgit Kulchanat Gilgit
5	Anum Zehra	7180103352792	1/3/2024	Gilgit	2/12/2021	Government Girls Primary School Damote Khomer Damote
6	Zeeshan	7150193856429	2/9/2024	Gilgit	6/15/2021	Boys Middle School Old Polo Groundold Polo Ground Majini Muhallah Gilgit
7	Zainab Zahra	7150154281880	11/2/2022	Gilgit	11/26/2021	Kohisar Public School Yarkotyarkot Khomer
8	Abul Qasim	7150157438071	1/2/2024	Gilgit	11/26/2021	Kohisar Public School Yarkotyarkot Khomer
9	Fatima Zehra	7230403332562	12/2/2024	Gilgit	6/11/2022	Government Girls High School Khomer Yarkot Gikhomer Yarkote
10	Atif	7150113666625	12/2/2024	Gilgit	1/10/2023	Boys Middleand High School Pari Banglaparri Banlah
11	Abuzar	7150132327183	12/2/2024	Gilgit	3/13/2023	Boys Middleand High School Pari Banglaparri Banlah
12	Muhammad Farhan	7230103468609	11/8/2023	Gilgit	6/2/2021	Boys High School Danyoregovt Boys High School Danyore
13	Ali Murtaza	7150142150649	1/3/2024	Gilgit	6/23/2021	Mashal Public School Khur Barmas
14	Ajwa Bibi	1350139923154	1/6/2024	Gilgit	11/18/2022	Iqra Rozatul Atfal Trust Near Kohistan Oil Company Kashrote
15	M.Hamza	1610243698327	1/3/2024	Gilgit	5/29/2023	GPS Jalala No 1gujrano Kandi Jalala
16	Nazia	7140274617810	3/13/2024	Ghizer	8/15/2022	Boys Primary School Rajidar Gulapur Boys Primary School Rajidar Gulapur
17	Muhammad Maviya	7140286549099	2/27/2024	Ghizer	5/9/2022	Govt. Boys Middle School Golodass Gahkuch

18	Abuzer Ghafari	7150141915689	19-2-2014	Gilgit	5/28/2021	Creative Scholars Early Learning Center Near Bus Station Jutial Gilgit
19	Kainat	7140260554426	8/22/2023	Ghizer	6/4/2022	Iqra Academy Center Khari Gahkuch
<b>Sr. No</b>	<b>Child Name</b>	<b>B FORM</b>	<b>PSH District</b>	<b>Date of Admission</b>	<b>BISP Enrolment Date</b>	<b>BISP School Name</b>
1	Ghulam Mahdi	7110476020881	Skardu	9/8/2019	10/31/2022	Govt. P/S Ghomo Roundu
2	Qayum	7110476020881	Skardu	7/16/1905	10/31/2022	Govt. P/S Ghomo Roundu
3	Ali Hassan	7220103499155	Skardu		4/27/2021	Govt. M/S Kurfay Braldogovt Middle School Kurfay Braldo Shigar
4	Rehman	7120311226715	Gilgit		7/13/2021	Girls Middle School Basin Payeen baseen Payeen
5	Ishaq	7150190294789	Gilgit		8/3/2021	Boys High School Juglotecenter Juglote Sai
6	Sameer Abass	7150113328007	Gilgit	4/12/2023	1/10/2023	Girls High School Jutal Balagirls High School Jutal
7	Zeeshan Ullah	7140228657471	Ghizer	6/10/2024	10/26/2021	Boys Primary School Dalnati Sherqillaboys Primary School Dalnati Sherqilla
8	Faiz-Ur-Rehman	1340387727063	Ghizer	9/11/2024	11/30/2021	Boys Middle School Damas boys Middle School Damas
9	Asif Ullah	7140221440621	Ghizer	8/12/2024	12/28/2020	Boys Primary School Assumbar boys Primary School Assumbar
10	Imtiaz	7140233018835	Ghizer	10/5/2023	3/4/2021	PBM SRCL Gahkuch
11	Zahir Uddin	7140403445561	Ghizer	8/28/2024	3/31/2021	Government Middle School Barjungle government Middle School Barjungle
12	Muhammad Aslam	7140403484099	Ghizer	9/14/2021	1/6/2021	Govt Primary School Mataramdan Immit
13	Sajad Ali	1340356364431	Gilgit		9/4/2023	Modern Public-School Kiyalkiyal Village
14	Ghulam Nabi	1340374160299	Gilgit		9/4/2023	Modern Public-School Kiyalkiyal Village

**Annexure-III**  
**(Para No. 3.4.7)**

**PBM, PO, Peshawar – Rs. 5.466 million**

Child Name	Class presently studying	Form B	District	Child Enrollment BISP	School Name BISP	CHILD ID BISP
Aizaz Ali	7th	17101-5083168-9	Mardan	9/11/2022	GPS Islam Abad Dargai Mohallah Islamabad Koroonaa Dargai Tehsil and Distt. Charsadda	433292922
Sanan	6th	14301-8022763-5	Kohat	10/18/2021	GPS Sheikhan Sheikhan	427699157
Mustafa	5th	14301-8250045-9	Kohat	4/27/2022	GPS No2 Mc Area Koha Tcharbagh	431402328
Shahzeb	4th	17301-7242980-1	Kohat	1/5/2023	GPS No3 Jungle Khel Gari Behram Shah	431993010
Muhammad Nouman	Pre-Nursery	11101-4091309-1	Bannu	11/20/2023	GPS No 7 Bannu City	438974072
Hashir Zaman	Pre-Nursery	11101-0344088-1	Bannu	11/20/2023	GPS No 7 Bannu City	438974177
Muhammad Hassain	1st	21103-3526709-3	Bajaur	6/24/2022	GPS Dag Qilla Dag Qilla	427761876
Tariq Kamal	3rd	15501-59408505	Swat	12/15/2021	GPS Ranyal Ranyal	428685580
Takrim Bacha	2nd	15501-63277163	Swat	3/9/2023	GPS Sangrai Sangrai	435954333
Ali Hussain	4th	21603-1993248-9	Kohat	8/26/2022	GPS Cherri Lower Orakzai Cherri	433072576
Salmanullah	2nd	15501-5632025-7	Shangla	3/17/2022	Hira School Dherai	430507877
Muhammad Hussain	5th	2120288333327		4/4/2022	GHS Mia Morch Amia Morcha Mulagori	430981421
Asidullah	4th	15501-86538619	Swat	7/1/2022	GGPS Achar Malak Khel Kotkay	432268015
Safirullah	KG	15501-86642169	Swat	2/6/2023	GGPS Achar Malak Khel Kotkay	435406060

