



**ASP** ASSESSMENT AND  
STRENGTHENING PROGRAM



**Government of Khyber Pakhtunkhwa  
Finance Department**

## **INTERNAL AUDIT TOOLKIT**

**Directorate General Livestock & Dairy Development  
(Research Wing)**

**Government of Khyber Pakhtunkhwa**

<b>TABLE OF CONTENTS</b>		<b>Page</b>
<b>I</b>	<b>Abbreviations &amp; Acronyms</b>	<b>4</b>
1	<b>Foreword</b>	<b>5</b>
2	<b>A bird eye view of the document</b>	<b>6</b>
3	<b>Introduction – Directorate General of Livestock &amp; Dairy Development (RW)</b>	<b>7</b>
4	<b>Section I – Planning-Permanent File - Template</b>	<b>8</b>
4.1	Index/Checklist	09
4.2	Update Control Sheet	10
4.3	Status of entity	11
4.4	Background Information	12
4.5	Internal and External Factors	18
4.6	Process Identification	20
4.7	Risk assessment	21
4.8	Inherent Risk Assessment	23
4.9	Control Risk Assessment – Environmental Internal Control Questionnaire	25
4.10	Control Risk Assessment Form	31
4.11	Significant Audit Areas	33
4.12	Significant Issues	35
5	<b>Section II – Detailed Processes (Narratives and Flowcharts)</b>	<b>36</b>
5.1	<b><i>A - Budget Management - Consolidation</i></b>	<b>37</b>
5.1.1	A1 - Developmental Budget	38
5.1.2	A2 - Non-Developmental Budget	45
5.1.3	A3 - Revenue Estimates	52
5.1.4	A4 - Re-appropriation/Surrender	58
5.2	<b><i>B - Human Resources Management</i></b>	<b>63</b>
5.2.1	Hiring	
5.2.1.1	B1 – Gazetted Employees	64
5.2.1.2	B2 – Non-Gazetted Employees	72
5.2.2	B3 - Posting/Transfer - Gazetted & Non-Gazetted Employees	80
5.2.3	Retirement	
5.2.3.1	B4 – Leave Encashment - All Employees	85
5.2.3.2	B5 - Pension & GP Fund – All Employees	92
5.2.4	B6 - Training & Development	98
5.3	<b><i>C – Procurement</i></b>	<b>104</b>
5.3.1	C1 – Tendering	105
5.3.2	C2 – Procurement Fixed Assets/Goods	113
5.4	D - Fixed Assets Management	120`
5.5	E - Stores Management	126
5.6	F - Operating Expenses	132
5.7	G -Sale of Vaccines	<b>139</b>
5.8	<b><i>H - Litigation</i></b>	<b>146</b>
5.8.1	H1 - Litigation – Service cases	147
5.8.2	H2 – Litigation – Civil matters	152

6	<b>Section III – Audit Programs</b>	<b>158</b>
6.1	<b><i>A - Budget Management - Consolidation</i></b>	<b>159</b>
6.1.1	A1 - Developmental Budget	160
6.1.2	A2 - Non-Developmental Budget	162
6.1.3	A3 - Revenue Estimates	164
6.1.4	A4 - Re-appropriation/Surrender	166
6.2	<b><i>B - Human Resources Management</i></b>	<b>168</b>
6.2.1	Hiring	
6.2.1.1	B1 – Gazetted Employees	169
6.2.1.2	B2 – Non-Gazetted Employees	173
6.2.2	B3 - Posting/Transfer - Gazetted & Non-Gazetted Employees	176
6.2.3	Retirement-B4&5-Leave Encashment, Pension & GP Fund - All Employees	179
6.2.4	B6 - Training & Development	183
6.2.5	B7 – Employee Related Expenses (Allowances)	184
6.3	<b><i>C – Procurement</i></b>	<b>188</b>
6.3.1	C1 – Tendering	189
6.3.1	C2 – Procurement Fixed Assets/Goods	193
6.4	D - Fixed Assets Management	196
6.5	E - Stores Management	200
6.6	F - Operating Expenses	205
6.7	G – Sale of Vaccines	209
6.8	<b><i>H - Litigation</i></b>	<b>212</b>
6.8.1	H1 - Litigation – Service cases	213
6.8.2	H2 – Litigation – Civil matters	215
7	<b>Section IV – Internal Controls Design Deficiencies</b>	<b>217</b>

## I. Abbreviations & Acronyms

1	AL&CD	Agriculture, Livestock and Cooperatives Department
2	ADP	Annual Development Programme
3	AG	Accountant General
4	APPM	Accounting policies and procedures manual
5	ASP	Assessment & Strengthening Program
6	BPS	Basic Pay Scale
7	CNIC	Computerised National Identity Card
8	CPO	Chief Planning Officer
9	DDO	Drawing and Disbursing Officer
10	DG L&DD (RW)	Directorate General of Livestock & Dairy Development (Research Wing)
11	FD	Finance Department
12	GFR	General Financial Rules
13	GoKP	Government of Khyber Pakhtunkhwa
14	GP Fund	General Provident Fund
15	HAD	Head of Attached Department
16	HR	Human Resources
17	HRD	Human Resources Department
18	HRM	Human Resources Management
19	ICQs	Internal Control Questionnaires
20	IT	Information Technology
21	KP	Khyber Pakhtunkhwa
22	LPC	Last Pay Certificate
23	PA	Personal Assistant
24	PAO	Principal Accounting Officer
25	P&D	Planning and Development
26	POL	Petrol, Oil and Lubricants
27	PRO	Principle Research Officer
28	SO	Section Officer
29	SO Admin	Section Officer Administration
30	SOB	Section Officer Budget
31	SRO	Senior Research Officer
32	RSPN	Rural Support Program Network
33	USAID	United States Agency for International Development

## **Foreword**

Internal Audit Toolkit is the Finance Department's recommended approach for carrying out internal audit activity at departmental level. It has been designed to help evidence effective internal auditing in line with the Public Sector Internal Auditing Standards and Internal Audit Framework of KP Government, with a focus on outcomes that help organisations to meet their public service delivery commitments. The department specific toolkit will aid the internal audit team by providing ready references of the existing processes and translating the methodology given in internal audit framework into actual working level steps.

This toolkit has been developed and prepared specifically for the Directorate General Livestock & Dairy Development (Research Wing). Separate audit toolkits will be developed for each entity in the Department. The document has been divided into four sections. Each section contains necessary guidance, tools and techniques required to carry out the audit activity effectively.

Section 1 of the toolkit provides templates for understanding the entity and its operations. It also covers the approach and templates for planning the audit and documenting critical decisions. Section 2 contains selective detailed process narrative and flowcharts. Risk and related controls have also been included here. Section 3 includes necessary audit programs to carry out the audit. The final section of the toolkit has a standardised audit reporting template and a report on the internal control deficiencies.

