



AUDIT REPORT
ON
THE ACCOUNTS OF
MINISTRY OF FOREIGN AFFAIRS
AUDIT YEAR 2023-24

AUDITOR-GENERAL OF PAKISTAN

6.4 AUDIT PARAS

Fraud/Embezzlement & Misappropriation

6.4.1 *Embezzlement in remittances – Rs 12 million*

According to Para 23 of GFR, every Government officer should realize fully and clearly that he would 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that an amount of Rs 12 million (SRLs 271,508.88) was remitted by the office of Chief Accounts Officer, Ministry of Foreign Affairs, Islamabad on 24.08.2021 on account of regular monthly recoupment for the month of June, 2021. The remittances were credited in the bank account of the Directorate General, maintained with Bank Al Riyadh, on 28.08.2021. However, the said amount was not accounted for as receipt in the Cash Account for the month of August, 2021. Rather the amount was transferred by Mr. Muhammad Kaleem, AAO on 29.08.2021 to another Bank Account bearing No.163-138-862-9942 titled Madinah Income Account maintained with the same bank. There from the entire amount was transferred to the personal bank account of Mr. Muhammd Kaleem, AAO. Moreover, the officer tempered the bank statements of the Directorate General to conceal the embezzlement.

Audit is of the view that embezzlement of Rs 12 million in remittances resulted in loss to the government exchequer.

The matter was reported to the management in August, 2022. The management replied that disciplinary proceedings under E&D Rules had been initiated and an FIR had been lodged with FIA. Concerned Revenue Authorities had also been approached for attachment of property of Mr. Muhammad Kaleem, the then AAO.

DAC, in its meeting held on 30.11.2022, directed the Ministry to vigorously pursue the matter with concerned authorities for effecting recoveries from the person(s) responsible. DAC further directed DG Hajj, Jeddah to draft a well worded letter to bank in

consultation with Director Audit (F&I), CAO and JS Hajj, to get answers of following questions: -

- i) What instructions were issued from OPAP office to bank at the time of opening of account?
- ii) What was the track of transactions through which Rs12 million were embezzled?

No further progress was reported till finalization of this report.

Audit recommends to pursue the case with the concerned authorities to ensure recovery of embezzled amount besides sharing the outcome of investigation with Audit.

(Para-1 SAR DG Hajj Jeddah 2018-21)

6.4.2 Misappropriation in food charges deducted from Moavineen – Rs 21.141 million

According to Rule 23 of GFR Vol-I, every Government officer should realize fully and clearly that he would 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that Office of Pilgrim Affairs of Pakistan (OPAP) decided during hajj 2019 that the moavineen and Seasonal Duty Staff of MORA&IH would be provided food against the payment of SRL 15 per day. As per the the procedure, the moavineen were to be paid full DA while they would deposit food charges to Accommodation &Transport team for onward payment to food supplier. Subsequently OPAP deducted SRL 15 per day at source from the payment of DA of moavineen. However, there was no evidence for payment of this amount to food suppliers or its deposit in any of the official accounts of the Directorate General Hajj Jeddah. The detail is as under:

Sl. No	Vr. No. & Month	DA for the period	Amount of DA Paid (SRLs)	Amount of Food charges deducted (@ (SRL 15 per day)	Amount of Food charges deducted (Rs)
1	PUF-30 of 8/2019	30 June 2019 to 15 July 2019	250,561	22,860	1,257,300
2	PUF-37 of 8/2019	16 July 2019 to 31 July 2019	948,297	92,040	5,062,200
3	PUF-38 of 08/2019	1st August 2019 to 17 August 2019	1,610,786	141,495	7,782,225
4	PUF-39 of 08/2019	16 August 2019 to 31 August 2019	1,158,323	123,540	6,794,700
5	PUF-48 of 08/2019	1st Sep 2019 to 14 Sep, 2019	174,270	4,440	244,200
TOTAL				384,375	21,140,625

Audit is of the view that weak financial and managerial controls resulted in misappropriation of funds amounting to Rs 21.141 million.

The matter was reported to the management in August, 2022. The management replied that disciplinary proceedings under E&D Rules had been initiated, an FIR had been lodged with FIA and concerned Revenue Authorities had been approached for attachment of property of Mr. Muhammad Kaleem, the then AAO.

DAC in its meeting held on 30.11.2022 directed the Ministry to pursue and expedite the inquiry and other actions with FIA and other departments for effecting recovery from the officers/officials responsible. No progress reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-2 SAR DG Hajj Jeddah 2018-21)

6.4.3 Embezzlement from Pilgrim Welfare Fund – Rs 7.820 million

According to Rules 23 of GFR Vol-I, every Government officer should realize fully and clearly that he would 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that M/s Al-MATBAKH AL-NOOR, a catering company, refunded an amount of Rs 7.820 million (SRLs 164,800) on account of less serving of meal to the Directorate General. The refunded amount was deposited by the caterer firm vide cheque No. 56 dated 12.11.2019, drawn on Al Rajih Bank, Ajyad Makkah Branch in PWF account of the Mission. The Assistant Accounts Officer utilized this amount for his own benefit by tempering supporting receipts of credit entry in the cash book to adjust the cash available with him as deposit of recovery from different sources as detailed below.

Sl. No.	Details	Amount (SRLs)	Amount (Rs)
1	Cash Received from MDC	149,000	7,070,268
2	Auction amount from Lost & Found Cell	1,013	48,068
3	Recovered from Shah Faisal	3,480	165,131
4	Wheel Chairs	1,400	66,432
5	Receipt of unidentified cash from Lost & Found cell	210.61	9,994
6	Cash in chest	9,696.39	460,108
TOTAL		164,800	7,820,001

Audit is of the view that embezzlement of Rs 7.82 million from Pilgrim Welfare fund resulted in loss to the public exchequer.

The matter was reported to the management in August, 2022. The management replied that disciplinary proceedings under E&D Rules had been initiated, an FIR had been lodged with FIA and concerned Revenue Authorities had been approached for attachment of property of Mr. Muhammad Kaleem, the then AAO.