**Annexure-IV  
(Para No. 3.4.7)**

**PBM, PO, Peshawar – Rs. 2.435 million**

<b>B FORM</b>	<b>Child Class</b>	<b>Child enrollment BISP</b>	<b>Class</b>	<b>Date of Admission in SRCL</b>	<b>Student Name</b>	<b>Parent Guardian CNIC</b>	<b>Govt School Name</b>
1550108887992	1	11/2/2022	1st	4/4/2024	IQRA BIBI	1550122748601	GPS Angan Cham GPS Angan Cham
1550126685950	2	11/2/2022	1st	4/4/2024	MOMLI NAZ	1550122748601	GPS Angan Cham GPS Angan Cham
1550170522203	1	8/26/2020	4th	7/12/2021	MUHAMMAD ZAID	1550122526681	GPS Lilownai GPS Lilownai
1550108324088	0	6/27/2022	2nd	6/1/2023	SOMIYA RAHIM	1550120981243	GGPS Lilownaikoz Kalay
1550162087110	2	10/4/2022	3rd	4/15/2024	SAVAILA AKHTAR	1550155098189	GGPS Lilownaikoz Kalay
1730119348494	1	11/25/2021	3rd	4/8/2023	MUNEEBA IRFAN	1730105517105	GGPS Zangalig GPS Zangali
1730197775646	5	11/25/2021	3rd	4/8/2023	MUSKAN	1730105517105	GGPS Zangalig GPS Zangali
1730198724696	3	11/25/2021	3rd	4/8/2023	MADIHA	1730105517105	GGPS Zangalig GPS Zangali
1730194290889	0	10/13/2023	1st	9/2/2024	ABDUL RAFAY	1730195240889	ICMS School System Land Arbab Peshawa Mahalla Qasaban Kanday Payan
1730195240889	0	10/13/2023	1st	9/2/2024	M ANAS	1730195240889	-do-
1550111412778	1	12/3/2021	2nd	5/2/2023	ROSHNA BIBI	1550122856369	GCS Sra Khpallo
1610183748581	3	8/16/2022	1st	4/8/2024	M,Saad	1610142355290	GPS Serai Koruna Dagaeserai Koruna Dagaeserai
2110302942331	4	1/30/2023	5th	5/2/2024	Abu Huraira	2110327763902	GPS Khar No 2 Khar

**Annexure-V**  
**(Para No. 3.4.8)**

**Irregular payment to PBM employees – Rs. 8.702 million**

**SRCL**

Sr. no.	Name of Employee	Designation	District	Parent Guardian Beneficiary CNIC / /	Place of Posting	Students Name
1	Muhammad Masoom Khan	Security Guard	D.I.Khan	1120126200775	SRCL, D.I.Khan	Hijab & Zaryab
2	Fazal Rahman	Attendant	Tank	1220163668337	SRCL, Tank	Zain Rehman
3	Gul Muhammad	Security Guard	Mansehra	1350399945625	SRCL, Mansehra	
4	Mian Said Ashraf	Attendant	Buner	1510103293059	SRCL, Buner (Sawari)	Abbas Khan
5	Mian Said Haleem	Security Guard	Buner	1510103514407	SRCL, Buner (Sawari)	Muhamad Qasam+ Sahir Khan+ Bakht Zaman
6	Saeed Ullah	Attendant	Buner	1510103797291	SRCL, Buner (Pir Baba)	Adnan Khan
7	Abdul Waris Khan	Security Guard	Buner	1510104025923	SRCL, Buner (Pir Baba)	Alauddin
8	Syed Sajjad Hussain	Teacher	Buner	1510114332949	SRCL, Buner (Pir Baba)	
9	Shakil Ahmad	Security Guard	Buner	1510173453791	WEC, Buner	Ahmad Ali+Sidra+ Umar Hayat
10	Imran Khan	Teacher	Buner	1510178379215	SRCL, Buner (Sawari)	Adnan+Hazar Bilal+ Uzma Bibi
11	Nargis Parveen	Teacher	Chitral	1520111631062	SRCL, Chitral	Hajat Malik
12	Munawar Ahmad	Security Guard	Chitral	1520152229231	SRCL, Chitral	Abdul Basit
13	Ibrahim Quraishi	Naib Qasid	Chitral	1520177224045	District Office	
14	Alia Parveen	Teacher	Chitral	1520195581206	SRCL, Chitral	Maryam
15	Tasleem Akhtar	Qari / Qaria	Chitral	1520197123214	SRCL, Chitral	Bushra
16	Khalid Shah	Helper (Cook)	Shangla	1550111631915	PBM Sweet Home, Shangla	Ibadullah
17	Tariq Mehmood	Dispatch Rider (DR)	Shangla	1550176138221	PBM Sweet Home, Shangla	Anis Ur Rahman
18	Ali Akbar	Security Guard	Mardan	1610124743277	SRCL, Mardan-City	M ishaq
19	Ashfaq Ali	Security Guard	Swabi	1620210336353	SRCL, Swabi	Zunair Hassan Adan Ashfaq
20	Niaz Muhammad	Attendant	Swabi	1620287720029	SRCL, Swabi	Hamza Muhammad Tanveer

21	Mohammad Yousaf	Attendant	Charsadda	1710102754953	SRCL, Charsadda	ABDAN
22	Asghar Khan	Attendant	Mohmand	1710173447753	SRCL, Mohmand (Haleemzai)	Muhammad Zeshan
23	Mohammad Ayaz	Security Guard	Bajaur	2110397747515	WEC, Bajaur (Khar)	Jalal khan
24	Rahim Ullah	Qari / Qaria	Khyber	2120242193939	SRCL, Khyber (Jamrud)	Sami Ullah
25	Kamran Khan	Security Guard	Khyber	2120244179255	SRCL, Khyber (Jamrud)	Alman
26	Atta Ullah	Teacher	Khyber	2120285555395	SRCL, Khyber (Landi Kotal)	
27	Murtaza Hafiz	Qari / Qaria	Khyber	2120331055403	SRCL, Khyber (Landi Kotal)	Mubasheer
28	Khair Ullah	Teacher/ Incharge	Mohmand	2140222694455	SRCL, Mohmand (Haleemzai)	Muhammad haroon
29	Imtiaz Ahmad	Teacher	Mohmand	2140234201905	SRCL, Mohmand (Haleemzai)	Aman Ullah
30	Wasif Ullah	Security Guard	Mohmand	2140286582323	SRCL, Mohmand (Haleemzai)	Adyan
31	Sami Ullah	Qari / Qaria	Mohmand	2140657696099	SRCL, Mohmand (Haleemzai)	Yahya

