



AUDIT REPORT
ON
THE ACCOUNTS OF
MINISTRY OF FOREIGN AFFAIRS
AUDIT YEAR 2022-23

AUDITOR GENERAL OF PAKISTAN

CHAPTER 4 MINISTRY OF RELIGIOUS AFFAIRS & INTERFAITH HARMONY

4.1 Introduction

The Ministry of Religious Affairs and Interfaith Harmony is responsible for Muslim pilgrims' visits to India for Ziarat and to Saudi Arabia for Umrah & Hajj and the welfare and safety of pilgrims. The main activities also include research-based Islamic studies, holding of conferences, seminars, training, education of Ulema & Khateebes and exchange of visits of scholars of Islamic learning with foreign and international institutions. The Ministry also performs activities like Management of Ruet-e-Hilal, Dawah, and infants and minor adoption laws. There are six subordinate offices working as Directorates of Hajj of this Ministry and two autonomous bodies, i.e., Council of Islamic Ideology and Pakistan Madrassah Education Board.

Following functions have been assigned to the Ministry as per the Rules of Business, 1973:

- i. Pilgrimage beyond Pakistan; Muslim pilgrims' visits to India
- ii. Ziarat and Umrah
- iii. Welfare and safety of pilgrims and zairines
- iv. Administrative control of the hajj Directorate at Jeddah and dispensaries in Makkah and Medina
- v. Islamic studies and research, including holding of seminars, conferences, etc on related subjects
- vi. Training and education of Ulema and Khateebes, etc.
- vii. Error-free and exact printing and publishing of the Holy Quran
- viii. Exchange of visits of scholars of Islamic learning and education, international conferences / seminars on Islamic subject and liaison with foreign and international bodies and institutions
- ix. Ruet-e-Hilal
- x. Tabligh
- xi. Council of Islamic Ideology
- xii. Observance of Islamic Moral Standards

- xiii. Donations for religious purposes and propagation of Islamic ideology abroad
- xiv. Development of policies, arrangement for the proper collection, disbursement and utilization of Zakat and Ushr funds and maintenance of their accounts
- xv. Maintenance of liaison with Pakistani Missions abroad for collection of Zakat and other voluntary contributions from Pakistan citizens and others residing outside Pakistan.

4.2 Brief comments on the status of compliance with PAC directives

Brief comments on the status of compliance with PAC directives

Name of Ministry	Year of Audit Report	Total Paras	Compliance received	Compliance not received	Percentage of compliance
Ministry of Religious Affairs & Inter-faith Harmony	1986-87	4	1	3	25
	1987-88	1	0	1	0
	1988-89	1	0	1	0
	1989-90	3	0	3	0
	1994-95	1	1	0	100
	1996-97	7	1	6	14
	2000-01	7	2	5	29
	2002-03	9	6	3	67
	2003-04	13	12	1	92
	2004-05	3	3	0	100
	2005-06	2	1	1	50
	2006-07	4	4	0	100
	2015-16	3	0	3	0
	2017-18	3	1	2	33
	TOTAL		61	32	29

The overall compliance in respect of Ministry of Religious Affairs & Interfaith Harmony was moderate. Ministry needs to vigorously pursue the compliance of PAC directives.

4.3 AUDIT PARAS

Irregularities / Overpayments

A- HR / Employees Related Irregularities

4.3.1 Excess payment on account of DA - Rs.1.451 Million

According to Sl. No. 10.20.19 of FMMA Vol-II, daily allowance during six days of joining time, any overlapping period and 15 days in lieu of foreign allowance and house rent allowance has been reduced to a maximum of three daily allowances and regulated as a) Officers/Officials concerned 1 DA of category of entitlement b) Spouse 50 percent daily allowance and c) upto three children 50 percent daily allowance each.

