

9.2 Classified Summary of Audit Observations

Audit observations amounting to Rs 8,244.818million were raised as a result of this audit. Summary of the audit observations classified by nature is as under:

(Rupees in millions)

Sl. No.	Classification	Amount
1	Non-production of record	-
2	Reported cases of fraud, embezzlement and misappropriation	-
3	Irregularities / Overpayments	-
	A- HR / Employees relates irregularities	78.612
	B- Procurement related irregularities	1816.220
	C- Management of Accounts with Commercial Banks	433.362
4	Value for money and service delivery issues	0
5	Others	5916.624
	Total	8,244.818

9.3 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 is moderate.

9.4 AUDIT PARAS

Non-Production of Record

9.4.1 *Non-production of auditable record*

According to Section 14 of the Auditor General's (Function, powers and Terms/conditions of Service) ordinance 2001, "The Auditor General shall in connection with the performance of his duties under this ordinance, have authority to require any accounts, books, papers and other documents which deal with or form the basis of or otherwise relevant to the transactions to which his duties in respect of audit extend, shall be sent to such place as he may direct for his inspection."

Further, Section 14(3) of the said ordinance, states that "Any person or authority hindering the auditorial functions of the Auditor General regarding inspection of accounts shall be subject to disciplinary action under relevant Efficiency and Discipline Rules, applicable to such person."

Directorate General of Hajj of Pakistan at Jeddah maintains its record regarding assets accounts and related to its employees etc. Details are at *Annex-XX*.

Audit observed during the course of audit of the accounts of the Directorate General of Hajj Jeddah for the year 2021-23 that Mission did not provide the above mentioned auditable record/information to the Audit team despite repeated requests.

Audit holds that non-provision of record is a serious irregularity.

The matter was reported to the management in August, 2024. The management did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the subject record may be provided to audit for scrutiny.

(Para-69, DG Hajj Jeddah 2021-23)

Irregularities / Overpayments

A-HR / Employees Related Irregularities

9.4.2 Mis-classification of expenditure on account of pay of local based contingent staff – SAR 834,000 (Rs 66.72 million)

As per Rule-205 of FTR Vol-I, “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. “

DG Hajj Jeddah made the payment of pay and allowances to the local based officials who were recruited on contract basis.

During audit of the accounts of DG Hajj Jeddah for the year 2021-23, it was observed that fifteen (15) local based officials were recruited on contract basis and payment of their pay amounting to SAR834,000(69,500 X 12) was made. Their pay was being released from the Head of Account A01151 which was meant for the regular employees. However, their pay should have been released under the head of account A01156 which is meant for the Pay of Contract Staff employees

Audit is of the view that payment should be made under the proper head of account and the misclassification should be rectified.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit Recommends that the misclassified payment of SR.834,000/- may be justified/regularized.

(Para-48, DG Hajj Jeddah 2021-23)

9.4.3 Irregular transfer of entertainment allowance funds to the next financial year – SAR 45,345 (Rs 3.492 million)

According to Para-4.16.1 of FMMA Vol-II, “the unspent amount of Entertainment Allowance at the end of the Financial Year will lapse and not be carried forward. The balance, if any, left in the Entertainment Fund at the end of the Financial Year will be credited to Government account under a receipt voucher.”

Directorate General of Hajj, Jeddah paid entertainment allowance to its officers during the period 2021-23. The balances at the end of financial years were as detailed below: -

Sr. No.	Period	Date	Amount (SAR)	Remarks
1	2020-21	30-06-2021	4,266.96	Carried forward to Next Financial year
2	2021-22	30-06-2022	22,984.00	Carried forward to Next Financial year
3	2022-23	30-06-2023	18,094.24	Carried forward to Next Financial year
		Total	45,345.20	

During the scrutiny of records of the Directorate General Hajj, Jeddah for the year 2021-23, it was observed that at the end of each year balance available in the entertainment account carried forwarded to the next financial year contrary to the rules narrated above.

Audit is of the view that the balance in the entertainment account at the end of each year is required to be surrendered through challan form as receipt of the government. Thus, forwarding of balance to next financial year is a violation of rules.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends regularization of the carrying forward of the balance from the competent forum and implementation of strong internal controls to avoid such instances in the future.

(Para-24, DG Hajj Jeddah 2021-23)

9.4.4 Payment to mission employees instead of vendor – SAR 36,651 (Rs 2.932 million)

According to Para-4.4.7 of FMMA, Vol-II, “the cheques drawn in favor of Government officers and departments in settlement of Government dues shall be crossed “A/c payee only-not negotiable.” Furthermore, para-13.12.1 of FMMA (Vol-II) the limit of cash payment has been fixed Rs 5,000 in respect of Foreign Mission abroad. Payment more than 5,000 has to be made through cross cheque.”

Furthermore, as per Para-4.4.8 of FMMA-II “The cheques drawn in favor of Government officers and departments in settlement of Government dues shall be crossed “A/c payee only-not negotiable.” The cheques drawn in favor of firms or private persons for payment of Rs 200 and above or in favor of Government servants drawing emoluments of Rs 700 P.M. and above for payments in respect of their personal claims shall also be crossed. [FTR 157].

Pakistan Mission Hajj at Jeddah paid an amount of SAR 36,651 to its employees against purchases and work done in cash instead of direct payment to vendors through crossed cheques. Detail of the payment is *Annex-XXI*.

During the process of audit for the year 2021-23, it was observed that a payment of SAR36,651 was required to be made to the vendor through cross cheque. However, the payment on account of purchases and work done was made to employees of mission.

Audit is of the view that the payment was required to be made directly to the vendor instead of employees. Payments were made in cash is in violation of rules narrated above.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that irregular payment may be regularized from the Finance Division under intimation to audit.

(Para-34, DG Hajj Jeddah 2021-23)

9.4.5 Advance payment of salary/leave encashment to local based employees – SAR 25,652 (Rs 2.052 million)

As per clause-7 of the Contracts issued for local based employees of the Directorate will be as follows:

- i. Earned leave will be accrue @ three (03) days per 30 days worked, maximum to thirty (30) leaves for whole year.
- ii. No leave shall accrue in the period of leave.
- iii. Leave shall only be granted subject to exigencies in service.
- iv. No leave other than a medically certified one shall be granted from 1st of Ramdan to end of Dhulhijjah.
- v. All earned leave will lapse on termination of this contract leave on credit will not be carried forward to next year.

Furthermore, as per Rule-42 of GFR Vol-I, “The financial powers of the Federal Government, which have not been delegated to any other Ministry, department or authority vest in the Ministry of Finance.”

