



**SPECIAL STUDY
ON
RECRUITMENT PROCESS OF
STATE LIFE INSURANCE CORPORATION
OF PAKISTAN
FOR THE PERIOD 2010 TO 2017**

AUDITOR-GENERAL OF PAKISTAN

PREFACE

The Auditor-General of Pakistan conducts audit under Articles 169 and 170 of the Constitution of the Islamic Republic of Pakistan, 1973 read with Sections 8 and 12 of the Auditor General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001. The Special Study on Recruitment Process of State Life Insurance Corporation (SLIC) of Pakistan was carried out accordingly.

The Directorate General of Commercial Audit & Evaluation (South), Karachi conducted Special Study on recruitment process of State Life Insurance Corporation of Pakistan for the period 2010 to 2017 from December, 2019 to February, 2020 with a view to report significant findings to the stakeholders. Audit examined the efficiency and transparency in recruitment process. In addition, Audit also assessed, on test check basis, whether the management complied with applicable laws, rules, and regulations in managing the recruitment process. Special Study Report indicates specific actions that, if taken, will help the management to improve the process of recruitment in future. Despite repeated requests, no DAC meeting was convened by the management.

The Special Study Report is submitted to the President of Pakistan in pursuance of Article 171 of the Constitution of the Islamic Republic of Pakistan, 1973, for causing it to be laid before the Parliament.

Islamabad
Dated:

(Muhammad Ajmal Gondal)
Auditor-General of Pakistan

TABLE OF CONTENTS

ABBREVIATIONS & ACRONYMS

EXECUTIVE SUMMARY

SECTIONS	Page No.
1. INTRODUCTION	1
2. OBJECTIVES OF STUDY	2
3. SCOPE OF STUDY AND METHODOLOGY	2
4. AUDIT FINDINGS & RECOMMENDATIONS	3
4.1 Recruitment process	3
4.2 Regularization	18
4.3 Award of Contract	18
4.4 Disparity in Pay and Allowances	21
4.5 Others	22
5. CONCLUSION	24
ACKNOWLEDGEMENT	25
ANNEXES	26

ABBREVIATIONS & ACRONYMS

AGP	Auditor-General of Pakistan
BoD	Board of Directors
CEO	Chief Executive Officer
CFO	Chief Financial Officer
DAC	Departmental Accounts Committee
ED	Executive Director
GFR	General Financial Rules
GoP	Government of Pakistan
GoS	Govt. of Sindh
HR	Human Resource
INTOSAI	International Organization of Supreme Audit Institutions
ISSAI	International Standards of Supreme Audit Institutions
KP	Khyber Pakhtunkhawa
MoC	Ministry of Commerce
MoU	Memorandum of Understanding
OTS	Open Testing Service
P&GS	Personnel & General Services
PPRA	Public Procurement Regulatory Authority
PTS	Pakistan Testing Services
SECP	Securities and Exchange Commission of Pakistan
SLIC	State Life Insurance Corporation
SOP	Standard Operating Procedure

EXECUTIVE SUMMARY

Directorate General of Commercial Audit and Evaluation (South), Karachi conducted Special Study on Recruitment Process of State Life Insurance Corporation from the years 2010 to 2017. The special study was planned with objective to examine recruitment process, disparity of allowances, sanctioned and working strength comparison, observation of different quotas and compliance to Human Resource rules and policies approved by Board of Directors during recruitment procedures. The study was conducted in accordance with the INTOSAI Auditing Standards.

On the basis of special study certain irregularities were pointed out in the draft report however the special audit report has been finalized in light of management replies. DAC meeting was not convened by PAO despite request by audit.

a. Key Audit findings

- i. Irregular appointments and regularization on different posts.
- ii. Irregular creation of posts for regularization of contract employees without the prior approval of Board of Directors.
- iii. Irregular hiring of employees after superannuation.
- iv. Irregular award of contract to Pakistan Testing Service.
- v. Disparity in Qualification allowance
- vi. Non-verification of degrees/certificate of officers/employees

b. Recommendations

- i. Formation of comprehensive HR policy which can ensure transparency in recruitments and regularization.
- ii. Ensure observance of quota throughout the recruitment process as prescribed.
- iii. Ensure degree/certificate verification to avoid any fake degree-based appointments
- iv. Ensure transparency in award of contract to testing agency.
- v. Ensure the application of Government rules, regulation and instructions issued time to time.
- vi. Ensure prudent expenditure and avoiding extravagance on fruitless activities.