### WEC

Sr. No.	Beneficiary/ employee CNIC	Name of Employee	Beneficiary Name	Designation	Basic Scale	District
1	1110190541121	Rafi Ullah	Amal	Naib Qasid/ Attendant	1	Bannu
2	1320206670515	Mohammad Sohail	Mohammad Sohail	Naib Qasid/ Attendant	1	Battagram
3	1330277802694	Chan Bibi	Chan Bibi	Qaria	7	Haripur
4	1510114410477	Rehman Ali	Rahman Ali	Naib Qasid/ Attendant	1	Buner
5	1510120489033	Mian Syed Anawar	Mian Syed Anwar	Teacher/ Incharge	11	Buner
6	1510173453791	Shakil Ahmad	Shakeel Ahmad	Security Guard	1	Buner
7	1520142553524	Saima Hussain	FAEEMA	Qaria	7	Charsadda
8	1540223962347	Mohsin Khan	RIAZ BEGHAM	Security Guard	1	Malakand
9	1610274085418	Shahida Bibi	Haleema	Qaria	7	Mardan
10	1710102754953	Mohammad Yousaf	MARIA BIBI	Attendant	1	Charsadda
11	1710116236661	Irshad Ali	Alishba	Office Assistant	15	Charsadda
12	2130312579047	Muhammad Qasim	Ali Nisa	Naib Qasid	1	Kurram

**Annexure-VI**  
**(Para No.3.4.9)**

**Irregular expenditure on WEC students – Rs. 2.616 million**

Sr. No.	Name of student	CNIC	District	Session
1	Sabira Mahak	71102-5310058-0	Shigar	July - dec 21 shift a
2	Sabira	71102-5310058-0	Shigar	July-dec 2023 shift (b)
3	Sabira Mahak	71102-5310058-0	Shigar	July-dec 2024 shift (b)
10	Saeeda Bano	71301-1939192-4	Ghanche	Session January 2023 to June 2023 Section A
11	Saeeda Bano	71301-1939192-4	Ghanche	Session July 2023 to December 2023 section A
12	Saeeda Bano	71301-1939192-4	Ghanche	Session January 2024 to June 2024 Section A
13	Zehra	71301-2235409-6	Ghanche	Session January 2021 to June 2021 Section A
14	Zehra	71301-2235409-6	Ghanche	Session July 2021 to December 2021 Section A
15	Zehra	71301-2235409-6	Ghanche	Session January 2022 to June 2022 Section A
16	Zehra	71301-2235409-6	Ghanche	Session July 2022 to December 2022 Section B
17	Faiza	71301-2895717-0	Ghanche	Session July 2021 to December 2021 Section B
18	Feza	71301-2895717-0	Ghanche	Session July 2022 to December 2022 Section B
19	Feza	71301-2895717-0	Ghanche	Session July 2023 to December 2023 section B
20	Zubida	71301-3879780-4	Ghanche	Session January 2021 to June 2021 Section A
21	Zubida	71301-3879780-4	Ghanche	Session July 2021 to December 2021 Section A
22	Zubida	71301-3879780-4	Ghanche	Session January 2022 to June 2022 Section A
23	Zubida	71301-3879780-4	Ghanche	Session July 2022 to December 2022 Section B
24	Zubida	71301-3879780-4	Ghanche	Session January 2023 to June 2023 Section B
25	Naeema	71301-5446035-8	Ghanche	Session January 2020 to December 2020 Section B
26	Naicema Bashir	71301-5446035-8	Ghanche	Session January 2021 to June 2021 Section B
27	Naima Bashir	71301-5446035-8	Ghanche	Session July 2021 to December 2021 Section B
28	Sabira Muskan	71301-5786035-2	Ghanche	Session July 2021 to December 2021 Section B
29	Sabira Muskan	71301-5786035-2	Ghanche	Session July 2022 to December 2022 Section B
30	Sabira Muskan	71301-5786035-2	Ghanche	Session January 2024 to June 2024 section a

31	Zulikha Batool	71301-5840031-0	Ghanche	Session January 2022 to June 2022 Section B
32	Zulikha Batool	71301-5840031-0	Ghanche	Session January 2023 to June 2023 Section A
33	Zulikha Batool	71301-5840031-0	Ghanche	Session July 2023 to December 2023 section A
34	Naeema	71301-6325677-4	Ghanche	Session July 2022 to December 2022 Section A
35	Naeema Sakina	71301-6325677-4	Ghanche	Session January 2023 to June 2023 Section A
36	Naeema Sakina	71301-6325677-4	Ghanche	Session July 2023 to December 2023 section A
37	Malika	71301-6332305-0	Ghanche	Session July 2021 to December 2021 Section B
38	Malika	71301-6332305-0	Ghanche	Session July 2022 to December 2022 Section B
39	Malika	71301-6332305-0	Ghanche	Session July 2023 to December 2023 section B
60	Tasneen Fatima	72201-0340470-8	Shigar	Jan - June 21 shift b
61	Tasneen Fatima	72201-0340470-8	Shigar	July - dec 2022 shift (b)
62	Tasneem Fatima	72201-0340470-8	Shigar	July-dec 2024 shift (a)
63	Sultana bi	72401-0333612-6	Ghanche	Session July 2021 to December 2021 Section A
64	Sultan bi	72401-0333612-6	Ghanche	Session January 2022 to June 2022 Section A
65	Sultana bi	72401-0333612-6	Ghanche	Session July 2022 to December 2022 Section A
66	Sultan bi	72401-0333612-6	Ghanche	Session January 2023 to June 2023 Section A
67	Sultana bi	72401-0333612-6	Ghanche	Session January 2024 to June 2024 Section A
68	Naseema	72401-0334367-2	Ghanche	Session January 2020 to December 2020 Section B
69	Naseema	72401-0334367-2	Ghanche	Session January 2021 to June 2021 Section A
70	Naseema	72401-0334367-2	Ghanche	Session July 2022 to December 2022 Section A
71	Tahira	72401-0335096-4	Ghanche	Session January 2020 to December 2020 Section A
72	Tahira	72401-0335096-4	Ghanche	Session January 2021 to June 2021 Section A
73	Tahira Batool	72401-0335096-4	Ghanche	Session January 2024 to June 2024 Section A
74	Rehana Batool	72401-0335287-6	Ghanche	Session January 2020 to December 2020 Section A
75	Raheena Batool	72401-0335287-6	Ghanche	Session January 2021 to June 2021 Section A
76	Rehana Batool	72401-0335287-6	Ghanche	Session January 2022 to June 2022 Section A
77	Naeema	72401-0335366-2	Ghanche	Session January to December 2020 Section A

