



**AUDIT REPORT
ON
THE ACCOUNTS OF
PROVINCIAL ZAKAT FUND
AND
DISTRICT ZAKAT COMMITTEES
PUNJAB**

AUDIT YEAR 2022-23

AUDITOR-GENERAL OF PAKISTAN

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ABBREVIATIONS & ACRONYMS

AIR	Audit & Inspection Report
BISP	Benazir Income Support Program
CZF	Central Zakat Fund
DAC	Departmental Accounts Committee
DAO	District Accounts Office
DHQ	District Headquarters
DGA-SSN	Directorate General Audit, Social Safety Nets
DZC	District Zakat Committee
DZF	District Zakat Fund
FAM	Financial Audit Manual
FY	Financial Year
LZC	Local Zakat Committee
MFDAC	Memorandum for Departmental Accounts Committee
NIRC	National Industrial Relations Commissions
PAC	Public Accounts Committee
PAO	Principal Accounting Officer
PLHIs	Provincial Level Health Institutions
PPAF	Pakistan Poverty Alleviation Fund
POS	Point of Sale
PVTC	Punjab Vocational Training Council
PZA	Provincial Zakat Administration
PZC	Provincial Zakat Council
PZF	Provincial Zakat Fund
VTI	Vocational Training Institute
ZCCAs	Zakat Collection Controlling Agencies
ZCOs	Zakat Collection Offices

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 (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 and Section 11 of The Punjab Zakat and Ushr Act, 2018, require the Auditor General of Pakistan to conduct audit of the Provincial Zakat Fund, District Zakat Funds and Local Zakat Funds.

This Report is based on audit of Provincial Zakat Fund, Provincial Level Health Institutions, District Zakat Funds and Local Zakat Funds of Punjab for the financial years 2020-22. The Directorate General Audit, Social Safety Nets, Islamabad conducted audit during Audit Year 2022-23 on test check basis with a view to report significant findings to the stakeholders. The main body of the Audit Report includes only the systemic issues, and audit findings carrying value of Rs. 1.00 million or more. Relatively less significant issues are listed in Annexure-I of the Report. In cases where the PAO does not initiate appropriate action, the audit observation will be brought to the notice of the Public Accounts Committee in the next year's Audit Report.

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

The report has been finalized on the basis of management responses and the decisions taken at DAC level.

The Audit Report is submitted to the Governor of the Punjab in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973, read with Clause 3, Section 11 of the Punjab Zakat and Ushr Act, 2018 for causing it to be laid before the Provincial Assembly.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor General of Pakistan

EXECUTIVE SUMMARY

Directorate General Audit, Social Safety Nets Islamabad is a Field Audit Office of Department of the Auditor General of Pakistan. This office conducts the audit of Social Safety Programs. The main products are Financial Attest of Foreign Aided Projects, Performance Audit Reports, Special Audit Reports and Compliance with Authority Audit Reports.

The Directorate General Audit Social Safety Nets carries out the audit of BISP, PPAF, Pakistan *Bait-ul-Mal*, Ministry of Overseas Pakistanis and Human Resource Development and all its allied offices such as Employees Old Age Benefit Institution (EOBI), Overseas Pakistani Foundation (OPF), Overseas Employment Corporation (OEC), Workers Welfare Fund (WWF), National Industrial Relations Commissions (NIRC), Bureau of Emigration and Overseas Employment (BE&OE), Directorate of Workers Education (DWE), Poverty Alleviation and Social Safety Division, Central Zakat Fund (CZF), Provincial Zakat Funds (PZFs), District Zakat Funds (DZFs) and Zakat deducted by Zakat Collection Controlling Agencies (ZCCAs)/Zakat Collection Offices (ZCOs). The Directorate General Audit, Social Safety Nets has a human resource of 30 officers and staff having 59,760 man-hours. The annual budget amounting to Rs. 85.543 million was allocated to this office during Audit Year 2022-23.

a. Scope of Audit

The office is mandated to conduct audit of 83 formations working under Zakat and Ushr Department Government of Punjab. Total expenditure of these formations for the financial year 2021-22 was Rs. 3,915.822 million.

