

# Federally Administered Tribal Areas



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## Hand Book on Simplified Procedures for Zakat Management in FATA 2012

- Zakat System
- Administration and Management of Zakat
- Funds Management
- Accounting Procedures
- Internal Audit
- External Audit

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## FOREWORD

The foundation for the introduction of a Zakat system in the country was laid by the Government of Pakistan, through the introduction of the Zakat & Ushr Ordinance, 1980. Followed by that, a detailed procedure for the distribution of Zakat was published in the form of a manual. The Ordinance and the manual provide a basis for the management of the Zakat system in Pakistan. However, considering the current literacy rate in FATA, the language and voluminous nature of these documents causes difficulty in understanding by FATA Zakat functionaries. Therefore, the situation warranted a need for the development of a 'simplified procedures for Zakat management in FATA' document, in accordance with the Federal Law/ Zakat Manual.

The rules and procedures contained in the Zakat & Ushr Ordinance 1980, Zakat Manual 1982, Zakat Disbursement Procedures, FATA Zakat Accounting Procedures, Internal Audit Procedures and Guidelines on Audit of Zakat have formed the basis for the development of "Simplified Procedures of Zakat Management in FATA".

Different topics in the document have been grouped under the Zakat System, Administration and Management of Zakat, Funds Management, Accounting Procedures, internal Audit and External Audit. Effort has been made to place them in a simplified version. It is expected that these simplified procedures will assist users in improving their knowledge and job performance in the context of Zakat & Ushr management.

The support of the FATA Institutional Strengthening Project in developing and disseminating the Simplified Procedures for Zakat Management in FATA is acknowledged and appreciated.



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**Abbreviations:**

CZF:	Central Zakat Fund
AZC:	Agency Zakat Committee
FATA:	Federally Administered Tribal Areas
FG:	Federal Government
FISP:	FATA Institutional Strengthening Project
FR:	Frontier Region
KDSCs:	Khas Deposit Saving Certificates
LZC:	Local Zakat Committee
NDSCs:	National Defense Certificates
NHI:	National Health Institution
PZC:	Provincial Zakat Committee
TNA:	Training Needs Assessment
Z&U:	Zakat & Ushr

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# 1. INTRODUCTION

## 1.1 Background

The Government of Pakistan laid foundation for the introduction of Zakat System in Pakistan through the Zakat & Ushr Ordinance, 1980 and made provisions relating to the assessment, collection and disbursement of Zakat & Ushr. In 1982, the Central Zakat Administration, Ministry of Finance, Government of Pakistan, issued a Zakat Manual to explain procedures and processes relating to Zakat systems and related matters. These documents, which are in legal and technical language, are voluminous and difficult to understand. This necessitated the development of the document known as the 'Simplified Procedures for Zakat Management in FATA' and undertakes the capacity building of FATA Zakat functionaries.

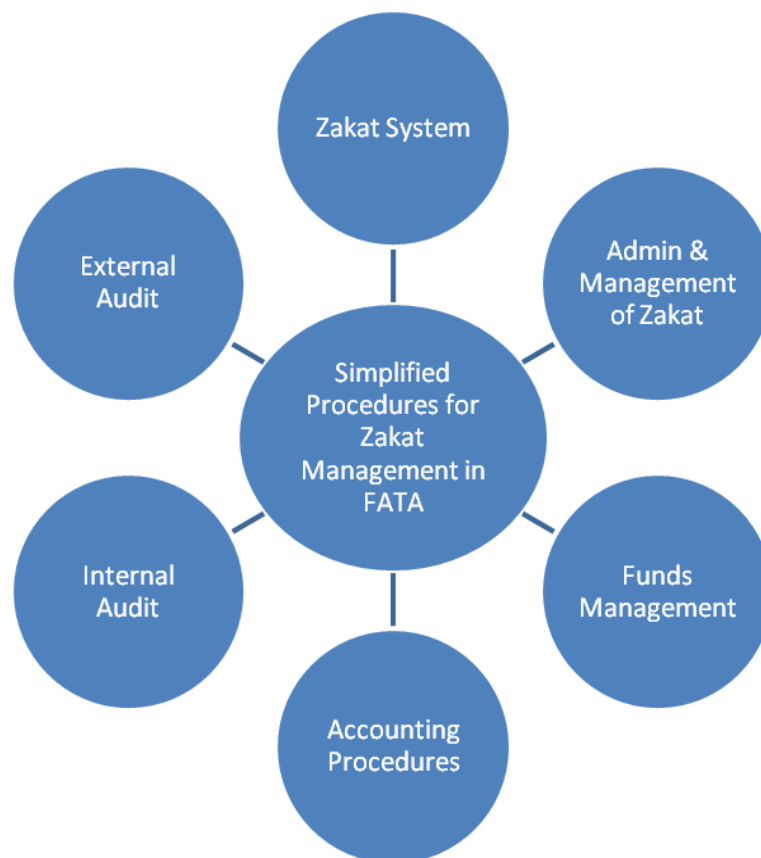
As a first step, Training Needs Assessment (TNA) of FATA Zakat functionaries was carried out to assess the gaps that needed to be covered for the capacity building of Zakat functionaries. The TNA followed the collection of related data from various sources including:

- Zakat & Ushr Ordinance 1980
- Zakat Manual 1982
- Zakat Disbursement Procedures
- FATA Zakat Accounting Procedures
- Zakat & Ushr Regulations 2011
- Internal Audit Procedures
- Audit Guidelines Zakat Audit
- Proceedings of International Training Seminar on Zakat Management held at International Islamic University on May 20-23, 2002.

These documents were studied and important matters were included in the Simplified Procedures for Zakat Management in FATA.

## 1.2 Structure of the Document:

The Simplified Procedures for Zakat Management in FATA consists of 7 chapters covering the following topics:



**Chapter-1** is an introduction which provides a background of the preparation of the simplified procedures for Zakat management in FATA, sources of secondary data and the brief contents of each chapter.



**Chapter-2** is based on Zakat systems and explains the Islamic concept of Zakat, eligible recipients of Zakat, its history, its governing principles, the role of Zakat in Islamic societies, its background and the objectives of the Zakat & Ushr Ordinance 1980 and finally, provides an introduction of the related rules/regulations pertaining to Zakat.

**Chapter-3** is based on Administration & Management of Zakat and includes the formation & functions of the FATA Zakat Council, Agency Zakat Committee and Local Zakat Committees, eligibility of members, head-wise usage of Zakat funds, rates of scholarship for general education and classification of *Deeni Madaris* and rates of scholarships.

**Chapter-4** is based on Zakat Funds Management and provides the Zakat Funds Management and procedures relating to receipt and disbursements of Zakat funds. It covers funds flow, establishment of Zakat funds, banking procedure, deposits in bank account, disbursements, bank reconciliations and alternate arrangements, where banks are not available.

**Chapter-5** is based on Accounting Procedures. This chapter explains the banking procedures, maintenance of cash book/daily book, reconciliation with bank accounts and preparation of funds utilization reports. The process is termed as 'accounting cycle' and has been explained in this chapter with reference to the accounting of Zakat transactions.

**Chapter-6** is based on Internal Audit and explains the functions and reporting requirements of the Internal Audit. This chapter consists of objectives, scope, functions, checklist, internal audit procedures, and responsibilities of internal auditor, internal audit report and reporting requirements of the FATA internal audit unit.

In **Chapter-7** is based on External Audit and explains the definition of audit, advantages of audit, objects of audit, functions of audit, planning of audit, scope of

audit, procedures of audit, documents to be audited, considerations to avoid audit observations and audit report.

### **1.3 Expected Benefits:**

It is expected that the Simplified Procedures of Zakat Management will assist users in improving their knowledge and skills and will use these Simplified Procedures as a reference document. The users are expected to benefit in many ways such as:

1. The members of the FATA Zakat Council will have elaborated/explained functions and procedures of Zakat management.
2. FATA Agency Zakat Officers may ensure transparency, better disbursement and financial reporting
3. The staff members involved in pre-audit will be able to ensure conformity with the set procedures and adhering to reporting requirements.
4. The members of the FATA Local Zakat Council will have systematic awareness on prevailing procedures relating to Zakat distribution among *Mustahiqeen* (those eligible for Zakat), preparation of records and reporting.

## 2. Zakat System

This chapter consists of the definition of the Zakat system, assets subject to levy of Zakat and Zakat rules and regulations.

Zakat is an Arabic word, which means to purify, and is one of the five pillars of Islam. It is the giving of a fixed portion of one's wealth to charity, mainly to the poor and needy. The importance of Zakat can be gauged from the fact that it is mentioned along with Salah (five-time Prayers) in 82 Verses of the Holy Quran. "Perform Salah and give Zakat", Allah says in the Quran. An authentic Hadith of the Prophet Muhammad (Peace Be Upon Him) mentioned both in the 'Sahih Bukhari' and 'Sahih Muslim' says, "Islam is based on five pillars: The testimony of Faith, the performance of Salah, the payment of Zakat, the performance of Hajj, and the fasting of Ramadan".

The word "Zakat" literally translates as 'Purity' and it is known that "giving Zakat purifies excess wealth". The Islamic meaning of Zakat is that a certain percentage of excess wealth is taken from the rich Muslims and given to the poor Muslims. It bridges the gap between the rich and the poor. *At-Tabarani* narrates an event from the life of the Prophet (PBUH), which truly signifies the importance of Zakat in Islam. It quotes 'a man said to the Prophet Muhammad (PBUH) "Tell me about a deed which admits to heaven". The Prophet (PBUH) said, "Worship Allah ascribing no partner to Him, perform Salah, pay Zakat and maintain good relations with your kinfolk".'

The importance of Zakat in Islam is undeniable and those who renounce Zakat become an apostate. Allah Almighty says, "And let not those, who withhold out of stinginess what Allah has given them from His bounty, think that it is good for them; nay, it is evil for them. They shall have what they withhold out of niggardliness made to cleave to their necks on the Day of Resurrection". (*Sura Al Nisa- Verse number 180*).

The Quranic concept of Justice (*Adal* and *Qisf*) is not restricted to legal and moral affairs; it is equally relevant to economic life of an individual and the society. The word *Adal* and *Qisf* appearing in the Quran imply justice, equity, balance and equilibrium.

The modern economists too consider Zakat as a major source of maintaining economic health.

Zakat is defined as transferring ownership of an amount of material wealth specified by the state to a poor Muslim, who is not Hashimi or their client, without material benefit returning to the giver in any way, for the sake of Allah, Most High. *(Tumurtashi, Tanwir al-Absar)*

According to Hadith, the family of Prophet Muhammad (PBUH) should not consume any Zakat. Zakat should also not be given to one's own parents, grandparents, children, grandchildren, or spouses. It is also forbidden to disburse Zakat Funds into investments instead of just straight to those who are in need.

## **2.1 Eligible Recipients:**

The list of eligible recipients of Zakat is clearly mentioned in the Quran. "The Zakat is only for the poor, and the needy, and for those employed for collecting it, and those whose hearts are made to incline towards Islam, and for freeing slaves, and for those in debt, and in the cause of Allah, and for the wayfarer as a duty imposed by Allah, and Allah is All-knowing, wise". ***(Surah Tauba- Verse number 60)***

## **2.2 History:**

Zakat, a practice initiated by the Prophet Muhammad (PBUH), has played an important role throughout Islamic history. Initially Zakat was instituted as a voluntary, individual offering, but during this Prophet's (PBUH) lifetime, certain forms of Zakat were declared obligatory. The Caliph Abu Bakr (RA) was the first to institute a statutory Zakat system. The third caliph, Usman (RA) significantly altered the Zakat collection protocols by decreeing that only "apparent" wealth was taxable, which limited Zakat to mostly being paid on agriculture land and its produce. The practice of state-administered Zakat collection was ended by the Umayyad Caliph Umar bin Abdul Aziz (717-720).

## **2.3 Six Governing Principles of Zakat**

If one carefully observes the rules and regulations governing Zakat, one may easily find out six principles of the Shariah governing Zakat. They are:

### **Faith:**

The payment of Zakat is an act of worship and as such only a true believer can perform it in its real sense and spirit.

**Equity:**

Zakat is a generic term, applicable to all ordinary compulsory contributions and the share of the state in various kinds of incomes, such as treasure-trove, booty obtained in religious warfare, land produce etc. follow the principle of equity, which states that lesser the amount of labor and capital, lesser the rate of levy.

**Productivity or Maturity:**

Zakat is paid annually after calculating Nisab. Nisab means annual minimum surplus of the value of 40 riyals or the property equivalent. Zakat is not charged on things which are perishable and are not for personal use or consumptions.

**Reason:**

The person who is to pay Zakat must be a man of reason and responsibility. Minors and the mentally handicapped are exempt from paying Zakat.

**Convenience:**

It is convenient that Zakat is due only once a year.

**Freedom:**

One must be a free man, before eligible for the payment of Zakat. A slave or captive will not pay Zakat.

**2.4 Role of Zakat in Islamic Societies:**

Zakat is considered by Muslims to be an act of piety through which one expresses concern for the well-being of fellow Muslims, as well as preserving social harmony between the wealthy and the poor. Zakat promotes a more equitable redistribution of wealth, and fosters a sense of solidarity amongst members of the Ummah.

Zakat serves primarily as a system of social security in Islamic Society. It is different and distinct from the conventional social insurance system in that these systems usually require the users to pay premium and contributions in order to participate in the benefits. However, Zakat does not require the recipient to participate in the contributions. It simply provides relief to those in need and collects funds from whoever has excess.

Zakat promotes the spirit of mutual help and cooperation among the members of society and inculcates in the wealthy people of society a sense of responsibility towards the poor, weak and destitute. Zakat makes the society like one family connected with the bond of love, affection, sympathy and sacrifice for each other. It is in sharp contrast to Riba. Riba creates hatred, jealousy and economic warfare among the members of the society, while Zakat promotes harmony, cooperation and collaboration in it. Zakat cleans the hearts of the poor from hatred and ill-feeling for the rich. (Source: *Objectives and Targets of Zakat in the Quran and Sunnah* by Dr. Muhammad Tahir Mansoori-International Training Seminar on Zakat Management May 20-23, 2002, Islamabad)

## 2.5 A bird-eye view of Zakat in Islam:

- Zakat is a unique system of social security
- Zakat is not a charity or favour from a rich to poor, rather it is poor's right in the wealth of the rich
- Islamic law regards Zakat as an established and irrevocable debt outstanding against the rich till his obligation is discharged.
- The system of Zakat serves a number of purposes and objectives of spiritual, social, economic and religious nature
- On spiritual front, the objective of Zakat is to clean the personality of rich person, the payer of Zakat from the love of wealth and to purify his wealth from evil effects
- The social objective is to promote the spirit of help and cooperation in the society
- On economic front, it aims at discouragement of concentration of wealth in the hands of rich, and alleviation of poverty from the society
- The expenditure on five categories of person; namely *Faqir* and *Miskin*, *Fi al Riqāb*, *al-Gharmun* and *Ibn al-Sabil* is directed towards realization of the objective of alleviation of poverty
- The religious objective of Zakat is to propagate Islam and to defend it against any attack from the enemy. Two heads of Zakat *Al-Muallafah Qulūbuhum* and *Fi Sabilillah* represent the share of Islamic Dawah in Zakat. (Source: *Objectives and Targets of Zakat in the Quran and Sunnah*)

*by Dr. Muhammad Tahir Mansoori-International Training Seminar on Zakat Management May 20-23, 2002, Islamabad)*

## **2.6 Zakat & Ushr Ordinance, 1980**

The Constitution of the Islamic Republic of Pakistan lay down that the Muslims of Pakistan shall be enabled to order their lives, in the individual and collective spheres, in accordance with the code of belief of Islam. The preamble of the Zakat & Ushr Ordinance also mentions that the prime objective of the collection of Zakat and Ushr, and disbursement there from, is to assist the needy, the indigent and the poor; and Shariah enjoins all Muslims who are *Sahib-e-Nisab* to pay, and the State to arrange for the proper collection, disbursement and utilization of Zakat and Ushr, and also allows such Muslims to disburse for the purposes authorized by Shariah the part thereof not collected by the State.

### **2.6.1 Salient Features:**

The Ordinance applies to the whole of Pakistan, but (as regards payment and recovery of Zakat and Ushr) applies only to Muslim citizens in an individual capacity and a company or association- majority of the shares of which is owned, or the beneficial ownership of which is held, by such citizens.

The Federal government has the authority to direct that this Ordinance shall apply to any other territory, or areas specified in the notification.

Zakat and Ushr are not deducted from a person who files a declaration that according to his faith he is not obliged to pay the whole or part of any Zakat in the manner as provided in the Ordinance.

The followers of Imam Abu Hanifa, who are in Majority in Pakistan are not debarred from claiming exemption from compulsory deduction of Zakat on filing of requisite affidavit. The deducting agency has no authority to declare as invalid or reject declaration filed by any Hanafi Muslim.

The declaration for exemption has to be filed 30 days prior to the valuation date in case of Zakat and at any time in the case of Ushr. The declaration so filed regarding the assets liable to deduction of Zakat remains valid until it is withdrawn. The Federal Shariah Court has the authority to decide the validity of any declaration and if it declares invalid any declaration, the person is deemed liable

to pay Zakat and Ushr as the case may be in a manner laid down by this Ordinance. (Source: Zakat and Ushr Ordinance, 1980 (NO.XVIII of 1980) Corrected up to 1st October, 2007) Ministry of Religious Affairs, Zakat and Ushr Government of Pakistan]

### 2.6.2 Definitions:

Some important terms used in the Zakat and Ushr Ordinance of 1980 are provided below:

**Annuity:** Annuity (Pension, Income, and Allowance) means the sum payable periodically, according to the annuity policy conditions, to an annuitant during his lifetime, or for a fixed number of years' as the case may be, and includes the scheme of postal annuities as notified by the Government;

**Assets:** It means assets liable to Zakat as provided in the Zakat Ordinance;

**Atiyyat:** Atiyyat means voluntary donations to the Zakat funds, otherwise than on account of Zakat and Ushr, and includes Sadqaat-e-Nafilahs;

**Company:** Company means a company as defined in the Companies Act, 1913 (VII of 1913);

**Deduction Agency:** Deduction Agency means a bank, post office or other institution referred to in the 6th Column of the First Schedule of Zakat Ordinance

**Deduction Date:** Deduction Date means, in respect of the assets mentioned in the First Schedule, the date or dates on which Zakat is to be deducted at source and which is or are specified in the Fifth Column of that schedule of Zakat Ordinance

**Government Security:** Government Security has the same meaning as in the Securities Act, 1920 (X of 1920)

**Nisab:** Nisab, except agriculture produce and animals feed free in pasture, means 612.32 grams of silver, or cash or gold, or goods for trade, or any assets liable to Zakat under Shariah, the aggregate value of which is equal to the value of 612.32 grams of silver (or 87.48 grams of gold) as notified for a Zakat year.

