

GOVERNMENT OF PAKISTAN
BENAZIR INCOME SUPPORT PROGRAMME

Press Release

September 28, 2016

**AUDIT AUTHORITIES VERIFY THAT NO PAYMENT WAS MADE TO INELIGIBLE
BENEFICIARIES IN 2012-13 - BISP**

Apropos news reports published in print media on Public Account Committee's proceedings dated 27th September 2016, that examined audit paras of Benazir Income Support Programme (BISP) for the financial year 2012-2013.

Audit paras discussed during the PAC meeting were for the period when this program was in its initial stage. The issues highlighted therein have mostly been rectified during the last one and a half year under the current leadership.

As regards audit paras referring to the amount of Rs. 37 billion released for Waseela-e-Haq, Waseela-e-Rozgar, Waseela-e-Sehat and emergency relief package, it is averred that no payments have been made without the approval of BISP board. The approval of BISP board for all these initiatives and their disbursements are available in the form of resolutions and payment manuals, however, regulations are being prepared professionally which will be finalized and approved by December, 2016. Further, under the present regime not a single rupee has been disbursed without the approval of board.

The contracts with banks were negotiated in exceptional circumstances with the concurrence of Finance Division and State Bank of Pakistan. This year, banks will be hired through open competition under new payment model recently approved by the BISP board. This will give a fair chance to entire banking industry to participate in the open competition. As far as advanced payments to banks for disbursement are concerned, currently the banks are bound to transfer the funds to beneficiary accounts within five days of placement of funds at their disposal. It is also highlighted here that during the tenure of present government, the service charges of the banks have been reduced to 2.75% from 3% as reported in the audit para.

As regards the issue of undue parking of funds with banks, it is reiterated that an amount of Rs. 4.1 billion was released to the banks against 3.6 million CNIC verified beneficiaries. The disbursement started from February 6, 2012 and consumed fully by September 2012 over a period of eight months in a diminishing manner on first come first serve basis.

Besides above, it is worth mentioning that during DAC meeting, the audit authorities accepted BISP's view point that no duplicate payment or payment to ineligible beneficiaries was made. The confusion was due to technical issues of Management Information System (MIS) of BISP, which have completely being rectified now.