DAC in its meeting held on 30.11.2022 directed the Ministry to pursue and expedite the inquiry and other actions with FIA and other departments for effecting recovery from the officers/officials responsible. DAC further directed that embezzlement pointed out by Audit in this para may also be included in inquiry already initiated with regard to Para-1 and 2 of this Audit Report. No progress reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-3 SAR DG Hajj Jeddah 2018-21)

6.4.4 *Embezzlement in cash receipt – Rs 3.465 million*

According to Rule 23 of GFR Vol-I, every Government officer should realize fully and clearly that he would 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the Directorate General received cash amounting to Rs 3.465 million (SRLs. 63,000) as refund from M/s Madina Accommodation Group and was taken on receipt side of the Cash book for the month of March, 2019. At the close of the month, the same amount was reflected as closing balance of cash in hand. However, this closing balance was not reflected as opening balance for next month i.e., April, 2019. Neither any proof of expenditure from the receipt nor deposit of the same in the bank was available.

Audit is of the view that embezzlement of Rs 3.465 million from the cash receipt resulted in loss to the government exchequer.

The matter was reported to the management in August, 2022. The management replied that the embezzlement had also been proposed to be included as a charge in ongoing disciplinary/criminal proceedings against the official.

DAC in its meeting held on 30.11.2022 directed the Ministry to pursue and expedite the inquiry and other actions with FIA and other departments for effecting recovery from the officers/officials responsible. DAC further, directed that embezzlement pointed out by audit in this para may also be included in inquiry already initiated with regard to para-1 and 2 of this Audit Report. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-4 SAR DG Hajj Jeddah 2018-21)

Irregularities/Overpayments

A-HR/Employees Related Irregularities

6.4.5 Unjustified retention of cash in hand – Rs 27.173 million

According to Para 2.2.2 of FMMA Vol-II, no money shall be drawn from the bank unless it is required for immediate disbursement. It is not permissible to draw money from the bank in anticipation of demands or to prevent the lapse of Budget Grants.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the Directorate General drew cash ranging from SRLs 432,786.38 to SRL 494,055.06 from PWF Account. This amount was retained by the mission for a period of one year (November, 2019 to November 2020) without any requirement/justification. The detail is as under:

S. No	Period/Month	Expenditure during the month (SRLS)	Cash in Hand (SRLs)	Cash in Hand(Rs)
1	November, 2019	30,406.63	494,055.06	27,173,000.00
2	December, 2019	8,940.00	463,648.43	32,919,038.53
3	January, 2020	12,707.00	454,708.43	32,284,298.53
4	February, 2020	588.53	442,001.90	31,382,134.90
5	March, 2020	Nil	441,412.90	31,340,315.90
6	April, 2020	Nil	441,412.90	31,340,315.90
7	May, 2020	4,120.65	441,412.90	31,340,315.90
8	June, 2020	1,265.87	437,292.25	31,047,749.75
9	July, 2020	3,240.00	436,026.28	30,957,865.88
10	August, 2020	6,535.73	432,786.38+ 6,535.76	31,191,869.10
11	September, 2020	Nil	432,786.38	30,727,832.98
12	October, 2020	Nil	432,786.38	30,727,832.98
13	November, 2020	Nil	432,786.38	30,727,832.98

Audit is of the view that retention of PWF amounting to Rs 27.173 million for over a year was unjustified.

The matter was reported to the management in August, 2022. The management replied that Hajj Operation necessitated holding of sufficient cash in hand to meet urgent need during Hajj Season. However, the amount reflected as cash in hand was not in the knowledge of management. It was revealed only after the scrutiny process of the accounts was started by OPAP itself. The AAO, willfully, hide a huge amount of cash pertaining to Hajj 2019 and kept it with him.

DAC, in its meeting held on 30.11.2022, viewed the lapse is seriously and stated that it was responsibility of the management to see the retention of cash in hands of accountant throughout the year. DAC directed the Ministry to link the case with other cases of embezzlement to ascertain any misuse of funds and issue directions that in future no unnecessary cash would be drawn. No progress was reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-9 SAR DG Hajj Jeddah 2018-21)

6.4.6 Unauthorised payment to employees from PWF – Rs 17.466 million

According to Pilgrim Welfare Fund Rules, 1990, the funds from PWF can only be utilized for direct and exclusive benefit of the pilgrims. There is no rule provision for payment of food charges to the employees of office of Pilgrim Affairs Pakistan, Jeddah.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission incurred an expenditure of Rs 17.466 million (SRL 246,000) on account of food charges to the employees of OPAP out of PWF. However, there was no provision in the rules to allow payment from this fund for the benefit of pilgrims. The expenditure was incurred during the months of October, 2018 and August, 2019, as detailed below:

Sl. No.	Vr & Period	Particulars	Amount (SRLs)	Amount (Rs)
1	PWF-4 of 10/2018	Paid food charges to 22 employees of Office of Pilgrim Affairs of Pakistan, Jeddah	99,000	7,029,000
2	PWF-18 of 8/2019	Paid food charges to 28 employees of Office of Pilgrim Affairs of Pakistan, Jeddah	147,000	10,437,000
TOTAL			246,000	17,466,000

Audit is of the view that payment of food charges to the employees of OPAP from PWF was in violation of rules, thus, unauthorised.

The matter was reported to the management in August, 2022. The management replied that the fund allocation was used to incentivize the OPAP staff in the wake of intense Hajj operation which demanded continuous extra duty hours even on holidays. Payment of Food charges was not a new phenomenon, rather, was being paid since last many years.

DAC, in its meeting held on 30.11.2022, directed that the amount may be got regularized from Finance Division as per Rule 4(xv) of PWF Rules 1990. DAC further directed that a proper mechanism under rules may be prepared for payments to employees of OPAP for overtime in future. No progress was reported till finalization of this report.

Audit recommends compliance of DAC decision besides halting the practice of payment of food charges to the staff of OPAP out of PWF forthwith.