**Provident Fund:** Provident Fund has the same meaning as in the Provident Funds Act, 1925 (XIX of 1925);

**Return:** Return means income, howsoever described, accruing on an asset;



**Sahib-e-Nisab:** Sahib-e-Nisab means a person who owns or possesses assets not less than Nisab;

**Security:** Security means any stock, share, script, Debenture, bond, pre-organization certificate, or instrument commonly known as security;

**Share:** Share means a share in the share-capital of a company, or in any body corporate established by or under a Federal Law or Provincial Law, and includes stock;

**Surrender Value:** Surrender Value means a sum payable by an insurer on cancellation of a life-insurance policy or annuity, according to stipulated terms and conditions; at any time before maturity benefits become available;

**Survival Benefit:** Survival Benefit means the amount payable according to life-insurance policy conditions, during the currency of a policy, on survival of the life assured to the specified date as stipulated in the policy;

**Valuation Date:** Valuation Date means a) in respect of assets liable to Zakat, the first day of the Zakat year; and b) in respect of produce liable to Ushr, such date or dates as may be prescribed or as may be notified for the evaluation of the assets or the produce for the purposes of Zakat Ordinance;

**Zakat Fund:** Zakat Fund means a Fund established under section 7 of Zakat Ordinance

**Zakat Year:** Zakat Year means year according to the Hijra (Islamic) calendar for which Zakat is chargeable, commencing on the first day of Ramadan and ending the last day of the following Sha'ban. [Source: Zakat and Ushr Ordinance, 1980 (NO.XVIII of 1980) Corrected up to 1st October, 2007) Ministry of Religious Affairs, Zakat and Ushr Government of Pakistan]

## **2.7 Charge and Collection of Zakat:**

The institution of Zakat involves three key points: Items of levy; the Rates of levy and the Heads of Expenditure. The items of levy and the rates are prescribed by the Prophet Muhammad (PBUH); the heads of expenditure are laid down in the Quran. *(Source: State Responsibilities in Islam and the practice of Zakat Collection and Disbursement in the early Islamic Era by S.M. Hassan-uz-Zaman-International Training Seminar on Zakat Management May 20-23, 2002, Islamabad)*

### **2.7.1 Assets subject to levy of Zakat**

- a) Cash (including the balance of your bank deposits) at that date.
- b) The market value of the shares of joint stock companies of NIT units or Mudaraba certificates held at that date.
- c) Face value of the financial papers, like bonds, KDCS, NDSCS etc.
- d) The whole-sale value of the balance of stock-in trade (including raw material) at that date, irrespective of the period of their retention.
- e) Receivable amounts (book debts) as on that date. From the total amount of the aforesaid assets, the following amounts may be deducted:
  - Amounts payable to the suppliers of stock (including raw material)
  - Amounts payable at that date a rent to the landlord or to the Lessor if equipment is acquired on lease.
  - The Principal amount of loans borrowed from financial institutions and employed in acquiring Zakat-able assets, or any personal loans.
  - The amounts deducted by the government at source as Zakat.

### **2.7.2 Formula for calculation of Zakat:**

Zakat is payable on gold and silver jewelry, if such jewelry exceeds the minimum weights:

For Silver: 52.2 Tolas / 613.35 Grams

For Gold: 7.5 Tolas / 87.479 Grams

Zakat will be worked out as follows:

[Number of Tolas / Grams x cost of 1 Tola / Gram (Silver / Gold)] multiplied by 2.5 % = Zakat amount

## **2.8 Zakat Rules/ Regulations**

### **Who will pay Zakat?**

The first schedule of the Zakat & Ushr Ordinance provides details about assets subject to levy of Zakat, the rates and basis for computing the amount to be deducted as Zakat. Zakat shall be charged and collected from every person, who on the valuation date was *Sahib-e-Nisab*.

### **Who will not pay Zakat?**

If a person proves, in the prescribed manner, to the satisfaction of the Local Committee of the locality where he/she ordinarily resides that he/she was not a *Sahib-e-Nisab* on the valuation date or was not in ownership or possession of assets of the value of *Nisab* for the whole of the preceding Zakat year, Zakat shall not be so charged and collected from him/her, or if collected, shall be refunded to him/her in the prescribed manner.

No Zakat shall be charged and collected from the assets of a person who died on or before the deduction date.

No Zakat will be charged from a non-Muslim.

No Zakat will be charged if a person is not a citizen of Pakistan.

No Zakat shall be charged or collected on compulsory basis, in respect of any of the assets mentioned in the First Schedule which:

- (a) Have been acquired against payment in foreign currency; or
- (b) Are maintained in foreign currency and the return on which and the value on encashment/redemption or withdrawal of which, is payable in foreign currency.

The Federal Government may, by notification in the official Gazette, exempt any class of bonds or certificates issued by the Federal Government or a statutory corporation, a company or other enterprise from deduction of Zakat on compulsory basis [Source: *Zakat and Ushr Ordinance, 1980 (NO.XVIII of 1980) Corrected up to 1st October, 2007) Ministry of Religious Affairs, Zakat and Ushr Government of Pakistan*].

## **3. Administration and Management of Zakat**

Zakat is administered and managed at three tiers in FATA; FATA Zakat Council, Agency Zakat Committee and Local Zakat Committee(s). The FATA Zakat

Council is constituted at the FATA Secretariat level. In each Agency/FR, Agency Zakat & Ushr Committee is to be constituted by the FATA Zakat Council. Local Zakat Committees are constituted in the supervision of concerned Agency Zakat Committee.

This chapter provides formation and functions of these tiers. It also includes charge and collection of Zakat, non-admissibility of Zakat, methods of Zakat fund distribution from the Federal Government to provinces/FATA, head-wise usage ratio of Zakat funds, rates of scholarship for general education and classification of *Deeni Madaris* and their scholarship rates.

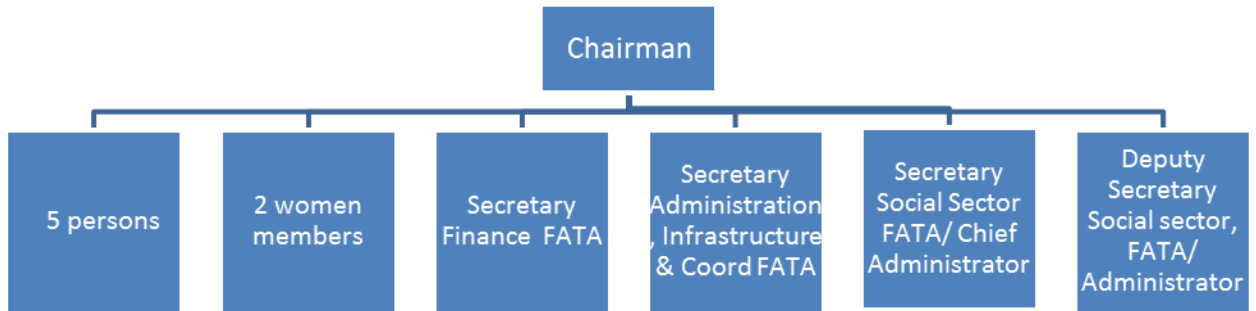
### **3.1 FATA Zakat Council**

#### **Formation:**

The FATA Zakat & Ushr Council consists of:

- a) A Chairman
- b) Five persons, of whom four are Islamic scholars
- c) Two women members
- d) Secretary Finance Department, FATA
- e) Secretary Administration, Infrastructure & Coordination Department, FATA
- f) Secretary Social Sector Department, FATA; who by virtue of his/her post also works as Chief Administrator of the Council
- g) Deputy Secretary Social Sector Department, FATA; who by virtue of his/her post also works as Administrator of the Council

The organogram of the FATA Zakat Council is provided below:



### **Eligibility of members/ chairman:**

The Chairman of the Council should be a permanent resident of FATA, and a former Judge of the High Court or a retired civil servant to be nominated by the Governor of Khyber Pakhtunkhwa, in his/her capacity as an agent to the President of Pakistan. The Chairman and members of the FATA Council are to be:

- ✓ Muslim
- ✓ Bona fide residents of FATA
- ✓ Not less than 45 years of age.

The Chairman or a member of the Zakat Council, not being an ex-officio member, may resign from his/her office by writing in his/her own hand writing.

The Chairman or a member has to continue to hold office until his/her resignation is accepted by the Governor.

Any vacancy in the office of Chairman or member, other than an ex officio member, is to be filled of a person qualified to hold the office.

### **Functions:**

- Laying out rules for administration of Zakat & Ushr
- Issuance of policy instructions
- Allotment of Zakat funds to agencies/ FR Zakat & Ushr Committees
- Overseeing of Zakat affairs/ issues

### 3.2 Agency Zakat and Ushr Committee

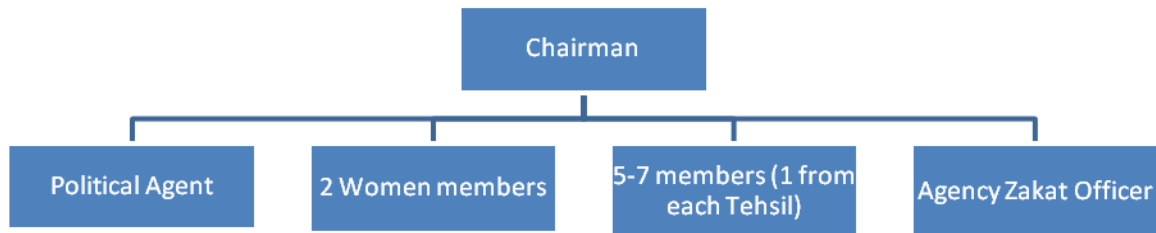
In each agency/ FR, Agency/FR Zakat and Ushr Committee are to be constituted by the FATA Zakat Council

#### Formation:

The Agency Committee consists of:

- A Chairman, who shall be a non-official
- Political Agent
- Two women not less than 45 years of age
- One non-official member from each Tehsil or sub division in the agency

The Organogram of the Agency Zakat & Ushr Committee is provided below:



Where the number of Tehsil or sub division is less than 5, the number of members other than the Chairman and the two women, shall be raised to seven.

The Agency Zakat Officer shall be the Secretary of the Committee

The Chairman of the Agency Zakat Committee shall be nominated by the FATA Zakat Council in consultation with the Political Administration and members shall be nominated by the FATA Zakat Council in consultation with the chairman.

#### Eligibility of members/ chairman:

The Chairman and members of the Agency Zakat shall have/ be:

- Passed secondary school certificate
- Good moral character
- Abiding and practicing Muslim

- Bona fide residents of the concerned agency/ FR
- Not less than 45 years of age
- Known for financial integrity and
- Not involved in any anti-social activities

The Chairman and members of Agency Committee shall hold office for a term of 3 years and shall be eligible for re-appointment.

In the event of delay in the constitution of a new committee, the government may ask the Agency Committee to continue to function for a period, not exceeding six months, after expiry of its office.

The Agency Committee shall hold meetings of the Committee at least once every three months.

**Functions:**

- a) Oversee the administrative organization of Zakat, assessment of Ushr and Atiyyat and the utilization of Zakat Fund
- b) Prepare and maintain accounts of the Agency Zakat Fund in a prescribed manner
- c) Arrange an audit of the Agency Local Zakat Funds
- d) Any other function assigned by the government or FATA Zakat and Ushr Council

### **3.3 Local Zakat and Ushr Committee**

A local Zakat and Ushr Committee shall be constituted for:

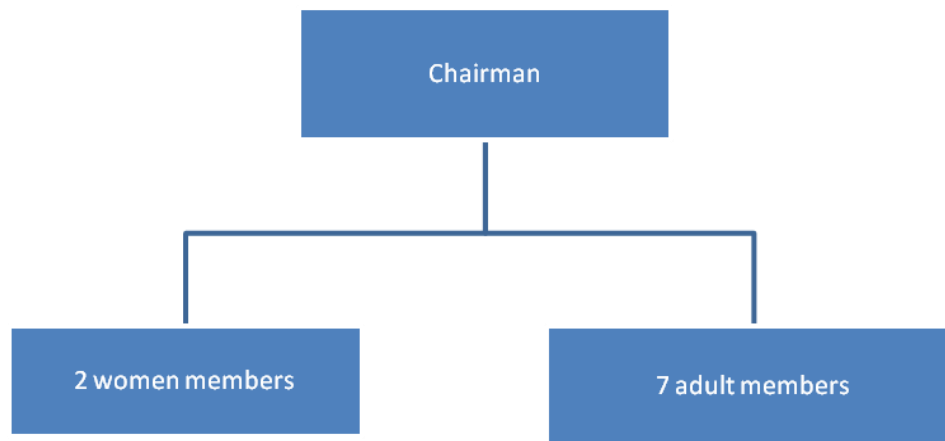
- a) Each revenue estate or Census Area/ Block in FATA
- b) Each *Deh* or village in FATA
- c) Each ward in urban area

**Formation:**

In case population of a revenue estate (Census Area/ Block) /Deh/ village) is too large, the FATA Zakat Council may divide it into two or more localities. In case of a smaller population, these can be grouped after constitution of a local committee to cover a population of ten (10) thousand.

The Local Zakat Committee follows guidelines issued by the FATA Zakat Council and Agency Zakat Committee. Local Committee consists of 9 members, including 2 women, not less than 45 years of age and who are Muslims, bona fide residents of the area and selected by the residents of the locality.

The Organogram of the Local Zakat Committee is as follows:



**Selection of Members and election of Chairman:**

The Agency Zakat Committee may constitute a team of three or more persons, including at least one officer, one *Alim-e-Deen* (religious scholar) and one member of the Agency Zakat Committee to organize a gathering of adult Muslims to select 7 members having secondary school certificates, financial integrity and not engaged in favouritism/ nepotism.

The members of a local committee shall elect one of their members as the chairman. In case of equal number of votes, result of election is to be determined by drawing lots.

Any adult resident may appeal to the Agency Zakat Committee, if aggrieved on the result of the proceedings for the selection of chairman or member.



Chairman and member shall hold office for a term of 3 years and shall be eligible for re-selection.

The Chairman shall not be eligible to hold office for more than two consecutive terms of three years each.

In event of delay, the Agency Zakat Committee may ask a Local Committee to continue to function for a period not exceeding 6 months after expiry of the term of its office.

**Functions:**

The functions of Local Zakat Committees are given below:

- a) To determine Istehqaq for:
  - (i) Subsistence Allowance
  - (ii) Rehabilitation directly or through *Deeni Madaris*, educational, vocational and social welfare institutions
  - (iii) Treatment through public hospitals, charitable institutions and other institutions providing health care
- b) Collect voluntary Zakat, Ushr and Atiyyat and deposit the moneys in the Agency Zakat Fund
- c) Prepare and maintain accounts of Local Zakat Fund in the prescribed manner

**3.4 Presiding over Meetings**

In case of absence of the Chairman, the meetings are to be presided by the following:

- I. Chief Administrator in case of FATA Zakat Council
- II. Political Agent in case of Agency Zakat Committee

### 3.5 Charge and Collection of Zakat

Zakat in respect of assets mentioned in the first schedule of Zakat Ordinance is charged and collected on a compulsory basis for each Zakat year at the prescribed rates and manner.

In case, a person proves in the prescribed manner to the satisfaction of Local Zakat Committee, that he was not *Sahib-e-Nisab* on the valuation date, Zakat shall not be charged and shall be refunded in case of collection.

### 3.6 Method of Zakat Funds Distribution from Federal Zakat Fund to Provinces/ FATA

The Federal Zakat Fund issues funds to provinces/ FATA on the basis of population. Its details are given below in table 1:

**Table 1: Method of Zakat Funds Distribution**

S.#	Province/ Area	Population ratio
	Punjab	57.36%
	Sindh	23.71%
	Khyber Pakhtunkhwa	13.82%
	Baluchistan	5.11%
	FATA	2.0%

**Note:** Agency Zakat Committees too receive their share of the Zakat Funds as per their population ratio allocated for FATA.

### 3.7 Head-wise allocation ratio of Zakat Funds

The Agencies Zakat Committees, after receiving their allocated share of the FATA Zakat Fund as per their population ratio, allocate the funds to the following heads for distribution. Its details are given below in table 2:

**Table 2: Head-wise allocation of Zakat Funds**

S. #	Description	Ratio
1	Subsistence (Guzara) Allowance	50%
2	Educational Scholarships	18%
3	<i>Deeni Madaris</i>	8%
4	Health Institutions	6%
5	Marriage Assistance	8%
6	National Level (Tertiary Care) Health Institutions	10%
	<b>Total</b>	<b>100%</b>

### 3.8 Zakat Disbursement Procedures

#### 3.8.1 Guzara Allowance

*Istehqaq* for payment shall be determined by the concerned Local Zakat Committee.

#### Eligibility criteria:

- An adult Muslim, permanent resident, living below poverty line (Rs. 670/- p/m), with preference to widows and disabled.
- Unemployed, should not be a habitual beggar.
- Before certifying *Istehqaq*, the beneficiary will furnish the declaration that he/she is not receiving assistance out of any other government assisted program.

#### Disbursement Procedures:

- **Payment shall be made to *Mustahqeen* through crossed cheques by the respective Local Zakat Committee** in the presence of notables of the area, which may include Imam Masjid and Head of School.
- The cheques will be issued for the whole of the currency period, at the monthly rate of Guzara Allowance, not exceeding the currency period of six months i.e. Rs 3000.00. In cases where the *Istehqaq* of a beneficiary is renewed after the currency period of 6 months, a fresh cheque will be issued.
- It shall be the responsibility of the chairman of the Local Zakat Committees to ensure that Zakat Paid Clerks/Group Secretaries or any other person is

not involved in the payment of Guzara Allowance and cheques are not delivered through them.

- The rate of Guzara Allowance shall be Rs. 500/- per month per Mustahiq.
- Not more than one Mustahiq will be selected from the same household for the sanction of Guzara allowance.
- A two percent quota of funds allocated under Guzara Allowance will be reserved for the disabled (As approved by Central Zakat Committee in its 84<sup>th</sup> meeting held on 26<sup>th</sup> January 2002).

### 3.8.2 Educational Stipends:

Zakat assistance may be provided through such schools, colleges, universities, polytechnic and other educational training and professional institutions in Pakistan as are established or recognized by the Government or established in the private sector purely for charitable or social welfare purposes.

*Istehqaq* of a student shall be determined by the Local Zakat Committee. The students (both boys & girls) have the option to apply for the *Istehqaq* directly or through parent/guardian/head of an educational institution. For this purpose, the student will use a prescribed Zakat Scholarship Form titled “MORA Scholarship” Form No. MORA-1.

