

[To be introduced in Youth Parliament of Pakistan]

A

Bill

Further to amend Charitable Endowment Act 1980 (VI of 1980)

Whereas it is expedient further to amend the Charitable Endowment Act 1980 (VI of 1980) for the purpose herein after appearing;

It is hereby enacted as follows

1. Short title and commencement.- (1) This act may be called Charitable Endowment (Amendment) Bill 2012

(2) It shall come into force at once.

2. Insertion of new section, Act VI of 1980.- In the Charitable Endowment Act (VI of 1980) after section 5, the following section 5-A shall be inserted, namely:-

“5-A- The Federal Government will ensure to bring charitable trusts associated with Government entities (Government entities including Armed Forces of Pakistan, self-accounting entities budgeted by Government and public sector entities) under the national accountability procedures. These procedures will include appointment of officer/officers to supervise any misuse of authority by the entity associated with trust and audit of financial resources by the Auditor General of Pakistan.”

Statement of objects and Reasons

Many Government entities including Armed Forces of Pakistan established foundations/trusts to provide social security for their retired and serving personals. These foundations/ trusts are involved in business activities to create fund for charitable purpose. It was observed, as mentioned by Auditor General of Pakistan in many reports and also reported by civil society think tanks that these organizations causing a hidden flow of public funds to private sector, violating the rule of equity in open market and creating a burden on national budget as Federal Government provides bail-out packages to these organization in case of facing deficit.

Therefore, it is necessary and expedient to bring these organizations into normal accountability

procedures of state. Audit of these organizations should be administered by the Auditor General of Pakistan and proper check and balance system should be established to check any misuse from the Government authorities/personals in favor of these foundations/trusts.

s/d-

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