It is expected that the toolkit will be used to carry out an effective and robust audit in the Directorate. It should, however, be kept in mind that the organisational processes and procedures change with the passage of time and to keep this document relevant it is necessary that it should be updated accordingly. Therefore, creative suggestions to bring the toolkit in line with policies and procedures shall always be welcomed.

Finally, I would like to appreciate the efforts of Internal Audit Team who worked professionally and devotedly to design and develop this document, the ASP-RSPN, implementing partners of USAID for their technical assistance and officers and staff of the department who coordinated and guided the entire exercise to success.

**Secretary to the Government of Khyber Pakhtunkhwa**

**Finance Department**

**PESHAWAR, JUNE 2014**

## 2. A bird eye view of the document

Before using the document the audit officers carrying out the audit must read this section and understand how to make good use of it. The guidance on intended use of each section of the toolkit has been provided in the following paragraphs

Section I - This section relates to developing a general understanding of the business of the entity. A completed template has been included in the section. The completed template is just for the sake of guidance and provides an example on how to fill the template. The auditor while visiting the entity has to update the information contained in the completed template, by discussion with the management, in case there is any change in the business activities, processes, management etc. The update control sheet contained in the template should then be updated to reflect the fact.

Section II – This section contains the narratives and flowcharts of different processes. A risk and control matrix has also been included. These processes have been documented in an “as is” state i.e. what is currently happening in the department. In the future there may be change in the processes so the documented processes may require an update. There may be other processes which, in the future, may be considered significant and require documentation. The section will then be updated accordingly. It is also important to understand that the risks and controls identified in each process are not exhaustive.

Section III – This section contains audit programs. These audit programs have been developed on the basis of the processes documented in section II of the toolkit. In case of any change in the processes these audit programs will also require revision. This will also be the case if a new process is documented. Moreover, if there is any change in existing regulations or introduction of new regulations the audit programs shall then be updated accordingly.

Section IV - This is the final section of the toolkit which encompasses a report on the internal controls design deficiencies. The report on the internal controls design deficiencies is a by-product of the process documentation carried out. It is important to note that any design deficiencies in the controls which will come to the attention of the auditor in carrying out the audit in the future shall be reported in the audit report but not as a separate product.

For ready reference the templates, forms and certain rules being used/refereed to in this document are available in a bound volume by the name of “**IA Toolkit – Forms, templates and rules**”. Auditors while performing the audit should refer to the said volume on a need basis.

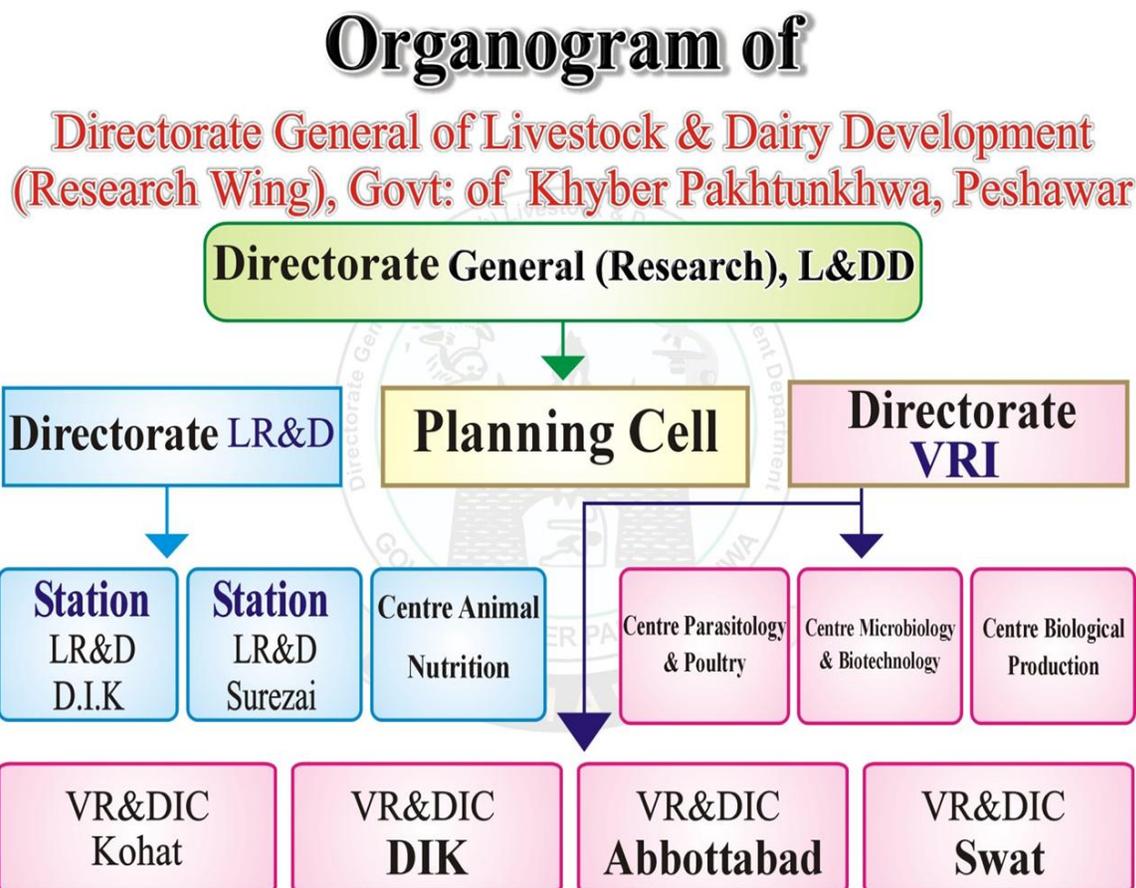
## Introduction – Directorate General of Livestock & Dairy Development (Research Wing) (DG L&DD)

The Directorate General of Livestock Dairy and Development (Research Wing) is responsible for implementation of Government policies on Agriculture under the instructions and guidelines issued by Department of Agriculture Livestock and Cooperatives Department.