Audit coverage relating to expenditure for the current audit year comprises 09 formations of 01 PAO having a total expenditure of Rs. 1,259.439 million for the financial year 2021-22. In terms of percentage, the audit coverage for expenditure is 32.16% of auditable expenditure.

This report also includes audit observations resulting from the audit of:

1. Expenditure of Rs. 1,125.269 million for the financial year 2021-2022 pertaining to 10 formations of 01 PAO.
2. Expenditure of Rs. 2,068.293 million are pertaining to previous financial years.

b. Audit Methodology

Audit was conducted in accordance with International Organization of Supreme Audit Institutions Auditing Standards as incorporated in Financial Audit Manual (FAM), Guidelines for the Audit of Federal Government Operations and the International Standards on Auditing.

Field Audit activities include examining selected documents, interaction with employees during field work, interviewing beneficiaries to evaluate their response on Social Safety programs and discussion with the management.

c. Recoveries at the instance of Audit

An amount of Rs. 6.635 million has been pointed out in this report as recoverable.

d. Comments on Internal Controls and Internal Audit Department

One of the objectives of the audit was to assess whether the internal controls are properly designed, implemented and working effectively. For most of the entities audited during 2022-23, it was noticed that the Internal Audit departments existed but were not effective. Considerable instances of internal control failures were also noted which resulted in waste of Government money.

e. Key audit findings

- i. 03 case of irregular expenditure/payments and violation of rules amounting to Rs. 222.063 million¹.
- ii. 02 cases of recovery amounting to Rs. 6.635 million².
- iii. 01 case of weak of internal controls and poor financial management³.

f. Recommendations

- i. Irregular expenditure may be regularized from the competent fora.
- ii. Recoveries may be effected as pointed out by Audit.
- iii. Internal control system needs to be strengthened to mitigate the allied risk.

¹ Para No. 1.4.1, 2.4.1 & 2.4.2

² Para No. 1.4.2 & 2.4.3.

³ Para No. 2.4.4.

CHAPTER– 1 PROVINCIAL ZAKAT FUND

1.1 Introduction

A. Poverty Alleviation and Social Safety Division releases Zakat Fund to Provincial Zakat Councils as per provincial share on population basis, after making direct lump sum releases to Gilgit Baltistan Zakat Fund, Islamabad Capital Territory, natural calamities/emergency relief and others administrative/non-administrative, special Eid grants out of total budget. In addition to regular Zakat disbursement programmes, funds are also allocated on account of Educational Stipends.

Provincial Zakat Administration (PZA), Punjab releases funds to DZCs and the Provincial Level Health Institutions/hospitals in Punjab Province for onward disbursement amongst *mustahiqeen* through Local Zakat Committees, *Deeni Madaris* and Educational Institutions (General and Technical Education) with the approval of PZC. The summary of auditable formations alongwith expenditure audited is as follows:

B. Comments on Budget & Accounts

Statement of accounts of the Provincial Zakat Fund Punjab for the Financial Year 2021-22 is as under:

(Rs. in million)	
Particulars	Amount
Opening Balance	424.554
Receipts from CZF Islamabad	3,302.241
Receipts from DZFs and other Zakat added Institution	364.601
Total receipts	4,091.396
Total Payments/Disbursements	3,915.823
Closing Balance	175.574

A sum of Rs. 4,091.396 million was available with the Provincial Zakat Council, Punjab during the year 2021-22, out of which Rs 3,915.823 million (96% of total) was released to the 36 DZCs and 46 PLHIs in the Punjab Province.