(Para-5 SAR DG Hajj Jeddah 2018-21)

B-Procurement Related Irregularities

6.4.7 Procurement of assets and services in violation of procurement rules and payment in cash – Rs 148.728 million

According to Para 2.38.4 of FMMA Vol-II, Cabinet Division vide its OM No. 4/1/2008/PPRA-RA-III dated 09.04.2008 fixed following financial limits for open tender(s) for Pakistan Missions abroad:

S. No.	Kind of Tender	Monetary Limits
1.	Open tender	US\$ 4,000 or € 3,000 & above
2.	Limited tender	Less than US\$ 4,000 or € 3,000 & above US\$ 2,000 & € 1,500
3.	Single tender	Up to US\$ 2,000 or € 1,500

Further according to Para 157 of FTR provided that crossed cheque be issued to the vendor/third party rather than payment made in cash.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission made various procurements worth Rs 148.728 million (SRLs 2,704,144) in violation of procurement rules. Further, in most cases the payment to the vendor was made in cash instead of crossed cheques. The detail is at *Annex-XV*.

Audit is the view that procurement of assets without observing procurement rules raised suspicions on authenticity of procurements and payments made thereof.

The matter was reported to the management in August, 2022. The management replied that a proper tender was floated but no bid was received except for rent a car/vehicle. Further, there was a tendency in the Saudi market not to submit bids rather sell articles on cash/instant payment basis. However, best value for money principle was ensured even during these cash procurements.

DAC in its meeting held on 30.11.2022 directed the Ministry to provide (i) copies of tendering documents relating to procurement made for Hajj 2018 (ii) minutes of meeting of Purchase Committee. No further progress was reported till finalisation of this report.

Audit recommends compliance of DAC decision.

(Para-47 SAR DG Hajj Jeddah 2018-21)

6.4.8 *Unauthorised cash payment on account of provision of tents – Rs 49.885 million*

As per Rule 205 of Federal Treasury Rules, a Government officer entrusted with the payment of money shall obtain for every payment he makes, including repayment of sums previously lodged with the Government, a voucher setting forth full and clear particulars of the claim and all information necessary for its proper classification and identification in the accounts. Every voucher must bear, or have attached to it, an acknowledgment of the payment signed by the person by whom, or in whose behalf, the claim is put forward. The acknowledgment shall be taken at the time of payment. Further Para-157 of *ibid* provides that crossed cheque be issued to the vendor/third party rather than payment made in cash.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that an amount of Rs 49.885 million (SRLs 907,000) was paid in cash to M/s DELALAT International vide voucher No.PWF-04 of 08/2019 on account of provision of tents for welfare of staff of Pakistan Hajj Medical Mission (615 personnel) in Mina/Arafat without any invoice and supporting details. Moreover, bill was not signed by D.G Hajj Jeddah.

Audit is of the view that payment for services in cash without supporting documents was in violation of rules and raised suspicion regarding authenticity of payment.

The matter was reported to the management in August, 2022. The management replied that as a routine matter, space for establishment of Tents/Camps in Mina was provided a few days before commencement of Hajj. During these days the banks in the Kingdom remained closed and the bank transactions were not possible. Also the service providers, vendors and Makatab provided space, equipment, tents and services in Mashair on payment of cost/dues. The only option available was to perform these transactions through cash payments.

DAC, in its meeting held on 30.11.2022, directed that (i) expenditure may be got regularized from Finance Division (ii) documents/vouchers in support of payments and expenditure may be provided to audit. DAC further directed to discontinue this practice and to adopt alternative payment methods like payments through apps in future. No further progress was reported till finalization of this report

Audit recommends compliance of DAC decision.

(Para-15 SAR DG Hajj Jeddah 2018-21)

6.4.9 Excess payment on account of catering charges – Rs 39.466 million

As per Para 11 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission entered into an agreement with M/S Najmat Al Olyan for provision of meal to 4,129 Hujjajj @ SRLs 7.7 per head for approximately 302,413 meals amounting to SRLs 2,328,580. The mission had already made an advance payment of SRLs 3,003,525, but still paid the whole amount to the suppliers thus paying an amount of Rs 39.466 million (SRLs 717,757) in excess of actual to the contractor.

Audit is of the view that due to weak financial and managerial controls, the overpayment of Rs 39.466 million was made to the contractor over and above his due payment which needs to be recovered.

The matter was reported to the management in August, 2022. The management replied that the amount is reported to have been deducted/recovered. The record is being obtained from MOH&U, KSA which would be provided for verification.

DAC, in its meeting held on 30.11.2022, directed the Ministry/Mission to effect recovery and get it verified from Audit. No further progress was reported till finalisation of this report.

Audit recommends compliance of DAC directives.

(Para-12 SAR DG Hajj Jeddah 2018-21)

6.4.10 Excess payment on account of accommodation – Rs 79.683 million

According to Rule 23 of GFR, Vol-I, every Government officer should realize fully and clearly that he would 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 Gov ornament officer to the extent to which it may be shown that he contributed to the loss by his own action or negligence.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that according to Sl. No. 2 of Receipt and Payment Ledger (Payments side), accommodation charges amounting to SRLs 105,389,600 (100,000 @ SRL 914 and 23,316 @ SRLs 600) were required to be paid for 123,316 Hujjaj at Madinah, whereas Mission paid SRLs 106,511,892.15 resulting in excess payment of Rs 79.683 million (SRLs 1,122,292).

Audit is of the view that excess payment of Rs 79.683 million on account of accommodation charges resulted in loss to the government exchequer.

The matter was reported to the management in August, 2022. The management replied that due to limited accommodation availability near Masjid Nabawi and completion from other hajj missions, OPAP could initially manage accommodation of 100,000 Hujjaj in Markazia @ 914 SRLs per Haji whereas 23,316 Hujjaj were accommodated in Non-Markazia building @ 600 SRLs Per Haji. Later on, OPAP was able to manage further accommodation in Markazia by persuading/requesting various owners/lessees and finally 108,310 hujjaj stayed in Markazia instead of 100,000, therefore, an amount of SRLs 106,511,892 was correctly paid.