Directorate General performs the following major functions:

- Protection against insects and pests and prevention of plant diseases
- Development of Livestock
- Veterinary Training and Research
- Bio-risk management and maintenance of bio-safety and bio-security in entities where biological activities are carried out
- Development of potent and effective vaccines against diseases
- Surveillance, diagnosis and control of disease
- Development of new appropriate techniques and their transfer

At Directorate General Level the organisational setup is as follows:



**SECTION I**

**Planning-Permanent File**

**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP**  
**AUDIT PLANNING-PERMANENT FILE**  
**Index/Checklist**

<b>Main Reference</b>	<b>Supporting Schedules</b>		<b>Done by:</b>	<b>Date:</b>
PF		Update Control Sheet	WTW	19/05/2014
PF-I		Status of the Entity	WTW	19/05/2014
PF-II		Background Information	WTW	19/05/2014
PF-III		Internal and External Factors	WTW	19/05/2014
PF-IV		Process Identification	WTW	19/05/2014
PF-V		Risk assessment	WTW	19/05/2014
PF-VI		Inherent Risk Assessment	WTW	20/05/2014
PF-VII		Control Risk Assessment	WTW	20/05/2014
PF-VIII		Significant Audit Areas	WTW	20/05/2014
PF-IX		Significant Issues	WTW	20/05/2014
_____	_____	_____	_____	_____



**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING-PERMANENT FILE**

**Understanding of Entity's Business – Status of Entity**

**Name of Entity/Organisation: DG of Livestock & Dairy Development (RW)**

Principal Address:

Directorate General of Livestock and Dairy Development (Research Wing),  
Bacha Khan Chowk, Peshawar, Khyber Pakhtunkhwa.

Status of the Entity:

Government (Provincial department)

(Government/autonomous/centralised/self-accounting/exempt/other)

Inter-Governmental Relationship:

Attached Department

(Attached department, branch office, etc.)

**GUIDANCE**

*The auditor should document on this form the principal address, status (whether it is a Provincial government, semi-government, self-accounting, centralized or exempt accounting entity, etc.) and its relationship with other government departments/ministries (attached department, branch office, etc.)*

INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP

AUDIT PLANNING-PERMANENT FILE

Understanding of Entity's Activities – Background Information

Name of Entity/Organisation: DG of Livestock & Dairy Development (RW)

*The auditor should gather financial and other background information about the entity.*

Size of Entity:

Original Budget allocations and revised budget for the year 2012-13 and 2013-14 are as below for Veterinary Research Institute (VRI), Directorate General of Livestock and Dairy Development (Research Wing):

S.No	Object Head	Original Budget 2012-13	Actual Expenditure 2012-13	Surrender for the Year 2012-13	Original Budget 2013-14	Actual Expenditure 2013-14 (Up to March)
1	AO11-1 Pay of Officer	19,557,100	18,978,573	578,527	21,777,000	14,947,018
2	AO11-2 Pay of Other Staff	21,223,018	21,128,263	94,755	22,177,400	15,602,123
3	AO12 Total Regular Allowance	40,420,835	40,503,349	(82,514)	52,571,500	35,471,496
4	AO3 Operating Expense	9,734,580	9,609,576	125,004	13,045,800	6,725,059
5	AO3805 Travelling Allowance	2,087,180	2,087,174	06	2,510,000	1,468,254
6	AO5 Grants/Subsidies	-	-	-	200,000	-
7	AO6 Total Transfer	20,000	-	20,000	-	-
8	AO9 Physical Assets	921,400	921,359	41	1,788,000	964,111
9	A13 Repair/Maintenance	2,625,000	2,619,058	5942	3,712,000	1,402,583
	<b>Total</b>	<b>96,589,113</b>	<b>95,847,352</b>	<b>824,275</b>	<b>117,181,700</b>	<b>76,580,644</b>

**Original budget and revised budget for the year 2012-13 and 2013-14 are as below for Livestock Research & Development (LR&D), Directorate General of Livestock and Dairy Development (Research Wing):**

S.No	Object Head	Original Budget 2012-13	Actual Expenditure 2012-13	Surrender for the Year 2012-13	Original Budget 2013-14	Actual Expenditure 2013-14 (Up to March)
1	AO11-1 Pay of Officer	11,195,856	11,193,856	2,000	10,649,700	8,062,339
2	AO11-2 Pay of Other Staff	14,539,479	14,536,479	3,000	15,282,900	11,105,869
3	AO12 Total Regular Allowance	30,010,450	30,005,450	5,000	34,192,600	24,338,092
4	AO3 Operating Expense	25,008,829	25,004,829	4,000	32,660,500	16,774,625
5	AO3805 Travelling Allowance	1,504,920	1,499,920	5,000	1,810,000	1,091,547
6	AO5 Grants/Subsidies	400,000	400,000	-	-	-
7	AO6 Total Transfer	-	-	-	-	-
8	AO9 Physical Assets	5,228,534	5,222,534	6,000	5,850,000	1,426,218
9	A13 Repair/Maintenance	3,165,247	3,162,247	3,000	3,240,000	1,841,289
	<b>Total</b>	<b>91,053,315</b>	<b>91,025,315</b>	<b>28,000</b>	<b>103,685,700</b>	<b>64,639,979</b>

**Core Operational Activity/Corporate Plan:**

The Directorate General of Livestock Dairy and Development (Research Wing) is responsible for implementation of Government policies on Agriculture under the instructions and guidelines issued by Department of Agriculture Livestock and Cooperatives. Some of the major functions are as follows:

- Enhance livestock productivity to ensure food security
- Increase farmer's income and reduce poverty
- Increase employment opportunities
- Conduct research on various aspects of Animal Nutrition, Fodder and Forages, Reproduction, Breeding, Management, Dairy Technology and Animal Health
- Provision of practical training to the organizations, professionals and Livestock/ Poultry Farmers
- Transfer of Research finding, technologies and packages to professionals/ farmers
- Provision of feed analytical facilities to manufacturers and farmers
- Provision of research facilities to graduate and postgraduate students

(Govt. revenue collection/grants & contributions/construction, etc)

**Major Services:**

- Protection against insects and pests and prevention of plant diseases
- Improvement of Livestock
- Veterinary Trainings and Research
- Bio-risk management and maintenance of bio-safety and bio-security in entities where biological activities are carried out
- Development of potent and effective vaccines against diseases
- Surveillance, diagnosis and control of disease
- Development of new appropriate techniques and their transfer to community

(Zakat, income tax, public works, etc)

**Major Beneficiaries:**

Major beneficiaries of Directorate General of Livestock & Dairy Development (Research Wing) are:

- Farmers
- Pakistan Army
- Government of Azad Kashmir
- Government of Sindh
- NGOs
- Private Sector
- Public and Private Sector Universities

(Federal/Provincial/District level)

**Major Cost Centres:**

The major cost centres in Directorate General of Livestock & Dairy Development (Research Wing) are:

AO11-1 Pay of Officer  
AO11-2 Pay of Other Staff  
AO12 Total Regular Allowance  
AO3 Operating Expense  
AO3805 Travelling Allowance  
AO5 Grants/Subsidies  
AO6 Transfer/Entertainment  
AO9 Physical Assets

A13 Repair/Maintenance

(Employee related costs/Zakat distributions/other types, etc.)