In addition, the Local Zakat Committee of the area where the educational institution is located will also be competent to issue *Istehqaq* certificates to eligible students. (as decided by 89<sup>th</sup> Central Zakat Council on 7<sup>th</sup> June, 2003)

The rate of stipends as approved by the Central Zakat Council in its 84<sup>th</sup> meeting held on 26<sup>th</sup> Jan, 2002 shall be as follows: Its details are given below in table 3:

**Table 3: Rate of Stipends**

S.No.	Level of Education	Rs. Per Month
1	From Primary to Middle	75
II	High School	112
III	Intermediate and Graduate level	375
IV	Post Graduate	750
V	Engineering/Medical Colleges and Engineering universities	874
VI	Computer Sciences	874

The stipends shall be paid in the form of “Zakat Annual Grant” to the educational institution recommended by the concerned Agency Zakat Committee (AZC) and

approved by FATA Zakat Council (FZC). Form MORA-2 will be used to calculate the size of grant to an educational institution.

MORA Scholarship Committee will hold a Performance Review Meeting every six months. Depending upon the performance of the student, the committee will decide whether to continue the scholarship or cancel it for the remaining period. A list of students deleted from the scholarship program will be supplied to the Agency Zakat Committee and funds relating to them will be refunded to the FATA Zakat Fund. The scholarship will be renewable for the next academic year, subject to approval of the Agency Zakat Committee for additional funds needed due to the promotion of the student to a higher class and thereby to a higher stipend bracket.

The following steps will be followed for making payment of the MORA Scholarship to a deserving student:

**Step-1:** After approval of the Annual Zakat Grant for an institution, the concerned Agency Zakat Committee will release it on bi-annual basis, ensuring that the first installment is transferred to the institution within 30 days of the commencement of the academic year in that institution through cross cheques in the name of the Head of the Institution (by designation) or to a person nominated specifically for this purpose by that institution.

**Step-2:** On receipt of the cheque, the head of the institution will open a current account in a scheduled bank, titled "MORA Scholarship Bank Account". It will be operated jointly by the head of institution and a nominated officer.

**Step-3:** Within 15 days of the receipt of the MORA Scholarship Grant, the MORA Scholarship Committee will hold a meeting to disburse scholarships to student approved by the FATA Zakat Council. The Payment shall be made in cash on a monthly basis, under a prescribed receipt, duly signed by the student. The specimen of the receipt will be as in Form MORA-3.

The composition of MORA Scholarship Committee shall be as under:

1. Head of Institution
2. Class Teacher
3. Nominated member of Agency Zakat Committee or Chairmen Local Zakat Committee within whose jurisdiction the institution is located or a member of that committee (LZC) nominated by the Chairman Agency Zakat Committee.

**Step-4:** A proper record for audit purposes will be maintained of the total grant received and payments made monthly. The particulars of the students will be recorded in the register of payments.

**Step-5:** On receiving payment, the student will use it for fees, course books, course stationery and study material only.

The Zakat funds are disbursed by the Agency Zakat Committee according to following proportion as details given in table 4:

**Table 4: Proportion for Zakat Funds Disbursement**

I	Primary to Matric	50%
II	Science, Arts & Professional Education	25%
II	Higher Education	25%

(a) At least 25% scholarships at all levels are earmarked for *Mustahiq* girl students.

(b) The *Mustahiq* students of Arts from Matric to Post-graduate level will also be eligible for stipends from Zakat funds.

The stipend sanctioned for a student shall be discontinued on the recommendations of the MORA Scholarship Committee concerned if his/her conduct or performance is found to be unsatisfactory.

### **3.8.3 Educational Stipends (Technical):**

The objective of educational stipends (technical) is the creation of income generating opportunities for poor students by providing appropriate vocational or technical training to them

#### **Eligibility Criteria:**

- Unemployed adult, living below poverty line( Rs. 670 per month) and aged between 18-35 years
- Possesses minimum qualifications set for admission into the training course by the training institute (by whatever name called)
- Capable of self-employment without further support under any Zakat disbursement program

### **Rate of stipend/ Scholarship**

A maximum monthly amount of Rs. 1000/- per student shall be payable as MORA Scholarship. Where necessary, the ceiling will be relax-able for reasons to be recorded in writing by the MORA Scholarship Committee, subject to the final approval of the concerned Agency Zakat Committee. In addition, a one-time grant of Rs. 5,000/- will also be paid to each student for the purchase of required tools/equipment that would help him/her in becoming self-employed on the basis of training received and skills acquired. This payment will be made to the student only after the successful completion of training courses.

### **Categorization of Training Institutes**

Any training institute established or recognized by the Provincial or Federal Government or being run in the private sector (subject to recognition of its diploma/certificate by the Provincial/Federal Government or any other competent body so authorized) shall be eligible to receive the Annual Zakat Grant.

### **Application procedure**

Application forms, MORA-1 (Technical) will be kept in sufficient quantity at AZCs and also distributed to the training institutes on demand. Every AZC will maintain a list of institutes located in its jurisdiction. Every year, well before the start of an academic session they will be invited for enlistment with the AZC. Training Institutes not enlisted shall not be eligible for MORA Scholarships.

A consolidated list of the enlisted training institutes will be forwarded to the FATA Zakat Administration (FZA) for obtaining one-time approval of FZC. Once approved, the institutes shall continue to receive MORA Scholarship Grant year after year, unless their name is deleted or struck off by the AZC, for reasons to be recorded in the minute of its meeting under intimation to the concerned institute.

While applying for enlistment, the training institute shall also provide a comprehensive Training Plan for the whole year, based upon the types of training courses, their duration, minimum qualification requirements for admission to course, and the number of students it can accommodate in each course.

AZC shall invite applications for MORA Scholarship (Technical) from deserving persons through advertisement in the local press. The applications will be

submitted through the concerned LZCs which will forward them to AZCs after certification of Istehqaq. On receipt at the AZC, applications will be segregated course-wise and presented to its MORA scholarship committee, comprising of the members listed below in table 5:

**Table 5: Composition of MORA Scholarship Committee**

i)	Chairman, AZC	Chairman
ii)	Nominated member of AZC (He will also preside over the meetings of Committee in the absence of Chairman AZC)	Member
iii)	Principal or Head of Training Institute	Member
iv)	A senior member of teaching staff	Member
v)	AZO	Secretary

After approval by the Committee, the annual Zakat grant admissible to a training institute will be calculated and released to it in two equal installments. The first installment will be sanctioned a week or two in advance of the commencement of a course and the second installment immediately after its successful completion. The table at MORA-2 Technical shall be used to calculate the Zakat grant admissible to a training institute.

A **Monitoring Committee** of at least two AZC members shall be constituted to supervise the conduct of the course and the quality of training. The committee will also keep contact with course beneficiaries and comment upon their chances of permanent settlement after successful completion of training and award of diploma/certificates.

### **Allocation of Funds**

Funds will be allocated to the agencies on population basis, and released biannually. The release of second installment shall be subject to at least 50 percent utilization of the 1<sup>st</sup> installment.

A proper record for the purpose of internal and external audit will be maintained both by the AZC and the concerned technical institute separately to show, Names, addresses of students, Istehqaq Certificate number, and number and amount of scholarships paid.

At least 25 percent of scholarship at all levels shall be earmarked for eligible girl students.



## Selection of Courses

Every AZC will be competent to select its own vocational or technical training courses from those offered by the Provincial VTIs or other training institutes sector. Close coordination and consultation will be maintained with the concerned institutions for professional advice and guidance.

Without prejudice to the authority vested in them, the FZAs can consult the following guide-line list of courses being offered by the VTIs. Its details are given below in table 6:

**Table 6: List of Courses**

<b>Name of Courses</b>		
<b>Group-1 Computer Courses</b>	<b>Group –II Electronics Courses</b>	<b>Group –III Electrical Courses</b>
Computer Operator Data Base Auto CAD Desk Top Publishing Medical Transcriptionist Other Computer related course.	Radio Mechanic Radio/TV Mechanic Computer Hardware Instrumentation & Electronics Courses Any other Electronics Courses	Repair & Maintenance of Electrical Home appliances. Industrial Electrician Motor Winding Other related courses
<b>Group-VI Mechanical Courses</b>	<b>Group-V Textile Courses</b>	<b>Group-VI Commercial Trades</b>
Fitter Turner Milling Machine Operator Mechanic Welder Plumber Ref & Air Conditioning Mechanic Any other Mechanical courses	Computer textile Designing Spinning/Weaving Quality Checker/Control Process Operator Fitter Lab Technician Screen Printing Garments Stitching Management/Marketing Dying Printing Other courses relating to textile industry	Office Assistant Accounts Assistant Import/Export Assistant Sale Promoters/Salesman Telephone Operator/Receptionist Other related courses
<b>Group-VII Agriculture/Livestock Courses</b>	<b>Group-VIII Auto / Diesel Courses</b>	<b>Group-IX Health Care Courses</b>
Gardner/Mali Agriculture Technician Water Management/Land	Motor Cycle Mechanic Auto Mechanic Auto Electrician	Clinical Assistant Health Work Lab. Assistant

Leveling Tractor/ Farm machinery Operator Dairy Farming Artificial Insemination Animal Health Care Poultry Farming Meat Processing /Butcher Other related courses	Auto Air Conditioner Mechanic Diesel Engine Mechanic Tractor Mechanic Farm Machinery Mechanic Drivers Denting / Painting Tyre Repair/ Wheel Balancing Other Related courses	Other related courses
<b>Group-X Hotel &amp; Restaurant Services</b>	<b>Group-XI Construction Worker</b>	<b>Group-XII Furniture Making / Repair</b>
Commercial Cook Bakery worker House Keeper Other related courses	Mason/ Brick Layer Carpenter Painter Other related courses	Furniture Making Upholster Canning Polishing Other related courses
<b>Group-XIII Misc. Group</b>		
Tailoring/Dress Making Leather / Garment Stitching Carpet Making Cycle Mechanic Screen Printer Painter (Sign Board) Primary Teachers		

In order to complement the agency implementation plans, the technical institutes will prepare Technical Plans, showing the details about number of courses available, fee and duration, time-table of each course with dates of commencement and closure, number of beneficiaries, who can be accommodated in each course, day and night shifts, minimum admission eligibility requirements of each course and age restrictions, if any. Each training Institute will submit an Implementation Status Report to the FATA Zakat Administration at the conclusion of each course.

#### 3.8.4 Stipends to Students of Deeni Madaris:

*Istehqaq* shall be determined by the respective Local Zakat Committee. The students (both boys & girls) have the option to apply for the *Istehqaq* Certificate directly or through parent / guardian/ *Mohatamim* of the *Madrassa*.

The student will use a prescribed Zakat Scholarship Form titled “MORA Scholarship” Form No. MORA-1.

The rate of stipends shall be based on the status of a *Madarassah*, categorized as below:

- (i) Model Madaris Preferential rate
  - (ii) Madaris affiliated with Pakistan Madarassah Education Board (PMEB) Preferential rate
  - (iii) Registered Madaris whose syllabus is higher or equivalent to Pakistan Madarassah and recommendation of F.Z.C.
- Registered Madaris imparting deeni education only, (without affiliation with PMEBA or Adopting/following its curriculum): Ordinary rate
  - Madaris branded as promoting Extremism, sectarian violence or Militancy: No Financial Assistance.

Depending upon the above categories, the rates of preferential and ordinary stipends are as under:

**(a) Madaris belonging to categories I-III**

The rates of scholarships for different courses are given below in table 7:

**Table 7: Rates of Scholarships**

<b>Name of Course</b>	<b>Madaris category IV</b>
Primary to Matric 500/-	Hafizo Nazira 150/-
Above Matric and up to BA or equivalent. 750/-	Mougoof Aleh 375/-
M.A (or equivalent) and above 1000/-	Daura Hadith 750/-

Stipend shall be in the form of “Zakat Annual Grant” to Madaris recommended by the concerned Agency Zakat Committee (AZC) and approved by FATA Zakat Council (FZC). In determining the size of annual grant, the AZC will follow the guideline formula given below:

- Number of student certified as eligible for MORA Scholarships by the Local Zakat Committees.
- Number of students recommended for MORA Scholarship by “MORA Scholarship Committee” of the Madarassah.

Form MORA-2 will be used to calculate the size of grant to a Madarassah.

The procedure for performance review meeting and making payment of MORA scholarship will be similar to the educational stipend.

A Deeni Madrassah approved for annual Zakat grant will be eligible for additional financial assistance to meet the expenditure on food accommodation and clothing's of the resident Mustahiq students. This grant will be called as Miscellaneous Expenditure Grant (Food, Accommodation and Clothing's) and will be calculated as under:

- For Deeni Madaris in Cat 1 to III: Equal to the total amount of MORA
- Scholarships approved for the Madarassah.
- For Deeni Madaris in Cat. IV: 50 percent of the total amount of MORA. Scholarship approved for the madarssah

The accounts of Miscellaneous Expenditure Grant (Food, Accommodation and Clothing's) will be maintained in a separate register:

**A. Food Charges (on daily basis):**

Date	No of students served	No of meals served( Breakfast, lunch, dinner)	Total daily expenditure on Meals

**B. Accommodation Charges (on monthly basis)**

Name of Month	No of resident students	Electric charges (share of hostel only)	Gas Charges (share of hostel only)	Furniture, if supplied	Total

**C. Clothing Charges (on monthly basis)**

Name of month	No of resident students	Expenditure on new clothes	Washing charges	Total

Mohtamim will maintain proper accounts of both the MORA Scholarships as well as Miscellaneous Expenditure Grant separately, on daily and monthly basis, as the case may be. The accounts will be open to both external and internal audit, Mohtamim of Madrassa will be personally responsible to rectify the irregularities pointed out during audit inspection, as also to settle the audit observations to the satisfaction of audit.

Audit of Zakat funds provided to the Madaris under heads MORA scholarship and Miscellaneous Expenditure Grant shall be carried out on regular basis.

There shall be no condition of registration of Deeni Madaris with Auqaf Department.

**National Level Deeni Madaris (NDMs).** Deeni Madaris of National Level Status will have the option of getting them registered with the Central Zakat Council for direct financial assistance of MORA Scholarships and Miscellaneous Expenditure Grant (Food, Accommodation and Clothing's). The following criteria will apply to qualify the NDM status.

- Minimum enrolment of 500 students
- Affiliation with Pakistan Madarssa Education Board
- Open admission policy to encourage students from the four provinces. Islamabad Capital Territory and Northern areas
- Clear policy against extremism, sectarianism and Militancy

### **3.8.5 Health Care – National Level**

The Istehqaaq shall be determined by the Local Zakat Committee of a Mustahiq patient's area of permanent residence. However, if the Mustahiq may have shifted to another residence in his original district of more than 15 days, the local Zakat Committee of the area of his/her temporary residence shall also be competent to determine his/her Istehqaaq.

In emergency cases where Mustahiq patient requiring emergency treatment is unable to produce Istehqaaq certificate for Local Zakat Committee, any member of the health Welfare committee of the hospital may determine Istehqaaq of such a patient on the guarantee of some relative, friend or other reliable person. After emergency treatment, the Mustahiq patient shall have to produce the Istehqaaq certificate, failing which all expenditure on the emergency treatment shall be borne by him and the Mustahiq will be black listed for any future assistance under Zakat programs.

The members of the Central Zakat Council shall be competent to determine Istehqaaq of a poor patient for emergency treatment at a national Level health institutions/Hospitals located in the area of their residence.

Zakat funds for the purpose of medical treatment shall not be provided to beneficiaries in cash. They will be entitled to free medical treatment only to the extent of Zakat funds available in hospital as well as their equitable utilization on all Mustahiq patients.

The following ceilings shall apply for the free medical treatment of a Mustahiq:

Indoor patients: Rs. 3000/-  
Outdoor patients: Rs .2000/-

For medical treatment involving expenditure higher than the ceiling, the Health Welfare Committee (HWC) of the hospital will be competent to relax it up to the requisite limit, on merit, ensuring that the principle of accommodating maximum number of Mustahiq patients is not compromised by admitting the expensive treatment of the few.

The composition of the Health Welfare Committee shall comprise of Medical Superintendent/Convener Chairman, Senior Doctor Member, Chairman, District Zakat & Ushr Committee or his nominee and Social Welfare Officer Secretary

The authority and responsibility of Health Welfare Committee shall be as follows:

- Approve expenditure incurred within the prescribed ceiling.
- Approve relaxation of ceiling in cases requiring excess expenditure.
- Satisfy proper maintenance of accounts and submission of monthly utilization reports under their signatures.
- Review audit objections and expedite action for their settlement.

#### **Utilization of Zakat Funds:**

As a rule Mustahiqeen are to be provided by the institution with the facility of treatment, medicine and other assistance free of cost.

Zakat funds shall be utilized by the committee for Medicines (including blood), Medical treatment (including operation), Laboratory tests, Bed in general ward, Artificial limbs, expenditure on the transportation of the patient from the institution to another or any other item (excluding cash grant) approved by the Committee provided these items/ facilities are not available.

Zakat money shall not be utilized for providing health assistance to person (including dependents) who is entitled to receive medical treatment at the cost of his employer or under any other arrangement.

### 3.8.6 Health Care –DHQs/ THQs/ RHCs

The determination of Istehqaq and dealing with emergency cases without Istehqaq certificate are similar to the healthcare – national level.

Zakat funds for the purpose of medical treatment shall not be provided to beneficiaries in cash. They will be entitled to free medical treatment only to the extent of Zakat funds available in hospital as well as their equitable utilization on all Mustahiq patients.

Subject to prior approval of FATA Zakat Council, funds will be released to AZCs on population basis. The AZCs in their turn will transfer funds to hospitals on the basis of share of each to be calculated as under:

DHQ -Rs. 20/- (instead of Rs. 07/- per bed per day)

THQs -Rs. 15/- (instead of Rs. 05/- per bed per day)

BHUs/RHCs Funds in balance after their release to DHQs and THQs (as per their share) will be distributed equally among all LZCs for their transfer to BHUs/RHCs functioning in their area.

The following ceilings shall apply for the free medical treatment of a Mustahiq:

Indoor patients: Rs. 3000/-

Outdoor patients: Rs. 2000/-

For medical treatment involving expenditure higher than the ceiling, the Health Welfare Committee (HWC) of the hospital will be competent to relax it up to the requisite limit, on merit, ensuring that the principle of accommodating maximum number of Mustahiq patients is not compromised by admitting the expensive treatment of the few. The composition of Health Welfare Committee is given below in table 8:

**Table 8: Composition of Health Welfare Committees**

At DHQ Level	At THQ Level	At BHU/RHC Level
Medical Supdt/Convenor Chairman	Medical Officer/In charge Chairman	Medical Officer/In charge Chairman
Senior Doctor Member Chairman, DZC or his nominee Member	Chairman, LZC or his nominee Member	Chairman, LZC or his nominee Member
Social Welfare Officer Secretary	Admn. Officer/In charge Member	Dispenser Member (Dispenser may act as convenor in absence of Medical Officer In charge).