C. Audit Profile of Provincial Zakat Administration, Punjab

(Rs. in million)

Sr. No.	Description	Total Nos	Audited	Expenditure audited FY 2021-22
1	Formations	83	09	3,915.822

1.2 Classified Summary of Audit Observations

Audit observations amounting to Rs. 19.737 million were raised as a result of this audit. This amount also includes recoverable amount of Rs 1.916 million as pointed out by the audit. Summary of audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	1.916
A	HR/ Employees related irregularities	-
B	Procurement related irregularities	17.821
4	Others	-

1.3 Brief Comments on the Status of Compliance with PAC Directives

No PAC meeting has ever been held on the Audit Reports of Provincial/ District Zakat Funds. Audit recommends that Audit Reports of Provincial/ District Zakat Fund should be placed before the PACs regularly.

1.4 AUDIT PARAS

1.4.1 Procurement of services at higher rates - Rs 17.821 million

Rule-4 of Public Procurement Rules, 2014 states that procuring agencies, while engaging in procurements, shall ensure that the procurements are conducted in a fair and transparent manner, the object of procurement brings value for money to the agency and the procurement process is efficient and economical.

Provincial Zakat Administration awarded contract to Telenor Micro Finance Bank for disbursement of Zakat during 2021-22.

Audit observed the following:

- i. Contract was awarded to Telenor Micro Finance Bank @ 0.75% of disbursed amount in rupees while ignoring the more feasible option

by Mobi Cash @ 0.80% of disbursed amount in rupees with services free for beneficiaries using Jazz/warid services.

- ii. The management did not consider that the same bank and its POS agents were involved in fraud and embezzlement as highlighted by Audit in the year 2016-17 and cases were under investigation in Anti-Corruption Establishment, Punjab.

Audit is of the view that management of PZF misprocured these services as they not only chose the bidder that defrauded them in FY 2016 -2017 and was under investigation at the Anti-Corruption Establishment, Punjab for fraud and was more expensive, as well.

Audit is further of the view that management could have saved Rs. 6.320 million by hiring by Mobi Cash as 42.399% beneficiaries were using Jazz/warid services.

Calculation is as under:

(Rs. in million)

Total beneficiaries	With warid Jazz SIM	With other networks	Money paid to beneficiaries (C x 19,000)	Money to be paid to Jazz Mobi Cash (D x 0.8%)	Money paid to Telenor Microfinance Bank	Difference
(A)	(B)	(C)	(D)	(E)	(F)	(F-E)
131,366	55,698	75,668	1,437.692	11.502	17.821	6.320

Management replied that the contract was awarded to Telenor Microfinance Bank Limited after ensuring complete fairness and transparency in the bidding under the provisions of PPRA Rules 2014. The agreement between PZA and Telenor Microfinance Bank Limited was justified in all respects.

The reply is not tenable as lowest bid (after taking into account special discount) was not accepted.

DAC in meeting dated 29.11.22 decided to pend the para with the direction to produce record within 15 days.

Audit recommends as no record was produced for verification within 15 days and till the finalization of this report, therefore an inquiry be conducted to fix responsibility.

1.4.2 Non-deduction of Income Tax on Services - Rs 1.917 million

Section 153(1) of Income Tax Ordinance, 2001 states that every prescribed person making a payment in full or part including a payment 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, which in the case of a company rendering providing of services, 8% of the gross amount payable, if the company is a filer and 14.5% if the company is a non-filer.

Para-2 of Sales Tax Special Procedure (Withholding) Rules, 2007 provides that “a withholding agent shall deduct an amount equal to one fifth of the total Sales tax shown in the Sales Tax Invoices”.

Provincial Zakat Administration procured services for disbursement of Zakat from Telenor Micro Finance Bank and paid Rs. 17,821,361 as services charges.

Audit observed that PZA did not deduct any Income Tax and Sales Tax from the payment as Telenor Microfinance Bank.

Audit is of the view that Telenor Microfinance Bank was not exempt from deduction of Tax and due to non-deduction of Income Tax amounting to Rs.1,425,708 (17,821,361x8%) and Sales Tax Rs.491,623 (1/5 of 16% of 17,821,361) government suffered a loss in tax revenues amounting to Rs 1,917,331.