DAC in its meeting held on 30.11.2022 directed the Ministry to provide evidence/record to Audit for verification. No further progress was reported till finalisation of this report.

Audit recommends compliance of DAC decision.

(Para-29 SAR DG Hajj Jeddah 2018-21)

6.4.11 Overpayment on account of provision of arrival snacks to pilgrims – Rs 35.551 million

According to Rule 23 of GFR, Vol-I, every Government officer should realize fully and clearly that he would 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that mission paid an amount of SRLs 1,427,735 on account of arrival snacks for 200,000 pilgrims. However, the actual number of pilgrims under the Government Hajj Scheme for Hajj, 2019 was 117,000 (as per record of gifts i.e. prayer mat & floor mat). Hence, the mission paid excess amount of Rs 35.551 million (SRL 592,510) on provision of arrival snacks.

Audit is of the view that overpayment of Rs. 35.551 million on provision of arrival snacks to the pilgrims resulted in loss to public exchequers.

The matter was reported to the management in August, 2022. The management replied that mission had to cater for the needs of all the Hujjaj including the Private Hujjaj from Pakistan, hence, the payments pertains to the Private Hujjaj as well.

DAC, in its meeting held on 30.11.2022, directed the Ministry to provide evidence of recovery from Hajj Group Organizers to Audit for verification within three days. No further progress was reported till finalisation of this report.

Audit recommends compliance of DAC decision.

(Para-42 SAR DG Hajj Jeddah 2018-21)

6.4.12 Unjustified expenditure on account of Haji gifts – Rs 316.509 million

According to Para 37/N of file No. 01/ACC/Hajji Gift/Hajj-2019, the payments of Hajji gifts (prayer mat, floor mat) were to be made out of the deductions made from the payments of building owners as per agreement.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission got manufactured Hajji Gifts from M/s Riyadh Velvet Factory, KSA and incurred an expenditure of Rs 316.509 million (SRLs 4,457,873) out of the funds of Directorate General Hajj. However, no deduction was made from the payment to the building owners as stipulated in the agreement.

Audit is of the view that expenditure on account of Haji gifts was unjustified and resulted in loss to public exchequer.

The matter was reported to the management in August, 2022. The management replied that as per agreement with the building owners, the cost of Hajji gifts were recovered from them. Final payment was made after deduction of the said gift cost.

DAC, in its meeting held on 30.11.2022, directed the Ministry to get the record of recovery of at least 10% of buildings verified from Audit and get the remaining record verified from next audit team of Directorate of Audit (F&I). No further progress was reported till finalisation of this report.

Audit recommends compliance of DAC decision.

(Para-19 SAR DG Hajj Jeddah 2018-21)

6.4.13 Unjustified expenditure on printing – Rs 26.917 million

According to the minutes of Procurement Committee meeting held on 27.05.2018, the cost for sign boards for displaying on Hujjaj's building were to be paid by the building owners.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission incurred an expenditure of Rs 26.917 million (SRLs. 379,106) from PWF on account of printing of sign boards, stickers etc which was the sole responsibility of building owners. The detail of expenditure is as under:

Sl. No.	Vr. No. & Date	Particulars	Amount (SRLs)	Amount (Rs)
1	PWF-35 of 10/2018	Paid to M/S Sameer Printing and Artist, Makah Mukarramah for installing sign boards on the Hujjaj Buildings for displaying their numbers, sector wise and maktab wise for guidance of Hujjaj and Moavineen.	95,680	6,793,280
2	PWF-53 of 10/2019	Paid on 07.10.2019 to M/S Sameer Painter & Artist for advertising for printing posters, Maps, stickers, signboards to be affixed on buildings/offices and on transport for Hajj -2019. (Besides Mina/Arafat Maps, panaflex were also got printed).	283,426	20,123,246
TOTALS			379,106	26,916,526

Audit is of the view that the mission incurred unjustified expenditure on account of printing causing loss to the public exchequer.

The matter was reported to the management in August, 2022. The management replied that during Hajj 2018 and 2019, SRLs 102,000 and SRLs 116,000 were recovered from the building owners.

DAC, in its meeting held on 30.11.2022, directed the Ministry to provide evidence of recovery from the building owners of at least 10% of the total buildings hired during each Hajj. No further progress was reported by the Ministry till finalization of this report.

Audit recommends compliance of DAC directives.

(Para-14 SAR DG Hajj Jeddah 2018-21)

6.4.14 Excess payment on account of meals served to Hujjaj – Rs 5.533 million

As per Para 11 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission entered into the agreements with three different contractors for provision of meal to Hujjaj during Hajj 2019 @ SRLs 7.7 per meal. However, the mission made excess payment to the contractor as detailed below:

Group	No of Meals	Amount Due (SRLs)	Amount Paid (SRLs)	Excess Payment (SRLs)	Excess Payment (Rs)
Al-Matabakh Al-Noor	6,681 Hujjaj for 30 days for 3 meals a day =601,290	4,629,933	4,668,210	38,277	2,717,667
Shirka Hassam Al-Muali	10,501 Hujjaj for 30 days for 3 meals a day =945,090	7,277,193	7,290,160	12,967	920,657
Turkish Al-Mazaq	10,350 Hujjaj for 30 days for 3 meals	7,179,480	7,206,168	26,688	1,894,848

Restaurants	a day =932,400				
TOTAL			77,932	5,533,172	

Audit is of the view that due to weak internal and financial controls, the mission made excess payment of Rs 5.533 million to the contractors.

The matter was reported to the management in August, 2022. The management replied that payments were made according to the meals served. No excess payment was made to the contractor.