Director General Hajj, Jeddah hired the services of local based employees and made the Salary/leave encashment payments in advance to the employees. The details are at *Annex-XXII*.

During the audit of vouchers for the year 2021-23, it was observed that no clause of advance payment of salary was found in the contracts of employees. Director General Hajj, Jeddah held no powers for granting advance salary. Thus, advance payment of salary was not admissible to the local based employees.

Audit is of the view that advance payment of salary was irregular.

The matter was reported to the Ministry in August, 2024. The management did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the irregularity be got condoned from the competent authority.

(Para-58, DG Hajj Jeddah 2021-23)

9.4.6 Overpayment of 15 days entertainment and foreign allowance – SAR 16,779 (Rs 1.309 million)

According to Para-4.8.1 of FMMA Vol-II, “a question arose whether DA drawn by an officer for first 15 days on arrival at the station of his posting abroad in lieu of Foreign Allowance and House Rent Allowance includes element of entertainment. In order to avoid any possible confusion, it is clarified that DA for the first 15 days payable to an officer, in lieu of Foreign Allowance and house rent does not include element of entertainment. The officer concerned, while submitting quarterly entertainment return, inclusive of 15 days for which DA was drawn, will be required to account for the actual Entertainment Allowance drawn by him for 2 months and 15 days and not for the full quarter, as he is not expected to incur any expenditure on entertainment during the period he is in receipt of DA.”

Directorate General Hajj, Jeddah made payments of six days joining time along with 15 days DA on account of non-availability of accommodation at Madina Al Munawwara station. In addition to this Foreign Allowance and Entertainment Allowance were also paid for these 15 days to the two officers. The detail is at *Annex-XXIII*.

During the audit of accounts of mission, for the year 2021-23, it was observed that almost every officer enjoyed the 6 days joining time DA along with 15 days DA on account of non-availability of accommodation on his arrival. It was observed that above mentioned two officers were paid Foreign Allowance and Entertainment Allowance for the 15 days in addition to DA.

Audit is of the view that the payment of Foreign Allowance and Entertainment Allowance for the 15 days in addition to DA is a serious irregularity.

The matter was reported to the management in August, 2024. The management did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the matter may be looked into and excess payment may be recovered from the officers concerned.

(Para-18, DG Hajj Jeddah 2021-23)

9.4.7 Unjustified payment of 15 days DA– SAR 16,650 (Rs 1.299 million)

According to Para-10.32.1 of FFMA Vol-II, “the drawing of DA on joining the Mission or on relinquishing the charge of a post at the Mission is restricted to six days. The facility of additional fifteen days DA paid in lieu of non-provision of Government accommodation is suspended till further orders. To mitigate any hardship to our officials on non-availability of official accommodation after six days joining time, following instructions may be strictly complied with: -

- Head of Mission would initiate action to locate suitable residential accommodation for the officials concerned immediately on receipt of their posting orders so that it is hired before or soon after their arrival;
- In order to obviate the need for staying in hotels upon arrival of the officials, efforts should be made to retain the accommodation of outgoing officials for the incoming officials after securing the instructions of the Ministry;
- If for valid reasons a new arrival does not find an accommodation after six days joining time, the facility of further stay at hotel or some other place at the cheapest possible rates in accordance with the status of official will be decided by the Ministry on recommendations of Head of Mission till the arrangement of proper residential accommodation. (MOFA Circular No. Rules-12/2/2002, dated 9 August 2002).”

The Directorate General Hajj, Jeddah paid an amount of SAR 16,650 to Mr. Fahim Khan Afridi, Director on account of 15 days DA due to non-availability of accommodation. The amount was paid vide Vr. No. HS-11 of 05/2023.

It was the responsibility of the officer-in-charge to make the necessary arrangement for residence of the incoming Director of the mission.

During the audit of accounts of mission, for the financial years 2021-23, it was revealed that no proper accommodation was arranged for the officer. The intimation of appointment of the officer was conveyed to the mission vide No.12(127)/2023-HA dated 24.03.2023. It is worth mentioning here that his predecessor Mr. Sajid Manzoor Asadi, Director extended his accommodation till his relieving on 16.04.2023 and spent his 06 days joining time in hotel. Mr. Fahim Khan Afridi, arrived on 24.04.2023 and he stayed at hotel till 10.05.2023 locating his accommodation.

Audit is of the view that the matter of accommodation could have been solved very easily by retaining the accommodation of Mr. Sajid Manzoor Asadi for Mr. Fahim

Khan Afridi employing the lowest cost to the public. Hence an avoidable expenditure of SAR16,650 was made in this regard.

Further an accommodation for D.G. and Director (Makkah) was available for the families of both the officers in the office building at Makkah along with office rooms. Thus, officer was not entitled to draw 21 days DA. The officer was only entitled to draw 50%DA for six days only.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the matter may be investigated and overpayment may be recovered from the officer concerned under intimation to audit.

(Para-14, DG Hajj Jeddah 2021-23)

9.4.8 Overpayment of 21 days entertainment and foreign allowance – SAR 10,500 (Rs 808,500)

According to Para-11.8.1 of FMMA Vol-II, where residential accommodation is not available for a Government Servant immediately on his arrival at a new post, he will be entitled to draw DA in lieu of foreign allowance and house rent allowance, for himself, his wife and children for a period not exceeding 15 days in addition to six days preparation time. The DA on the above account has been restricted to maximum of three.

According to Para-10.32.1 of FMMA Vol-II, “the drawing of DA on joining the Mission or on relinquishing the charge of a post at the Mission is restricted to six days. The facility of additional fifteen days DA paid in lieu of non-provision of Government accommodation is suspended till further orders. To mitigate any hardship to our officials on non-availability of official accommodation after six days joining time, following instructions may be strictly complied with: -

- Head of Mission would initiate action to locate suitable residential accommodation for the officials concerned immediately on receipt of their posting orders so that it is hired before or soon after their arrival;

- In order to obviate the need for staying in hotels upon arrival of the officials, efforts should be made to retain the accommodation of outgoing officials for the incoming officials after securing the instructions of the Ministry;
- If for valid reasons a new arrival does not find an accommodation after six days joining time, the facility of further stay at hotel or some other place at the cheapest possible rates in accordance with the status of official will be decided by the Ministry on recommendations of Head of Mission till the arrangement of proper residential accommodation.