Management replied that the requisite amount of Income Tax has been paid by the Service Providing Agency (M/S Telenor) through CPR during the month of February, March & April 2022

The reply is not tenable as the Telenor Microfinance Bank was not exempt from deduction of Income Tax.

DAC in meeting dated 29.11.22 pended the para and decided to refer the matter to FBR and Punjab Revenue Authority for advice.

Audit recommends that the advice from FBR and PRA may be expedited.

CHAPTER - 2 DISTRICT ZAKAT COMMITTEES

2.1 Introduction

A. Provincial Zakat Council/Administration, Punjab issues lump sum amount directly to 36 District Zakat Committees constituted in each District of Punjab on population basis. The DZC provides Zakat Funds to LZCs and various institutions for disbursement to *Mustahiqeen* under various regular and special Zakat programmes, like *Guzara* Allowance, Educational Stipend, *Deeni Madaris*, Health Care, Social Welfare/Rehabilitation and Marriage Assistance to unmarried *Mustahiq* women.

B. Comments on Budget & Accounts

A total amount of Rs. 3,915.822 million was released by Provincial Zakat Council Punjab to 36 Districts during the year 2021-22, out of which 8 Districts, as detailed below having total available budget of Rs.1,259.241 million were audited, which was 32% of total formations.

(Rs. in million)

Name of DZC	Financial Years	Opening Balance	Receipts	Total Available	Disbursement	Closing Balance
Attock	2020-21	0	48.231	48.923	48.903	0.020
Jhelum	2021-22	5.813	84.337	90.150	78.524	5.813
Sargodha	2021-22	19.595	139.267	158.862	157.165	1.697
Rawalpindi	2021-22	0	182.043	182.043	178.835	3.209
Faisalabad	2021-22	22.270	267.147	301.393	270.561	3.425
Bahawalpur	2021-22	9.141	130.878	140.019	139.367	0.653
Lodhran	2021-22	3.508	60.954	64.463	63.753	0.710
Vehari	2021-22	1.737	113.853	115.591	114.769	0.822
Multan	2021-22	3.287	148.62	157.995	157.156	0.639
Total				1259.439	1,209.033	

C. Audit Profile of District Zakat Committees, Punjab

(Rs. in million)

Sr. No.	Description	Total Nos	Audited	Expenditure audited FY 2021-22
1	Formations	36	08	1,209.033

2.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 208.961 million were raised as a result of this audit. Summary of audit observations classified by nature is as under:

(Rs. in million)

Sr. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities	208.961
A	HR/ Employees related irregularities	-
4	Others	-

2.3 Brief comments on the status of compliance with PAC Directives

No PAC meeting has been held since 2005 on the audit reports of District Zakat Committees. Audit recommends that audit reports of District Zakat Committees may be placed before the PAC regularly.

2.4 AUDIT PARAS

2.4.1 Irregular payment to BISP beneficiaries - Rs. 201.908 million

Para 1.2 of the Zakat Disbursement Procedure states that before certifying *istehqaq*, the beneficiary will furnish the declaration that he/she is not in receipt of financial assistance from any other poverty alleviation program of the government and that presently he/she possesses neither any source of income nor any employment to provide for the subsistence of himself/herself and his/her family.

The management of 05 DZCs paid Guzara allowance to Zakat beneficiaries amounting Rs.201.908 million during Financial Years 2019-22.

(Rs. in million)

Sr. No.	District Zakat Committee	Period	Para No. of AIR	Number of Beneficiaries	Amount
1	Jhelum	2020-21	01	62	1.182
2	Multan	2019-22	01	606	13.998
3	Rawalpindi	2019-22	07	42	0.837
4	Faisalabad	2019-22	04	1847	27.773
5	Attock	2019-21	04	76	158.118
Total				2,633	201.908

Audit observed that 2,633 number of Zakat beneficiaries of above mentioned DZCs were also getting assistance from Benazir Income Support Program.