DAC, in its meeting held on 30.11.2022, directed the Ministry to provide justification for payment of excess meals and the record be got verified from next audit team of Directorate of Audit (F&I). No further progress was reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-13 SAR DG Hajj Jeddah 2018-21)

C- Management of Accounts with Commercial Banks

6.4.15 Non-clearance of long outstanding cheques pertaining to Compulsory Hajj Dues – Rs 251.629 million

As per Para 11 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission closed the account of Compulsory Hajj Dues (CHD) being maintained with Bank Al Jazira A/C No. 0021248455004 and new account No.1631596099941 was opened with Bank Al Riyadh in April, 2020. The closing balance of SRLs15,027,877.94 in Al Jazira Bank account was transferred to new account on 09.04.2020. It was, however, noticed that cheques amounting to Rs 251.629 million (SRLs 4,556,850.50) issued in favour of various parties from time to time during the period from August 2017 to October 2019 were still being outstanding despite lapse of 3 to 5 years. After the closure of the account with bank Al-Jazera, all these cheques lost validity, hence, were required to be cancelled and amount taken into accounts as receipt which was not done by the management. The details of outstanding cheques are as under:

S. No	Cheque No & date	Amount (SRL)	Amount (Rs)
1	806421 dated 02.08.2017	316,000	17,452,617
2	806521 dated 03.10.2017	61,183	3,379,125
3	67786978 dated 08.10.2018	1,862,141	102,845,675
4	67786977 dated 08.10.2018	86,667	4,786,601
5	67786991 dated 08.10.2018	330,240	18,239,089
6	67786995 dated 09.10.2018	600,000	33,137,880
7	67786996 dated 09.10.2018	116,628	6,441,341
8	67787022 dated 01.08.2019	580,650	32,069,183
9	67787058 dated 23.09.2019	542,501	29,962,222
10	67787064 dated 01.10.2019	60,040.50	3,316,025
	TOTAL	4,556,050.50	251,629,758

Audit is of the view that non-clearance of long outstanding cheques showed lack of financial controls and created doubt about the genuineness of the claims against which those cheques were issued.

The matter was reported to the management in August, 2022. The management replied that the vendors/companies were issued cheques against their verified claims, however, those cheques were neither presented to the said bank nor the OPAP was approached for payment even after shifting of account to the new bank. The said amount could be claimed by the vendors as these were reflected as liabilities in the OPAP account as per verified bills.

DAC, in its meeting held on 30.11.2022, directed the Ministry to contact the concerned vendors and resolve the issue. Further, the bills/claims against which those cheques were issued may be shared with audit. No further progress was reported by the Ministry till finalization of this report.

Audit recommends compliance of DAC decision besides.

(Para-44 SAR DG Hajj Jeddah 2018-21)

6.4.16 Non-reconciliation of regular bank account – Rs 74.427 million.

As per Rule 89(4) (viii) of GFR Vol-I, the head of the department and the Accountant General will be jointly responsible for the reconciliation of the figures given in the accounts maintained by the head of the department with those that appear in the Accountant General's books. Unless in any case there are special rules or orders to the contrary, the reconciliations should be made monthly the initial responsibility resting with the Accountant General.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that reconciliation of cash book with the bank account for regular budget was being carried out in doubtful manner which may lead to embezzlement. The detail of shortcomings noticed during close examination of Cash Accounts is at *Annex-XVI*.

Audit is of the view that non-reconciliation gives rise to the chances of misappropriation of funds. Audit is of further view that in the absence of bank reconciliation, the authenticity of expenditure could not be ascertained.

The matter was reported to the management in August 2022. The management replied that there had been a practice to prepare bank reconciliation statement, however, it might not be as per prescribed format.

DAC, in its meeting held on 30.11.2022, directed the Ministry to provide relevant documents in support of reply to audit. No further progress was reported till finalisation of this report.

Audit recommends compliance of DAC directives.

(Para-27 SAR DG Hajj Jeddah 2018-21)

6.4.17 Irregular opening of various bank accounts

As per Rule 7 of GFR Vol-I, unless otherwise expressly authorized by any law or rule of order having force of law, moneys may not be removed from the Public Account for investment or deposit elsewhere without consent of the Ministry of Finance. As per Para 2(a) of Pilgrim Welfare Fund Rules, 1990, account for PWF funds were required to be opened with National Bank of Pakistan.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that Mission was maintaining fifteen (15) bank accounts with Bank Al-Jazira and Bank Al-Riyadh instead of National Bank of Pakistan as required under Para2(a) of Pilgrim Welfare Fund Rules, 1990. The details of Bank Accounts is at *Annex-XVII*.

Audit is of the view that opening and maintenance of bank account in violation of rules was irregular.

The matter was reported to the management in August, 2022. The management replied that opening of account with Riyadh Bank was approved by the M/o Finance in the light of requirements of Saudi Taleemat. PWF was maintained separately since it was not being accounted for by the CAO MOFA or CGA Office. Also the rules of Kingdom of Saudi Arabia and separate treatment of the receipts and payments of Hajj mandated opening the relevant accounts separately.

DAC, in its meeting held on 30.11.2022, directed the Ministry that all bank accounts may be got regularized from Finance Division and retain only those Bank accounts which are approved by the Finance Division. No further progress was reported by the Ministry till finalization of this report.

Audit recommends to refer the matter to Finance Division for consideration.

(Para-26 SAR DG Hajj Jeddah 2018-21)

Others

6.4.18 Doubtful transfer of funds – Rs 825 million

According to Para 23 of GFR, every Government officer should realize fully and clearly that he would 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission transferred an amount of Rs 825 million (SRLs 15,000,000) to M/s United Agent Account from Compulsory Hajj Dues account on 26.09.2019. However, the amount was transferred from Bank account No.0021248455004 (CHD Account) on 25.09.2019 to Bank account No.0021248455001 (Accommodation Account). Further, the abstract/page of CHD cash Book containing the correction provided by the Mission was unsigned and without any date, hence, could not be accepted as authentic.

Audit is of the view that transfer of funds to Accommodation Account instead of contractor account made the transfer of funds doubtful.

The matter was reported to the management in August, 2022. The management replied that cash book entry regarding the above indication of audit was corrected in the CHD account.

DAC, in its meeting held on 30.11.2022, directed the Ministry for provision of bank statements of CHD and Accommodation Account for the month of September, 2019 and correction made in Cash Book may be attested and a copy thereof be provided to audit. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC directives.