78	Naeema	72401-0335366-2	Ghanche	Session January 2021 to June 2021 Section A
79	Naeema	72401-0335366-2	Ghanche	Session January 2022 to June 2022 Section A
80	Naeema	72401-0335366-2	Ghanche	Session July 2022 to December 2022 Section A
81	Zaitoona	72401-0335394-6	Ghanche	Session January 2020 to December 2020 Section A
82	Zaitoona	72401-0335394-6	Ghanche	Session January 2021 to June 2021 Section A
83	Zaitoona	72401-0335394-6	Ghanche	Session July 2021 to December 2021 Section A
84	Zaitoona	72401-0335394-6	Ghanche	Session January 2022 to June 2022 Section A
85	Rashida	72401-0336562-0	Ghanche	Session July 2021 to December 2021 Section A
86	Rashida	72401-0336562-0	Ghanche	Session January 2022 to June 2022 Section B
87	Rashida	72401-0336562-0	Ghanche	Session January 2024 to June 2024 Section B
88	Abida Bano	72401-0336601-0	Ghanche	Session January 2021 to June 2021 Section B
89	Abida Bano	72401-0336601-0	Ghanche	Session July 2021 to December 2021 Section B
90	Abida Bano	72401-0336601-0	Ghanche	Session January 2022 to June 2022 Section B
91	Khadima	72401-0336610-8	Ghanche	Session January 2021 to June 2021 Section B
92	Khadima	72401-0336610-8	Ghanche	Session July 2021 to December 2021 Section B
93	Khadima	72401-0336610-8	Ghanche	Session January 2022 to June 2022 Section B
94	Jamila Begum	72401-0337334-8	Ghanche	Session July 2021 to December 2021 Section B
95	Jamilla Begum	72401-0337334-8	Ghanche	Session January 2022 to June 2022 Section B
96	Jamilla Begum	72401-0337334-8	Ghanche	Session January 2023 to June 2023 Section A

**Annexure-VII**  
**(Para No. 4.4.14)**

**Non-registration of 208 establishment/Employers**  
**EOBI Regional Office, Islamabad**

<b>S. No.</b>	<b>Name of Establishment/Employer</b>
01	Hajvery Developers (360 Residences)
02	Suno TV, G-7/2, Islamabad
03	DAKSON Institute of Health Sciences, Islamabad
04	Hotel the Oriel, Islamabad.
05	Mount Sinai School, F-10/2, Islamabad
06	Smart School System, F10/3, Islamabad
07	Bedari School, F10/1, Islamabad
08	Apple the Grooming School, F-10/1, Islamabad
09	Owais Homeopathic Teaching Hospital, Barakahu
10	PGPC (PGMI) Project, G-11/3, Islamabad
11	Teamsum Technology, G-10 Markaz, Islamabad
12	Fair Arazai, Blue Area, Islamabad
13	Great Beginning School, F-10/4, Islamabad
14	Al-Ehsan Welfare Foundation, G-9/2, Islamabad
15	Al-Firdous Welfare Association, Barakahu, Islamabad
16	American Center for International Labor Solidarity, Phase-IV, Bahria Town, Islamabad
17	American Institutes for Research in the Behavioral Sciences, F-8/3, Islamabad
18	American Refugee Committee International, Blue Area, Islamabad
19	BADL DE, Chak Shahzad, Islamabad
20	Raja Nonprofit, Phase-II DHA, Islamabad
21	Begum Hamida Zia Trust, Pind Begwal, Islamabad
22	Business and Professional Women Organization Women Welfare, Rawal Town, Ibd
23	Center for Culture and Development, G-10/2, Islamabad
24	Centre for Communication Programs, G-10/2, Islamabad
25	Centre for Inclusive Growth, I&T Centre, G-8/4, Islamabad
26	Centre for International Peace, G-7 Markaz, Islamabad
27	Centre for Policy Alternatives, G-7/1, Islamabad
28	Chiragh Bari Welfare Trust, Islamabad
29	Citizen Developers Association, Blue Area, Islamabad
30	CMPAK Limited Employees Gratuity Fund, Chak Shahzad, Islamabad
31	CODE Pakistan, G-10/1, Islamabad
32	Community Development Foundation Pakistan, I-8/4, Islamabad

33	Comsats Institute of Information Technology, Chak Shahzad, Islamabad
34	Comsians Foundation, Chak Shahzad, Islamabad
35	Diakonie Katastrophenhilfe, F-10 Markaz, Islamabad
36	Disabled Saaya Association, I-10/4, Islamabad
37	Drive for Economic and Environmental Development, Blue Area, Islamabad
38	Eco-Conservation Initiatives (ECI), I-8/4, Islamabad
39	Environmental Development and Relief Action, Barakuh, Islamabad
40	Ethnomedia and Development, F-8/4, Islamabad
41	Farzand Ali Welfare Trust, G-6/1-1, Islamabad
42	FATA Research Centre, Islamabad
43	Futurism foundation, Paradigm Heights, Phase-VIII, Islamabad
44	Global Human Care Organization (GHCO), Kumbar Para, Islamabad
45	Global Innovative Support Technologies Foundation (GIST), F-6 Markaz, Islamabad
46	Global Village Forum, Lohi Bher, Islamabad
47	Green Villages Social Welfare Association, New Shakrial, Islamabad
48	Health Infrastructure Development and Management Company Limited, G-5, Islamabad
49	Himalayan Wildlife Foundation, F-8/1, Islamabad
50	Human Shield, I-8 Markaz, Islamabad
51	Humanitarian Development Organization, I-10/4, Islamabad
52	ICMC Earthquake Assistance Program, F-11/2, Islamabad
53	IMMAP, F-7/2, Islamabad
54	Indus Home Welfare Foundation, F-11 Markaz, Islamabad
55	Initiative for Rights Empowerment and Development, G-11/4, Islamabad
56	Insan for Peace and Justice, Bahria Enclave, Islamabad
57	Institute of Forensic Experts, Blue Area, Islamabad
58	International Foundation for Education Empowerment and Learning, F-11, Islamabad
59	International Grisis Group, Chak Shahzad, Islamabad
60	International Food Policy Research Institute, G-5/2, Islamabad
61	International Human Rights Observer, I-8/3, Islamabad
62	International Islamic Charitable Organization, F-10/2, Islamabad
63	International Medicine Care and Development Centre, G-11/1, Islamabad
64	Internews Network, Gulistan-e-Shafi, Islamabad
65	Islamabad Deaf Cricket Association, G-8/1, Islamabad
66	Jaguar Construction & Developer Employee Provident Fund (Pvt), F-8/4, Islamabad
67	Jamila Sultana Foundation, H-12, Islamabad