Directorate General Hajj, Jeddah paid Entertainment and Foreign Allowance to Director General. The officer availed 6 days joining time and 15 days additional DA in lieu of non-availability of accommodation. The detail is as below: -

Sr. No.	Pay slip	EA US\$	FA US\$	Total Amount US\$	Amount SAR
1	April, 2023	400.00	1,700.00	2,100	7,875
2	May, 2023	133.33	566.67	700	2,625
				Total	10,500

During the audit of accounts of mission, for the year 2021-23, it was observed that the officer was paid for 21 days DA along with Entertainment Allowance and Foreign allowance for this period.

Audit is of the view that the payment of Entertainment Allowance and Foreign allowance was inadmissible during this period as per rules narrated above. The officer had to draw DA during this period of 21 days. The payment is held irregular /unauthorized.

Further an accommodation for DG and Director (Makkah) was available for the families of both the officers in the office building at Makkah along with office rooms. Thus, the officer was not entitled to draw 21 days DA. The officer was only entitled to draw 50% DA for six days only.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that overpayments may be recovered from the officer concerned under intimation to audit.

(Para-44, DG Hajj Jeddah 2021-23)

B-Procurement Related Irregularities

9.4.9 Overpayment on account of hiring of buildings for hujjaj – Rs 1,145.043 million.

According to Para-10 of Financial Management and Powers of Principal Accounting Officers Regulations, 2021, “The PAO shall ensure that the expenditure is not, prima facie, more than the occasion demands and that every government servant exercises the same vigilance in respect of the expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money.”

According to 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.”

Directorate General of Hajj, Jeddah executed the procurement of hiring of accommodation buildings for the Hujjaj.

During the course of audit of Hajj Mission Jeddah, for the year 2021-23, it was observed that the management entered into agreements with the companies/building owners for provision of accommodation to Hujjaj during the years 2021-23. As per Saudi government’s rules; four (4) Square meter space is provided for one haji. As per rules, number of hujjaj were to be mentioned in each agreement. The vacation reports of the sector commanders show that the space/number of Hujjaj in the contracts was mentioned over and above the actual space. Difference in the agreements and vacation report means that excess payment on account of accommodating provided to the Hujjaj was made. Some examples are as below:-

Sr. No.	Building No.	Capacity measured as per agreement	Rate per Haji	Total Payment	Payment After deductions	Available space as per vacation report
1	229-230	632	2200	1,390,400	1,326,699.49	552
2	231-232	307	2000	614,000	582,225.00	301
3	226-227	665	2200	1,463,000	1,395,425.00	648

Audit is of the view that such excess payments were contrary to the rules and prima facie more than the occasion demands. Further, no fines were put on the record regarding complaints of the sector commanders. The recovery of expenditure incurred on buildings on behalf of owners was also not on record.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that:

- a. An amount of SAR 15.444 million may be recovered from the owners of the buildings.
- b. Fines on the basis of complaints of the sector commander may also be recovered
- c. The expenditure incurred on buildings on behalf of the owners may also be recovered
- d. The whole record may be checked and remaining recovery if any may also be made from the concerned.
- e. Hiring of buildings for next year may be made on the basis of recommendations of the sector commanders.

(Para-1, DG Hajj Jeddah 2021-23)

9.4.10 Irregular procurement without open tenders – SAR 3,800,447 (Rs 296.435 million)

According to Rule-9 of Public Procurement Rules 2004 “a procuring agency shall announce in an appropriate manner all proposed procurements for each financial year and shall proceed accordingly without any splitting or regrouping of the procurements so planned.”

Further Cabinet Division vide O.M. No. 4/1/2008 dated 09-04-2008 fixed financial limits for open tender(s) for Pakistan’s Mission abroad as under:

S.#	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

Director General Hajj, Jeddah made payments on different oceans for different purchase/ hiring of services. Detail is as below:-

Sr. No.	Para No.	Brief Description	Amount (SAR)
1	7	Hiring of accommodation for Hujjaj	156,765
2	9	Procurement on account of hiring of transport	52,758
3	19	expenditure on hiring of cars for travelling of officers	2,821,500
4	23	expenditure on purchase of stationery by splitting	555,061
5	27	Hiring of medical mission building	193,200
6	38	repair of transport without open tendering	21,163
		Total	3,800,447

During the course of audit of D.G. Hajj, Jeddah for the financial years 2021-23, it was observed that the mission made the payments on account of procurement of various purchases/hiring of services without observing the procurement rules and relevant codal formalities.

Audit is of the view that payment on account of activity managed without tendering process was irregular.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

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

9.4.11 Excess payment to catering companies on account of meal provision to hujjaj – SAR 1,896,290 (Rs 146.014 million)

According to 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.”

Directorate General of Hajj, Jeddah, made the payments to different catering companies on account of meal provision to Hujjaj during hajj season, 2023.

During the scrutiny of the record of the mission, for the years 2021-23, it was observed that the mission entered into contracts with various suppliers/contractors for provision of meals to Hujjaj for 30 days. As per the contracts, the meals were to be provided to the Hujjaj in Makkah for 30 days. However, management made the excess payment for provision of meals in Makkah. The details are at *Annex-XXIV*.

Audit is of the view that the excess payment of meals over and above the maximum expenditure against the quota assigned to every company in undue favor to the suppliers and loss of SAR 1,896,290 to the public exchequer.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the matter may be investigated and excess amount be recovered from the companies concerned under intimation to audit.

(Para-05, DG Hajj Jeddah 2021-23)

9.4.12 Irregular procurement without open tenders and approval of the competent authority – SAR 757,528 (Rs 59 million)

According to Para-9 of GFR Vol-I, “as a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders of the President or by an authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorized grants and appropriations for the year.”

As per Sr. No. 14 of the SRO 285(I)/2021 dated the 8th March, 2021 issued by the Finance Division, “The financial powers so delegated to the principal accounting officers and other officers shall be subject to the conditions that—

- (a) as required under section 23 of the Act, ‘no authority shall incur or commit any expenditure or enter into any liability involving expenditure from the Federal Consolidated Fund and Public Account of the Federation until the same has been sanctioned by a competent authority duly empowered and the expenditure has been provided for the financial year through schedule of authorized expenditure; or supplementary grant or technical supplementary

grant under Article 84 of the Constitution; or re-appropriation under section 11 of the Act;”

As per Rule-12(1) of Public Procurement Rules 2004, “Purchases over Rs.100,000 and up to the limit of Rs Two million shall be advertised on Public Procurement Regularity Authority’s website. These procurement opportunities may also be advertised in print media as deemed necessary by the procuring agency. Rule-12(2)of ibid states that all procurement opportunities over two million rupees should be advertised on the Authority’s website as well as in other print media or newspapers having wide circulation. The advertisement in the newspapers shall principally appear in at least two national dailies, one in English and the other in Urdu.”