**Reporting Authority:**

According to Rules of Business, 2007, the Directorate General of Livestock and Dairy Development (Research Wing) is reportable to the Secretary, Agriculture Livestock and Cooperatives Department.

(Principal accounting officer/Ministry/CGA/others)

**Important information and statistics:**

**3<sup>rd</sup> Quarter Review of ADPs Project, 2013-14 at Directorate General of Livestock & Dairy Development (Research Wing), Sub Sector: (Veterinary Research Institute)**

S · N o	Sub-Sector	Total Budget (In Millions)	Total Releases in CFY (In Millions)	Expenditure till 20-04-2014 (In Millions)	% Utilization on Releases	Cumulative Expenditure (In Millions)/Percentage till 20-04-2014
1	Creation of Virology Section and Animal Houses at VRI, Peshawar	55.231	10.851	7.854	72	52.216/95%
2	Establishment of Poultry Diseases Investigation & Vaccines Production Centre at Veterinary Research Institute, Peshawar	70.00	1.296	1.296	100	1.296/1.86%
	<b>TOTAL</b>	<b>125.231</b>	<b>12.147</b>	<b>6.558</b>	<b>-</b>	<b>-</b>

**3<sup>rd</sup> Quarter Review of ADPs Project, 2013-14 at Directorate General of Livestock & Dairy Development (Research Wing), Sub Sector: (Livestock Research & Development)**

S · N o	Sub-Sector	Total Budget (In Millions)	Total Releases in CFY (In Millions)	Expenditure till 20-04-2014 (In Millions)	% Utilization on Releases	Cumulative Expenditure (In Millions)/Percentage till 20-04-2014
1	Establishment of Livestock Research & Development Station including animal analytical laboratory Dir Lower.	247.605	30.00	24.727	82	194.589/79%
2	Establishment of Drug Residues Determination Facility at Peshawar.	60.00	11.732	9.273	79	38.577/62%
3	Research & Development in Fodder & Forages for Enhancement of Dairy Production in Khyber Pakhtunkhwa	20.00	5.00	-	-	-
	<b>TOTAL</b>	<b>327.605</b>	<b>46.732</b>	<b>34.00</b>	<b>-</b>	<b>-</b>

## **GUIDANCE**

*The auditor should gather financial and other background information about the operations whose results are included in the Financial Statements of the entity. This includes information about total assets, total liabilities, total revenue and total expenditure, corporate plans, and organization structure, main functions, etc. **Other important information and statistical data may also be included here.***

INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP

AUDIT PLANNING-PERAMNENT FILE

Understanding of Entity's Business – Internal and External Factors

Name of Entity/Organisation: DG of Livestock & Dairy Development (RW)

*Internal and External Factors that can affect entity's business:*

**The major internal factors that can affect the entity are:**

**Organizational Culture** (the control environment, management attitude, and general trends can have material impact on operations)

**Policies and procedures** (the policies and procedures specific to organization help in achieving organization goals and objective efficiently and effectively).

**Trainings** (relevant trainings can have positive affect on entities operation)

**Financial Management System** (a good financial management system can provide prompt and timely information for decision making).

**Organizational Structure** (a good organizational structure will reduce the work load of the employees and will reflect the organization's achievements)

**The major external factors that can affect the entity are:**

**Form of government** (In democratic form of Government the cabinet and ministers use undue influence on the entity).

**Stability of the government** (Being a government department its stability depends on the stability of the government).

**Financial Management System** (a good financial management system can provide prompt and timely information for decision making)

***Relevant laws and regulations*** (must be adhered)

***Social environment*** (prevailing social and cultural environment can have material effect on entity operations)

***Technological changes*** (the entity must adopt itself according to latest technological changes)

***General environmental changes*** (the entity must response to general environment changes)

## **GUIDANCE**

*The auditor's objective is to obtain sufficient appropriate audit evidence to provide reasonable assurance that financial statement items affected by external matters outside control of management such as the economy that can affect the business are fairly presented within the context of the financial statement taken as a whole. To do so, the auditor will need to understand the external factors that could affect the audited entity's financial position.*

*The auditor should list entity's assets and liabilities that are affected by the external factors to ensure that costs, contingent liabilities, commitments and assets have been properly recognised, valued and reported in accordance with the government's accounting principles*

*The auditor should list external factors that may have an impact on the performance of the operational activities of an auditee. The auditor should use professional judgment to decide what these factors are. They may include:*

- *Economic trends and conditions affecting input costs.*
- *Variation in budgets.*
- *Timing of project completion and carry over into subsequent financial years.*
- *Local interventions or events that might have an impact on project progress.*
- *General financial indicators and trends*

**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP**

**AUDIT PLANNING-PERMANENT FILE**

**Understanding of Entity's Business – Process Identification**

**Name of Entity/Organisation: DG of Livestock & Dairy Development (RW)**

*The auditor should list all the critical processes of the client*

***Critical processes of the client are:***

*Human Resource department*

- *Hiring*
- *Training and Development*
- *Payroll and Compensation*
- *Posting and Transfer*
- *Retirement*

*Expenditure process*

- *Goods and Services*
- *Operating Expenses*

*Procurement*

- *Tendering (fixed Assets / Goods)*

*Budget*

- *Non development budget*
- *Development budget*

*Fixed Asset Management*

*Litigation*

*Projects*

*Monitoring & Evaluation*

*Sale of Vaccines*

**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING-PERMANENT FILE**

**Understanding of Entity’s Business – Risk Assessment – Financial, compliance and operational Risks**

**Name of Entity/Organisation: DG of Livestock & Dairy Development (RW)**

**Risk Assessment:**

The financial, compliance and operational risks assessed are as follows:

<b>Risk</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>
Financial	✓		
Compliance		✓	
Operational		✓	
<b>Overall</b>		✓	

**GUIDANCE**

The auditor should document any business risk affecting the entity. The severity of the risk should be documented using the risk matrix given below. Different types of risk are explained just for illustrative purposes.

*Strategic Risk:* Impairment to the strategic mission of the entity

*Operational Risk:* Impairment of the ability to carry out day-to-day operations of the entity

*Compliance Risk:* Failure to comply with laws, regulations and internal policies designed to safeguard the entity.

*Financial Risk:* Loss of financial resources or assets.

*Reputational Risk:* Risk to public image or reputation is damaged by actions of a unit or individual connected to the entity.