(Para-16 SAR DG Hajj Jeddah 2018-21)

6.4.19 Irregular borrowing from Pilgrim Welfare Fund – Rs 135.000 million

Pilgrim Welfare Fund Rules 1990 amended up to 2001, there is no rules provision for giving loan out of PWF to any other department/Account for any purpose other than welfare of pilgrims.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission borrowed an amount of Rs 135 million (SRLs 2.5 million) from PWF to meet operational expenses. The detail of loans taken from PWF is as under:

Sl. No.	Month	Amount of Loan (SR)	Amount of Loan (Rs)
1	July-2019	300,000	18,411,000
2	August 2019	300,000	18,411,000
3	Sept 2019	400,000	24,548,000
4	Oct 2019	400,000	24,548,000
5	Nov 2019	500,000	30,685,000
6	Nov 2020	300,000	18,411,000
TOTAL		2,500,000	135,014,000

Audit is of the view that taking of loans from PWF to meet the expenditure of regular account, was irregular and clear violation of PWF Rules. 1990.

The matter was reported to the management in August, 2022. The management replied that in order to meet the inevitable expenditure like salary of staff and other hajj related expenses and delay of remittance of regular budget, loan was taken from PWF Account.

DAC, in its meeting held on 30.11.2022, directed the Ministry to provide record of taking loans and its refund to audit for verification. No further progress was reported till finalization of this report.

Audit recommends that the matter may be referred to Finance Division for consideration.

(Para-34 SAR DG Hajj Jeddah 2018-21)

6.4.20 Variation in monthly account of the mission – Rs 61.401 million

As per Para 11 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that opening balance of cash in bank for February 2020 was SRLs 1,435,142.14, whereas during the month, payments/expenditure of SRLs 297,079.80 was made, hence, remaining/closing balance of cash in bank should have been SRLs 1,138,062. However, the closing balance of cash in bank was appearing as SRLs 137,560.07. Thus, there was a difference of Rs 61.401 million (SRLs 1,000,502) in the monthly account.

Audit is of the view that variation in monthly accounts of the mission showed poor accounting practices and raised suspicions regarding expenditures.

The matter was reported to the management in August, 2022. The management replied that an amount of SAR 1,000,000 was transferred from Regular Account to the PWF Account as repayment of loans which could be verified from the Bank Statements.

DAC, in its meeting held on 30.11.2022, directed the Ministry that documentary evidence for drawl of loan, refund of loan and recording of loan recoupment on the expenditure/payment side of the main statement of that month i.e February, 2020 may be provided to Audit. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-11 SAR DG Hajj Jeddah 2018-21)

6.4.21 Non-refund of amount from accommodation account into DG Hajj Regular Account – Rs 38.210 million

As per Para 11 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission issued a cheque amounting to Rs 38.210 million (SRL 694,720) for hiring of an accommodation in Madinah during Hajj 2018. However, due to dispute between the mission and building owner, bank was directed to stop the payment to the party. However, the party approached Saudi Arabia Monetary Authority (SAMA) and got the payment released from

Regular Account bearing Bank Account No. 002124855002 of the Directorate General maintained with Al-Jazira Bank. Later on, the cheque issued from accommodation account was cancelled and taken in cash book of accommodation account as receipt in October, 2018. However, the amount withdrawn from the Regular Account was not refunded to the D.G Hajj Jeddah official account.

Audit is of the view that due to weak financial and managerial controls mission made payment out of regular account instead of accommodation account.

The matter was reported to the management in August, 2022. The management replied that the reconciliation exercise was in process to check inter-account transfers for the period under review. On completion of the exercise, the amount would be transferred to the Account to which it was due. On the other hand, budget was released yearly in the Regular Account, thus any payment due would have to be authorized afresh in each case with the release being made by the MORA & IH or Finance Division.

DAC, in its meeting held on 30.11.2022, directed the Ministry to transfer the amount of SRLs 694,720 to the regular budget account. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC directives.

(Para-21 SAR DG Hajj Jeddah 2018-21)

6.4.22 Irregular credit to regular account instead of PWF – Rs 28.607 million

As per Para 11 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the procurement committee initially allocated 10,000 Hujjaj to M/s Zoqi and Zoqi for provision of food and full payment was made to the caterer electronically. However, after formation of sectors, the caterer was allocated sector 3 having 8573 Hujjaj for provision of food, which resulted in excess payment of Rs 28.607 million (SRLs 520,132). On the Mission's request for refund of excess payment, the caterer refunded the excess amount through cheque No.00000293 dated 17.10.2018. However, the said amount was deposited

into Regular Account No. 1631388629940 instead of PWF account on the contention that OPAP was suspended like all other Missions for two months.

Audit is of the view that credit of refunded amount into regular account instead of PWF was irregular.

The matter was reported to the management in August, 2022. The management replied that the reconciliation exercise was in process to check inter-account transfers for the period under review. On completion of the exercise, the amount would be transferred to the Account to which it was due. On the other hand budget was released yearly in the Regular Account. Thus any payment due would have to be authorized afresh in each case with the release being made by the MORA & IH or Finance Division.

DAC, in its meeting held on 30.11.2022, directed the Ministry to transfer the amount of SRLs 520,132 to the PWF account. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC decision besides avoiding such instances in future.

(Para-31 SAR DG Hajj Jeddah 2018-21)

6.4.23 Irregular payment to the contractors in cash instead of crossed cheque – Rs 1,644.247 million

According to Rule 2.2.2 of FMMA Vol-II, no money shall be drawn from the bank unless it is required for immediate disbursement. It is not permissible to draw money from the bank in anticipation of demands or to prevent the lapse of Budget Grants. As per Rules 157 & 158 of FTR, payments to corporate or local bodies, firms & private persons should be made through crossed cheques/bank orders.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the mission made payments of Rs 1,644.247 million (SRLs 26,792,358) in cash in violation of Federal Government Treasury Rules. There was no proper record maintained by the D.G Hajj Jeddah regarding cash withdrawn and its disbursement as well as no receipt adjustment was found on record against such cash withdrawal. The detail of cash withdrawals is at *Annex-XVIII*.