Cabinet Division vide O.M. No. 4/1/2008 dated 09-04-2008 fixes financial limits for open tender(s) for Pakistan’s Mission abroad have been fixed as under:

S.#	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

Director General Hajj, Jeddah made payments on different oceans for different purchase/ hiring of services. Detail is as under:-

Sr. No.	Para No.	Brief Description	Amount (SAR)
1	16	Purchase and payment on account of 1900 train tickets	539,350
2	41	Provision of accommodation and other facilities to hujjaj at Minna / Arafat	218,178
		Total	757,528

During the course of audit of DG Hajj Jeddah for the financial years 2021-23, it was observed that the mission made the payments on account of procurement of various purchases/hiring of services without observing the procurement rules, and without soliciting approval of the competent authority.

Audit is of the view that the expenditure incurred without approval /sanction of the competent authority was irregular. Expenditure without tendering process and administrative approval of the competent authority was irregular and proper record was also not available.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that:-

- a. A fact finding inquiry be conducted for incurring the expenditure without approval /sanction of the competent authority.
- b. Reasons of violation of PPRA Rules may be intimated to Audit.
- c. Un-used tickets and record be provided to audit for further scrutiny
- d. Any other expenditure made for Minna and Arrafat arrangements be intimated to audit for further scrutiny
- e. Action taken against the person at fault be intimated to audit.

9.4.13 Irregular/excess payment on account of zamzam water – SAR 547,871 (Rs 42.186 million)

Directorate General Hajj, Jeddah entered into an agreement with Al-Musbah International Trading Co. Ltd. at Jeddah for provision of 5 liters ZAMZAM water bottle to each of the 82,699 Hujjaj @ SAR 8.50.

As per clause 3 of the agreement it was agreed to make payment of SAR 702,941.50 in advance. As per clause 6 of the agreement, first party (Al-Misbah Co.) would deliver ZAMZAM water gallons to second party (Office of Pilgrims Affairs, Pakistan) at airport as per schedule.

During audit of the mission's accounts, for the financial years 2021-23, it was revealed that in addition to the prevailing agreement another agreement was made later on with the same company for transportation of zamzam water bottles to the airport. As clause 3 of the second agreement second party (Office of Pilgrims Affairs, Pakistan) was liable to pay an amount of SAR6.50 per bottle including VAT charges, for all standard services to be settled in advance to the first party (Al-Misbah Co.) for total bottles (82,699) quantity total amount SAR 537, 543.50.

Audit is of the view that clause 6 of the first agreement is very clear that the Al-Musbah International Trading Co. Ltd. will provide the water bottles at airport. In the presence of first agreement, it was illogical to enter into another agreement for logistic

services of zamzam water. The company had already accepted the delivery at airport. An unauthorized/irregular payment of SAR 537,543.50 was made.

Further number of Hujjaj was 81,484 whereas 82,699 bottles were purchased for the Hujjaj. Thus 1,215 excess bottles were purchased, leading to excess payment of SAR 10,327.50 on the purchase and SAR7,897.50 on logistics of the same.

The matter was reported to the management in August, 2024. The management did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit suggests that:-

- a. Matter be investigated, fix the responsibility and disciplinary action be taken under intimation to audit.
- b. Excess payment of SAR 537,543.50 on logistic be recovered from the company/person responsible.
- c. Payment of SAR 10,327.50 on purchase of excess bottles be recovered from the company/person responsible.
- d. Record of receipt of bottles at airport, duly signed by the company representative and representative of D.G. Hajj Jeddah may be provided to audit for further scrutiny.

(Para-08,DG Hajj Jeddah 2021-23)

9.4.14 Excess payment for welcome snacks for hujjaj – SAR 437,941 (Rs 35.035 million)

According to Para-10 of Financial Management and Powers of Principal Accounting Officers Regulations, 2021, “Principal accounting officer shall ensure that the expenditure is not, prima facie, more than the occasion demands and that every government servant exercises the same vigilance in respect of the expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money.”

Directorate General of Hajj, Jeddah paid an amount of SAR 740,186 on account of welcome snacks to the pilgrims arriving at Jeddah airport from Pakistan during 2022.

During audit of Hajj mission, for the financial years 2021-23, it was observed that 34,346 Hujjaj landed in Saudi Arabia from Pakistan. As per Sr. No.1 of the minutes of the Procurement Committee meeting held on 11-05-2022 rate for welcome snacks was accepted as SAR 8.80 per person. The mission paid an amount of SAR 740,186 against 84,112 Hujjaj in advance. Hence excess payment of SAR 437,941 was made by the mission.

Audit is of the view that weak internal controls resulted in to loss of public money.

The matter was reported to the management in August, 2024. The management did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that matter may be investigated, responsibility be fixed and excess payment may be recovered from the person at fault under intimation to audit.

(Para-13, DG Hajj Jeddah 2021-23)

9.4.15 Wasteful expenditure on annually hiring of office building at Makkah despite the availability of space at Two Tower medical mission building– SAR 453,600 (Rs 34.927 million)

According to Para-10 of Financial Management and Powers of Principal Accounting Officers Regulations, 2021, “Principal accounting officer shall ensure that the expenditure is not, prima facie, more than the occasion demands and that every government servant exercises the same vigilance in respect of the expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money.”

Directorate General of Hajj, Jeddah has maintained an office at Makkah and hires a building every year for the same. An agreement was made for the year 2023 for an amount of SAR 453,600 per year. Directorate General also hires a two tower building for every year for the medical mission which remains empty for the whole year except in Hajj season. The details are at *Annex-XXV*.

During the process of audit for the years 2021-23 audit team visited the building and found that there were two families residing in the bed rooms available at 2nd floor and one bed room of 2nd floor was under use of employees of the office. Only two sections

were working on the 2nd floor at room No. 202 and 204. All the building was empty and was not in official use except these two rooms at the time of inspection.

Audit considers that after overview of the above drawn table it is clear that the building was hired for only these two sections and is being used as store and to facilitate the office employees including the Minister and Secretary of MoRA. These two sections can easily be adjusted in two towers Medical Mission Building along with stores. It was informed by Mr. Atta, Doctor that during the hajj season the medical Mission uses basement and ground floor only.