The authority and responsibility of HWC is similar to the health care – national level.

**Utilization of Zakat Funds:** The Zakat funds will be utilized for the purposes as mentioned under health care – national level.

- Free medical treatment at BHUs/RHUs will be restricted to Outdoor Patients only and up to the limit of Rs. 400/- per Mustahiq patient.
- Funds of BHUs/RHUs will be released on biannual basis (Two Installments).
- Monthly utilization reports will be submitted by BHUs/RHUs to their respective Local Zakat Committee. Failure on this account shall lead to with-holding of the next installments.
- Before releasing funds to BHUs/RHUs, the Local Zakat Committee will satisfy that the unit is actually functioning.

### **3.8.7 Marriage Assistance to unmarried Mustahiq Women**

**The Istehqaq of needy women shall be determined by the Local Zakat Committee of her area of residence.**

Generally, the permanent address of the beneficiary will be treated as the area of her permanent residence. However, if there has been any change in her address, the Local Zakat Committee of the area of her new residence shall be entitled to determine her Istehqaq, provided she has been staying at the new address for more than a year.

In case a Mustahiq woman has been residing at a Darul Aman or any other Registered Social Welfare Institution, her Istehqaq will be determined by the Local Zakat Committee of the area, where that institution may be located.

In determining the Istehqaq of a Mustahiq woman, the Local Zakat Committee will be guided by the following criteria:

- (i). The beneficiary is an adult Muslim, who is dependent upon her parents or guardian or a social welfare institution for her subsistence.
- (ii) If living with the parents or the guardian, their financial position is such that they cannot afford the expenses of her marriage.



Total assistance for marriage of a Mustahiq woman shall be Rs. 10,000/- which will be made at once and not in installments through a crossed cheque in the name of / beneficiary only.

Cheque will be delivered to the beneficiary by a female member of Local Zakat Committee. If no female member be present, the male members or Chairman of the Committee will present the cheque to her, in the presence of notables or witnesses, which may include Imam Masjid and Head of local School. Zakat Paid Clerks I Group Secretaries will not be involved at any stage of payment.

A copy of Nikkah Nama will be obtained for record before payment.

After providing marriage grant the name of Mustahiq women will be struck off from the list of Mustahiqeen.

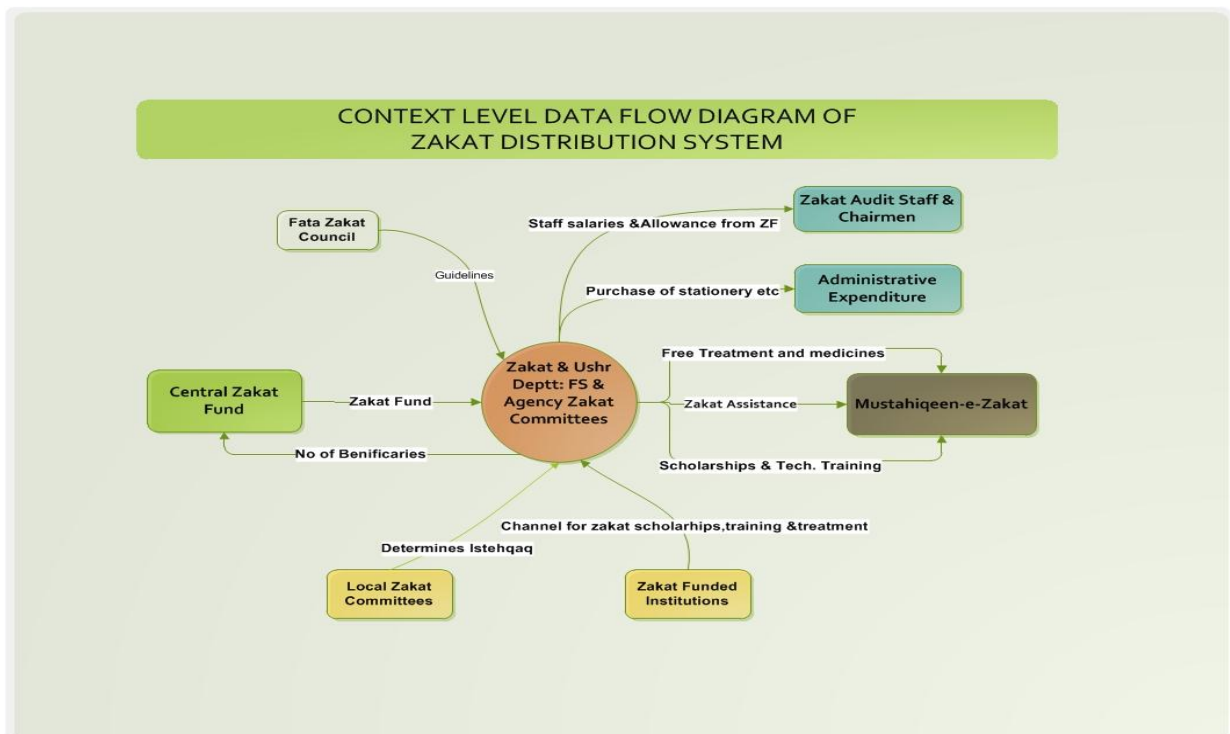
## 4. Funds Management

Funds management is the management of the cash flow of an institution. It relates with revenue or expense stream that changes a cash account over a given period. Cash inflows usually arise from release/ transfer of funds or occur as a result of donations. Cash outflows result from different expenses and transfers. The management of Zakat funds includes establishment of Zakat funds, Utilization of Zakat funds and Disbursement from Zakat funds. Funds Management enables to keep a particular check on the revenues and expenditures or funds-relevant transactions, the budget, and the financial equilibrium of the business, by comparing commitment and actual values with the current budget.

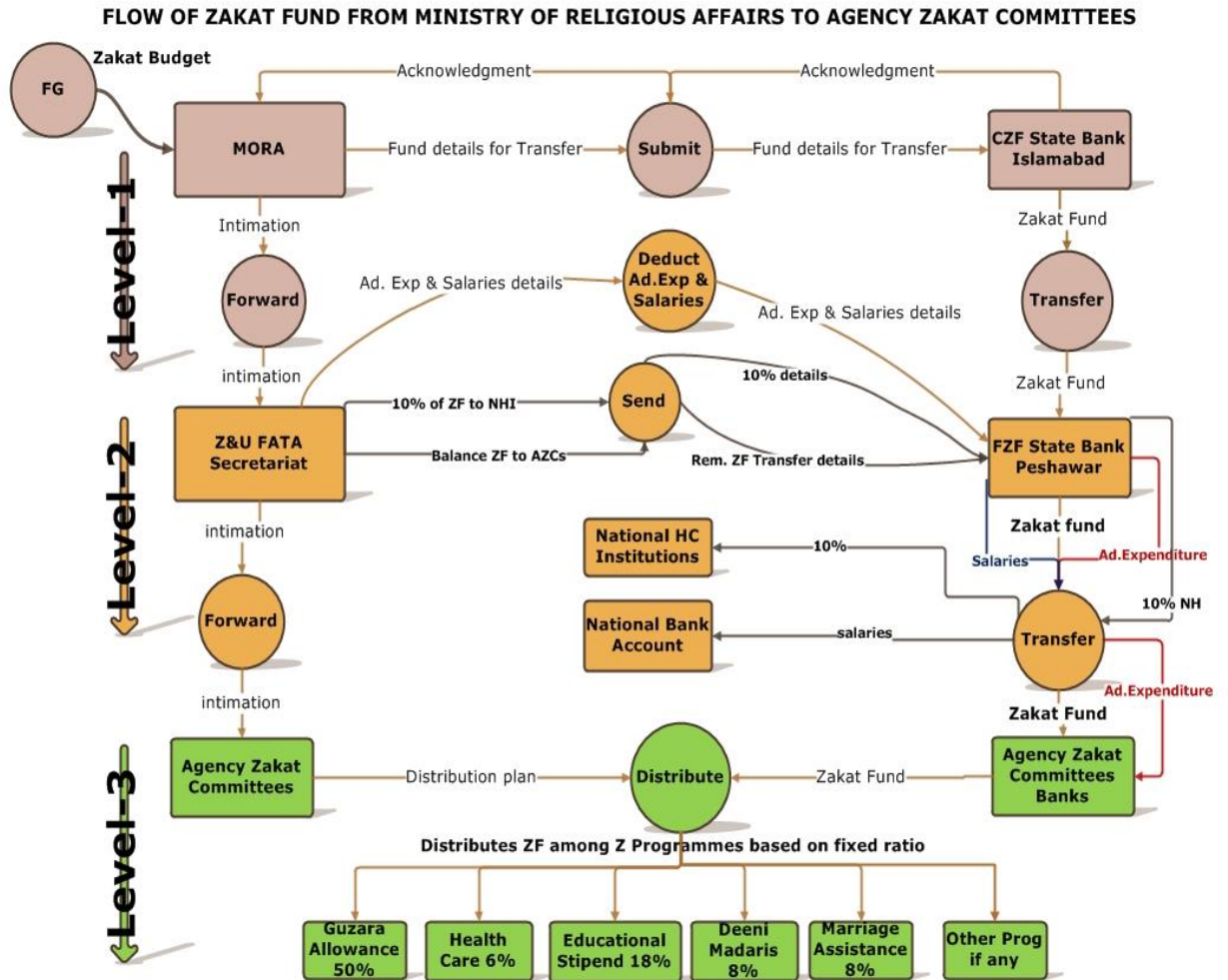
This chapter consists of funds flow, establishment of Zakat funds, banking procedure, deposits in bank account, disbursements, bank reconciliations and alternate arrangements where banks are not available. These funds management procedures are in line with Zakat Ordinance 1980 and Operational arrangement for Local Zakat Funds 1982.

### 4.1 Funds flow

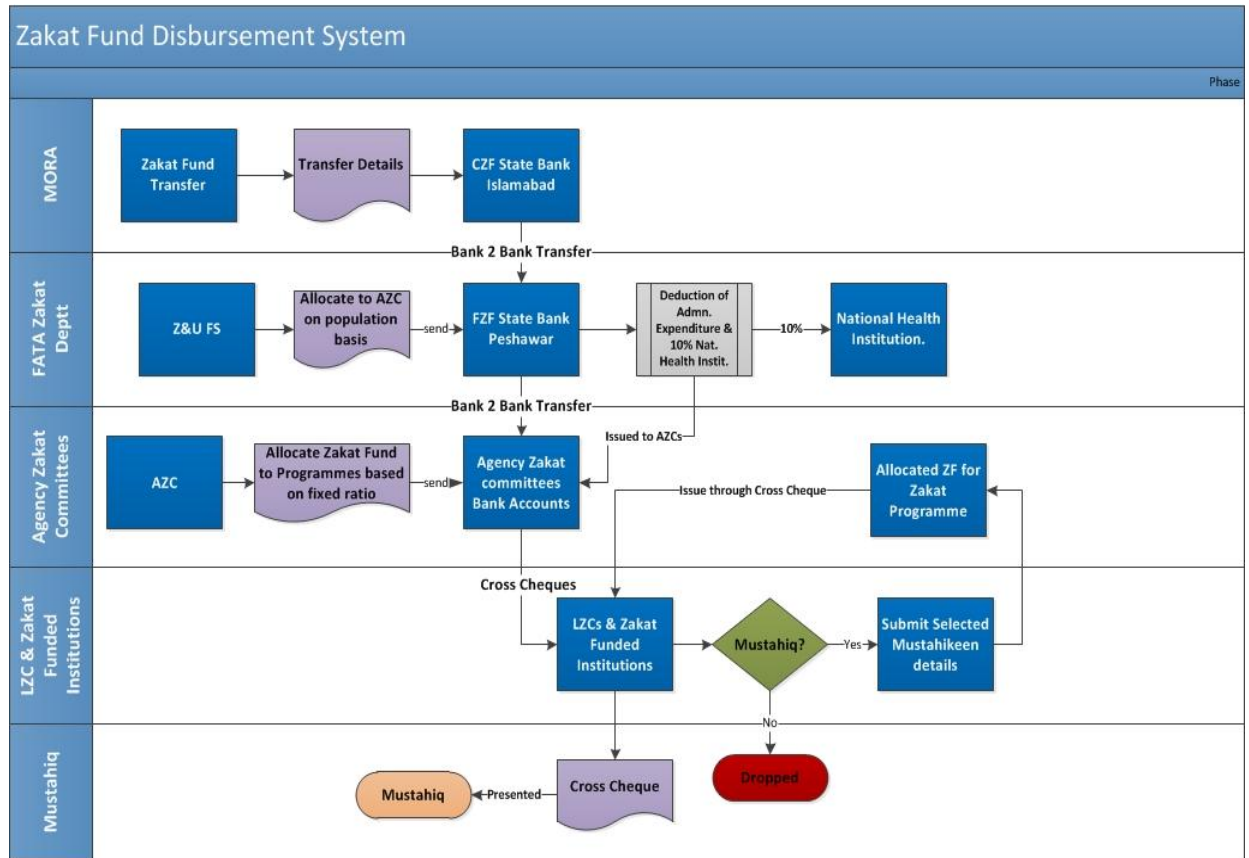
The funds flow for Zakat distribution is illustrated diagrammatically as follows:



The funds flow from Ministry of Religious Affairs to Agency Zakat Committee and distribution of Zakat funds among different programs is as follows:



Zakat Funds Disbursement System starting from the Ministry of Religious Affairs to Mustahiqeen is shown diagrammatically as follows:



## 4.2 Establishment of Zakat Funds

The Zakat Funds are established at four levels, Central Zakat Funds, FATA Zakat Funds, Agency Zakat Funds and Local Zakat Funds.

**Central Zakat Fund:** The Central Zakat Fund is established for the credit of the Zakat deducted at source, voluntary contribution of Zakat, transfers from Provincial Zakat Fund and grants, *Atiyyat* and any other receipts.

**FATA Zakat Fund:** The FATA Zakat Fund is established to credit transfers from Central Zakat Fund, voluntary contribution of Zakat, transfers from Agency Zakat Fund, transfers from Local Zakat Fund and grants, *Atiyyat* and any other receipts.

**Agency Zakat Fund:** Agency Zakat Fund is established to credit transfers from FATA Zakat Fund, voluntary contribution of Zakat, transfers from Local Zakat Fund and grants, *Atiyyat* and any other receipts.

**Local Zakat Fund:** Local Zakat Fund is established to credit transfers from Agency Zakat Fund, voluntary contribution of Zakat, and grants, *Atiyyat* and any other receipts.

### 4.3 Utilization of Funds

Section 8 of the Zakat Ordinance provides that the monies in a Zakat Fund shall be utilized for the following purposes.

- 4.3.1 Assistance to the needy, the indigent and the poor particularly the orphans and widows, the handicapped and the disabled, eligible to receive Zakat for their subsistence or rehabilitation, either directly or indirectly through *Deeni Madaris* or educational, vocational, or social institutions, public hospitals, charitable institutions and other institution providing health care.
- 4.3.2 Assistance to the needy persons affected or rendered homeless due to natural calamities like floods and earthquakes and for their rehabilitation.
- 4.3.3 Expenditure on the collection, disbursement and administration of Zakat and Ushr. However, the expenditure incurred on the administrative Division, Central Zakat Council; and Administrator, the FATA Zakat Council and Agency Zakat Committee is met by the FATA. The funds not exceeding 10% of approved budget shall be retained by the FATA Zakat Unit to meet the expenditure as approved by the FATA Zakat Council.
- 4.3.4 The banking and services connected with assessment, collection or disbursement of Zakat are provided free of cost.

The Zakat funds can be placed in non-interest bearing instruments.

### 4.4 Banking Procedure

#### **Opening a bank Account:**

It is primary responsibility of the Chairman and members of Local Zakat Committee to ensure the safest possible custody of the moneys. As soon as the

constitution of an LZC has been notified, the LZC meets to pass a resolution to open a profit and loss sharing saving bank account or a current account and Chairman, LZC writes to the bank manager concerned. The Chairman encloses the following documents with the request:

- a) A certified true copy of the notification formally constituting the LZC
- b) A certified true copy of the LZC resolution, duly signed by the Chairman and at least two sitting members of the LZC

The LZC uses the same account opening form as is used by a limited company for opening a bank account. Each LZC opens and maintains only one account.

As soon as LZC account has been opened, the LZC informs the FATA Zakat Council and Agency Zakat Committee of the account number given by the bank together with name, code number, and exact location of the bank and the date of opening the account.

Once the said account has been opened, it will not be shifted nor closed nor any other change in regard to its operations effected, except with the prior knowledge of and clearance from the FATA Zakat Council.

#### **4.5 Deposits in bank account:**

All deposits by or on behalf of the LZC to the credit of the LZC Account are accompanied by a duly filled-in, specially-designed pay-in-slips (form LZ-03) in three identical parts; Part-I, Part-II and Part-III. After recording acknowledgement of the deposit on these three parts, Part-III is returned to the depositor. Part-II is given to the LZC by way of credit advice and Part-III is retained by the bank as a credit voucher. (Specially designed pay-in-slips Form LZ-03 are supplied to the LZC by the concerned bank branch).

Each part of the pay-in-slip (LZ-03) indicate clearly the date of deposit, brief particulars of the deposit, the number and the name of the Head of Receipt to which the deposit relates, the amount of deposit and the particulars of the depositor.

The Heads of Receipts are as follows:

<b>Number</b>	<b>Name</b>
LZY-I	Ushr (UR)
LZY-II	Zakat Voluntary (ZV)

LZY-III Transfers from PZF (TRFP)

LZY-IV Grants, Atiyyat and Other Receipts (GAOR)

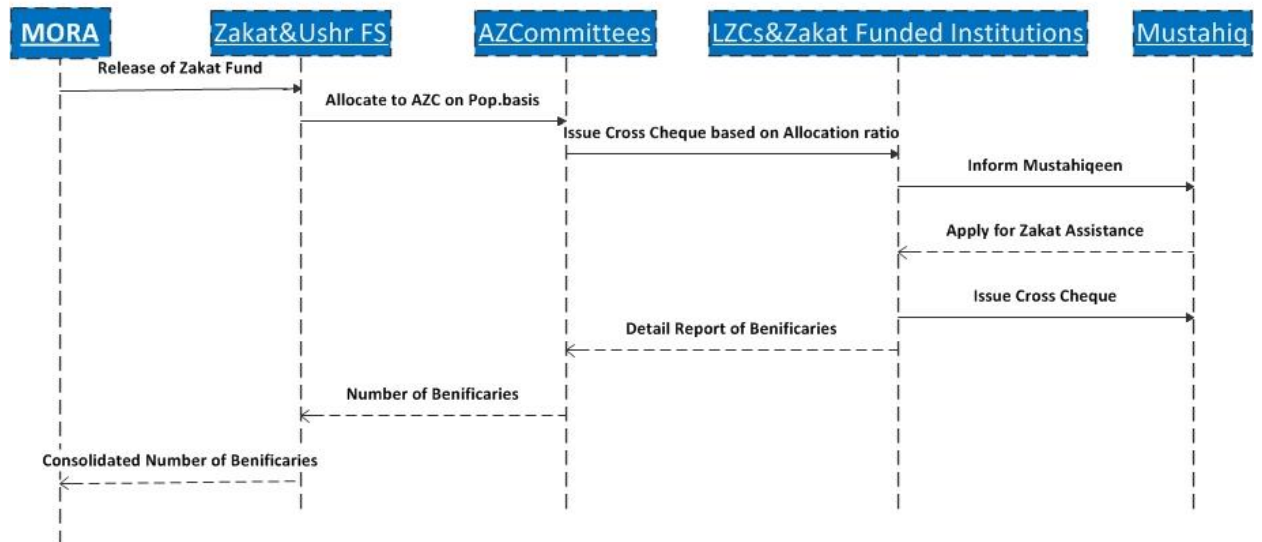
In case, the Head of Receipts is not available in respect of a receipt, the same is ascertained by the bank from the depositor, or where there is no depositor, e.g. in case of remittances received from outside, from the LZC.