Audit is of the view that payment made by DZCs as Guzara Allowance during Financial Year 2019-22, was irregular.

The management of DZC Jehlum replied that the beneficiaries provided declarations on the *istehqaq* forms that they were not recipient of financial assistance from any other poverty alleviation programme. The management of DZC Multan replied that the name of beneficiaries now has been struck off from the list of Guzara Allowance. The management of DZC Rawalpindi replied that not knowing about such beneficiaries was only reason of providing assistance to them.

The reply is not tenable as the Zakat Disbursement Procedure has been violated.

The DAC kept the para pending and in future, list will be compared and corroborated with BISP, Ehsaas etc through newly approved automation/digitization project for online M&E of Z&U Department activities.

Audit recommends to implement the decision of DAC.

2.4.2 Irregular disbursement of Zakat Fund to serving/retired government employees - Rs.2.334 million

Para 1.2 of the Zakat Disbursement Procedure provides that before certifying *istehqaq*, the beneficiary will furnish the declaration that he/she is not in receipt of financial assistance from any other poverty alleviation program of the government and that presently he/she possesses neither any source of income nor any employment to provide for the subsistence of himself/herself and his/her family.

PZA letter No. 1224/AZ/PO/2020 dated 25.03.2020 states that serving or retired government servants were not eligible for zakat funds.

The management of 05 DZCs paid an amount of Rs. 2.334 million as Guzara Allowance during 2019-22.

(Rupees in million)

Sr No.	District Zakat Committee	Period	Para No. of AIR	No. of Beneficiaries	Amount
1	Jhelum	2021-22	02	17	0.366
2	Multan	2019-22	02	18	0.261
3	Rawalpindi	2019-22	08	69	1.053
4	Faisalabad	2019-22	05	51	0.357
5	Attock	2019-22	05	33	0.297
Total				188	2.334

Audit observed that these beneficiaries/ spouses were government servants and were also registered as Zakat beneficiary with Zakat department and were paid the above amount.

Audit is of the view that due to disbursement of zakat fund to Government servant the actual mustaqeen of zakat deprived.

The management of DZC Jhelum replied that instruction has been noted for future compliance. The management of DZC Multan replied that beneficiaries would be struck off in the next financial year. The management of DZC Rawalpindi replied that they had no access to the fact that which beneficiaries were dependent of the government servants.

The reply is not tenable as the payment has already been drawn by the serving/retired government employees.

DAC in its meeting held on 30.12.2022 pended the para with the direction to refer to Punjab Zakat & Ushr Council for decision regarding Guzara Allowance paid to dependents of Govt. Servants / Govt. Servants.

Audit recommends to implement the decision of the DAC.

2.4.3 Payment to beneficiaries without determination of *Istehqaq* – Rs. 4.719 million

Para 10(1) of The Zakat (Transfer and Disbursement) Rules, 1980 regarding Record of mustaqeen to be maintained by Local Zakat Committees states that “Every Local Committee shall maintain two registers containing information on the mustaqeen who ordinarily reside within its jurisdiction – Register A (LZ-19) for direct assistance and Register B for indirect assistance.”

District Zakat & Ushr Committee, Lodhran released funds amounting to Rs. 217,843,764 under the head Guzara Allowance during the financial years

2015-16 to 2021-22 through Service Providers (Telenor Microfinance and UBL Omni).

Audit observed that a sum of Rs. 4,719,000 was disbursed to 318 such beneficiaries whose *istehqaq* was not determined by the Local Zakat Committees concerned.

Audit is of the view that payment was made in violation of the provision of Zakat Disbursement Procedure.

The management replied that compliance has been made.

The reply of the management is not tenable as compliance now made by the management means that *istehqaq* has now been determined which further means that the payment was made to all the non *mustahiqeen* at that time.

The DAC in its meeting held on 30.12.2022 decided that Fact Finding inquiry will be conducted by concerned Deputy Administrator Zakat.