Audit is of the view that the hiring of office building separately is a sheer wastage of valuable money and should be withdrawn as early as possible.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that:-

- a. Matter may be investigated/looked into as why the extra expenditure is being incurred without any benefit and responsibility be fixed.
- b. Makkah office and Medical Mission may be shifted in the same building to save the precious money of Pakistan in the prevailing circumstances.
- c. Such irregular expenditure for the past ten years be calculated and regularized from the Finance Division

(Para-17, DG Hajj Jeddah 2021-23)

9.4.16 Non-recovery of fines imposed on catering companies – SAR 277,000 (Rs 21.329 million).

As Para-28 of GFR Vol-II, “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.”

Directorate General Hajj imposed fines on different catering companies responsible for provision of food to Hujjaj at Makkah. The details are at *Annex-XXVI*.

During the course of audit of mission accounts for the financial years 2021-23, it revealed that the fines were imposed by the authorities due to inefficiency /deficiencies of the catering companies at Makkah but could not be realized as per available record.

Audit is of the view that fines imposed should have been realized from the companies concerned.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit suggests that the fines imposed be recovered from the companies concerned under intimation to audit.

(Para-04,DG Hajj Jeddah 2021-23)

9.4.17 *Doubtful payment of transport hired during hajj operations 2023 – SAR 230,130 (Rs 17.72 million)*

According to Para-10 of Financial Management and Powers of Principal Accounting Officers Regulations, 2021, “Principal Accounting Officer shall ensure that the expenditure is not, prima facie, more than the occasion demands and that every government servant exercises the same vigilance in respect of the expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money.”

Directorate General of Pakistan Hajj, Jeddah, made payment of SAR 230,130 for hiring of transport for movement of Hujjaj during the Hajj season, 2023 at Madina station.

During audit for the financial years 2021-23, it was observed that the mission hired vehicles along with drivers for transportation during Hajj operation. However, in four cases the hired vehicles were driven by the employees of the mission. This meant that the vehicles were hired without drivers and the payment for drivers was made to the vendors. Detail is as below:-

Sr. No.	Type of vehicle & No.	Name of driver	Contact	Rate per day	Days	Amount SAR
9	HI-Ace -7552	Zubair	0592210265	380	26	9,880
10	Corolla-4158	Afzal	0597971067	300	20	6,000
12	Elantra-4869	Maaz	0597766666	300	15	4,500
22	Hi-roof -7958	Shoab	0548331748	480	12	5,760
					TOTAL	26,140

Audit is of the view that as per circumstances stated above the whole process of hiring of vehicles and payment of an amount of SAR 230,130 remains doubtful and needs to be investigated. The situation depicts that the implementation of internal controls is weak.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that:-

- The matter be investigated, responsibility be fixed and disciplinary action taken against the person at fault under intimation to audit.
- Irregular payment to mission's own employees be recovered under intimation to audit.
- Implementation of internal controls be strengthened.
- The whole payment of SAR 230,130 be investigated.

(Para-06, DG Hajj Jeddah 2021-23)

9.4.18 Non-accounting of balance amount of welcome snacks for hujjaj at Saudi airports – SAR 203,710 (Rs 15.686 million).

According to Para-10 of Financial Management and Powers of Principal Accounting Officers Regulations, 2021, "Principal accounting officer shall ensure that the expenditure is not, prima facie, more than the occasion demands and that every government servant exercises the same vigilance in respect of the expenditure incurred from public funds as a person of ordinary prudence would exercise in respect of the expenditure of his own money."

Directorate General of Hajj, Jeddah entered into agreements with the accommodation companies for accommodation of 81,484 Hujjaj.

During the course of audit of Hajj Mission Jeddah, for the financial years 2021-23, it was observed that the management deducted SAR 50 for each Haji from the accommodation provider companies, for provision of welcome snacks to be presented to the Hujjaj at Saudi airports. It was also noticed that the rate for provision of welcome snacks agreed upon with the relevant company at SAR 47.50 per Haji. Thus, an amount of (81484 x 2.5) SAR 203,710 was remained as balance after payment of snacks to the company for each Haji. However, no transaction was accounted for the balance of SAR 203,710 as per available record.

Audit is of the view that the amount was required to be deposited into the bank account of the Hajj Mission but was not done.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the matter be looked into and an amount of SAR203,710 be recovered under intimation to audit.

(Para-26, DG Hajj Jeddah 2021-23)

9.4.19 Doubtful bidding process of – SAR 37.918 million (Rs 2.844 billion)

The Competition Act, 2010 is a modern law. Briefly, the law prohibits situations that tend to lessen, distort, or eliminate competition such as actions constituting an abuse of market dominance, competition restricting agreements, and deceptive marketing practices.

Further, according to Sr. No.10. of PPRA Rules, “ Specifications shall allow the widest possible competition and shall not favor any single contractor or supplier nor put others at a disadvantage. Specifications shall be generic and shall not include references to brand names, model numbers, catalogue numbers or similar classifications. However, if the procuring agency is convinced that the use of or a reference to a brand name or a catalogue number is essential to complete an otherwise incomplete specification, such use or reference shall be qualified with the words “or equivalent”.”

Directorate General of Hajj, Jeddah issued advertisement for the bidding of accommodation, transportation, catering and medical facilities etc. for the Hujjaj of Hajj season 2022& 2023.

During the process of audit, for the year 2021-23, it was revealed that bidding process was held by the Directorate General of Hajj for an amount of about SAR. 1.168 billion for different heads of account. Audit observed that

- (i) A catering company Global Al khwan was the successful bidder for the year 2022 @SAR27.60 per haji, for the Makkah Station. The company deposited the 10% security for the Makkah Station. However, the company was asked to deposit the security for Madina station also. The company was not awarded the contract on the plea that the company had not deposited security for Madinah in time and the contract was divided among all other companies at the same rate for Makkah also. The same company complained to the DG but in vain. The security money of the company was not released in time and was returned after a long period on many visits and requests. It is worth mentioning here that only the limited companies, who have already worked for previous three years with the OPAP, were allowed to take part in the bidding process. Thus, a process of bidding for (34346 x 27.60 x 40) SAR. 37,917,984 (Rs2.844 billion) remained doubtful.
- (ii) It was observed that most of the bidders did not submit proper documentation. It was evident from the bidding documents available at the Mission that most of the companies did not specify the items along with prices to be provided to the Hajj mission. It was also noticed that only successful bidder was aware of the specification of the items to be provided. Almost every successful bidder had been successful for the so many previous years. The details are at *Annex-XXVII*.
- (iii) It was also noticed that the sign boards for Pakistani hujjaj, during the Hajj season 2023 on accommodation buildings were still hanging there. These were not displaced despite the fact DG Hajj office have enough space for storage at Medical towers. (Pictures taken during audit process are attached for reference). The reason behind is that these buildings were hired every year for the Hujjaj. Whereas PAOP incurred the expenditure for all sign boards for moving from store to buildings.