One pay-in slip (deposit slip LZ-03) relates to only one and not more than one, head of receipt. Several amounts relating to the same Head of Receipt are covered by one deposit slip but amounts belonging to different Heads of Receipt, are covered by separate deposit slips.

All pay-in-slips and other forms of credit advice are kept by the Chairman LZC carefully, under lock and key, to be readily available for purposes of reconciliation, inspection of audit as and when required.

#### 4.6 Disbursements:

### Sequence Diagram for Zakat Disbursement System



4.6.1 No disbursement is made by a bank from an LZC Account, unless the same is authorized through a cheque duly signed by the Chairman and at least one member designated by the LZC.

4.6.2 The bank supplies to the LZCs standard cheque books with an additional column on each cheque for recording the heads of disbursement. For this purpose, the bank branches has the following rubber stamp made out and ensures that before the cheque book is issued to the LZC, this rubber stamp is affixed on each leaf immediately above the space for payee's name: Disbursement Head (LZX)-----“.

4.6.3 Each cheque invariably indicates clearly in a printed or rubber stamped column, the Head of Disbursement to which the amount authorized for payment relates. If such indication is, for some reason, not available the same is ascertained from the LZC before actual payment is made.

There are following four Heads of disbursements:

<b>Number</b>	<b>Name</b>
LZX-1	Assistance to Individuals (IND)
LZX-2	Assistance through Institutions (INST)
LZX-3	Administrative Expense (AEX)
LZX-4	Other Disbursements (ODs), including Transfers, if any, to PZF

4.6.4 As a rule, all cheques are to be crossed with words “A/C Payee only”, preferably printed or stamped on them. However, where an open cheque has to be issued for reasons unavoidable, it has to be made payable to a specified individual.

4.6.5 If a cheque is issued but not encashed within six months of the date of issue, it is treated as cancelled and a new cheque is issued in lieu thereof, if required so.

4.6.6 When a cheque is cancelled for any reason, it is marked “CANCELLED” across the cheque, along with dated initials of the LZC Chairman.

4.6.7 Counterfoils of used cheques, as also spoilt cheques duly cancelled are not be destroyed nor lost but retained carefully for inspection or audit, as and when required.



#### **4.7 Bank Reconciliations:**

On the 3<sup>rd</sup> of every calendar month, for the calendar month immediately preceding, the bank furnishes to the LZC, a Monthly Statement of Account. The bank uses the standard form of the monthly statement of account with the additional information in the "Particulars" column indicating the LZC account against each transaction. The identification of each transaction with an LZC Account Head is essential and bank managers ensure that this information is provided definitely in the monthly statement of account.

It is the duty of the Chairman LZC to see that the Monthly Statement of LZC account is received regularly and punctually and that the entries of the Bank Statement are duly reconciled with the relevant entries in the LZCs' record. While carrying out such reconciliation, due account is taken of the moneys in transit e.g. cheques deposited with the bank but not realized or cheques issued but not encashed by the bank.

#### **4.8 Alternative arrangements where banks are not available:**

In case of non-availability of a branch of a scheduled bank within reasonably workable distance of the LZC office, the LZC may open an account with a post office. The Chairman LZC may apply through the post office concerned to the Head Postmaster for opening a Public Account stating the subject and sources of income of the Fund and the name proposed for the Fund. The Chairman LZC has also to intimate the name of the person who will operate the account jointly with him.

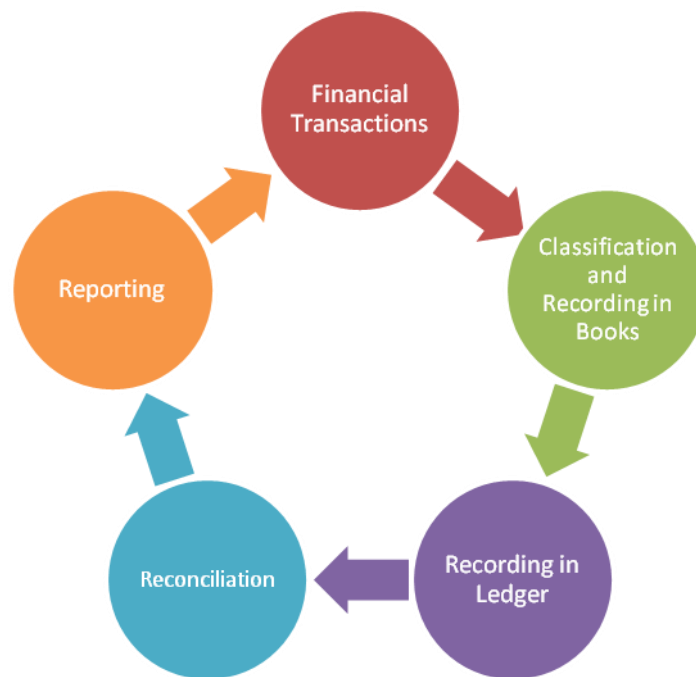
A Pass Book is issued in the name of the LZC which is to be presented at the post office for the purpose of every transaction in the account. For each subsequent deposit or withdrawal of money, the usual prescribed form is filled up indicating clearly thereon the relevant head of receipt or disbursement.

The Post Office records the relevant head of receipt or disbursement in the last column of the Pass Book. Similar remarks are recorded by the Post Master in the ledger.

In the first week of every month, the Chairman LZC prepares a statement showing date-wise particulars of deposit and withdrawal transactions taking place in the account during each calendar month and presents it to the Post Master for verification and return.

## 5. Accounting Procedures

Accounting is the systematic recording, reporting, and analysis of financial transactions of an institution. In accounting system, financial information is classified, recorded, reconciled and reported. This process is also known as accounting cycle. The financial transactions start with the receipt of funds, transfers or incurrence of expenditure and end with reporting of financial data in different reports according to the requirements. The accounting process may be presented diagrammatically as follows:



### 5.1 Maintenance and Operations of Accounts:

The accounts of FATA Zakat Funds are maintained and operated by the Chief Administrator in such form and manner as may be prescribed.

The accounts of FATA Zakat Funds are maintained by the State Bank of Pakistan, Peshawar under the head Deposit Account FATA Zakat Fund.

All financial transactions represented by receipts and payments are accounted for immediately whenever these take place. A “Receipts and Payments Account” of FATA Zakat Fund is prepared on weekly, monthly and yearly basis as the case may be, by the State Bank of Pakistan. These accounts will be a summary of the transactions as in the books of accounts of the bank and classified under suitable headings including the opening and closing balances.

The account of FATA Zakat Fund will also be maintained by FATA Zakat & Ushr Department at FATA Secretariat for the purpose of day to day reference and as a cross check on the account maintained by the State Bank of Pakistan.

## 5.2 Classification of Transactions:

A three digit numerical code will be used for recording an accounting entry under the head - receipts and payments. These numerical codes identify the broad classification to which a transaction relates.

A chart of accounts provided as follows, of the FATA Zakat Fund is used for the purpose of recording and classifying the transactions and preparing accounts of the FATA Zakat Fund.

<b>Chart of Accounts</b>		
<b>S. #</b>	<b>Major Heads</b>	<b>Account Code</b>
<b>Receipts</b>		
1	Transfers from Central Zakat Fund	300
2	Zakat Voluntary	310
3	Transfers from Local Zakat Fund	320
4	Grants, Atiyyat and other Receipts	330
<b>Payments</b>		
1	Transfer to Local Zakat Funds	400
2	Assistance through Deeni Madaris	450
3	Assistance through vocational educational institutions	460
4	Assistance through health institutions	470
5	Transfers to Central Zakat Fund	480
6	Other payments	490

A brief description of each of the above heads is given below:

**Transfer from Central Zakat Fund (Account Code 300)**

This head of accounts will be credited with the amount transferred from the Central Zakat Fund.

**Zakat Voluntary (Account Code 310)**

This account will be credited with the collections of Zakat paid on a voluntary and self-assessment basis in respect of the assets mentioned in the 2<sup>nd</sup> Schedule of Ordinance.

**Transfers from Local Zakat Fund (Account Code 320)**

This head of accounts will be credited with the amount, if any, transferred from the Local Zakat Funds to the FATA Zakat Fund.

The Local Zakat Committee shall transfer such amount through a crossed cheque to be sent along to the FATA Zakat Administration. The cheque shall be sent along with bank challan (form FZ-01) to the State Bank of Pakistan, Peshawar for crediting the amount to the FATA Zakat Fund Account.

**Grants, Atiyyat and other Receipts (Account Code 330)**

This head of accounts will be credited with the amounts received as grants, Atiyyat and other receipts for deposits into the FATA Zakat Fund Account. This head of account will have the following three minor heads:

- a) **Grants (Account Code 331):** This account will be credited with the amounts received as financial grants from government or from a semi-government or non-government agency for any specified or unspecified purpose. Grants will be credited through crossed cheque or authority letter in the State Bank of Pakistan accompanied by a bank challan following the same procedure as for depositing Zakat Voluntary.
- b) **Atiyyat (Account Code 332):** This account will be credited with voluntary donations to the FATA Zakat Fund. Atiyyat will be credited in any branch of a bank operating in Pakistan, post office, national savings center or an office/ branch of a financial institution accepting deposits, by following the same procedures as set out for Zakat Voluntary.
- c) **Other Receipts (Account Code 333):** This account will be credited with all other receipts which on account of their nature cannot be directly credited to any of the above specified heads of accounts. The amount will be

credited in any branch of a bank operating in Pakistan, post office, national savings center or an office/ branch of a financial institution accepting deposits, by following the same procedures as set out for Zakat Voluntary.

**Transfers to Local Zakat Funds (Account Code 400)**

This head of account will be debited with the amounts transferred from the FATA Zakat Fund Account to the Local Zakat Funds.

**Assistance through Deeni Madaris (Account Code 450)**

This account will be debited with the amounts spent in providing assistance through Deeni Madaris in the Tribal Areas.

**Assistance through vocational educational institutions (Account Code 460)**

This account will be debited with the amounts provided as assistance through vocational educational institutions.

**Assistance through health institutions (Account Code 470)**

This account will be debited with the amounts provided as assistance through health institutions

**Transfers to Central Zakat Fund (Account Code 480)**

This account will be debited with the amounts, if any, transferred to the Central Zakat Fund Account.

**Other Payments (Account Code 490)**

This account will be debited with all other payments which because of their nature cannot be directly debited to any other above accounts.

### **5.3 Operation of the Accounts**

The account will be operated as a rule, through cheques drawn on the State Bank of Pakistan to be signed jointly by any two of the following officers of the FATA Zakat Administration, as decided by the Chief Administration Zakat:

- Chief Administrator Zakat
- Administrator Zakat
- Accounts Officer Zakat

All cheques will be crossed cheques enfaced with words “Accounts Payee only” preferably printed or stamped on them.

Immediately, after a cheque is prepared, but before it is signed and its counterfoil initiated, its particulars will be entered in the Register of Payments (form FZ-03).

### **5.3.1 Procedure for funds transfer:**

For transfer of funds from the FATA Zakat Fund Account to the Local Zakat Funds Accounts, instead of FATA Zakat Administration issuing separate cheques to each Local Zakat Committee, the following procedure may be adopted:

The FATA Zakat Administration will send to the State Bank of Pakistan, Peshawar Office, Agency wise lists, in duplicate in form FZ-09, of the Local Zakat Committees along with the particulars of their bankers and account numbers, showing the amounts to be transferred to each Local Zakat Fund. The advice/cheque of the total amount to be transferred from the FATA Zakat Fund Account will also be sent along with the list. The advice and the lists on each page will be signed by the same two officers who are authorized to sign cheques.

### **5.3.2 Procedure for Zakat Voluntary:**

Zakat Voluntary to be paid by any individual or organization within or outside Pakistan into the FATA Zakat Fund Account will be credited in any branch of a bank operating in Pakistan, a post office, National Saving Centre or an office/branch of a financial institution accepting deposits.

The bank/office receiving the financial instrument will after realizing the cash, issue a receipt to the depositor on form FZ-22. The receipt will serve as the Zakat deduction certificate for claiming exemption from income tax.

The bank/ office will keep a record of such receipts on form-23.

The head office of the bank or other institution (which is also a Zakat Deduction Controlling Agency) after consolidating the amounts received from its branches/ subordinate offices, will deposit the same through challan on form FZ-25 in the office of the State Bank of Pakistan located at the headquarters of the FATA Zakat Administration. This amount will be deposited under the head “FATA Deposit Account No (GL-Code 315520 Child Category) FATA Zakat Fund. Three copies of the challan will be sent to the State Bank of Pakistan Office, which will return one copy after endorsing receipt of the amount, and the fourth copy will be sent simultaneously to the FATA Zakat Administration.

Out of two copies of form FZ-25 kept by State Bank of Pakistan, one will be retained for its record and other will be sent to FATA Zakat Administration along with monthly consolidated statement on form FZ-21.

Zakat Voluntary when received in the FATA Zakat Administration in the form of any negotiable instrument, like cheque, draft, order, in person or by mail, will be entered in a register (form FZ-02) and a provisional receipt will be issued to the remitter on form FZ-07. The receipt will be signed by an officer authorized in this behalf by the Chief Administrator Zakat. The receipt will be prepared in duplicate through carbon process, retaining carbon copy for office record. The cheque, etc. will be crossed in the name of FATA Zakat Administration, if not done already. The cheque etc. will be sent along with the bank challan (form FZ-01) to the State Bank of Pakistan, Peshawar for crediting the amount into the FATA Zakat Fund Account.

The clearance of the cheque etc. will be watched and the credit of amount to the FATA Zakat Fund when afforded will be recorded in the register. The remitter will then be informed of the credit of the amount in the FATA Zakat Fund and issued a Zakat Certificate on form FZ-08 which will be prepared in duplicate by carbon process and signed by an officer authorized by the Chief Administrator Zakat.

Zakat Voluntary will not be received in cash in the FATA Zakat Administration.

Each receipt or Zakat Certificate will relate to one head of receipt only.

**Miscellaneous:**

- The amount received in the form of cheques etc. for credit to the FATA Zakat Fund account will be deposited in the State Bank of Pakistan and a provisional receipt on form FZ-07 will be issued in favour of the person on whose behalf the cheque etc. is received.
- Zakat Certificate on form FZ-08 will be issued later after Bank credit advice has been received.
- Each bank challan will relate to one head of receipt only. Several amounts belonging to the same head of receipt will be deposited with one and the same challan but amounts belonging to different heads will be deposited through separate challan.

## 5.4 Recording in books of accounts

The FATA Zakat Administration will maintain the following books of accounts for keeping accounts of receipts and payments:

- Day Book of Receipts and Payments (form FZ – 06): All receipts and payments transactions occurring during the day will simultaneously be recorded in the book.
- Register of cheques and other financial instruments received for deposit into the FATA Zakat Fund Account (form FZ-02): Immediately on receipt of a cheque or other financial instruments, it shall be entered in this register and deposited, through the bank challan (form FZ-01) in the State Bank of Pakistan. The credit of the cheque etc. to the FATA Zakat Fund Account will be watched and entries will be made in the register when the credit has been afforded.
- Register of Payments (form FZ-03): Immediately on preparation of a cheque or payment advice, I shall be entered in this register. The date of actual debit to the FATA Zakat Fund Account will be watched and entered in the relevant column of the register.
- Register showing the consolidated position of FATA Zakat Fund Account (form FZ-04): In this register shall be entered on the first working day of the month following the month to which the accounts relate, the opening balance, receipts, payments and closing balance of the month as reflected in the accounts as communicated by State Bank of Pakistan on form FZ-21 will be entered in this register in the second line. After reconciliation of accounts, the reconciled figures will be entered in the third line for the month.

## 5.5 Reconciliations

At the close of each month, the entries recorded in the registers maintained in the FATA Zakat Administration will be compared with the figures reported by the State Bank of Pakistan through monthly statement on form FZ-21 and the accompanying documents. In case of discrepancy, the details supplied by the State Bank of Pakistan will be checked and reconciled with those available in the record of FATA Zakat Administration. If any discrepancy persists, it shall be settled by referring the matter to the State Bank of Pakistan. The accounts of the FATA Zakat Fund shall be reconciled on monthly basis.



## 5.6 Reporting

The State Bank of Pakistan will furnish every Saturday to the FATA Zakat Administration a weekly statement on form FZ-20 relating to the week. This will be in nature of telegraphic advice depicting the position of opening balance of the FATA deposit account No. 315220 FATA Zakat Fund, consolidated receipts and payments during the week and the closing balance at the close of the week.

A monthly statement on form FZ-21 will be received in the FATA Zakat Administration from the State Bank of Pakistan Peshawar before the close of month following the month to which it relates.

The following documents will be received along with the monthly statement on form FZ-21:

- a) Bank challan (duplicate copy) acknowledging the amounts credited as Zakat Voluntary, grants, Atiyyat and other receipts in the FATA Deposit Account No. 315520 (FATA Zakat Fund)
- b) Other supporting documents where deposits receipts are not covered by a) above.
- c) Details of the FATA Zakat Fund Administrations' cheques/ advices authorizing payments by the State Bank of Pakistan during the month under report.