The auditor shall include 3 rankings against the risk factor identified as;

<b>High</b>	<b>Medium</b>	<b>Low</b>
3	2	1

**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING FILE**

**INHERENT RISK ASSESSMENT FORM**

**NAME OF AUDIT ENTITY: DG of Livestock & Dairy Development (RW)**

**AUDIT COMPONENT: Entity Level**

Factor	High	Mod.	Low
<p>1. The nature of the component, e.g.</p> <ul style="list-style-type: none"> <li>• Susceptibility to loss.</li> <li>• Susceptibility to fraud.</li> </ul>	✓		
<p>2. The extent to which the items making up the component are similar in size and composition.</p> <ul style="list-style-type: none"> <li>• Consider: More homogeneous the component, the lower the risk.</li> </ul>		✓	
<p>3. The volume of activity.</p> <ul style="list-style-type: none"> <li>• Consider: If a lot of transactions are being processed, the chances of an error occurring may be higher than if only a few transactions are being processed.</li> </ul>		✓	
<p>4. Capability of the staff processing the transactions.</p> <p>Consider:</p> <ul style="list-style-type: none"> <li>• If the staff is experienced and takes their jobs seriously, there is probably a lower inherent risk than if the staff is inexperienced or careless.</li> </ul>			✓
<p>5. The number of locations.</p> <ul style="list-style-type: none"> <li>• Consider: Entities operating out of a single location with a centralised accounting system may have a lower inherent risk than those operating out of many locations, each with its own accounting system.</li> </ul>			✓
<p>6. The accounting policies being used.</p> <ul style="list-style-type: none"> <li>• Consider: Many components have a lower risk of error when the cash basis of accounting is being used than when the accrual basis of accounting is being used.</li> </ul>			✓

**Overall Inherent risk assessment for the entity is Low.**

**GUIDANCE**

*Inherent risk should be assessed for entity as a whole keeping in view the above.*

*Inherent risk is assessed in a hypothetical environment – that assumes there are no internal controls in place.*

*The form calls for the auditor to assess various factors as “high”, “moderate” or “low” risk. After all of the factors are assessed, the auditor determines, using his/ her professional judgment, the inherent risk for the entity as whole. In this respect, the normal guidelines are as follows:*

<i>High inherent risk</i>	<i>60%</i>
<i>Moderate inherent risk</i>	<i>50%</i>
<i>Low inherent risk</i>	<i>40%</i>

*The assessment of inherent risk is not necessarily an average of the assessments for each of the factors listed on the form. For each factor being considered, one of the factors may be much more significant than the other factors.*

**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING FILE**

**CONTROL RISK ASSESSMENT**

**ENVIRONMENTAL INTERNAL CONTROL QUESTIONNAIRE**

**NAME OF AUDIT ENTITY: DG of Livestock & Dairy Development (RW)**

**AUDIT COMPONENT: Entity Level**

**AUDIT PERIOD: 2014**

Check in box: Yes:  No:  NA:

Q.	Controls	Yes/ No/ NA	Done By:	WP Ref.
A	<p><b><i>Control consciousness</i></b></p> <ol style="list-style-type: none"> <li>1. Is there clear management accountability for the establishment, and maintenance of appropriate and sufficient internal controls?</li> <li>2. Do employees have a clear understanding of their responsibilities and authorities?</li> <li>3. Is there an atmosphere of commitment and responsibility (ensuring that tasks are completed on time, low levels of errors and mistakes, flexible allocation of tasks, low absenteeism)?</li> <li>4. Are the controls being applied at all times (throughout the year, during staff shortages, for all situations / transactions)?</li> <li>5. Are there clear procedures and directives and are there management procedures to ensure they are complied with such as:               <ol style="list-style-type: none"> <li>a) Communication of what is acceptable / unacceptable behaviour;</li> <li>b) Employee evaluations that provide feedback on their performance; and</li> <li>c) Promotions and other rewards consistent with employee performance?</li> </ol> </li> </ol> <p><i>By verbal enquiry and observation conclude on breadth and depth of the controls in place and evaluate the overall level of control consciousness</i></p>	<p>No</p> <p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>Performance is reflected in PERs of the Officers/Officials.</p> <p>Provincial Selection Board considers promotion of officers in BS-17 and above and Department Promotion Committee considers promotion of officials in BS-16 and below.</p>

B	<p><b>Organisation</b></p> <p>1. Is the organisation of the entity clearly defined in terms of:</p> <ul style="list-style-type: none"> <li>a) Functions and delegated authority?</li> <li>b) Responsibility for decision making?</li> <li>c) Responsibility for establishing responsibilities?</li> <li>d) Segregation of duties?</li> <li>e) Rotation of officers in key control positions?</li> <li>f) Limitations on authority?</li> </ul> <p>2. In particular, are the following operating functions performed independently of one another within the entity:</p> <ul style="list-style-type: none"> <li>a) Accounts and internal audit</li> <li>b) Recording of receipts and collection of money</li> <li>c) Approval/authorisation and issue of payment</li> <li>d) Recording of expenditure and issue of payment</li> <li>e) Recording of assets and safeguarding of assets</li> </ul> <p>3. Are segregation of duties maintained during staff absence</p> <p><i>By verbal enquiry and observation check that the above functions are actually performed independently.</i></p> <p>4. Does the entity have a current organisation chart?</p> <p>5. Does the entity maintain current job descriptions?</p> <p><i>Obtain a copy of the organisational chart, a list of the names of responsible officials, and a description of their authorities and responsibilities. Update the information base in the permanent file.</i></p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>NA</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>Manual of Secretariat Instructions and Delegation of Powers under Financial Rules and Re appropriation Rules 2001 defines the limits of powers.</p> <p>Issue of cheques to claimants are made by AG office.</p> <p>Stock register is maintained.</p>
C	<p><b>Competence of personnel</b></p> <p>1. Do the procedures for selecting staff ensure that the staff selected for positions in the following key control areas are competent:</p> <ul style="list-style-type: none"> <li>a) Accounting;</li> <li>b) IT systems;</li> <li>c) Other areas responsible for internal controls; and</li> <li>d) Management</li> <li>e) Planning and Evaluation?</li> </ul> <p>2. Do staff in the following areas get adequate training?</p> <ul style="list-style-type: none"> <li>a) Accounting;</li> <li>b) IT systems;</li> <li>c) Other areas responsible for internal controls; and</li> <li>d) Management</li> <li>e) Planning and Evaluation</li> </ul> <p>3. Do staff in the following areas have a clear understanding of the work and their responsibilities?</p> <ul style="list-style-type: none"> <li>a) Accounting;</li> <li>b) IT systems;</li> <li>c) Other areas responsible for internal controls; and</li> <li>d) Management</li> <li>e) Planning and Evaluation?</li> </ul> <p>4. Is the supervision of staff in the following areas adequate to ensure that the internal controls are</p>	<p>No</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>Training is an integral part of this profession and is continuously imparted within the country and abroad.</p>