Audit recommends that amount be recovered, appropriate action may also be initiated against the person(s) held responsible and adopt remedial measures to avoid recurrence of such irregularity in future.

{Para No.11 of AIR}

VOCATIONAL TRAINING INSTITUTES

2.4.4 Irregular amendment in MORA Scholarship Form for education stipend (Technical)

Para 3.1 of Zakat Disbursement Procedure states that “The Local Zakat Committee (LZC) of the area of student’s permanent residence shall certify his /her *Istehqaq*. For this purpose, the student will use a prescribed Zakat Scholarship form titled “MORA Scholarship” Form No: MORA-I (Technical).

The management of Vocational training institute Sillanwali amended the prescribed Zakat scholarship form titles “MORA Scholarship form No: MORA-I (Technical).

Audit observed that the management of VTI, Sillanwali deleted column No.8 (Monthly Income of Father/Guardian and profession of Father/Guardian) from Part-A of MORA Scholarship Form for education stipend (Technical).

Audit is of the view that in the absence of the income of the Father/Guardian of the student, the istehqaq determined by the chairman LZC concerned was not verifiable.

Management replied that the application forms were being used by the VTI as per specimen received from PVTC headquarter.

The reply is not tenable as in the absence of the income of the Father/Guardian of the student, the istehqaq determined by the chairman LZC concerned was not verifiable.

The DAC in it's meeting held on 30.12.2022 decided to refer the para to PVTC for report within one month. Para was kept pending.

Audit recommends that the matter may be inquired and the amendment made in the prescribed form may be restored to its original place.

ANNEXURES

Annex-1

MFDAC

1. Provincial Zakat Fund, Punjab Lahore

Sr. No	Para No.	Title of Para	DAC Decision
1	3	Non-transparent procurement of financial services Rs.17.821 million.	The Chair observed that the Bidding documents need further improvement. Audit agreed to provide BISP documents of similar nature to frame better eligibility criteria. Pending.
2	8	Administrative expenses over 10% of the budget: RS 46.47 Million.	Para is referred to Punjab Zakat & Ushr Council for regularization. Pending
3	13	Release of Zakat Fund to DZC's without Approved Accounting and disbursement Procedure.	Para is settled with the direction to prepare initial draft of procedure within one month.

2. District Zakat Committees

i. DZC Attock

Sr. No	Para No.	Title of Para	DAC Decision
4	1	Difference due to non-reconciliation of Zakat Fund Account –Rs 5.227 million	Produce record to audit within one month. Pending.
5	5	Irregular disbursement of Zakat Fund to serving/retired government employees – Rs.0.297 million	Para pended with the direction to Refer to Punjab Zakat & Ushr Council for decision regarding scholarship paid to children of poor & deserving employees. Recovery shall be effected.

ii. DZC Multan

Sr. No	Para No.	Title of Para	DAC Decision
06	10	Transfer of Zakat Fund under the head Guzara Allowance through Easy Paisa to the Cell Nos. of Chairmen LZCs- Rs. 0.450 million.	Inquiry will be conducted by the DAZ(M&E) concerned. Para was kept pending.

iii. DZC, Bahawalpur

Sr. No	Para No.	Title of Para	DAC Decision
07	5	Non conduct of supervision of courses and quality of training	Produce record to audit within one month. Para was kept pending.

		imparted by technical Institutions-Rs.85.258 Million.	
08	14	Disbursement of Zakat Fund without Acknowledgements Rs.1.053 million.	Produce record to audit within 15 days. Para was kept pending.