Audit considers that after overview of the situation it seems that bidding process did not contain fair and free environment. In the prevailing situation lowest possible rates could not be expected from the bidders.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that:-

- a) The matter may please be looked into and a serious effort be made to safe guard the money of Pakistani Hujjaj and to get lowest possible competitive rates for their expenditure.
- b) The matter of Global Al khwan catering company for not awarding contract may also be investigated
- c) Advertisements should contain specification as much possible
- d) A special/forensic audit is suggested for the Directorate General of Hajj, Jeddah

(Para-43, DG Hajj Jeddah 2021-23)

C- Management of Accounts with Commercial Banks

9.4.20 *Improper accountal of pending liabilities – SAR 5,320,458 (Rs 409.675 million)*

As per Sr. No. 07 of the S. R. O. 285(I)/2021.dated the 8th March, 2021 issued by the Finance Division, Responsibilities:- “(1) The principal accounting officer shall be responsible:

- (p) for monitoring the budget execution progress, and undertake reconciliation with accounting offices on monthly basis, related to revenues and expenditure of the division, department, sub-ordinate office or demand for grant under his control, through chief finance and accounts officer and furnish reconciled statement of revenue and expenditure, separately to Finance Division on quarterly basis, through chief finance and accounts officer;
- (s) for proper record of all assets, liabilities, commitments, revenues and expenditures to be maintained under the relevant rules, regulations, procedures and approved formats;”

Further as per Sr. No.11.7.1.1 of the Accounting Policies and Procedures Manual (APPM) “Balances of liabilities, in their various forms, will be reported in the quarterly, six monthly and annual accounts. In accordance with the Financial Reporting Manual, the classes of liability to be recognized shall include:

- Public debt
- Deferred liabilities
- Other classes of liability, as approved for recognition by the Auditor-General”

Director General Hajj, Jeddah not only deals with its own regular budget but also operates/coordinates in Hajj operations. In this regard Directorate General prepares accounts of the Hajj Mission. However, no specific form for the preparation of accounts has been devised so far.

During the course of audit of Hajj Mission Accounts for the year 2021-23, it was observed that some liabilities of the Mission are lying pending since long. Cheques to the vendors were issued from the Hajj Mission Account but were not drawn so far.

An amount of SAR 5,320,457.67 is a pending liability of the Hajj Mission Account. No proper financial statements are prepared and disclosure of these liabilities remains unidentified. The balance of SAR 5,320,457.67 remains idle in the Saudi Banks without any further gain.

Audit is of the view that the non-declaration of liabilities and use of unauthentic accounting system is a serious lapse on the part of management/Ministry.

The matter was reported to the management in August, 2024. The management did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that:-

- a) The standard system of accounts be implemented for the Hajj Mission Account
- b) Financial statements be prepared for the management
- c) Profit & loss statement be prepared to assert the expenditure per Haji
- d) Balance sheet be managed to evaluate the assets and liabilities.

(Para-29, DG Hajj Jeddah 2021-23)

9.4.21 Irregular retention of money collected as hajj package – SAR 307.621 million (Rs 23.687 billion)

According to Section 21 (1) of Public Financial Management Act 2019, “All Ministries and Divisions, their attached departments and subordinate offices and all public entities if so required by their statutes, shall arrange remittance in the Federal Consolidated Fund, without delay, of all revenues including all grants received by the Federal Government, all loans raised by the Government and all moneys received by it in repayment of any loan and all other moneys into the Public Account of the Federation as required under Article 78 of the Constitution. (2) All loans or grants made to the Federal Government by a foreign government or otherwise shall be remitted to the Federal Consolidated Fund and the Controller General of Accounts shall be responsible for its proper accounting.”

Directorate General of Hajj Jeddah retained money received from Hujjaj on account of their complete Hajj packages as detailed below: -

Sr. No.	Dates	Account type	Period about	Amount retained SAR
1	September, 2022 to April, 2023	CHD Account	8 months	20,855,416.58
2	November, 2019 to May, 2022	CHD Account	2 .5 years	51,646,517.99
3	November, 2019 to April, 2022	Accommodation Account	2 .5 years	212,203,633.86
4	September, 2020 to April, 2022	PWF	18 months	10,257,254.91
5	September, 2022 to April, 2023	PWF	8 months	12,658,231.02
			Total	307,621,054.36

During the audit of accounts of the mission for the financial years 2021-23, it revealed that after completion of each Hajj operation, Hajj Mission retained the balances of amount received from Hujjaj as Hajj package. The above-mentioned amounts remained in bank accounts without any profit/gain.

Audit is of the view that Mission should return the balances to the Hujjaj as the retention of money in the Saudi Arabian banks is a recurring loss to the Pakistan.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that matter be looked into and a suitable solution is required in this regard with the consultation of the Finance Division under intimation to audit.

(Para-12, DG Hajj Jeddah 2021-23)

Others

9.4.22 Irregular /unauthorized transfer of funds from hajj mission (hajj accommodation) account to PWF – SAR 35 million (Rs2.695 billion)

According to Para-9 of GFR Vol-I, “As a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders of the President or by an authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorized grants and appropriations for the year.”

Directorate General of Hajj, Jeddah transferred an amount of SAR35 million from Hajj Mission account to Pilgrims Welfare Fund Account during 2023. However, reasons for transfer of money were not recorded.

During the process of audit for the year 2021-23, it was observed that an amount of SAR 35 million was transferred to the Pilgrims Welfare Fund Account. However, reasons and approval for transfer of money were not available.

Audit is of the view that the money was property of Hujjaj which was required to be returned to the concerned Hujjaj. The Directorate General of Hajj Jeddah transferred the money to PWF without any authority.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the matter may be investigated that to ascertain the reasons:

- a) Transfer of SAR. 35 million to PWF without any authority.
- b) Non refund of amount to the Hujjaj concerned.
- c) Charging SAR35 million to Hujjaj despite the receipt of PWF from Hujjaj.

(Para-20, DG Hajj Jeddah 2021-23)

9.4.23 Irregular payment from hajj mission account instead of PWF account – SAR 30.915 million (Rs 2.38 billion)

As per Sr. No.4 of Hajj Pilgrims Welfare fund Rules, “Expenditure from Fund can be managed as below; -

- i. Employment of seasonal duty staff in Pakistan and Saudi Arabia meant to Pilgrims welfare exclusively;
- ii. The welfare activities and welfare service to be provided to the Hajjis in Pakistan and Saudi Arabia;
- iii. Imparting training to Hujjaj, Khuddamul Hujjaj, members of Hajj Medical Mission and Seasonal Duty Staff etc. as well as providing of necessary kit/uniform to the Welfare staff.”