	<p>properly applied in the following areas?</p> <p>a) Accounting b) IT systems c) Other areas responsible for internal controls and d) Management e) Planning and Evaluation</p> <p>5. Are there procedures for assessing staff and providing feedback and rewarding good performance with regard to:</p> <p>a) Accounting b) IT systems c) Other areas responsible for internal controls d) Management and e) Planning and Evaluation</p>	<p>Yes Yes Yes No Yes</p> <p>Yes Yes Yes Yes Yes</p>		<p>Reward for good performance is promotion.</p>
D	<p><b><i>Management policy and operating style</i></b></p> <p>1. Are policies and procedures clearly written and communicated throughout applicable areas within the organisation?</p> <p>2. Is there adequate computer information system documentation to:</p> <p>a) Determine the extent of computerisation in the entity? b) Understand the computer information system? c) Identify key controls in the computer information system {Segregation of duties (inputs, programming, data processing and storage) / Physical access to terminals, hardware, etc / Access to files, data, etc. (via password controls, for example)}?</p> <p><i>Obtain a copy of the computer information system documentation and determine whether it contains the information noted above</i></p> <p>3. Do the Head of the entity meet frequently to?</p> <p>a) Update control policies &amp; procedures b) Review entity's performance c) Take appropriate action on performance reviews</p> <p><i>Note the frequency of such meetings under each of the above activities and enquire about timeliness of these meetings.</i></p> <p>4. Are the minutes of such meetings prepared and signed on a timely basis?</p> <p><i>Read minutes of meetings and make extracts of matters affecting presentation of financial information and other matters concerning operational activities, financial statements and budgets</i></p> <p>5. Does Head of the entity maintain adequate control over the entity's day-to-day financial operations by?</p> <p>a) Preparing budgets and financial statements on timely basis b) Reviewing the results on a monthly basis and</p>	<p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p> <p>No</p> <p>No</p> <p>No</p> <p>NA</p> <p>Yes</p> <p>No</p>		<p>Manual of Secretariat Instruction and other rules are widely provided and followed.</p>

	<p>analysing significant fluctuations</p> <p><i>Enquire and discuss control procedures that are followed in the preparation and analysis of budgets and financial statements with the Head of the entity and determine whether the budgets and financial statements contain any information or unusual and abnormal fluctuations that would affect our audit.</i></p> <p>6. Does the Head of the entity set performance indicators and benchmarks for planned performance?</p> <p><i>Assess completeness of indicators/benchmarks by ensuring that all significant financial components, physical targets and reporting dates have been identified</i></p> <p>7. Has the Head of the entity established planning and reporting systems that set forth the entity's plan and the results of actual performance?</p> <p>8. Does the planning and reporting system in place?</p> <p>a) Adequately identify variations from planned performance on a timely basis</p> <p>b) Adequately communicate breaches from and weaknesses in the control system to the Head of the entity</p> <p><i>Review changes in key performance indicators and enquire about significant fluctuations and their impact on yearly financial statements and review the reports on breaches and weaknesses and consider the impact of the findings on the scope of audit examination</i></p> <p>9. Does the Head of the entity:</p> <p>a) Adequately investigate variances on a timely basis?</p> <p>b) Take appropriate and timely corrective action?</p> <p><i>Review significant variances in monthly reports/financial statements and evaluate the actions taken.</i></p> <p>10. Does the entity have established policies for developing and modifying accounting systems and control procedures?</p> <p><i>Review the policy document and assess whether the policies are adequate and consistent with the delegation of financial powers rules, and update the information base in the permanent file.</i></p>	No		
E	<p><b>Management override</b></p> <p>1. Are there potential dangers of management override that render controls inoperative?</p> <p>2. Are there systems that record any situation where management override occurs?</p> <p><i>Evaluate the risk of management override that could occur without detection</i></p>	No Yes		

F	<p><b>Reporting</b></p> <ol style="list-style-type: none"> <li>1. Are adequate management reports? <ol style="list-style-type: none"> <li>a) Prepared regularly</li> <li>b) On a timely basis</li> <li>c) Distributed to the appropriate management</li> <li>d) In appropriate level of detail for the different levels of management</li> <li>e) Using proper cut-off procedures; and</li> <li>f) Reconciled to the accounting records</li> </ol> </li> <li>2. Are management reports used to monitor financial and operational performance and check on the reliability of financial data through: <ol style="list-style-type: none"> <li>a) Comparison with targets (budgets and operational goals) and</li> <li>b) Follow up on variation reports and unusual items</li> </ol> </li> <li>3. Are actions taken in response to financial and performance reports?</li> </ol>	<p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>No</p> <p>NA</p> <p>NA</p> <p>NA</p>		
G	<p><b>Protection of assets and records</b></p> <ol style="list-style-type: none"> <li>1. Is there adequate physical security over? <ol style="list-style-type: none"> <li>a) Cash</li> <li>b) Valuable documents (cheques / securities / contracts) and</li> <li>c) Stocks and assets</li> </ol> </li> <li>2. Are there adequate methods to prevent unauthorised access to: <ol style="list-style-type: none"> <li>a) Records (accounting records / employee files / tax records / confidential commercial information);</li> <li>b) Computer terminals and</li> <li>c) Software controls and routines</li> </ol> </li> <li>3. Is there adequate physical protection of? <ol style="list-style-type: none"> <li>a) Manual records</li> <li>b) Computer hardware and systems and</li> <li>c) Computer back up records</li> </ol> </li> <li>4. Is there a written disaster recovery plan?</li> <li>5. Is there a records retention policy?</li> <li>6. Are key documents properly maintained (records of decision / minutes of meetings / supporting analysis for management decisions)?</li> </ol>	<p>NA</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>No</p> <p>No</p> <p>No</p> <p>Yes</p>		
H	<p><b>Internal audit function</b></p> <ol style="list-style-type: none"> <li>1. Does the entity have an internal audit function?</li> <li>2. Does the internal audit function have an audit manual that describes objectives, procedures and guidelines for the conduct of internal audit at the federal, provincial and district levels?</li> <li>3. Are the internal auditors independent of the activities they audit?</li> <li>4. Do the internal auditors report directly to the Head of the entity or any other senior officer not directly involved in the day-to-day management activities?</li> </ol> <p><i>Obtain a copy of the internal audit manual, and assess its relevancy, usefulness, and comprehensiveness.</i></p> <p><i>Obtain an organisational chart of the internal audit functions and</i></p>	<p>No</p> <p>NA</p> <p>NA</p> <p>NA</p>		