The internal audit at Zakat & Ushr Unit requires the following reporting from Agency and Local Zakat Committee level:

Form-I: Audit report of the agency Zakat committee

Form-II: Local Zakat committees' details

Form-III: Committee wise disbursement of Zakat fund for the year

Form-IV: Details of education stipends (technical) for the year

Form-V: Details of education stipend to students of Madaris / Dar-ul-alums for the year

Form-VI: Quarterly progress report regarding disbursement of Zakat funds

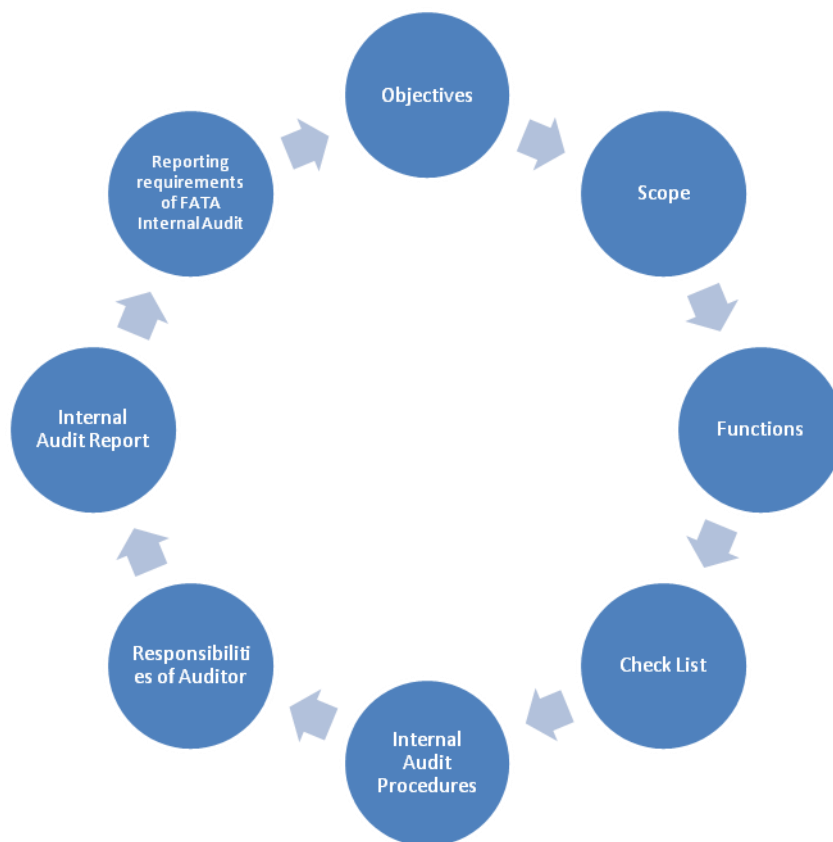
The purpose and contents of these financial reports are provided in chapter-6 on Internal Audit.

## 6. Internal Audit

Internal Audit is an independent and objective assurance activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. (Definition by Institute of Internal Auditors (IIA))

Internal Audit is an element of the internal control system set up by the management of an organization to examine, evaluate and report on Accounting and other controls on operations. It exists because of a management decision or in certain circumstances because of a statutory requirement.

This chapter consists of objectives, scope, functions, check list, internal audit procedures, and responsibilities of internal auditor, internal audit report and reporting requirements of FATA internal audit unit.



## 6.1 Objective

The primary objective of the internal audit is to assist the management of the organization. To this end, internal auditing furnishes management with analyses, recommendations and information concerning the activities reviewed.

- Carry on the activities in an orderly and efficient manner
- Ensure adherence to management policies
- Safeguard the assets
- Secure as far as possible the completeness and accuracy of the records
- Detecting errors and frauds

## 6.2 Scope

The scope of internal auditing includes the examination and evaluation of the adequacy and effectiveness of the organizational system of internal accounting, administrative and organizational controls, the efficiency of operations and the quality of performance in carrying out assigned responsibilities. It includes:

- Reviewing the reliability and integrity of financial, operating and other management information and the means used to identify measure and report such information.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Appraising the economy and efficiency with which organizational resources are employed, and identifying opportunities for improving operating performance.
- Co-coordinating audit efforts with the external auditors
- Participation in the planning, design, development and implementation of administrative systems, to determine whether adequate controls are incorporated in the system and system documentation is complete and accurate.
- Co-coordinating internal audit activities with such processes so as to more efficiently use scarce resources.

- Undertaking independent reviews in the related areas of fraud control, risk management, safety and security, and any other areas of focus as determined by the Unit/ Department

Internal Audit has to review the following:

- Reliability and integrity of information
- Compliance with policies, plans, procedures, laws and regulations
- Economical use of resources
- Accomplishment of established objectives and goals for operations/programs

### **6.3 Functions of internal audit**

According to International Standard of Auditing, internal auditing includes amongst other things examining, evaluating and monitoring the adequacy and effectiveness of the accounting and internal control systems. The role of the internal Audit is described below:

- Safeguarding the resources against waste, fraud and inefficiency
- Promoting accuracy, completeness and reliability in accounting and operating data
- Encouraging and measuring compliance with organization's policy
- Judging the efficiency of operations in all division of the organization
- Prevention and detection of error and fraud
- Timely preparation of reliable financial information
- Confirmation whether transactions are being properly recorded to permit preparation of financial statements in conformity with accounting rules

The internal audit function assists the management of the organization in its governance role. It enables sound managerial control over all aspects of operations of the organization including accounting, assets management, information management and control systems and for such activities for which they are responsible. The overall objective of the internal audit is to assist all levels of management in the effective discharge of their responsibilities by providing independent analysis, appraisals, advice and recommendations concerning the activities reviewed.

### **6.3.1 Functions of Zakat Monitoring & Audit Unit at FATA Secretariat:**

The functions of Zakat Monitoring & Audit Unit at FATA Secretariat are as follows:

- Compilation and reconciliation of Zakat fund received and disbursed, retrieving data in soft and hard mode. The financial report along with bank statements on quarterly basis.
- Getting audit reports from agencies Audit staff of audit posted directly
- Recording observations and receiving replies on audit reports from the Agency Zakat Officers concerned
- Receiving utilization report by name of institution/ clients and LZCs from agency.
- Preparation annual report and briefing for various forums.
- Details of Return of un-utilized Zakat fund.

### **6.4 Check list for internal audit mechanism**

Checklist of the functions of an efficient and effective internal audit mechanism may include:

- **Evaluation of Internal Control**
  - Information is adequate and accurate
  - Resources are protected against losses resulting from theft, embezzlement and careless
  - Control over all phases of operations
- **Review of Accounting Efficiency**
  - Procedures are effective
  - Mechanical/ electronic equipment is used
  - Space is fully utilized
  - Adequate personnel is employed
- **Appraisal of performance of the Organization**
  - Implementation of Policies
  - Compliance with Procedures
  - Checking up the plan of organization

## **6.5 Internal Audit Procedures**

Internal Audit Procedures are the procedures adopted by an internal Auditor/ Committee to obtain evidence that the prescribed internal controls and management Policies are being adequately complied with, while carrying out various tasks and operations in the organization.

### **6.5.1 Receipts**

- All Receipts should be numbered consecutively
- Unused books may be kept under a lock and key
- The issuance and custody of Cash Receipts should be under control of a responsible official
- Originals of all spoiled or cancelled Receipts should be retained and countersigned by a responsible official
- Acknowledgment of the recipients of the receipt book should be obtained so that a proper record is maintained
- Official receipt must be issued except for the bank collections
- All correspondence received must be opened by a responsible official. All remittances received in form of drafts/ cheque should be crossed "Payees Account Only".
- All collections must be internally checked and deposited into the bank on same or the next day.
- All outstanding collections should be thoroughly scrutinized and steps be taken to obtain credit for the same.
- The carbon copy of the receipt or counterfoil receipt should be checked with the bank pay-in-slip.

### **6.5.2 Payments**

- Payment must be made, as far as possible, by crossed cheque marked "Payees Account only" and official receipt should be obtained.
- A responsible official duly vested with these powers by the management must authorize all payments
- All payments should be recorded in the Cash Book immediately
- All supporting vouchers should be numbered serially and filed in an order to facilitate the subsequent checking by the auditors.
- Arithmetical accuracy and carry forward amounts of all the amounts in the Cash Book should be checked.

- Periodic Bank Reconciliation Statements should be prepared. Bank confirmation should be obtained and all items should be carefully scrutinized.
- The acknowledgement of receipt should bear revenue stamps.
- Posting into the ledger should be checked
- Allocation of expenditure into proper heads should be verified.

### **6.5.3 Salary & wages**

The control objectives of a sound system of internal control for wages and salary are as follows:

- The computation of salaries and wages should be at authorized rates of pay in respect of the organization employees.
- The wages and salaries should be in accordance with records of work performed and time inputs.
- Payrolls should be calculated accurately.
- Payments should be made to the concerned employees only.
- The staff dealing with wages should preferably not be involved with receipts and payment functions. The duties of the wages staff should be rotated during the year.
- Unclaimed/un-disbursed wages should be recorded in a register and held by someone outside the wages department until a predefined period after which the money should be deposited in the bank. An official should investigate the reason for unclaimed wages.
- Control accounts should be maintained in respect of each of the deductions showing amounts paid to income tax, etc.
- Personnel records should be kept for each employee stating detail of engagement, retirement, dismissal or resignation, rates of pay, leave etc.
- Direct bank transfers should also be signed and checked regularly against details on personnel files.

### **6.5.4 Cash Book**

- Opening balance in the Cash Book should be checked with the audited balance of the previous year.
- The carbon copy of the receipt or the counterfoil receipt should be checked with the bank-in-slip.
- The allocation in respect of the head of account should be done correctly.

- It bears proper revenue stamps where required.
- Check the carry forwards of the petty cash book.
- Posting into ledger should be checked.
- A surprise count of the cash should be done from time to time.
- Certificate about pages of the cash book is recorded on the first page and signed by an officer
- Totaling of cashbook on both sides is checked.
- Each entry in cashbook should have the initial of the DDO.
- Payment side should be checked with payment vouchers.
- Each cutting/ overwriting should bear the initial of Accountant/DDO.

#### **6.5.5 Administrative Affairs**

The administrative affairs should be checked in the following manner:

- All appointments have been accorded approval by the competent authority.
- Appointments have been made according to the sanctioned strength in the budget.
- The regional quota, if applicable, has been observed while making appointments.
- The prescribed procedure for appointments has been followed.
- Service books should be verified through the pay bills of the employees.
- A list of persons, who will reach the retirement age in the coming two years, should be prepared.

#### **6.6 Responsibilities of Auditor**

The professional responsibilities of an internal auditor are briefly described as under:

##### **Integrity**

An auditor should be straightforward and honest in performing professional services.



### **Objectivity**

An internal auditor should be fair and should not allow prejudice or bias or influence of others to override objectivity.

### **Professional competence**

There is a level of competence knowledge, skill and experience, which is required to perform professional services with reasonable care and diligence.

### **Confidentiality**

An internal auditor should respect the confidentiality of information acquired during the course of performing professional services and should not use or disclose any such information without proper and specific authority unless there is a legal or professional duty to disclose.

### **Professional behavior**

An internal auditor should act in a manner consistent with the good reputation of the profession and refrain from any such conduct, which might bring discredit to the profession.

### **Technical standards**

An internal auditor should carry out professional services in accordance with the relevant technical and professional standards. The auditors have a duty to carry out with care and skill, the instructions of the employer, as they are compatible with the requirements of integrity and objectivity.

## **6.7 Internal Audit Report**

The internal audit should generate a periodic report and the same should be discussed with concerned DDOs and accountants so that they are aware of the deficiencies reported by the internal audit and can take corrective steps.

The report normally explains the scope and objective of the audit, presents its findings and conclusions in an objective manner relevant to the specific user's needs and make recommendations where appropriate.

The benefits of internal audit work are to be accomplished through the medium of reports on the findings and recommendations. The above report may have the following features:

- The report is carefully prepared and well written.
- The report is designed to catch the attention of the person to whom it is presented.
- Conclusions and recommendations are clearly and concisely written.
- Main ideas are included in the body of the report and supporting details are included as appendices.
- Draft report is reviewed and discussed before its final submission.
- Specific improvements are highlighted.
- Follow-up is a must to ensure action on the findings and recommendations.

## **6.8 Reporting requirements of FATA Internal Audit Unit**

The internal audit requires the following reports:

### **Form-I: Audit report of the agency Zakat committee**

This form provides details of amount received, amount disbursed and balance/un-utilized balance of Agency Zakat Committee

### **Form-II: Local Zakat committees' details**

This form provides information about name of Chairman, Local Zakat Committee, CNIC number, address, and Account number, name of bank branch, total beneficiaries and phone number

### **Form-III: Committee wise disbursement of Zakat fund for the year**

This form provides details of Local Zakat Committee, funds released, funds utilized, cheque number, un-utilized funds and number of beneficiaries

### **Form-IV: Details of education stipends (technical) for the year**

This form includes information about education stipends in terms of name of institution, funds released, funds utilized, un-utilized funds and number of beneficiaries

**Form-V: Details of education stipend to students of Madaris /Dar-ul-alums for the year**

This form provides details of education stipends (technical) in terms of name of institution, funds released, funds utilized, un-utilized funds and number of beneficiaries

**Form-VI: Quarterly progress report regarding disbursement of Zakat funds**

This form provides details about quarterly disbursement of Zakat funds to Mustahiqeen and number of beneficiaries with progressive totals.

## 7. External Audit

This chapter consists of the definition, advantages, objects, functions, planning, scope, procedures, and considerations to avoid audit observations and audit report.

The provisions contained in section 11 of the Ordinance in regard to the audit of the FATA Zakat Fund are reproduced below:

“11. Audit (1) ..... To carry out audit of FATA Zakat Fund annually or at shorter intervals, the FATA Council, shall request the Auditor General of Pakistan and Local Fund Audit to conduct the audit.

(3) The audit performed by the Auditor General under sub-section (1) shall include propriety audit.

(4) The annual report of the auditors ..... on FATA Zakat Fund (shall be laid) before the concerned Assembly.

The records, documents, registers and periodical statements pertaining to the FATA Fund Account will be prepared carefully and indefinitely and laid open for inspection and audit as and when required.

### 7.1 Definition

Auditing is checking somebody else’s accounting. Audit may be defined as an independent examination of an expression of opinion on the financial statements of an organization by an auditor appointed under statutory obligations.

According to the rules, heads of offices that are called upon to make disbursements on behalf of Government draw money for the purpose from treasuries in accordance with the Treasury Rules, the audit conducted in respect of these transactions is post-audit in character.

### 7.2 Advantages

- The independent review of records and report on them is helpful in drawing attention to weakness to be corrected.
- The auditor may be able to assist by providing his expertise and experience when control systems are introduced or extended.
- The presence of auditors will inhibit attempts at fraud and make their success less likely.

- Errors and frauds are likely to be discovered more quickly.
- Audited accounts are given more weight by banks and others

### **7.3 Objects of audit**

Originally the work of professional accountants was confined largely to the checking of arithmetical accuracy of the detailed records in the books of account, the agreement of balance and preparation of accounts. This activity may be described as accountancy work but now-a-days large part of a professional accountant's work is of auditing.

The difference between accountancy and auditing is not always clearly understood. If an accountant is instructed merely to prepare accounts from a set of books, the work involved would be that of agreeing the balance and preparing the income and expenditure statement. The accountant would not check the books, except in so far would be necessary to agree the balance and would not report that the position shown by income and expenditure statement was a true or fair one. An audit is quite distinct an apart from accountancy.

An audit does not entail the preparation of accounts at all but denotes something much wider.

“Auditing is the independent examination of financial statements of organization, where such an examination is conducted with a view to expressing an opinion on whether those statements give a true and fair view and comply with the relevant statutes.”

The responsibility for the prevention and detection of irregularities and fraud rests with the management, who may obtain reasonable assurance that this responsibility will be discharged, by instituting an adequate system of internal control.

An audit cannot be substitute of internal controls over transactions exercised at the time, an assessment of these controls must be made by the auditor so that he or she can determine the volume of detailed checking necessary to enable the discharge of the primary audit function. This provides the opportunity for a service to management in pointing out deficiencies in internal control and making recommendations for improvements.

The auditor aims to reduce their detailed checking to the minimum consistent with the system of internal control and the state in which they find the records. If their tests and inquiries satisfy them that the system is sound in principle and is carried out in practice, then no useful purpose is served by extensive detailed checking. If on the other hand, the system is not sound or is not properly carried out, the auditors must first reach a conclusion as to the nature of the shortcomings before they can decide upon the nature and extent of the detailed checking which they undertake.

#### **7.4 Functions of Audit:**

- To audit all expenditure to ascertain whether moneys shown in the accounts as having been disbursed were legally available for and applicable to the purpose to which they have been applied or charged and whether expenditure conforms to the authority which governs it
- To audit all transactions relating to receipts, deposits, advances and remittance
- To audit all trading, manufacturing and profit and loss accounts
- To audit the accounts of any authority and report on the expenditure transactions or accounts audited.

#### **General principles of audit:**

The primary function of audit is to verify the accuracy and completeness of accounts so as to ensure that all revenue and receipts have been brought to account under proper head and that all expenditure and disbursements have been authorized, vouched and correctly classified.

The Audit is also required to see that final accounts represent a complete and true statement of the financial transactions. The object can be achieved through independent scrutiny.

Audit has a dual role. Firstly, on behalf of the Executive Government it checks whether officers and subordinates comply with the orders issued in discharge of responsibility to the legislature. Secondly, on behalf of legislature, it secures that the Executive Government acts in accordance with the law.

There is a clear cut demarcation between the audit and administrative functions. The Executive Government makes financial rules and orders and its subordinate offices apply these rules. The Audit has to see that the rules and orders satisfy the provisions of the law and are properly applied in order to be free from audit objections.

The Executive Government is responsible for enforcing economy in expenditure of public money and Audit can bring to its notice any instance of wasteful expenditure.

## **7.5 Audit Planning**

The auditor adequately plans, controls and records his work.

In order to ensure that an audit is carried out effectively and efficiently, the work needs to be planned, controlled and recorded at each stage of its progress.

The need to plan, control and record audit work exists regardless of the size of enterprise concerned. Although all the procedures need to be considered by the auditor, in case of smaller enterprise the work involved in implementing them will be less.

### **Planning:**

The form and nature of planning required for an audit is affected by the size and complexity of the enterprise, the environment, in which it operates, the method of processing transactions and the reporting requirements to which it is subject. In this context auditor, aims to provide an effective and economic service within appropriate time-scale.

Adequate audit planning:

- Establishes the intended means of achieving the objectives of the audit
- Assists in the direction and control of the work
- Helps to ensure that attention is devoted to critical aspects of the audit
- Helps to ensure that the work is completed expeditiously.
- In order to plan his work adequately the auditor needs to understand the nature of the business of the enterprise, its organization, its method of operating so that he is able to appreciate which events and transactions are likely to have a significant effect on the financial statements.

**Procedures:**

The auditor considers the outline audit approach he proposes to adopt, including the extent to which he may wish to rely on internal controls and any aspects of the audit, which need particular attention. He should also take into account in his planning any additional work, which he has agreed to undertake.