Directorate General of Hajj Jeddah managed the procurement of hiring of buildings for accommodation for the Moavneen-e-Hujjaj.

During the course of audit of Hajj Mission Jeddah, for the financial years 2021-23, it was observed that the management hired accommodation for the Movneen-e-Hujjaj during the year 2021-23. However, payments were made from Hajj Mission account instead of Pilgrims Welfare Fund (PWF) contrary to the rules narrated above. The details are at *Annex-XXVIII*.

Audit is of the view that the recruitment of Moavneen-e-Hujjaj and their other expenditure is a part of the PWF and the payment should only be made from PWF account. Such payments are dual charging from Hujjaj on account of their Welfare. Hajj Mission account is meant for direct expenses of Hujjaj.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that:

- i. An amount of SAR30.915 million may be recovered from the PWF and be returned to Hajj Mission Account for onward transmission to the concerned Hujjaj as balance remaining.

- ii. Further payment on account of Movneen-e-Hujjaj from the Hajj Mission Account may be stopped immediately.
- iii. Such expenditure incurred on buildings in the previous five year may also be calculated and intimated to audit.

(Para-02, DG Hajj Jeddah 2021-23)

9.4.24 Cash payments instead of crossed cheques– SAR 6.01 million (Rs 468.756 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.”

As per FTR laid down at Paras-157 & 158, payments to corporate or local bodies, firms & private persons should be made through crossed cheques/bank orders.

Directorate General of Hajj, Jeddah, made the payments to the vendors /employees of the mission out of PWF.

During the scrutiny of the record of the mission, for the year 2021-23, it revealed that contrary to the rules mission made the payments through cash instead of crossed cheques. The detail is at *Annex-XXIX*.

Audit is of the view that the payments were required to be made through crossed cheques. The payment of SAR 5.787 million is held irregular due to violation of rule narrated above.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that irregularity may be got regularized from the Finance Division under intimation to audit besides justification for such payments.

(Para-70, DG Hajj Jeddah 2021-23)

9.4.25 Irregular grant of loan from PWF for regular budget of DG Hajj – SAR 4.600 million (Rs 368.00 million)

According to Para-9 of GFR Vol-I, “as a general rule no authority may incur any expenditure or enter into any liability involving expenditure from public funds until the expenditure has been sanctioned by general or special orders of the President or by an authority to which power has been duly delegated in this behalf and the expenditure has been provided for in the authorized grants and appropriations for the year.”

Furthermore, as per delegation of powers stated in the book titled ‘FMMA’ Vol-II, no power has been delegated to the Ambassadors for grant of public funds as advance to the others government departments/institutes.

Directorate General of Hajj, Jeddah granted loans from PWF to its regular budget for routine expenditure. The detail is at *Annex-XXX*.

During the course of audit of Hajj Mission, for the financial years 2021-23, it was observed that an amount of SAR4.6 million was drawn from the PWF for use as its regular budget in violation of rules.

Audit is of the view that drawl of SAR4.6million as loan from Pilgrims Welfare Fund is a sheer violation of rules narrated above.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that: -

- a. The reasons of irregular grant of loan may be furnished to Audit.
- b. Irregularity be got condoned from the competent authority.
- c. Such practices be stopped immediately in the future.

(Para-10,DG Hajj Jeddah 2021-23)

9.4.26 Irregular expenditure on account of vehicles without maintenance of log books and movement registers – Rs 33.338 million.

As per Sr. No.15 Maintenance of Record:- “The following registers shall be maintained for each staff car namely :-

- (i) Movement Register - A Movement Register shall be maintained in the form as set out in Annex 'A' and shall remain in the custody of the staff car driver. On the cover of this register shall be indicated the name of the Division, the number of staff car, the designation of the Officer-in-Charge with his office telephone number. A copy of these rules shall also be pasted inside the Movement Register. Vehicle Log Book.- A bound register in the form as set out in Annex 'B' shall be maintained as the vehicle Log Book by the Officer-in-Charge of the staff car which shall form a permanent historical record of the staff car including all brief description accidents etc. during its life which shall be entered therein."

Directorate General Hajj Jeddah officially provided a list of fifty six (56) official vehicles to audit team. Out of 56 vehicles 12 vehicles were under use at Jeddah office, nine were at Madina office and remaining 35 vehicles were at Makkah office as per statement provided.

During the process of audit at Makkah office for the year 2021-23, it was observed that 35 vehicles should have been present at Makkah Office as per official record. On the inquiry, only one vehicle was found present at office. Officials told that due to insufficient space vehicles were parked at another building. The officials were asked by audit to provide hiring file of that building where the vehicles have been parked. It was informed that the parking is free for Pakistani official vehicles. However, neither the hiring file of the parking building nor the vehicles were shown physically to audit. Further, a combined list of vehicles was provided to audit. There was no bifurcation of vehicles purchased for Hajj Mission, PWF and Hajj Directorate. The detail is as under:

Sr. No.	Brief Description	Amount SAR	Amount Rupees
	Medical Mission Hajj		
1	A03807-POL charges		2,657,087.00
2	A13001-Transport		2,375,668.00
	Jeddah Office		
3	A03807-POL charges		2,651,077.00
4	A13001-Transport		1,487,745.00
	Expenditure from PWF		
5	A03807-POL charges	209,077.09	16,098,935.93
6	Insurance of Vehicles	104,772.00	8,067,444.00
		Total	33,337,956.93

Audit is of the view that:-

- a. Thirty four (34) vehicles were found missing as neither the log books nor the movement registers were presented to audit for scrutiny.
- b. The matter may lead to misuse of thirty four (34) vehicles
- c. Agreement / MOU for free parking space was not available in the record.
- d. Further no approval for retention of 56 vehicles was available in the record.
- e. Expenditure of the Hajj Mission, PWF and Hajj Directorate vehicles should be incurred from their relevant accounts and record should be prepared separately.
- f. The Directorate has inter-mingled the expenditure of Regular Budget, PWF and Hajj Mission Account which is a serious irregularity, tends to misappropriation and against the principles of transparency.

In view of the above narrated circumstances the expenditure on vehicles without maintenance of Log Books and Movement Registers is irregular

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that:-

- a) A high level inquiry be conducted for location of vehicles/ possible misuse of vehicle
- b) Approval for retention of 56 vehicles be provided to audit
- c) Expenditure on each vehicle be managed from its relevant account and be submitted to audit for scrutiny.
- d) Log Books be prepared and submitted to audit for scrutiny
- e) Movement register be prepared properly and submitted to audit for scrutiny
- f) Matter be investigated for violation of staff car rules under intimation to audit.