68	Jassar Foundation, DHA-II, Islamabad
69	Javat Foundation, Bahria Town, Islamabad
70	Johns Hopkins Global Inc, F-8/3, Islamabad
71	JSI Research & Training Institute, INC, Ufone Tower, Islamabad
72	Karim Khan Afridi Welfare foundation, Blue Area, Islamabad
73	Karwan development Foundation, G-10/2, Islamabad
74	Kashmir Institute of International Relations, E-11/4. NPF, Islamabad
75	Kiran Welfare Society, I-10/4, Islamabad
76	Lions Clubs International, Blue Area, Islamabad
77	King Salman Humanitarian Aid and Relief Center, E-11/3, Islamabad
78	Management Systems International, F-6/2, Islamabad
79	Maternal, Neonatal & Child Health Research Network, Blue Area, Islamabad
80	Meda Pakistan, F-8/4, Islamabad
81	Mission for Human Rights Organization, G-8/4, Islamabad
82	Muslim Charity Welfare Organization, Blue Area, Islamabad
83	Muslim Institute, G-11 Markaz, Islamabad
84	National Command Authority Foundation, I-10/3, Islamabad
85	National Community Support Program (NCSP), Pakistan Town, Islamabad
86	National Democratic foundation, F-7/1, Islamabad
87	PAK Institute for Peace Studies PIPS, F-10/4, Islamabad
88	Pakistan Allergy Asthma & Immunology Society, Blue Area, Islamabad
89	Pakistan Cement Company Limited Employees Provident Fund, F-7, Islamabad
90	Pakistan Engineering Council's Employees Gratuity Fund, G-5/2, Islamabad
91	Pakistan Fellows Welfare Organization, Pent House, Phase-IV, Islamabad
92	Pakistan innovation Foundation, F-8 Markaz, Islamabad
93	Pakistan Microfinance Investment Company Limited, Blue Area, Islamabad
94	Pakistan-China Institute, E-7 Markaz, Islamabad
95	Peace Education and Development Foundation, F-8/1, Islamabad
96	Peace Through Prosperity, Islamabad
97	Penny Appeal, National Police Foundation, Islamabad
98	Population Center Pakistan, G-10/1, Islamabad
99	Population, Environment and Development Centre, G-6/4, Islamabad
100	Radiant Businessmen Forum, Blue Area, Islamabad
101	Rawal Foundation, Blue Area, Islamabad
102	Renaissance, G-10/3, Islamabad
103	Renewable & Alternative Energy Association (REAP), I-10/3, Islamabad

104	Restored Church of Jesus Christ, Margalla Town, Islamabad
105	Sadaqa-e-Jaria Trust, Phase-I, Pakistan Town, Islamabad
106	Saferworld, E-11/4, Islamabad
107	Salma Khatoon Foundation, F-10/4, Islamabad
108	Salman Poultry Employee Provident Fund (Pvt) Limited, F-8/1, Islamabad
109	Save an Orphan, Phase-7 Bahria Town, Islamabad
110	Save an Orphan Global Trust, PWD, Islamabad
111	Saving Linemen Society, Police foundation, Islamabad
112	Scope Global PTY Ltd, G-5, Islamabad
113	Seerat Institute of Health and Education Technologies, F-6, Islamabad
114	SHRM Forum Pakistan, G-10/3, Islamabad
115	Small Efforts Trust, Bahria Town Phase-4, Islamabad
116	Social and Health Inequalities Network, E-11/4, Islamabad
117	Social Justice & Development Institute, G-11/1, Islamabad
118	Society for Access to Quality Education, G-11 Markaz, Islamabad
119	Society for Alternative Media and Research, F-10/4, Islamabad
120	Society for Child Rights and Environmental Management, Islamabad
121	Society of Facilitators and Trainers, NARC Park Road, Islamabad
122	South Asia Centre for Peace (SACP), Bahria Town, Islamabad
123	SPADO, F-11/1, Islamabad
124	Stephen Relief Organization, Iqbal Town, Islamabad
125	Syed Zamir Jafri Foundation, Phase-III, Bahria Town, Islamabad
126	Stitching Brac International, G-8/2, Islamabad
127	Strategic Vision Institution, Nazimuddin Road, Islamabad
128	Sughra Anwar Trus, Post Office Herdogehr, Islamabad
129	SUNBEAMS, F-11 Markaz, Islamabad
130	Support With Working Solutions, G-10/2, Islamabad
131	Task Force for Global Health, NIH Chak Shahzad, Islamabad
132	The Iqbal International Institute for Research Education and Dialogue, H-10, IBD
133	Trust for Democratic Education and Accountability Employees Provident Fund, G-7/2, Ibd
134	UMEED Institute of Space Technology, Rawat Toll Plaza, Islamabad
135	United Christian Organization, Fatima Villas Humak, Islamabad
136	United States Pharmacopeial Convention, Lohi Behr, Islamabad
137	Voice of Humanity, Jhangi Syedan, Islamabad
138	WADAAN Foundation, Blue Area, Islamabad
139	Waheed Relief Organization, G-9, Islamabad
140	WE CAN, F-10/1, Islamabad
141	Youth Assembly for Human Rights, I-8/3, Islamabad