Audit is of the view that payment to the contractor in cash instead of crossed cheque was in violation of rules, thus, irregular. Such payments also raised doubts regarding authenticity of payments.

The matter was reported to the management in August, 2022. The management replied that cash management issues were systemic for the PWF, Accommodation and Compulsory Hajj Dues Accounts. These accounts could not be treated like regular budget account on which FMMA, Treasury Rules, GFR etc were applicable.

DAC, in its meeting held on 30.11.2022, directed the Ministry to get the cash payments regularized from the Finance Division and relevant documents in support of expenditure and receipts may be provided to audit. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC decision besides halting the practice of cash payment forthwith.

(Para-18 SAR DG Hajj Jeddah 2018-21)

6.4.24 *Doubtful transfer of funds from regular account to Pakistan House Madinah account – Rs 13.607 million*

According to Para 15 of GFR Vol-I, every one whose duty it is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that as per bank statement of regular account for January 2019, an amount of Rs 13.607 million (SRLs 221,722) was transferred to bank account No. 1631388629942 (Pakistan House Madinah) on 26.06.2019. The details and purpose of transferring the amount was not mentioned.

Audit is of the view that insufficient reporting of transfer of funds raised doubt regarding authenticity of such transfer.

The matter was reported to the management in August, 2022. The management replied that the amount of SRLs 221,722 was transferred to Pakistan House Madinah

Income Account as payment on account of rent of office buildings since OPAP used the space of Pakistan House during Hajj season.

DAC, in its meeting held on 30.11.2022, directed the Ministry to provide the following information and record to Audit: -

- i) A statement showing expenditure incurred from rental amount.
- ii) Detail of signatories of the Pakistan House Madinah Account.
- iii) Delegation of power for maintenance of Account, from Ambassador.

No further progress was reported till finalization of this report.

Audit recommends compliance of DAC directives.

(Para-38 SAR DG Hajj Jeddah 2018-21)

6.4.25 Variation in balances in cash in hand and cash at bank – Rs 6.119 million

According to Para 15 of GFR Vol-I, every one whose duty it is to prepare and render any accounts or returns in respect of public money or stores is personally responsible for their completeness and strict accuracy and their dispatch within the prescribed date.

During audit of DG Hajj, Jeddah for the FYs 2018-21, following discrepancies in balances of February, 2019 were noticed:

- i. The main statement of January 2019 was showing closing balance of cash in hand as SRLs 99,720.05 whereas main statement of February, 2019 showed that opening balance of cash in hand was SRLs 50,019.60. Hence there was a difference of Rs 3.050 million (SRLs 49,701) in both the statements.
- ii. The main statement of January 2019 was showing closing balance of cash at bank as SRLs 1,862,941.60 whereas main statement of February, 2019 showed that opening balance of cash at bank was SRLs 1,912,941.60. Hence there was a difference of Rs 3.069 million (SRLs 50,000) in both the statements.

Audit is of the view that variation in balances showed weak accounting practices and raised suspicion regarding authenticity of accounts / payments.

The matter was reported to the management in August, 2022. The management replied that the closing balance of January, 2019 was same as opening balance of February, 2019 in the relevant cash accounts.

DAC, in its meeting held on 30.11.2022, directed the Ministry to provide detailed reply with all relevant supporting documents i.e cash deposit slips, bank reconciliation statements etc. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC directives.

(Para-37 SAR DG Hajj Jeddah 2018-21)

6.4.26 Discrepancies in Pilgrim Welfare Fund account

As per Para 11 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, Audit observed following discrepancies in PWF account;

1. A cheque bearing No. 67304913 dated 11.10.2018 valuing SRL 113,018 on account of payment for balance amount of building hired for welfare staff Madinah was being shown as outstanding in bank reconciliation statement from October, 2018 to September, 2019. This was neither shown as outstanding in reconciliation statement nor shown as paid/cleared in the bank statements.
2. In June, 2019, an amount of SRLs 20,000 vide cheque No. 13 dated 24.06.2019 was granted as advance for airport to Mr. Baidar Bakhat but adjustment was not available.
3. Bank reconciliation statement for July 2019 showed that an amount of SRLs 530,437 was wrongly credited by the bank whereas according to bank statements, no such amount was credited by both banks.
4. According to bank reconciliation statement of August 2019, an amount of SRLs 2,667,631 was added in bank balance as amount wrongly

deducted by the bank. As per bank statements no such amount was found.

5. According to bank reconciliation statement of September, 2019, an amount of SRLs 1,577,852 was added in bank balance as amount wrongly deducted by the bank. As per bank statements no such amount was found.
6. In September 2018, expenditure in bank column of cash book was recorded as SRLs 6,256,567.76 whereas actually it calculated to SRLs 6,109,492.76, thus, there was over booking of expenditure to the tune of SRLs 147,075.
7. Cash book for March 2019, revealed that an amount SRLs 500,000 was drawn vide cheque No. 67304920 dated 14.03.2019 from Bank Al Jazira. The record i.e cash book showed that out of that an amount of SRLs 50,000 was taken as cash on receipt side of the cash book during March, 2019 and the balance cash of SRLs 450,000 was deposited in Bank al Riyadh No. 1631464579940 (PWF Account). This deposit needed confirmation from the bank. However, this amount could not be verified from the Bank statements.

Audit is of the view that weak internal and financial controls resulted into discrepancies in PWF account.

The matter was reported to the management in August, 2022. The management replied that:

- i. The amount was credited back to PWF Account in October-2019. The Cheque was neither paid, nor cashed or replaced.
- ii. Previously the adjustments were not being approved in the name of individuals rather their individual adjustments were watched over by the AAO and adjustments were made on the basis of account heads and period concerned without reference to the incurring personnel; therefore, specific record against each money issue to personnel, was not available.
- iii. The bank statement when matched with the cash book reveals that multiple entries in the bank, representing proper transfers to companies etc. for

concerned service/ provision, were not entered in the Cash Book and at the end by the then AAO, who wrote the Cash Book, just fictitiously made the wrong credit by bank entry to make the Closing Balances of the Bank and Cash Books to match.