During audit of DG Hajj, Jeddah for the FYs 2019-21, it was observed that Pakistan Hajj Mission at Jeddah paid excess amount of Rs. 1.451 million (SRLs 23,989) as DA for 15 days in respect of two officers of the Mission on eve of their transfer from Headquarters to the Mission during the period 2019-21 (*Annex-XV*).

Audit was of the view that weak internal controls resulted in excess payment of Rs 1.451 million as DA.

The matter was reported to the management in September, 2022. The management replied that the excess payment would be recovered and intimated to audit for verification.

DAC in its meeting held on 20.01.2023 directed the management to pursue the recovery. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC directives.

(AIR Para-15 DG Hajj Jeddah 2019-21)

B. Procurement Related Irregularities

4.3.2 Overpayment on account of hiring of residential accommodation for hujjaj – Rs. 2.694 Million

According to Para 28 of GFR Volume-I, no amount due to Government should be left outstanding without sufficient reason, and where any dues appear to be irrecoverable the orders of competent authority for their adjustment, must be sought.

During audit of DG Hajj, Jeddah for the FYs 2019-21, it was observed that Mission hired residential buildings at Medina Munawarra for accommodation of Pakistani hujjaj during hajj season 2019. However, Mission overpaid an amount of Rs. 2.694 million (SRLs 44,521) to building owners as detailed below:

Sr. No	Description	Amount Due (SRLs)	Amount Paid (SRLs)	Excess Amount (SRLs)
1.	Planti Building located on Qurban Road	123,550	139,821	16,271
2.	Hotel Al-Burka Thaiba-II located on Sikka Hadeed Road	119,350	140,760	21,410
3.	Hotel Karvan Masi located on King Fahad Road	90,650	97,301.75	6,651.75
4.	Manazli Salaam Building located on Alsalaam Road	218,500	218,688.30	188.30
	Total	552,050	596,571.05	44,521 (Rs. 2,693,521)

Audit was of the view that weak financial controls resulted in overpayment of Rs 2.694 million on account of residential hiring.

The matter was reported to the management in September, 2022. The management replied that recovery had already been made through E-Hajj. Moreover, Ministry of Hajj & Umrah, KSA had been requested to provide E-Hajj Accounts 2019 to confirm the recovery of overpaid amount.

DAC in its meeting held on 20.01.2023 directed to pursue the case with Ministry of Hajj, KSA for provision of E-Hajj account for 2019 and share the same with Audit for verification. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC directives.

(AIR Para-2 DG Hajj Jeddah 2019-21)

Others

4.3.3 Irregular and doubtful payment in cash through open cheque instead of cross cheque without invoice from vendor – Rs.3,143.563 million

According to Rule 157 of FTR, Volume-I, the cheques drawn in favour of Government officers and departments in settlement of Government dues shall be crossed “A/c payee only-not negotiable.”

During audit of DG Hajj, Jeddah for the FY 2019-21, it was observed that Mission paid an amount of Rs. 3,143.563 million (SRLs 133,539,730) to different vendors on different accounts during hajj 2019 in cash through open cheque in violation of rules. It was further observed that the payments were made without any invoice from the vendors. The details are as under:

Sl. No.	AIR Para No.	Amount (SRLs)	Remarks
1	6	31,917	Mission paid an amount of SRLs 31,917 to Al-Musbah International Trading Co. Ltd on account of purchase of 9,119 cans of Zam Zam in August, 2019 in cash through open cheque. It was further observed that the payment was made without any invoice from the vendor.
2	7	133,507,813	Mission made paid payments to different vendors during hajj 2019 in cash through open cheques. Further no detailed accounts for SRLs 100,000,000 was available on record to substantiate the authenticity of the payments.
	TOTAL	133,539,730 (Rs. 3,143,563,121)	

Audit was of the view that weak financial controls resulted in irregular payment of Rs.3,143.563 million through open cheque instead of cross cheque.