142	Zainab Bi International Welfare Trust, F-8/3, Islamabad
143	Zalan Communications, F-11/1, Islamabad
144	National Forum of Women With Disabilities, G-11/2, Islamabad
145	National Press Club, Islamabad
146	NESCOM Foundation, I-10/3, Islamabad
147	Network for Community Welfare & Development, PWD, Islamabad
148	Network for Human and Social Development, Bahria Town, Islamabad
149	New Born Hope Foundation F-8 Markaz, Islamabad
150	NIAZ Welfare foundation, I-9/3, Islamabad
151	Organization for Integrated and Sustainable Development, G-11/4, Islamabad
152	PAK Association for Inspirational Development, Blue Area, Islamabad

**EOBI Regional Office, Abbottabad**

<b>S. No.</b>	<b>Name of Establishment/Employer</b>
01	M/s Grand Heritage Hotel, Naran
02	M/s Legend Hotel, Naran
03	M/s Hilton Hotel, Naran
04	M/s Jovial Gold Hotel, Naran
05	M/s Naran Creek Hotel, Naran
06	M/s Mount Feast Hotel, Naran
07	M/s Rose Valley Hotel, Naran
08	M/s Naran International Hotel, N-15 Mansehra-Naran Gilgit Road
09	M/s Millennium Inn Hotel & Restaurant, Mansehra
10	M/s Hotel DE Manchi, Mansehra
11	M/s Hotel Village Inn Naran
12	M/s Sayyam Heights Hotel, Naran Mansehra
13	M/s Swiss Wood Cottages, Narran
14	M/s Fairy Meadows Hotel, Naran
15	M/s Falettis Grand Narn
16	M/s The Moon Hotel, Naran
17	M/s Hotel Home, Naran
18	M/s Pine Top Hotel, Naran
19	M/s Pine Top Hotel Naran
20	M/s Royal Hotel, Naran
21	M/s mount Feast Hotel, Naran
22	M/s The Barcelo Hotel, Naran
23	M/s The Sarai Hotel, Naran
24	M/s Jumeirah Gold, Noran
25	M/s Al Hamrah Hotel, Katha, Naran, Mansehra

26	M/s Hotel Blackstone, Naran
27	M/s Luxus Grand Hotel, Naran
28	M/s Lalazar Hotel, Naran
29	M/s Grand Ridge, Naran
30	M/s Gateway Hotel & Restaurant, Naran Jhalkad
31	M/s Legend Hotel Naran
32	M/s Afaq Hotel Naran
33	M/s Clouds View Hotel and Restaurant, Naran
34	M/s Hotel Luxury Palace, Naran
35	M/s Nawabs Hotel and Resorts, Naran
36	M/s Royal Hotel, Naran
37	M/s Naran Hills Hotel, Naran
38	M/s Hotel River Edge, Naran
39	M/s Roots International School, Abbottabad
40	M/s ANSA Filling Station, Abbottabad
41	M/s Mini Minors, Abbottabad
42	M/s Insignia Store, Abbottabad
43	M/s JHK Construction Company, Abbottabad
44	M/s The Hallmark School and College, Abbottabad
45	M/s Allied School, Abbottabad
46	M/s Sidique Medical Complex, Abbottabad
47	M/s HKBN (Hayat Khan Business Network), Abbottabad
48	M/s Allied Hospital, Abbottabad
49	M/s Life Care Hospital and Diagnostic Center, Abbottabad
50	M/s Walada Medical And Fertility Center, Abbottabad
51	M/s Heart Care Center, Abbottabad
52	M/s Al Rasheed Hospital and Kidney Center, Abbottabad
53	M/s Sami Medical Complex, Abbottabad
54	M/s Abbott Inn Hotel, Abbottabad
55	M/s Al Baih Mart, Abbottabad
56	M/s Al Arqam School, Abbottabad

**Annexure-VIII  
(Para No. 4.4.16)**

**Overpayment due to excess quantity measured - Rs. 81.116 million**

**Rs. in million**

S. No.	Item No	Description	Rate	Qty as per BOQ	Qty measured/paid	Qty Excess measured / paid	Amount (Rs.)
01	(105-14) (105-27) (105-39)	Providing and laying 1:4:8 cement concrete using crushed graded boulders 1" (25mm) and down gauge and lawarancepur sand in foundation including farm work leveling and compacting and curing etc.	4,885.19	140,000	174,742.50	34,742.50	1.697
02	108-12	Providing 4 coats of bitumen emulsion at 10lbs. (0.49Kg/sm) per coat on walls and floors in ground floor (concrete surfaces connected with earth).	731.08	165,000	816,443.65	651,443.65	4.763
03	110.2 110.92 110.100	1:3:6 cement concrete solid Block more than 6" thick	9,241.99	275,000	593,196.81	318,196.81	29.408
04	110-44 110-92 110-100	Block masonry 4" to 6" thick G.F	6,895.50	95,000	163,877.95	68,877.95	4.749
			7,197.77	48,500	104,344.60	55,844.60	4.020
05	117-6	Providing and laying of floor of 2 inches 1:2:4 cc	1,387.53	119,150	352,632.75	233,482.75	3.240
06	114-4	P/L reinforced cement concrete using crush graded boulders.	9,395.57	75,000	198,489.33	123,489.33	11.603
07	114+146	Plinth	10,009.41	30,000	57,750.23	27,750.23	2.778
08	114+34	Ground Floor	11,448.56	47,500	74,311.91	26,811.91	3.070
09	114-24	a) Plinth Beam	9,832.78	62,750	129,015.38	66,265.38	6.516
10		Ground Floor	11,896.39	2,500	14,859.60	12,359.60	1.470
11	124-170	Providing and laying 3/8" thick marble patties	3.53	15,000	109,520.08	94,520.08	0.003
12	117-2	Concrete under floor 1:4:8 ground floor	4549.45	115,000	172,779.20	57,779.20	2.629
13	122-87	First Floor	830.23	200,000	762,507.80	562,507.80	4.670
14	NS-2	P/L wall finish graffito	20	300,000	1,724,678.94	1,424,678.94	0.285

15	Addl. item	P/F in position M.S Door Sutters	250	42,000	77,420	35,420.00	0.089
16	NS-5	P/F UPVC Soil, Waste (a) 4 inches (110mm)	205	40,000	102,821	62,821.00	0.129
<b>Total</b>							<b>81.119</b>