- iv. As regards the Para 3, 4, 5, 6, 7 that a scrutiny committee was previously formed that checked the bank entries, however, these situations required the remaking of cash books for the months pointed out by the Audit which was akin to substantive audit requiring a lot of effort and time. The exercise for the pointed out months would be undertaken and final results would be intimated to audit in due course of time.
- v. The Cash was deposited in the Riyadh Bank on 14-03-2019.

DAC, in its meeting held on 30.11.2022, directed the Ministry to get the record verified in case of Sl.No.1 & 2 and directed to investigate the matter in case of Sl. Nos 3 to 7 and share the outcome with Audit. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-23 SAR DG Hajj Jeddah 2018-21)

6.4.27 Discrepancies in accommodation account

As per Para 11 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.

During audit of DG Hajj, Jeddah for the FYs 2018-21, following discrepancies in accommodation account were observed;

1. An amount of SRLs 441,595 was credited on 26.06.2020 to accommodation account maintained with Bank Al Riyadh but the amount was not taken as receipt in the cash book.
2. Another amount of SRLs 4,905,281.47 was credited on 09.04.2020 to accommodation account in Bank Al Riyadh but the amount was not taken as receipt in the cash book.

3. Cash book was showing negative balance from September, 2019 to March, 2020 (-SRLs 415,176.20).

Audit is of the view that weak internal and financial controls resulted in discrepancies in accommodation account.

The matter was reported to the management in August, 2022. The management replied that:

1. No entry in the Bank Statement for Jun/2020 was available for SRLs 441,595. However, an amount of the equal value was transferred through cheque from Regular Account to Accommodation Account in June/2021, and was not recorded in cash book by the then AAO.
2. At the time of transfer of Bank Account, the balance amount of SRLs 4,905,281.47 was transferred from Bank, Al Jazeera to Riyadh Bank. Since, the same cashbook was continued, therefore, the amount was not taken on credit side.
3. The actual corresponding bank balance was not negative. However, due to the separation of accounts sometimes the payments of one account are paid from the other bank account but were reflected in the actual cash book which were then cleared after inter-account transfer.

DAC in its meeting held on 30.11.2022 directed the Ministry to:

Provide Bank reconciliation statement of accommodation account for the month of June, 2021.

Provide Bank reconciliation statement of accommodation account for the months of April and May, 2020 (Al-Riyad and Aljazera Banks)

Proper justification for negative balances in cash book may be shared with Audit.

No further progress was reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-24 SAR DG Hajj Jeddah 2018-21)

6.4.28 Non-framing of accounting procedures and non-vetting of PWF Rules

According to Para 5 (d & e) of the Controller General of Accounts Ordinance, 2001, the Controller General shall lay down the principles governing the internal financial control for Government departments in consultation with the Ministry of Finance and the Provincial Finance departments as the case may be and render advice on accounting Procedure for new schemes, programs or activities undertaken by the Government concerned. As per Para 25 of GFR Vol-I, all Departmental regulations in so far as they embody orders or instructions of a financial character or have important financial bearing should be made by or with the approval of the Ministry of Finance.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that Ministry of Religious Affairs and Interfaith Harmony created a Pilgrim Welfare Fund in 1980. However, the Accounting Procedures for the fund was not prepared contrary to above mentioned rules provision. Further, the Pilgrim Welfare Funds Rules 1990 have also not been vetted by the Finance Division.

Audit is of the view that in the absence of approved Accounting Procedures and vetting of Pilgrim Welfare Funds Rules by the Finance Division, the maintenance of record and incurrance of expenditure from PWF was irregular.

The matter was reported to the management in August, 2022. The management replied that the case would be taken up with CGA and M/o Finance for vetting of PWF Rules.

DAC in its meeting held on 30.11.2022 directed the Ministry to expedite the vetting of PWF rules from Finance Division and framing of accounting procedure in consultation with the CGA. No further progress was reported finalization of this report.

Audit recommends compliance of DAC decision.

(Para-25 SAR DG Hajj Jeddah 2018-21)

6.4.29 Non-reconciliation of remittances to the mission

As per Rule 89(4) (viii) of GFR Vol-I, the head of the department and the Accountant General will be jointly responsible for the reconciliation of the figures given in the accounts maintained by the head of the department with those that appear in the Accountant General's books. Unless in any case there are special rules or orders to the

contrary such as those contained in paragraph 90, the reconciliations should be made monthly the initial responsibility resting with the Accountant General.

During audit of DG Hajj, Jeddah for the FYs 2018-21, it was observed that the figures of remittances sent by MORA to DG Hajj Jeddah during the period 2018-2021 and those recorded by the Mission did not match with each other. The details of amounts remitted and received are as under:

Remittance sent by MORA			Remittances accounted for by DG Hajj, Jeddah		Difference (SRL)	Difference (Rs)
SL No.	Period	Amount Remitted (SRLs)	Period	Amount Remitted (SRLs)		
1	Hajj 2018	738,019,655	Hajj 2018	772,064,882	34,045,227	1,872,487,485
2	Hajj 2019	689,626,158	Hajj 2019	914,237,540	224,611,382	12,353,626,010
3	Hajj 2020	151,222,616	Hajj 2020	205,434,440	54,211,824	2,981,650,320

Audit is of the view that due to weak internal and financial controls the figures of remittances sent by MORA, there was variation in the amount sent by MORA and received by the mission.

The matter was reported to the management in August, 2022. The management replied that during Hajj the MORA & IH sends remittances but the left over balance from previous years is also authorized to be used for Hajj, when both are taken into account the total balance exceeds the amounts accounted for in the expenditure statements.

DAC in its meeting held on 30.11.2022 directed the Ministry for reconciliation of remittance between Ministry and D.G Hajj, Jeddah within 06 days. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC decision.

(Para-41 SAR DG Hajj Jeddah 2018-21)