The matter was reported to the management in September, 2022. The management replied that the payment was made in the name of company; therefore, there was not a chance that payment could be drawn from bank without authorized company's representative. Further, no claim had been raised by the company since 2019. Further, as per Saudi Taleemat, amount in Accommodation head was required to be deposited in Maktab al Voukla (United Agent Office) account to make payments through e-Hajj against the Accommodation Head (buildings for Hujjaj in Makkah & Madinah). Hence, the amount was transferred as block allocation for Hajj Payments. The detail of each

expense was shown in the Hajj Accounts submitted at the conclusion of each Hajj. Further, the unspent amount was transferred back to OPAP Hajj Accounts from e-Hajj through Maktab al Voukla Account.

DAC in its meeting held on 20.01.2023 directed to provide documentary evidence i.e. acknowledgement of the payment from the vendors, and recipients' bank accounts for verification by Audit. DAC further directed that in future all such payments may not be made through open cheque. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC directive besides explaining reason of payment through open cheque.

4.3.4 Non-refund of VAT from the host government – Rs. 112.905 million

As per Sl. No. 8.12.2 of FMMA Vol-II, Foreign Missions in Pakistan are exempted from all taxes other than service taxes viz conservancy and water taxes on reciprocal basis. Our Missions should also be exempted from such taxes.

During audit of DG Hajj, Jeddah for the FY 2019-21, it was observed that Pakistan Hajj Mission at Jeddah paid an amount of SRLs 1.854 million on account of Value Added Tax on procurement of various services including accommodation, boarding, lodging and other misc. items during the period 2019-21. However, refund of VAT was not claimed from the host Government. The detail of VAT paid is as under:

Sr No	Description	Amount of VAT(SRLs)
1.	Payment made to Burj Mowaddah building located on Al-Seeh	90,007.31
2.	Payment made to Group Ilyas	80,355.20
3.	Payment made to Dura Taba	145,206.66
4.	Payment made to Saeed Makki	151,229.10
5.	Group Manazil	418,041.98
6.	Ansar Group	858,655.64
7.	Wail-2	110,421.44
8.	Purchase of 9 Ambulances	12,275
	Total	1,866,192.33 (Rs. 112,904,616)

Audit was of the view that weak financial controls resulted in non-refund of VAT amounting to Rs 112.905 million from the host government.

The matter was reported to the management in September, 2022. The management replied that as per the Saudi Taleemat, all the Hajj Missions including Pakistan were not entitled for the refund of VAT since Hajj purchases were not considered as diplomatic procurements but rather private transactions.

DAC in its meeting held on 20.01.2023 directed the DG Hajj, Jeddah to provide rule whether VAT was applicable on Hajj operations or not. No further progress was reported till finalization of this report.

Audit recommends compliance of DAC directives.

(AIR Para-8 DG Hajj Jeddah 2019-21)

4.3.5 Unauthorized drawl and retention of cash from Pilgrim Welfare Fund (PWF)– Rs. 95.204 million

According to Sl. No. 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.

During audit of DG Hajj, Jeddah for the FY 2019-21, it was observed that Mission deducted SRLs 15 per day from the cash payment of DA of each Moavin on account of daily food charges. However, the deducted amount was not deposited back in the PWF and was retained unauthorizedly. The details of the amount deducted from Moavineen from 2016 to 2019 as under:

Sr. No	Hajj year	Amount deducted from Moavineen (SRLs)
1.	2016	466,410
2.	2017	451,965
3.	2018	270,876
4.	2019	384,375
Total		1,573,626 (Rs. 95,204,373)

Audit was of the view that weak financial controls resulted in unauthorized drawl and retention of cash amounting to Rs 95.204 million.

The matter was reported to the management in September, 2022. The management replied that the issue had been reported to FIA and included as charge in the ongoing disciplinary proceedings under E&D Rules against the then AAO for embezzlement. The period of 2019 was also under investigation of FIA.

DAC in its meeting held on 20.01.2023 directed to pursue the matter with FIA under intimation to Audit.

Audit recommends compliance of DAC directives.

(AIR Para-3 DG Hajj Jeddah 2019-21)