**Annexure-IX**  
**(Para No.4.4.17)**

**Non-recovery of dues from Labour Colonies allotted on Ownership Basis  
- Rs.204.540 million**

Rs. in million

Sr#	Name of Labour Colony	Date of Allott-Ment	Allotted Flats/ Houses	Total Cost Per Flat/House/ Plot	Rate of Instalments Per Month Per Flat/House/ Plot	Total Recoverable Amount From Colonies Upto June 2024	Total Recovered Amount From Colonies Upto June-2024	Balance Recoverable Upto June 2024
1	272 Flats Lahore	1999	266- F	365,000	1293	97.09	64.48	32.61
2	Nishter L/C Lahore	1987	4578- P	4,100	100	19.62	19.34	0.28
3	Sahooki Mallian, Skp	1994	508 -P 500-H	11,265- P 79,800- A 90,450- B	Remaining in 4-equal instalments	49.22	14.89	34.33
4	Kala Shah Kaku, Skp.	1996-2001	303-P	12,000	200	3.64	2.43	1.21
5	Qasimpur L/C, Multan	1987	448-P	8,103	100	3.63	3.56	0.07
6	Gulbahar L/C, Burewala	1997	169-P	17,555	200	2.97	1.67	1.30
7	Sahiwal Labour Colony	1998	293-P	25,800	200	7.56	7.30	0.26
8	Kaleem Shaheed Colony	1987	3031-P	13,050	100	39.55	24.47	15.08
9	Jouhar L/C, Faisalabad	1987	2299-P	10,320	100	23.73	16.38	7.35
10	M.Bin Qasim L/C, Faisalabad	1987	3285-P	16,005	100	52.58	11.69	40.89
11	Tipu Sultan L/C, Faisalabad	1996-97	3134-P	20,500	100	64.25	17.50	46.75

12	I.I. Chundrigarh, Faisalabad	1987	252	252-P	13,100	100	3.30	2.25	1.05
13	Toba Tek Singh L/Colony	1993	324	301-P	19,400	200	5.84	4.29	1.55
14	Hussain Shaheed, Faisalabad	1988	1797	1797-P	10,663	100	19.16	7.51	11.66
15	Raja Ghazanfar, Faisalabad	1987	1377	1377-P	8,022	100	11.05	6.35	4.70
16	Gulgasht L/C Sargodha	1994	1418	56-P	15,420	100	0.86	0.82	0.04
17	512 Flats At Faisalabad	1977	512	512-F	38,160 47,760 93,540 100,630	1415 Quarterly 2982 Instalments	7.04	3.20	3.84
18	Gulshan L/C Gujranwala	1988	340 300	340 -P 300 -H	5600- P 56,500- A 64,700- B	100 *340 220 *150 250*150	20.08	18.49	1.59
19	Jhelum L / Colony	1993	150	150 - P	9,500	100	1.43	1.43	0.00
<b>Total</b>							<b>432.59</b>	<b>228.05</b>	<b>204.54</b>

**Annexure-X**  
**(Para No.4.4.18)**

**Non-recovery from Labour Colonies allotted on Rental Basis –  
Rs.163.113 million**

Sr. No.	Name Of Colony	Date Of Allotment /Handing Over	Total Flats/ Houses / Plots	Allotted Flats/ Houses/ Plots	Rent on the Date of Allotment	Current Per Month Rent Including 10% After Every 3 Years	Recoverable Amount up to June 2024 Per Colony As Per Allotted Flat/ Houses/ Plot (Rs.)	Recovered Amount Up To June 2024 (Rs.)	Outstanding up to June 2024 (Rs.)
1	SHEREBANGAL L/C SKP, PH- I	13/09/2002	471	471-H	200	390	34,008,586	19,510,241	60,867,325
2	SHEREBANGAL L/C SKP, PH- II	20/02/2007	870	870-H	200	322	46,368,980		
3	MADINA L/C GUJRAT	29/08/2002	209	209-F	150	292	11,285,186	6,688,165	4,597,021
4	ALLAMA IQBAL L/C SIALKOT	1/4/2005	504	501-F	150	266	24,867,795.57	9,499,757	15,368,039
5	RAHIM YAR KHAN	22/12/2006	246	230-H	200	322	12,332,549.40	0	12,332,549
6	MIAN CHANNU ( KHANEWAL)	11/9/2007	169	169-H	200	220	2,003,760.00	1,700,000	303,760
7	LABOUR COLONY DEFENCE ROAD	01/05/2019	146	146-F	1200	1320	11,317,920.00	0	11,317,920
8	LABOUR COLONY WARBURTON	5/1/2019	208	205-F	1200	1320	15,621,000.00	148800	15,472,200
9	LABOUR COMPLEX MULTAN	06/2021	992	992-H	1200	1200	42,854,400.00	0	42,854,400
<b>TOTAL</b>							<b>200,660,176.97</b>	<b>37,546,963</b>	<b>163,113,214</b>

**Annexure-XI**  
**(Para No.4.4.19)**

**Irregular Payment of Gratuity and CPF – Rs. 71.138 million**

Rs. in million

<b>Sr. No.</b>	<b>Name of Employee</b>	<b>Designation</b>	<b>CPF Amount</b>	<b>Gratuity Amount</b>
1	Bint-e-Zahra	Ex-SST	0.847	1.729
2	Balqees Begum	Aya	0.465	0.744
3	Abdul Rehman Aasi	Ex- Principal	0.656	7.863
4	Yasmin Kousar	Ex- SS	1.415	6.930
5	Muhammad Akram	MALI	0.452	1.112
6	Sajida Naz	Subject Specialist	3.207	8.731
7	Nusrat Jabeen	Ex-Vice Principal	3.391	9.521
8	Rehmat Ali	Escort	0.882	1.450
9	Fouzia Naweed	Ex- Subj. Specialist	5.640	10.337
10	Muhammad Luqman	Ex- Chowkidar	1.257	2.431
11	Amir Fatima	Ex- Principal	4.271	11.863
12	Kousar Parveen	Ex- Store Keeper	0.836	2.045
13	Lubna Bashir (Late)	Ex- Junior Clerk	0.126	6.382
<b>TOTAL</b>			<b>23.445</b>	<b>71.138</b>

**Annexure-XII**  
**(Para No.4.4.33)**

**Unauthorized holding of dual job by Board's employees**

S. No.	Name	National ID	Office	Joining Date	Grade	Designation	Paid Upto	Department
1.	Lal Jan	5640158456323	Pension Civil	1/1/1967	2	Skilled Cooly	8/31/2024	
2.	Shambey Khan	5620129477713	Pension Civil	5/7/1973	3	Naib Qasid	8/31/2024	
3.	Syed Rihan Zaib Agha	5440004182715	Executive Engineer P	11/18/1998	3	Cooly	8/31/2024	Office of Chief Engineer (Quetta)
4.	Muhammad Khalid	5440004586877	Nursing School Quetta	1/9/2001	3	Chowkidar	8/31/2024	Directorate of Nursing
5.	Saeed Khan Mandokhail	5440141942237	Weight And Measures	3/2/2018	19	Joint Director	8/31/2024	Directorate of Labour Welfare
6.	Muhammad Umer Farooq	5440072269887	Dy Dir Agriculture	8/11/2023	14	Stenographer	8/31/2024	Directorate General of Agriculture
7.	Rehmatullah.	5440027809799	Gbhs Killi Maizai	2/1/2013	17	SST (Science)	8/31/2024	Directorate of Education
8.	Faisal Saleh	5120201166399	Deputy Commissioner	9/4/2023	11	Junior Clerk	8/31/2024	Office of Divisional Comm.