(Para-22, DG Hajj Jeddah 2021-23)

9.4.27 Unjustified retention of cash in hand – SAR 73,545 (Rs 5.663 million)

According to Rule-290 of FTR, as also reproduced at 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. “

Directorate General of Hajj, Jeddah maintained its regular budget for routine activities/ expenditure during the years 2021-23.

During the course of audit for the year 2021-23, it was observed from the Cash Book and Cash Transaction Comparison Report that cash ranging between SAR 73,545.28 to SAR 32417.15 was drawn from regular Account bearing No.163-146-457-9940 and retained by the Mission for a period of two years (July, 2021 to June 2023) without any requirement/justification. Detail is at *Annex-XXXI*.

Audit is of the view that due to weak internal, financial and managerial controls such cash was drawn and retained without any justification. Retention of such cash without justification may lead to misuse of public funds.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the interest on prevailing rate may be calculated on the amount retained for the entire period and recovered from the responsible under intimation to audit.

(Para-32, DG Hajj Jeddah 2021-23)

9.4.28 Missing store items-computers/laptop etc. – SAR 56,671 (Rs 4.364 million)

According to Para-151 of GFR Vol-I, “the head of an office or any other officer entrusted with stores of any kind should take special care for arranging for their safe custody, for keeping them in good and efficient condition and for protecting them from loss, damage or deterioration. Suitable accommodation should be provided more particularly for valuable and combustible stores. He should maintain suitable accounts and inventories and prepare correct returns in respect of the stores in his charge with a view to preventing losses

through theft, accident, fraud or otherwise and to making it possible at any time to check the actual balances with the book balances and the payment to suppliers, etc.”

Directorate General of Hajj, Jeddah is maintaining its stores and a stock register has been prepared in this regard.

During the scrutiny of record /stock register for the year 2021-23, it was observed that some of the items were missing. Detail of the missing items is as below:-

Sr. No.	Brief description	Account	No of items missing	Price per unit	Total Price
1	Computer System	Computer Set	7	2,967	20,769
2	Laptop	Laptops + iPad	10	3200	32,000
3	Shredder	Shredders	1	414	414
4	Megaphone	Megaphones	4	552	2,208
5	CCTV Camera	CCTV Cameras	16	80	1,280
6	Mobile phones gifted by Ufone		374	0	0
				Total	56,671

Audit is of the view that the stocks were mishandled and missing of stock was not pointed out timely. Had it been pointed out timely it would have been easier for the management to find the missing items and responsible.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that matter be investigated and the responsibility be fixed under intimation to audit.

(Para-21, DG Hajj Jeddah 2021-23)

9.4.29 Irregular payment on account of law charges – SAR 22,000 (Rs 1.76 million)

According to Serial No. 9(23) of Finance Division’s OM No. F.3(2) /Exp.II/2006 dated 13.09.2006, full powers were delegated to the Head of Department for payment of law charges in consultation with Law Division.

Pakistan Mission Hajj at Jeddah paid an amount of SAR 22,000 to law firm namely M/s Hammad & Al-Mehdar vide Voucher No. HS-01 of 06/2022 vide cheque dated 10.06.2022.

During audit of DG Hajj, Jeddah for the financial years 2021-23, it was observed as under:

- The mandatory consultation with Law Division was not done and payment was made without involvement of Law Division.
- Neither details of the payment nor approval of Head of Mission was found attached with the Voucher.

Audit is of the view that the payment was made in violation of rules and was irregular in the absence of approval of the Head of Mission.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the entire amount be regularized with the approval of the Law Division under intimation to audit.

(Para-28, DG Hajj Jeddah 2021-23)

9.4.30 Irregular payment due to misclassification – SAR 21,788 (Rs 1.743million).

As per Rule-205 of FTR Vol-I, “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.”

Director General Hajj, Jeddah made the payments for the routine purchase /work done during the years 2021-23.

During the course of audit for the years 2021-23, it was observed that payments were made against the following bills in the head of accounts as mentioned against each. The detail is at *Annex-XXXII*.

The payment of SAR 21,788.05 was made without proper classification of expenditure.

Audit is of the view that the analysis of misclassified expenditure does not depict the true picture of annual budget and expenditure. This weak internal control compromises the preparation of budget estimations. Thus, the situation states the weak internal controls and management of directorate. Further it seems that misclassification was done due to unavailability of funds in the relevant heads of account instead of re-appropriation of funds.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit holds that such payment without proper classifications may be regularized.

(Para-50, DG Hajj Jeddah 2021-23)

9.4.31 *Non-maintenance of cash book of Pakistan House and income account Madina*

As per Para-4.1 of FMMA Vol-I, “a Cash Book shall be maintained in all the Missions in the form duly approved by the Ministry (Appendix-J). 4.1.2 All monetary transactions shall be entered in the cash book as soon as they occur and attested by the Drawing and Disbursing Officer. [FTR 77(ii)] 4.1.3 The cash book should ordinarily be closed at the end of each month. If the transactions are numerous a weekly closing of cash book is recommended. 4.1.4 The cash book when closed should be completely checked. The Drawing and Disbursing Officer / Head of Chancery should verify the totals of the cash book and record a certificate to that effect. The certificate should also be recorded on the monthly cash account and signed by the Drawing and Disbursing Officer / Head of Chancery / Head of Mission. [FTR 77(iii)].”

Directorate General of Hajj is maintaining Income Account Madina at Madina Munawwara station.

During the course of audit, for the year 2021-23, it was observed that DG Hajj, Jeddah maintained Income Account Madina at bank Al-Riyadh for the years 2021-23. However, details and cash book of account was not presented to audit for the scrutiny.

Audit is of the view that due to non-maintenance of cash books and bank reconciliation statements, the income earned from Pakistan House Madina was not accounted for and credited to the government treasury. Non-maintenance of cash book was due to weak financial controls which needs appropriate corrective action.

The matter was reported to the Ministry in August, 2024. The Ministry did not reply.

The Ministry was requested for holding of DAC meeting on 04.11.2024, 06.12.2024, 03.01.2025 and 14.01.2025 but the Ministry did not comply.

Audit recommends that the matter be investigated. Total receipts and expenditure during the previous year 2016-23 be recorded in the cash books and the same along with relevant record be got verified from Audit.

(Para-33, DG Hajj Jeddah 2021-23)