	<p><i>conclude as to whether it ensures independence of the internal audit function.</i></p> <p>5. Is the internal audit function adequately staffed in terms of?</p> <p>a) Number of employees b) Training c) Experience</p> <p><i>Obtain a list of the current internal audit staff. For several of the key employees, obtain a summary of their employment history and the training that they have had over the previous 3 years.</i></p> <p><i>Obtain and review a few of the internal audit working papers and audit reports.</i></p> <p><i>Based on the above procedures, conclude as to the adequacy of the training and experience.</i></p> <p>6. Do the internal auditors review and document the internal control structure and perform tests of controls?</p> <p>7. If yes, review the internal audit file and obtain a copy of the document describing control structure and the nature, extent and timing of the audit testing. Assess the extent to which reliance can be placed on the work performed.</p> <p>8. Do the internal auditors perform substantive tests of the transactions and account balances?</p> <p><i>If the answer is "Yes", review the internal audit file and consider the nature, extent and timing of the audit work performed. Assess the extent to which reliance can be placed on the work performed.</i></p> <p>9. Do the internal auditors render written reports on their findings and conclusions?</p> <p>10. If yes, are the reports submitted to the Head of the entity?</p> <p><i>Obtain a copy of the reports that would appear to be particularly relevant to the financial audit being performed. Consider the impact of the internal auditor's findings on the scope of audit examination and the extent of reliance that can be placed on them.</i></p> <p>11. Does Head of the entity take adequate and timely actions to correct conditions reported by the internal audit function?</p> <p><i>Review management's response to the recommendations made by the internal auditors and the actions taken.</i></p> <p>12. Does the internal audit function follow up on corrective actions taken by management?</p> <p><i>Review the internal auditor's assessment of the corrective actions taken, and consider the impact on the nature, extent and timing of our audit tests and procedures.</i></p>	<p>NA NA NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p>		
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**Note:**

For all **X** must provide explanations/ elaboration/ implications

For all **✓** Working Papers should show what tests, data and analysis led the auditor to be satisfied that controls were satisfactory

**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING FILE**

**CONTROL RISK ASSESSMENT FORM**

**NAME OF AUDIT ENTITY: DG of Livestock & Dairy Development (RW)**

**AUDIT COMPONENT: Entity Level**

**AUDIT PERIOD: 2014**

Factor	High	Mod.	Low
1. Control Environment:			
A. Control consciousness			✓
B. Organization			✓
C. Competence of personnel		✓	
D. Management Policy & operating style		✓	
E. Management override	✓	✓	
F. Reporting		✓	
G. Protection of Assets & Functions			
H. Internal Audit Function			
(from Environmental Internal Control Questionnaire)			

<b>Control risk assessment for the entity as whole is Moderate.</b>	
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<b>Control risk is the converse of the amount of assurance that the auditor wishes to achieve from his/her tests of internal control. The amount cannot be lower than the actual control risk.</b>	
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## **GUIDANCE**

*Control risk is assessed for each audit objective for each component.*

*The form calls for the auditor to assess various factors as “high”, “moderate” or “low” risk. After all of the factors are assessed, the auditor determines, using his/her professional judgment, the control risk for the audit objective being considered. In this respect, the normal guidelines are as follows:*

<i>High control risk</i>	<i>80%</i>
<i>Moderate control risk</i>	<i>50%</i>
<i>Low control risk</i>	<i>20%</i>

*The assessment for each audit objective necessarily an average of the assessments is for each of the factors listed on the form. One of the factors may be much more significant than the other factors.*

*The internal control questionnaires (ICQs) are completed at the planning stage to assist in the determination of control risk. The extent to which they would need to be completed is a matter of professional judgement. If the control environment and the control systems have not changed since the previous year, and if the auditor has tested these systems in the previous year, then the auditor may be able to assess control risk without completing the ICQs at the planning stage. If, on the other hand, there have been significant changes to the control environment and the control systems, then the auditor may need to complete the ICQs at the planning stage.*

*Once the auditor assesses control risk for each audit objective for each component, he/she needs to consider whether it would be cost-effective to rely on the internal controls. The auditor records, on the last row of the form, the converse of the amount of assurance that he/she wishes to obtain from the internal control structure.*

*While an assessment needs to be made for each specific audit objective for each component, the form permits the auditor to list more than one audit objective, and component on each form. This is because the auditor’s assessments of the various factors will likely be the same for several different objectives and components.*

**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP**

**AUDIT PLANNING-PERMANENT FILE**

**Understanding of Entity's Business – Significant Audit Areas**

**Name of Entity/Organisation: DG of Livestock & Dairy Development (RW)**

<b>Significant Financial Statement Components</b>	<b>Critical Audit Area Yes/No</b>
AO11-1 Pay of Officer	Yes
AO11-2 Pay of Other Staff	Yes
AO12 Total Regular Allowance	Yes
AO3 Operating Expense	Yes
AO3805 Travelling Allowance	Yes
AO5 Grants/Subsidies	Yes
AO6 Transfer/Entertainment	Yes
AO9 Physical Assets	Yes
A13 Repair/Maintenance	Yes
Annual Development Programs (ADP)	Yes

## **GUIDANCE**

*The auditor should list critical audit areas/ significant financial statement components (including individually significant transactions and events) and their impact on the financial statements of the entity. For each identified significant component, the auditor can then plan the audit for specific financial audit objectives and related compliance with authority objectives.*

*The list of significant components provided on the previous page is for illustrative purposes only. The list should be updated to reflect the actual components to be used on any given audit.*

**INTERNAL AUDIT CELL, AL&C DEPARTMENT, GOVERNMENT OF KP**

**AUDIT PLANNING-PERMANENT FILE**

**Understanding of Entity's Business – Significant Issues**

**Name of Entity/Organisation: DG of Livestock & Dairy Development (RW)**

**GUIDANCE**

*These include issues that have come to the attention of the auditor while gaining understanding of the entity.*

**Section II**

**Detailed Processes (Narratives and Flowcharts)**

***A - Budget Management - Consolidation***

<b>Process Narrative Including Risk and Control Matrix</b>	<b>A1</b>
<b>Budget Management- Consolidation- Developmental Budget (Demand for grants)</b>	<b>Process ID: AL&amp;CD/ DG L&amp;DD (RW)/BM/Consolidation/Dev- 01</b>

**Background Information**

When given a call by Planning and Development Department, each Department consolidates all the development projects/schemes, forwarded to it by the DDO's (Drawing and Disbursing Officers) of Directorates and also includes proposals visualised by it which are then forwarded to the Planning and Development (P&D) Department.

P&D holds meetings with the Administrative Department/its entities in January and February to discuss Annual Development Program. Finance Department invariably attends these meetings as a watch dog of Provincial treasury. Important discussions are held with regard to public needs and development strategy leading to formulation of ADP. Allocations are tentatively made for projects, umbrella schemes as well as individual schemes keeping in view the size of the project and priority attached to complete each of them.

Each scheme has a life cycle of three stages.

- **Formulation process:** This process includes documents preparation, authorization, Consultation, and allocation of resources.
- **Implementation process:** Which includes Monitoring of schemes by the P&D department.
- **Completion Process:** Which includes sanction of posts of employees, PC-4, BM-16 handing and taking over related documents and infrastructure developed.