DZC, Lodhran

Sr. No	Para No.	Title of Para	DAC Decision
09	2	Irregular release of funds to local institutions despite non-constitutions of Local Zakat Committees in District Lodhran during the year 2017-18 Rs.16.327 Million.	Inquiry by DAZ(M&E) concerned. Para was kept pending.
10	6	Irregular release of funds under the head Social Rehabilitation – Rs. 1.345 Million.	Inquiry by DAZ(M&E) concerned. Para was kept pending.
11	11	Payment to Beneficiaries without determination of istehqaq Rs. 4.719 Million.	Produce record to audit within 15 days. Para was kept pending.

iv. DZC, Vehari

Sr. No	Para No.	Title of Para	DAC Decision
12	4	Non follow up of pass out trainees of VTI accommodated under the head SEEP- Rs.205 million.	DZO will produce record to audit within 15 days. Para was kept pending.
13	9	Irregular release of Marriage Grant Rs.3.600 million.	Produce record to audit within 15 days. Para was kept pending.
14	13	Unauthorized dissolution of Local Zakat Committees by Deputy Commissioner/Administrator.	Fact finding Inquiry by DAZ(M&E) concerned. Para was kept pending.

v. DZC, Rawalpindi

Sr. No	Para No.	Title of Para	DAC Decision
15	1	Non-Refund of Un-spent Balances from Dormant Accounts of LZCs- Rs. 6.296 million.	Unspent amount may be refunded at the earliest. Proper reference be sent to SBP. Para was kept pending.
16	2	Un-justified deletion of blinds beneficiaries under the head of Guzara Allowance for blinds - Rs 1.536 million.	Inquiry by DAZ(M&E) concerned. Para was kept pending.

17	9	Non receipt of Zakat fund by Mustehqeen under Guzara Allowance due to payment through UBL Omni and Easy Paisa- Rs 1.056 million.	DZO will produce record of refund to audit within 15 days. Para was kept pending.
18	13	Irregular release of Educational Stipend (MORA General) – Rs. 1.254 Million without determination of Istehqaq.	Produce record to audit within 15 days. Para was kept pending.
19	17	Payment of Educational Stipend against courses not approved by PZC- Rs. 1.416 million.	Discussed, verified by audit and para is settled. However, DAC advised the PVTC to ensure application of demand or market driven approach.

vi. DZC, Sargodha

Sr. No	Para No.	Title of Para	DAC Decision
20	7	Non supervision of courses and quality of training imparted by technical institutions Rs. 97.428 million.	Produce record to audit within one month. Para was kept pending.

vii. DZC, Jhelum

Sr. No	Para No.	Title of Para	DAC Decision
21	4	Non refund of unspent balance by LZCs after the Introduction of Easy Paisa Transfer Rs.0.165 million.	Unspent amount may be refunded at the earliest. Proper reference be sent to SBP. Para was kept pending.

viii. DZC, Faisalabad

Sr. No	Para No.	Title of Para	DAC Decision
22	1	Un-justified deletion of blinds beneficiaries under the head of Guzara Allowance for blinds - Rs 2.16 million.	Inquiry by DAZ(M&E) concerned. Para was kept pending.
23	2	Non release of Zakat Fund to Health Institutions RHCs/ BHUs- Rs. 7.976 million.	Para is settled with the direction that DZO will forward a request through proper channel for appointment of MSO in the hospital. .
24	9	Irregular Payment of Educational Stipend without constitution of MORA scholarship committee by DZC – Rs. 0.156 million.	Produce record to audit within 15 days. Para is kept pending.
25	15	Disbursement of Educational	Produce record to audit within 15

		Stipend (MORA General) without Acknowledgements – Rs. 9.732 million.	days. Para was kept pending.
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3. Vocational Training Institutes

i. VTI Hassanabdal

Sr. No	Para No.	Title of Para	DAC Decision
26	1	Wasteful expenditure on purchase of Training Material Rs. 6.181 million.	Matter is referred to PVTC for inquiry and fixation of responsibility in case of wastage of funds in complete “CM Project” and whether the intended benefits reached the concerned beneficiaries and scope of work completed or otherwise. Pending.
27	2	Un-authorized expenditure after the close of financial year 2020-21 - Rs. 1.106 million	Produce record to audit for verification within one month. Pending.

ii. VTI, Bahawalpur (Male)

Sr. No	Para No.	Title of Para	DAC Decision
28	2	Non provision of information regarding undisbursed amount in beneficiaries accounts Rs.15.340 Million.	Produce record of payments to audit within 15 days. Para was kept pending.
29	4	Unjustified / Excess Transfer of funds to PVTC Rs. 766,400/.	Para is referred to PVTC for report. Para was kept pending.

iii. VTI Green Town Lahore.