**Annexure-XIII**  
**(Para No.4.4.38)**

**Irregular grant of Monetization Allowance - Rs.7.561 million**

<b>Employee No.</b>	<b>Name</b>	<b>Designation</b>	<b>Grade</b>	<b>Monetization (Rs.)</b>
10214	Muhammad Nasir Khan	Director	OPF 10	720,000
10216	Zarqa Sohail	Director	OPF 10	640,645
10241	Noor Hussain Brohi	Director	OPF 10	60,000
10252	Manzoor Hussain Keerio	Director	OPF 10	60,000
10264	Shahid Zaman	Director	OPF 10	720,000
10269	Aqeel Ahmad	Director	OPF 10	646,452
10275	Asif Ali Qureshi	Director	OPF 10	640,645
10338	M. Mustafa Haider	Director	OPF 10	720,000
10347	Muhammad Azam	Director	OPF 10	646,452
10523	Qamar Abbas	Director	OPF 10	646,452
10525	Yasir Iftikhar Abbasi	Director	OPF 10	646,452
20239	Mahesh Kumar	Director	OPF 10	720,000
30082	Syed Wajid Hussain	Director	OPF 10	694,839
<b>Grand Total</b>				<b>7,561,937</b>

**Annexure-XIV  
(Para No.4.4.41)**

**Non-adjustment of outstanding advances- Rs. 4.284 million**

Amount in Rs.

S.No	Name of Employee	Advance for Expenses	Advance for TA/DA	Total
1.	Altaf Hussain Kanasiro	250,122	230,000	480,122
2.	Danish Ahmed	25,000	-	25,000
3.	Daleep Kumar	1,327,370	-	1,327,370
4.	Muhammad Farhan	7,850	-	7,850
5.	Ghulam Siddique. Addl Dir	10,000	-	10,000
6.	Ghulam Yaseen Mirani	5,644	-	5,644
7.	Jawed Ahmed Wasan	296,120	13,500	309,620
8.	Syed Kashif Abdullah	10,000	-	10,000
9.	Muhammad Aijaz Khan	1,080	-	1,080
10.	Tahseen Habib	10,590	-	10,590
11.	Muhammad Ali	6,030	-	6,030
12.	Muhammad Paryal	51,963	100,000	151,963
13.	Muhammad Sadiq	1,714	1,000	2,714
14.	Manzoor Hussain Keerio	371,724	6,875	378,599
15.	Muhammad Ahmed Khan	43,944	-	43,944
16.	Naseer Ahmed	1,522	-	1,522
17.	Nasir Shakir	6,472	-	6,472
18.	Naveed Alam	158,993	-	158,993
19.	Nouman Ali	912,201	67,295	979,496
20.	Plantation	97,040	-	97,040
21.	Sanodia Shah	82,944	-	82,944
22.	S. Zulqarnain Hyder	34,473	-	34,473
23.	Sadaqat Ali	2,000	-	2,000
24.	Sahiab Khan	5,872	-	5,872
25.	Salahuddin Hasni	100	-	100
26.	Mazhar Ali.	10,000	-	10,000
27.	Sabih Hansmukh	13,380	-	13,380
28.	Shafaqat Siddiqui	19,820	-	19,820
29.	Barkat Ali		17,024	17,024
30.	Khawar Noor		64,081	64,081
31.	Bayar Khizar		20,000	20,000
<b>TOTAL</b>		<b>3,763,968</b>	<b>519,775</b>	<b>4,283,743</b>

**Annexure-XV**  
**(Para No. 6.4.10)**

**Late deposit of Zakat - Rs. 1,854.723 million**

Sr. No.	Ref. No.	ZCCA & Code	Net Amount deposited (Rs.)	Period	SBP Deposited Date	Delay in months	Estimated Profit earned (Avg. KIBOR 21.49%) (Rs.)
1	6662	C2300053-State Life Jhelum Zone Jhelum	130,537	Oct-Dec (2022)	21.07.2023	06 month	14,026
2	6710	C2300053-State Life Jhelum Zone Jhelum	1,192,440	July - Dec (2022)	21.07.2023	06 month	128,127
3	6653	499/2415- National Development Complex Islamabad	91,308	Jan-Mar (2023)	10.08.2023	04 month	6,540
4	6670	499/1913-Pakistan Mobile Communication (PVT) LTD Islamabad	520,913	Jan-Mar (2023)	25.07.2023	03 Month	27,986
5	6445	499/1827-CDC Trustee Meezan Islamic Fund Karachi	68,369	Jan-Mar (2023)	10.07.2023	03 Month	3,673
6	6447	499/1827-CDC Trustee Meezan Islamic Fund Karachi	149,350	Jan-Mar (2023)	10.07.2023	03 Month	8,023
7	6395	00000404-Kohinoor Textile Mills Limited Rawalpindi	113,570	Jan-Mar (2023)	04.07.2023	03 Month	6,101
8	6451	00000770-Shahmurad Sugar Mills LTD. KARACHI	78,704	Jan-Mar (2023)	10.07.2023	03 Month	4,228
9	6429	00000834-Punjab Employees Social Security Lahore	248,565	Jan-Mar (2023)	10.07.2023	03 Month	13,354
10	6416	499/2152-M/S IBL Health Care Ltd. Karachi	219,749	Apr - June (2022)	14.07.2023	12 months	47,224
11	7473	00000002-National Bank of Pakistan Karachi (Nadir House Branch)	1,851,910,184	Jan-Mar (2023)	13.02.2024	10 months	331,646,248
		<b>Total</b>	<b>1,854,723,689</b>				<b>331,905,530</b>