The auditor should consider, include the following:

- a) Reviewing matters raised in the audit of the previous year, which may have continuing relevance in the current year.
- b) Assessing the effects of any changes in legislation or accounting practice affecting the financial statements of the organization.
- c) Reviewing interim or management accounts where these are available and consulting with the management and staff. Matters which should be considered include, significant changes in management and activities carried on.
- d) Identifying any significant changes in the enterprise accounting procedures such as new computer based system.

**Agenda for audit planning:**

An auditor undertakes the necessary preparatory work himself and produces an appropriate agenda for the meeting to cover important matter:

- Consideration of current income since the previous financial statement
- Consideration of any problems arising during the previous audit and any recommendations to management made following previous audit.
- Consideration of timetable for completion and audit of the financial statements
- Agreement of dates for detailed review and testing of internal controls and audit of transaction for the year
- Agreement of detailed timings for:
  - Physical stock takings
  - Letters of authority to be sent by the client regarding information required from third party.
  - Inspection of documents like deeds, certificates, books and minutes.
  - Internal certificates and details to be obtained for loan cases of employees
  - Certificates to be obtained regarding stocks in hand



- Verification of fixed assets

**Procedures:**

The procedures established are designed and applied to ensure the following:

- Audit staff should be informed of any matters identified during the planning stage that may affect the nature, extent or timing of the procedures they are to perform.
- The working papers provide an adequate record of the work that has been carried out and the conclusions that have been reached.
- It is necessary to ensure that the work was adequately performed and to confirm that the results obtained support the audit conclusions, which have been reached.
- At this time, when pressures are great, control of the audit work is particularly required to ensure that mistakes and omissions do not occur. The use of an audit completion checklist, with sections to be filled in by reporting partner and his staff will help to provide such control.

**Recording:**

The preparation of working papers encourages the auditor to adopt a methodical approach.

Audit working papers should always be sufficiently complete and detailed to enable an experienced auditor to ascertain from them what work was performed and to support the conclusions reached.

Audit working papers should include a summary of all significant matters identified which may require the exercise of judgment, together with the auditor's conclusions thereon. If difficult questions of principle or the judgment arise, the auditor should record the relevant information received.

Auditor's working papers may contain:

- a) information which will be of continuing importance to the audit
- b) Audit planning information
- c) Auditor's assessment of the organizational accounting system and if appropriate his review and evaluation of its internal controls.

- d) Details of the audit work carried out, notes of errors or exception found and action taken thereon, together with the conclusions drawn by the audit staff who performed the work.
- e) Evidence that the work of the audit staff has been properly reviewed.
- f) Records of the relevant balances and other financial information, including summaries supporting the financial statements.

It is normal for the audit working papers to be split into two files, one containing material relating specifically to the year under review (the current working papers file) and one containing more permanent records likely to be required from year to year (the permanent audit file).

## **7.6 Scope of Audit**

### **General:**

- Brief description and history of business, copies of investigation reports, etc.
- Address of office and sub-offices with note of their size and functions
- Organizational chart, name of the head of organization and his phone number
- Copy of letter indicating the schedule of audit

### **Accounting System:**

- Details of accounting policies
- List of books of accounts maintained
- Rules of business
- Assessment of internal controls
- Delegation of financial powers

### **Financial history:**

- Budget documents
- Sources of funding
- Grants/ Releases
- Other income

- Summary of fixed assets
- Stock register
- Stock taking report
- Income and expenditure statements
- Banking arrangements

**Contents of current file:**

- General Review notes and points and letter of representation
- Accounts
- Analytical review of budgets etc.
- Ledger/ Exp. Control register
- Contingencies
- Taxation
- Sundry loans
- Stock and work in progress
- Stock taking reports
- Bank and cash balances including direct verifications
- Consolidated accounts
- Income and expenditure statements
- Other working papers, including sundry notes and minor queries disposed of

**7.7 Audit Procedures:**

The main audit procedures are given below:

**Audit of Expenditure:**

- The audit of expenditure on Govt. account is the responsibility of the Audit Department.
- There should be provision of funds authorized by competent authority fixing the limits within which expenditure can be incurred.

- It should be ascertained by audit that money expended was applied to the purpose for which the Grants and Appropriations were intended and that expenditure does not exceed the amount of the Grant.
- Audit has to see that suitable and adequate arrangement exists in all departments of Government for the control of expenditure.
- The Audit should also see that expenditure incurred is in accordance with the financial rules and regulations framed by the competent authority.
- Audit has to verify that expenditure is covered by a sanction and authority sanctioning expenditure is competent to do so by virtue of the powers vested in him by the provisions of the Rules of delegation of financial authority made by a competent authority.
- It is also essential function of Audit to bring to light not only the cases of clear irregularity but also every matter which in its judgment appears to involve improper expenditure or waste of public money.

#### **Documents to be audited**

- Verify that vouchers are in prescribed form, duly receipted by payees and are in original.
- Verify that serial number has been allocated.
- See that totals are in words and figures
- See that these bear a pay order by disbursing officer
- See that vouchers bears "Paid" stamp.
- Check that there are no erasers and the concerned officer attests alterations in amount or total.
- See that revenue stamps are affixed with vouchers
- See that copies of sanctions are attested by DDO or authorized gazetted Government servant.
- See that fund and income tax deductions have been made correctly.
- See that no bills for pay and allowances not claimed within 6 months of its becoming due have been paid without the sanction of Accountant General.

The auditors and other employed on audit duties should not be at liberty to make any relaxation in audit at their own will. It is desired that prescribed checks should be observed in its true spirit.

In the following cases, 100% audit is not required and relaxation of post-audit is authorized as given below:

a)	Pay bills of officers and non-gazetted staff:	50%
b)	Traveling allowance bills of Category I & II:	50%
c)	Traveling allowance bills of Category III & IV:	25%
d)	Contingency bills less than Rs.500:	50%
e)	Pension Bills:	16.67%
f)	Arithmetical calculation of vouchers:	25%
g)	Refund vouchers:	10%

#### **Audit of grants and appropriations:**

The procedure regarding preparation of demands for grants and appropriations, allotment of funds and their re-appropriations and budget matters are generally laid down in financial rules. The powers of various authorities to authorize transfer of funds from one unit to another within the same grant are to be set out in these rules.

As laid down in Article 163 of the Audit Code, the audit of orders and allotments of funds and re-appropriations consists of verifying:

- That authority making allotments under a Grant does not allot amount in excess of those available under the Grant
- That the amount appropriated is available under the unit from which it is allotted
- That the order is issued by the competent authority

#### **Audit of Pay Bills:**

If there be any change in rate of emoluments of an employee as compared with last month, it should be checked with reference to gross amount paid, amounts deducted for funds and income tax and any overpayment recovered.

### **Traveling Allowance Audit:**

- The pay mentioned in TA/DA bill should be checked with reference to pay bill.
- Claims for journey by air or railway should be verified with the fare tables.
- Countersignatures are accepted as final evidence that the facts of journey on which the claim is based, are correct.

### **7.8 Considerations to avoid Audit observations:**

- Observations arising out of audit should be replied at the earliest possible.
- For an efficient review of observations and progress of their clearance, it is desirable to keep the observations of each financial year separate, even though their clearance may be affected in subsequent year.
- The adjustment of each individual observation should be watched through the separate records until its clearance or withdrawal.
- It is found necessary to express the records of observation in money values. In other cases, other particulars may be recorded in addition or values may be dispensed.
- Special attention be given to the money values in such cases:
  - Missing vouchers
  - Improper sanction of advances and losses
  - Overpayments and short recoveries
  - Delay in recovery of Government dues, if not recovered in reasonable period
  - Excess over allocations
- Money values are not indicated in the records for following observations:
  - Stamps not affixed to vouchers
  - Errors in accounts which do not indicate any deficit or surplus
  - Enquiries and remarks on doubtful points
  - Remarks calling attention to minor errors of procedure

- Several observations on the transactions are booked separately as if these relate to different transactions
- A record of all financial irregularities is to be maintained along with names of responsible officials.

### **7.9 Audit Report:**

- It includes comments on the irregularity and propriety of expenditure which are deemed necessary as a result of investigation.
- It gives a technical presentation of the audited accounts and is free from bias or a political opinion.
- Before an irregularity or overpayment is incorporated in the Audit Report, it is desirable that the concerned official should be given an opportunity of making observation and comments. The draft Para should be shown to the Department concerned before final inclusion in the report so that department may get opportunity to suggest a correction or modification.
- On important matters, it is better to hold a discussion between Audit and the concerned department. Even if department does not agree to the inclusion of a paragraph in an Audit Report, Audit has every right to incorporate it in the Audit Report as he may deem fit.
- The sole purpose of the report is to convey a just and impartial picture of the financial position of the Government.

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**FIRST SCHEDULE**  
(See sections 2 and 3)

**ASSETS SUBJECT TO COMPULSORY LEVY OF ZAKAT THROUGH DEDUCATION –AT SOURCE FOR CREDIT TO THE CENTRAL ZAKAT FUND**

S. No	Assets	Rate and basis for computing the amount to be deducted as Zakat	The Deduction Date	The Deduction Agency
1	Savings Bank Accounts and similar accounts by whatever name described with the banks operating in Pakistan, post offices, National Savings Centers and financial institutions keeping such accounts.	25% of the amount standing to the credit of an account at the commencement of the day on the Valuation Date. No deduction shall be made in case the amount standing to the credit of an account does not exceed the amount notified by the Administrator General).	As notified by the Administrator-General for the Zakat year.	The Bank, Officer, Centre of institution as the case may be, keeping the account.
2	Notice Deposit Receipts and Accounts and similar receipts and accounts by whatever name described *[ ] with the banks operating in Pakistan, post offices, National Savings Centers and financial institutions issuing such receipts and keeping such accounts.	2.5% of the face value of a receipt or the amount standing to the credit of an account, 4(as the case may be,] at the commencement of the day on the Valuation Date, in each Zakat year.	The date on which the first return is paid or the date of encashment/ withdrawal, whichever be earlier in the Zakat year.	The bank, office. Centre or institution, as the case may be. Issuing the receipt or keeping the account and responsible for paying the return or the amount encashed/ withdrawn.
3	Fixed Deposit Receipts and Accounts and similar receipts and accounts and certificates (e.g., Khas, Deposit certificates), by whatever name described, issued by the banks operating in Pakistan, post offices, National Savings Centers and financial institutions,—on which return is receivable by the holder periodically or is received earlier	2.5% of the face value of a receipt or a certificate, or the amount standing to the credit of an account, as the case may be, as at the commencement of the day on the Valuation Date, in each Zakat year.	The date on which the first return is paid, or the date of encashment /redemption/withdrawal, whichever is earlier in the Zakat year.	The bank, office. Centers or institution, as the case may be, issuing the receipt or certificate or keeping the account, and responsible for paying the return or encashment/ redemption with drawl.

S. No	Assets	Rate and basis for computing the amount to be deducted as Zakat	The Deduction Date	The Deduction Agency
	than maturity or withdrawal].			
4	Savings/deposit certificates (e.g. Defense Savings Certificates. National Deposit Certificates), receipts and accounts by whatever name described, issued or kept by the banks operating in Pakistan, post offices, National Savings Centers, financial institutions, 4[companies and statutory corporations,] on which return is 5 [receivable and] is received, by the holder, only on maturity or encashment.	2.5% of the payable value of certificates or receipts or the amount standing to the credit of an account 13 [as the case may be, as on the Valuation Date.]	The date on which the maturity value is paid, or of encashment/withdrawal]. The first return or the repurchase value is paid whichever be earlier in the Zakat year.	The bank, office. Centre, company, or corporation], as the case may be, responsible for paying the return or the amount withdrawn, or redeeming encashing the certificates or receipts
5	Units of the National Investment (Unit) Trust.	2.5% of the face value or repurchase value of the Units whichever be lower,] as on the Valuation Date, in each Zakat year.	The date on which the first return is paid or the repurchase value is whichever be earlier in the Zakat year.]	The Trustee of the National Investment (Unit) Trust or its authorized agent paying the return on, or the " [repurchase] value of, the Units.
6	I.C.P. Mutual Fund Certificates.	2.5% of the face value, or the market value based on the closing rate at the Karachi Stock Exchange, whichever is lower as on the Valuation Date, in each Zakat year.	The date on' which the first return is paid in the Zakat year.	The investment Corporation of Pakistan.

S. No	Assets	Rate and basis for computing the amount to be deducted as Zakat	The Deduction Date	The Deduction Agency
7	Government securities (other than prize bonds and certificates <sup>1</sup> mentioned at serial number 3 and 4) on which return is receivable by the holder periodically	2.5% of the face value of the Government securities as on Valuation Date in each Zakat year.	The date on which the first return is paid or the date of encashment/redemption, whichever be earlier in the Zakat year.	The bank, office or institution, as the case may be responsible for the return or encashing/ redeeming the security
8	. Securities including shares and debentures (other than those mentioned at serial number 5, 6 and 7 above), of [companies or statutory corporations] (excluding those held in the name of a 2[company or a statutory corporation]), on which return is payable periodically or otherwise, and is paid.]	If listed on the stock exchange, 2.5% of the paid-up value, or the market value based on the closing rate at the Karachi Stock Exchange, whichever is lower as on the Valuation Date, in each Zakat year. If not listed on the stock exchange 2.5% of the paid-up value on the Valuation Date, in each Zakat year.	The date on which the first return is paid, or the date of encashment/redemption whichever be earlier in the Zakat year.	The corporation, company or institution, as the case may be, responsible for paying the return or encashing/redeeming the security.
9	Annuities.	2[2.5% of the amount of annuity benefit in each Zakat year 4[and, in case of surrender, 2.5% of the surrender value on the Valuation Date, as the case may be.]	5[The date of 6[first] payment of the annuity benefit and of the surrender value.]	The insurer or the bank keeping and the amount in the form of an annuity.
10	Life insurance policies.	2.5% of the surrender value as on the advance. Date in the Zakat year in which the policy matures or its survival benefit or surrender value is paid, as the case may be	The date of payment of maturity value] or of survival benefit or of surrender value	The insurer.

S. No	Assets	Rate and basis for computing the amount to be deducted as Zakat	The Deduction Date	The Deduction Agency
11	Provident funds.	In case of non-refundable advance, 2.5% of the amount drawn or, in case of final settlement, 2.5% of the balance standing to the credit of the subscriber as on the Valuation Date, excluding in both cases the employer's contribution and the return accrued thereon.	The date of payment of the advance or of the balance	The authority officer or institution making payment of the advance or of the balance.

## SECOND SCHEDULE

[See sections 2, 3 (5) and 5]

**ITEMS NOT SUBJECT TO COMPULSORY LEVY OF ZAKAT BUT ON WHICH ZAKAT IS PAYABLE BY EVERY SAHIB-E-NISAB ACCORDING TO THE RELEVANT NISAB, ON SELF-ASSESSMENT BASIS, EITHER TO A ZAKAT FUND OR TO ANY INDIVIDUAL OR INSTITUTION ELIGIBLE, UNDER THE SHARIAH, TO RECEIVE ZAKAT**

S. No	Items	Rate and Basis for Self-assessment
1	2	3
1	Gold and silver and manufactures thereof	2.5% of the market value as on the Valuation Date.
2	Cash	2.5% of the amount, as on the Valuation Date.
3	Prize bonds	2.5% of the face value as on the Valuation Date.

S. No	Items	Rate and Basis for Self-assessment
4	[Current Accounts and foreign currency accounts and to the extent not subject to compulsory levy of Zakat under the First Schedule, other accounts, certificates, receipts. Units of National Investment (Unit) Trust, ICP-Mutual Fund Certificates Government securities, annuities, Life Insurance Policies and Provident Funds.]	2.5% of the face value as on the Valuation Date.
5	Loans receivable excepting loans receivable by banks, other Financial institutions, statutory corporations and companies	2.5% of the amount of loan receivable, as on the Valuation Date.
6	Securities including shares and debentures, to the extent not subject to compulsory levy of Zakat under the First Schedule.	If listed on the stock exchanges, 2.5% of the market value i.e., the closing rate of the Karachi Stock Exchange as on the Valuation Date . If not listed on the stock exchange, 2.5% of the paid-up value as on the Valuation Date.
7	Stock-in-trade of:— (a) Commercial undertakings including dealers in real estate.	(a) 2.5% of the book value or at the option of the sahib-e-nisab. The market value as on the Valuation Date.
	(b) Industrial under king	(b) 2.5% of the book value or at the option of the sahih-e-nisah the market value of raw materials and finished goods as on the Valuation Date.
	(c) Precious metals and stones and manufactures thereof.	(c) 2.5% of the market value, as on the Valuation Date
	(d) Fish and other catch /procedure of the sea, except catches by indigenous technique.	(d) 2.5% of the value, as on the Valuation Date.
8	[ ]	
9	Agricultural /including horticultural and forest produce  (a) Tenant share  (b) other than tenant's share	(a) (i) 10% of the produce, as on the Valuation Date, in the barani area. (ii) 5% of the produce as on the Valuation Date in the non-barani area.  (b) (i) 5% over and above the compulsory 5% in the barani area, as on the Valuation Date: and (ii) One- fourth off the value of produce allowed as an allowance for expenses on production].
10	Animal (fed free in pastures )	As on the Valuation Date:

S. No	Items	Rate and Basis for Self-assessment
	(a) sheep or goat	(a) (i) For owners of one to 39 heads nil; (ii) For owners of 40 to 120 heads; one sheep/goat; (iii) For owners of 121 to 200 heads: two sheep/goats (iv) For owners of 201 to 399 heads; three sheep/goats; and (v) For owners of every complete additional hundred heads: one sheep/goat
1	Added by Ordinance LII of 1980.	
2	The following entries in serial No.8 omitted ibid: "8. Mineral Production	5% of the market value of mineral excavated ,as on the valuation Date
3	Substituted for	"(b) 5% over and above the compulsory 5% in the barani area, as on the Valuation Date"
	(b) Bovine Animals	(b) (i) For owners of one to 29 heads; nil; (ii) For owners of 30 to 39 heads: one calf between one year and two years old; (iii) For owners of 40 to 59 heads: one calf between two years and three years old; (iv) For owners of 60 to 69 heads: two calves between one year and two years old (v) For owners of 70 to 79 heads: one calf between one year and two years old and (vi) For owners of 80 to 89 heads: two calves between two years and three years old; (vii) For owners of 90 to-99 heads: three calves between one year and two years old; and (viii) For owners of 100 and above 100 heads: as in Shariah.
	(c) Camels	(c) (i) For owners of one to 4 heads: nil; (ii)For owners of 5 to 24 heads: one sheep goat for every five1 heads:] (iii)For owners of ^[25] to 35 heads: one she-camel between one year and two years old; (iv) For owners of 36 to 45 heads: one she-camel between two years and three years old; (v) For owners of 46 to 60 heads: one she-camel between three years and four years old; (vi) For owners of 61 to 75 heads: one she-camel between four

S. No	Items	Rate and Basis for Self-assessment
		years and five years old; (vii) For owners of 76 to 90 heads: two she-camels between two years and three years old; (viii) For owners of 91 to 120 heads: two she-camels between three years and four years old; (ix) For owners of more than 120 heads: as in Shariah]. As per Shariah.
11	4[ ]	
12	Wealth and financial assets other than those listed in Schedule on which Zakat is payable according to Shariah.	
1	Substituted, for the following by S.R.O. 104(I)/84 of 5 February, 1981	(a) (i) For owners of one to 39 heads - nil; (ii) For owners of 40 to 120 heads: one sheep/goat; (iii) For owners of 121 to 200 heads: two sheep/goats; (iv) For owners of 201 to 400 heads: three sheep/goats; and For owners of every complete additional hundred heads: one sheep/goat, as on the Valuation Date. (b) (i) For owners of one to 29 heads: nil. (ii) Owners of 30 to 39 heads: one year's old calf; (iii) For owners of 40 to 59 heads: two years old calf; (iv) For owners of 60 of heads and every additional 10 heads: one year old calf for each 30 heads - and two-years old calf for each 40 heads as on the Valuation Date. (c) (i) For owners of one to 4 heads: nil; (ii) For owners of 5 to 25 heads: one; (iii) For owners of 26 to 35 heads: one, she-camel between one year and two years old; and For owners of 36 to 45 heads: one she-camel between two and three years old; and so on, as on the Valuation Date.