Sr. No	Para No.	Title of Para	DAC Decision
30	1	Non refund of unspent balance- Rs.31.010 million.	Fact finding inquiry shall be conducted by concerned DAZ (M&E) to find out reasons of delayed payment to students and to find whether there is any undue benefit to bank and why no online Financial Management System has been devised as yet to timely check such irregularities (eg: quarterly or half yearly payments). Pending.
31	4	Operation of the Trade “Food Cooking & Kitchen Organization” without approval- Rs.1.935 million.	Discussed verified by Audit and para is settled. However, DAC advised the PVTC to ensure application of demand and/or market driven approach.

iv. VTI, Multan

Sr. No	Para No.	Title of Para	DAC Decision
32	1	Irregular release of Stipend to students of Clinical Assistant Training.	Para has already been referred to PVTC for reply in report of performance audit of PVTC. PVTC may furnish its reply within one month. Para was kept pending.
33	2	Payment of monthly stipend to students through UBL Omni Accounts.	Record of payments may be produced to audit within 15 days. Para was kept pending.

v. VTI, Lodhran

Sr. No	Para No.	Title of Para	DAC Decision
34	1	Less refund of Unspent balance.	Produce record of utilization to audit within 15 days. Para was kept pending.
35	3	Irregular release of stipend for period spent by Students on Training.	Para has already been referred to PVTC for reply in report of performance audit of PVTC. PVTC may furnish its reply within one month. Para was kept pending.

vi. VTI, Dunyapur

Sr. No	Para No.	Title of Para	DAC Decision
36	2	Less refund of unspent balance	Produce record of utilization to audit within 15 days. Para was kept pending.
37	3	Unknown whereabouts funds	Inquiry by DAZ(M&E) concerned. Para was kept pending.
38	7	Doubtful payment to trainees without approval of MORA Committee	Produce record to audit within 15 days. Para was kept pending.

vii. VTI, Malsi, Vehari

Sr. No	Para No.	Title of Para	DAC Decision
39	1	Non refund of unspent Balance.	Fact finding inquiry shall be conducted by concerned DAZ(M&E) to find out reasons of delayed payment to students and to find whether there is any undue benefit and why no online Financial Management System has been devised as yet to timely check such

			irregularity (e.g quarterly or half yearly payments.) Para was kept pending.
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viii. VTI, Sillianwali, Sargodha

Sr. No	Para No.	Title of Para	DAC Decision
40	5	Non refund of spent balance	Produce record to audit within 15 days. Para was kept pending.

ix. VTI, Jhelum

Sr. No	Para No.	Title of Para	DAC Decision
41	4	Payment of Gratuity in addition to Contributory Provident Fund (CPF).	Para has already been referred to PVTC for reply in report of performance audit of PVTC. PVTC may furnish its reply within one month. Para was kept pending.

4. Zakat funded Health Institutions

i. DHQ Hospital, Mian Munshi Lahore

Sr. No	Para No.	Title of Para	DAC Decision
42	1	Irregular award of Contract to Medicine Supplier	Reference may be sent to Secretary Primary & Secondary Health Care Department to direct Medical Superintendent to produce relevant record to audit. Pending.
43	2	Unauthorized enhancement of quantities of the prescribed medicines- Rs.18,473	Discussed and para is settled with warning to be vigilant in future. Amount is meager and period relates to COVID-19.

ii. Isfandyar Bukhari District Hospital, Attock

Sr. No	Para No.	Title of Para	DAC Decision
44	4	Bank charged amounting to Rs.53,019/-.	Matter may be taken up with concerned bank and SBP for refund of deducted charges. Pending.