**BANK CHALLAN**

ORIGINAL	DUPLICATE	TRIPLICATE
FATA ZAKAT FUND	FATA ZAKAT FUND	FATA ZAKAT FUND
Challan No _____	Challan No _____	Challan No _____
Dated _____	Dated _____	Dated _____
State Bank of Pakistan _____	State Bank of Pakistan _____	State Bank of Pakistan _____
Name & Address of Depositor: _____	Name & Address of Depositor: _____	Name & Address of Depositor: _____
Amount Rs. _____	Amount Rs. _____	Amount Rs. _____
Rupees _____	Rupees _____	Rupees _____
Cheque/ Draft No. _____ dt. _____	Cheque/ Draft No. _____ dt. _____	Cheque/ Draft No. _____ dt. _____
drawn on _____	drawn on _____	drawn on _____
Head of Deposit: FATA ZAKAT ACCOUNT No.	Head of Deposit: FATA ZAKAT ACCOUNT No.	Head of Deposit: FATA ZAKAT ACCOUNT No.
GL-Code 315520	GL-Code 315520	GL-Code 315520
FATA Zakat Fund _____	FATA Zakat Fund _____	FATA Zakat Fund _____
Sign. Of depositor: _____	Sign. Of depositor: _____	Sign. Of depositor: _____
Received (in words) _____	Received (in words) _____	Received (in words) _____
Manager	Manager	Manager



## FATA ZAKAT ADMINISTRATION

**REGISTER OF CHEQUES AND OTHER FINANCIAL INSTRUMENTS RECEIVED FOR DEPOSIT IN THE FATA ZAKAT FUND**

S. No	Date of receipt	Name & address of remitter	Description with no. and date of instrument	Amount						Progressive total of receipts for the month
				Transfers from Central Zakat Fund (Code 300)	Zakat Voluntary (Code 310)	Transfers from Local Zakat Funds (Code 320)	Grants, Atiyyat and other receipts (Code 330)	Grants (Code 331)	Atiyyat (Code 332)	
1	2	3	4	5	6	7	8	9	10	11

Initial and date	Challan no. and date through which instrument sent to State Bank of Pakistan	Page No. under which intimation received from State Bank of Pakistan	Credit to FZF			Remarks
			Date of credit	Initials with date		
12	13	14	15	16	17	

FATA ZAKAT ADMINISTRATION  
**REGISTER OF PAYMENTS**

S. No	Date	Cheque/payment advice no. and date	Name of payee	Payments					
				Transfers to Local Zakat Funds (code 400)	Assistance through deeni madaris (code 450)	Assistance through vocational educational institutions (code 460)	Assistance through health institutions (code 470)	Transfers to Central Zakat Fund (code 480)	Other Payments (code 490)
1	2	3	4	5	6	7	8	9	10
Progressive total payments for the month		Date/ month of clearance of cheque/ debit to FZF		Amount Debited to FZF Account		Initials with date		Remarks	
11		12		13		14		15	

FATA ZAKAT ADMINISTRATION

**REGISTER SHOWING THE CONSOLIDATED MONTHLY POSITION OF THE FATA ZAKAT FUND ACCOUNT**

	Month	Opening Balance	Total Receipts		Total Payments		Clsoing Balance	Initials	Remarks
	1	2	3	4	5	6	7	8	9
Figures of FZA									
Figures of SBP									
Reconciled fugures									



FATA ZAKAT ADMINISTRATION  
**DAY BOOK OF RECEIPTS AND PAYMENTS**

**RECEIPTS**

Date of Receipt	Receipt No. and date	From whom received	Account code no.	Amount received (Rs.)	Progressive monthly total (Rs.)	Dated signatures of the officer
1	2	3	4	5	6	7

**PAYMENTS**

Date of payment	Cheque no./ Advice with date	Name of Payee	Account Code No	Amount Paid (Rs.)	Progressive monthly total (Rs.)	Progressive monthly balance (Rs.)	Dated signature of the officer	Remarks/payees acquittance
8	9	10	11	12	13	14	15	16

FATA ZAKAT ADMINISTRATION

**Provisional Receipt**

(NOT TO BE USED FOR CLAIMING TAX EXEMPTION)

Received with thanks cheque/ draft No. \_\_\_\_\_

for Rs. \_\_\_\_\_ Rupees \_\_\_\_\_

drawn on \_\_\_\_\_ from \_\_\_\_\_

on account of \_\_\_\_\_

for credit to the FATA Zakat Fund Account.

A Zakat Certificate will be issued on realization of the amount.

Place: \_\_\_\_\_

Signature and

Date: \_\_\_\_\_

Designation

FATA ZAKAT ADMINISTRATION

**Zakat Certificate**

Certified that a sum of Rs. \_\_\_\_\_ Rupees \_\_\_\_\_  
\_\_\_\_\_ drawn vide cheque/ draft No. \_\_\_\_\_  
\_\_\_\_\_ dated \_\_\_\_\_ on \_\_\_\_\_  
has been received from \_\_\_\_\_  
on account of \_\_\_\_\_. The amount has been credited  
to the FATA Zakat Fund Account.

Place: \_\_\_\_\_

Signature and

Date: \_\_\_\_\_

Designation

FATA ZAKAT ADMINISTRATION

**ADVICE TO THE STATE BANK OF PAKISTAN FOR TRANSFER OF FUNDS TO LOCAL ZAKAT FUNDS**

Division: \_\_\_\_\_ Tehsil/ Sub-Division: \_\_\_\_\_

District: \_\_\_\_\_

S. No.	Code No. of the LZC	Name of Local Zakat Committee	Postal address of Local Zakat Committee	Name and address of the bank branch	LZF Bank Account No.	Amount to be transferred from PZF to LZF (Rs.)	Signature of two authorized officers of the PZA	Credit of amount to LZF		Remarks
								Date of credit	Signature of officer of SBP	
1	2	3	4	5	6	7	8	9	10	11



**FATA Zakat Fund Account position for the week ended \_\_\_\_\_**

- (i) Opening balance as on ..... Rs. \_\_\_\_\_
- (ii) Receipts within the week at the State Bank of Pakistan Offices ..... Rs. \_\_\_\_\_
- (iii) Payments within week at the State Bank of Pakistan Offices ..... Rs. \_\_\_\_\_
- (iv) Closing balance as on ..... Rs. \_\_\_\_\_

**STATEMENT FOR FATA ZAKAT FUND ACCOUNT FOR THE MONTH OF \_\_\_\_\_**

<b>OPENING BALANCE</b>	Rs. _____
(OB) CASH AT BANK:	Rs. _____
300 - (TRFC) Transfers from Central Zakat Fund .....	Rs. _____
310 - (ZV) Zakat Voluntary .....	Rs. _____
320 - (TRFL) Transfers from Local Zakat Funds .....	Rs. _____
330 - (GA OR) Grants, Atiyyat and Other Receipts .....	Rs. _____
331 - Grants .....	Rs. _____
332 - Atiyyat .....	Rs. _____
333 - Other Receipts .....	Rs. _____
<b>TOTAL RECEIPTS: .....</b>	<b>Rs. _____</b>
<b>PAYMENTS:</b>	<b>Rs. _____</b>
400 - (TRTL) Transfers to Local Zakat Funds	Rs. _____
450 - (DMS) Assistance through deeni madaris .....	Rs. _____
460 - (VOC) Assistance through Vocational Educational Institutions	Rs. _____
470 - (HTL) Assistance through Healh Institutions .....	Rs. _____
480 - (TRTC) Transfers to Central Zakat Fund .....	Rs. _____
490 - (OP) Other Payments .....	Rs. _____
<b>TOTAL PAYMENTS .....</b>	<b>Rs. _____</b>
<b>CLOSING BALANCE .....</b>	<b>Rs. _____</b>
<b>(CB) CASH AT BANK .....</b>	<b>Rs. _____</b>

**VOLUNTARY ZAKAT CONTRIBUTION PAYMENT CERTIFICATE**

Book No \_\_\_\_\_ Certificate No \_\_\_\_\_

Name of office/ branch with address receiving the amount \_\_\_\_\_

Certified that a sum of Rs. \_\_\_\_\_ Rupees \_\_\_\_\_

\_\_\_\_\_ drawn on \_\_\_\_\_

has been received from \_\_\_\_\_

on account of Zakat Voluntary (Code No. 310)/ Grants (Code No. 331)/ Atiyyat (Code No.332)

Other Receipts (Code 333), for crediting to the FATA Deposit Account No. 315520 FATA

Zakat Fund.

Place: \_\_\_\_\_

Office Stamp

Signature with designation of the

Date : \_\_\_\_\_

authorized officer of the branch/office



## FATA ZAKAT FUND

## QUARTERLY VOLUNTARY ZAKAT CONTRIBUTION STATEMENT

FOR THE QUARTER ENDED \_\_\_\_\_

Zakat Deduction Controlling Agency: Code No. \_\_\_\_\_

Name: \_\_\_\_\_

Branch Office:

Address: \_\_\_\_\_

S. No.	Zakat Voluntary contribution	Code No.	No. of persons	Amount in Rupees	Remarks
1	2	3	4	5	6
1	Zakat Voluntary	310			
2	Grants	331			
3	Atiyyat	332			
4	Other Contributions	333			
	TOTAL				

Place: \_\_\_\_\_

Date: \_\_\_\_\_

Office Stamp Manager/ Head of the Office  
of the Branch/ Office

## FATA ZAKAT FUND

STATE BANK OF PAKISTAN \_\_\_\_\_

Name and address of the ZDCA with Code No. \_\_\_\_\_

Amount deposited: \_\_\_\_\_

S.No.	Asset		No. of persons	Amount in Rupees	Remarks
	Name	Code			
1	2	3	4	5	6
1	Zakat Voluntary	310			
2	Grants	331			
3	Atiyat	332			
4	Other Contributions	333			
	TOTAL				

Signature and designation of the authorized

Office Stamp

Place: \_\_\_\_\_

Date: \_\_\_\_\_

TO BE FILLED IN BY THE STATE BANK OF PAKISTAN OFFICE

Received Rs. \_\_\_\_\_ Rupees \_\_\_\_\_

from \_\_\_\_\_ as per details above.

Signature and stamp of the Receiving  
Officer of the State Bank of Pakistan

Date: \_\_\_\_\_

Place: \_\_\_\_\_

**ZAKAT RECEIPT BOOK**

Location Code No. (LCN): \_\_\_\_\_ No. \_\_\_\_\_

Date: \_\_\_\_\_

Received with thanks through \_\_\_\_\_ Dated \_\_\_\_\_

drawn on \_\_\_\_\_ the sum of Rs. \_\_\_\_\_

(Rupees \_\_\_\_\_)

from \_\_\_\_\_

on account of \_\_\_\_\_

Signature

Official Stamp

Signature

Member LZC

Chairman LZC

Name of LZC: \_\_\_\_\_

Name of Tehsil: \_\_\_\_\_

Name of District: \_\_\_\_\_

Name of Province: \_\_\_\_\_

**REGISTER MUSTAHIQEN**

Name of Mustahiq &amp; Father's Name: \_\_\_\_\_

National Identity Card No: \_\_\_\_\_

Age: \_\_\_\_\_

Address: \_\_\_\_\_

No. of dependents: \_\_\_\_\_

Attested Photo Thumb Impression  
and Signatures for ladies

**Category of Mustahiq:** Guzara Allow (Widow, disabled, orphan, old aged) dowry,  
rehabilitation, scholarships, medical treatment and other financial assistance

Reference meeting Local Istehqaq Committee: \_\_\_\_\_

Name of Local Zakat Committee: \_\_\_\_\_ Code No: \_\_\_\_\_

S.No.	Cheque No. with amount (in words & figures)	Date of Payment	Signature or thumb impression of receiver	Signature Chairman and concerned member	Category of Mustahiq
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					
12					
13					
14					
15					









**SIX MONTHLY CONSOLIDATED REPORT (SCR) FOR LOCAL ZAKAT COMMITTEE**

Name &amp; Address of LZC: \_\_\_\_\_

Local Committee's Code No. \_\_\_\_\_

Tehsil: \_\_\_\_\_ District: \_\_\_\_\_

Province: \_\_\_\_\_

		Code	Amount (Rs.)
	<b>Opening Balance</b>		
<b>RECEIPTS</b>			
LZY - I	Ushr (UR)		
LZY - II	Zakat Voluntary (ZV)		
LZY - III	Transfers from Provincial Zakat Fund (TFRP)		
LZY - IV	Grants, Atiyyat and Other Receipts (GAOR)		
	<b>Total Receipts</b>		
<b>DISBURSEMENTS</b>			
LZX - 1	Assistance to Individuals (IND)		
LZX - 2	Assistance through Institutions (INST)		
LZX - 3	Administrative Expenses (AEX)		
LZX - 4	Other Disbursements (ODs)		
	<b>Total Payments</b>		
	<b>Closing Balance *</b>		

\* Closing balance does not include cash-in-hand as per subsidiary Cash Book (LZ-12)

Dated: \_\_\_\_\_

Chairman

**AUDIT REPORT OF THE AGENCY ZAKAT COMMITTEE****AGENCY NAME** \_\_\_\_\_**FOR THE YEAR FINANCIAL YEAR** \_\_\_\_\_

DATE OF AUDIT: \_\_\_\_\_

NAME OF COMMITTEE: \_\_\_\_\_

NAME OF CHAIRMAN \_\_\_\_\_

NAME OF GROUP SECRETARY/JC: \_\_\_\_\_

CODE NO OF COMMITTEE: \_\_\_\_\_

DATE OF AUDIT AS PER AUDIT SCHEDULE: \_\_\_\_\_

**TOTAL AMOUNT RECEIVED**

S.NO.	PARTICULARS	AMOUNT
	OPENING BALANCE ON	
1	GUZARA ALLOWANCE	
2	STUDENT STIPEND	
3	ADMIN EXPENSE / CHAIRMAN ALLOWANCE	
4	MARRIAGE ASSISTANCE	
5	EID GRANT	
6	OTHER	
	<b>TOTAL AMOUNT</b>	

**TOTAL AMOUNT DISBURSED**

S.NO.	PARTICULARS	AMOUNT
1	GUZARA ALLOWANCE	
2	STUDENT STIPEND	
3	ADMN EXPENSE / CHAIRMAN ALLOWANCE	
4	MARRIAGE ASSISTANCE	
5	EID GRANT	
6	OTHER	
	<b>TOTAL AMOUNT</b>	
	<b>CLOSING /UN-UTILIZED BALANCE</b>	

PREPARED BY: \_\_\_\_\_

AGENCY AUDIT OFFICER

## LOCAL ZAKAT COMMITTEES DETAILS

1	2	3	4	5	6	7	8	9
S.No.	Name of Chairman LZC	Code	Chairman CNIC	Address	Account No	Name of bank branch	Total Beneficiaries	Phone No. if any
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								

Date of Submission: \_\_\_\_\_

Attested by: Chairman/ AZO, Agency Zakat Committee

## COMMITTEE WISE DISBURSEMENT OF ZAKAT FUND FOR THE YEAR \_\_\_\_\_

1	2	3	4	5	6	7	8
S.No.	Name of LZC	Fund Released	Fund Utilized	Cheque No.	Un-Utilizaed Fund	Number of Beneficiaries	Remarks
1							
2							
3							
4							
5							
6							
7							
8							
9							
10							

Date of Submission: \_\_\_\_\_

Attested by: Chairman/ AZO, Agency Zakat Committee

## DETAILS OF EDUCATION STIPENDS (TECHNICAL) FOR THE YEAR \_\_\_\_\_

1	2	3	4	5	6	7
S. No.	Name of Institution	Funds Released	Funds Utilised	Un-utilized Fund	Number of beneficiaries	Remarks
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Date of Submission: \_\_\_\_\_

Attested by: Chairman/AZO, Agency Zakat Committee



**DETAILS OF EDUCATION STIPEND TO STUDENTS OF MADRISA/DARULALUMS FOR THE YEAR \_\_\_\_\_**

1	2	3	4	5	6	7
<b>S. No.</b>	<b>Name of Institution</b>	<b>Funds Released</b>	<b>Funds Utilized</b>	<b>Un-utilized Fund</b>	<b>Number of beneficiaries</b>	<b>Remarks</b>
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Date of Submission: \_\_\_\_\_

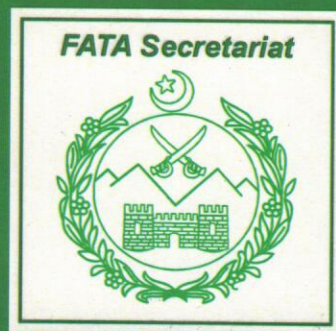
Attested by: Chairman/AZO, Agency Zakat Committee

**DETAILS OF EDUCATION STIPEND TO STUDENTS OF MADRISA/DARULALUMS FOR THE YEAR \_\_\_\_\_**

1	2	3	4	5	6	7
<b>S. No.</b>	<b>Name of Institution</b>	<b>Funds Released</b>	<b>Funds Utilized</b>	<b>Un-utilized Fund</b>	<b>Number of beneficiaries</b>	<b>Remarks</b>
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Date of Submission: \_\_\_\_\_

Attested by: Chairman/AZO, Agency Zakat Committee



**Produced with Support of**

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Peshawar