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
<b>*P&amp;D Department</b>	P1 – Issues a circular along with instructions and guidelines each year in March to all the departments for planning new and completion of already running schemes.	Risk sits in the P&D Department.	Control for the risk sits in the P&D department.
		Risk that Department may not receive circular and instructions.	If the circular and instructions are not received on time, they can write to the P&D Department as well as follow up by phone calls.
<b>*AL&amp;CD- Planning Section</b>	P2– Issues instructions to Attached Departments along with guidelines to start collecting and commpiling data.	Risk that instructions and guidelines are not issued to the attached departments on time.	Letters are issued through dispatch and diary section which keeps record of all dispatches on daily basis. Any delay is grossly evident from the record and is thus mitigating.
			<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.</li> <li>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</li> </ol>

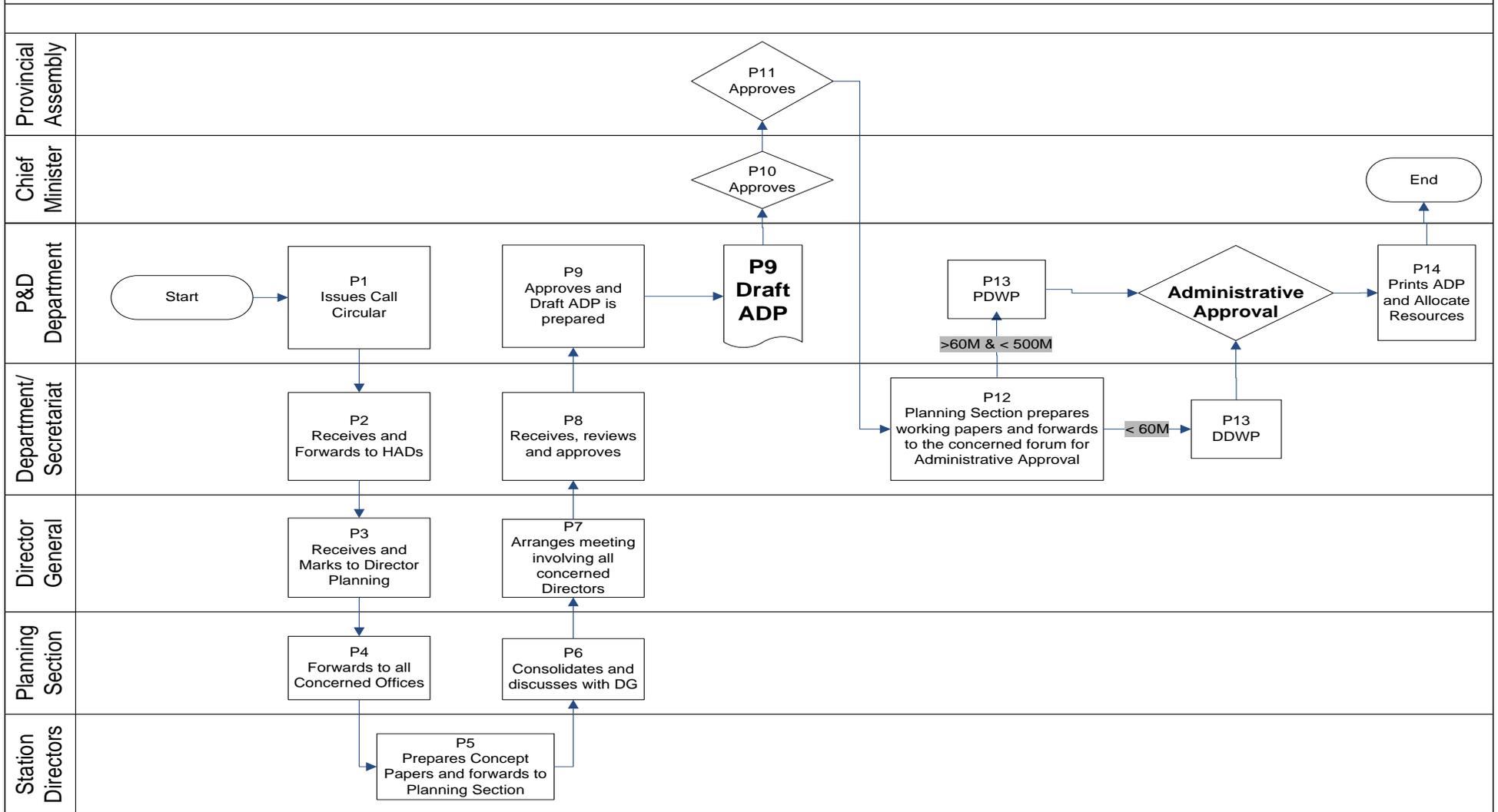
			3.The reconciliation report should then be forwarded to the next higher authority for his/her review & signature (where appropriate).
<b>DGL&amp;DD(RW) - Director General</b>	P3 – Receives instructions and forwards them to Director Planning.	Risk that DGL&DD(RW) did not receive circular and instructions on time.	<b>Suggested Mitigating Controls:</b> 1. An annual planning calendar should be maintained by each section which should include all the important dates and scheduled tasks.  2. This annual planning calendar should be approved by the head of the section at the beginning of the year.  3. At the end of each month this should be reviewed by the head of the section to ensure that no important task is missed or delayed.
		Risk that circular are not forwarded to attached entities on time.	<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P2”.
<b>DGL&amp;DD(RW) Planning Section-Director Planning</b>	P4- Receives circular and marks to the Station Directors.	Risk that circular is not forwarded on time.	<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P2”.
<b>*District/Station Directors</b>	P5-District/Station Directors collect all the relevant data and prepare developmental budget.It is then submitted to Directorates.	Risk sits in the District/station offices.	Control for the risk sits in the District/Station offices.

<b>DGL&amp;DD(RW) - Planning Section- Computer operator</b>	P6- Receives development budget and consolidates which is reviewed by the Director Planning. It is forwarded to DG's office. In case of disagreement, the budget is returned to the relevant District/Station Director.	Risk that incomplete budget is received.	Director planning analyses and DG reviews it to mitigate the risk.
		Risk that during consolidation, a clerical mistake may occur such as a particular developmental head is left out.	Director planning and DG both review the budget extensively before sending it to Department mitigate the risk.
		Risk that there is no segregation of duties in budget/Planning section.	In the Planning section, the computer operator consolidates the data and Director Planning checks the consolidated sheet.
		Risk that Consolidated data is not received from all Directorates.	1. A control sheet is maintained by the computer operator which lists all the Directorates and Districts/stations. If the data is not received from a particular Directorate/station, it is followed up by several reminders and phone calls.
		Risk that disagreed data is not returned to relevant directorate.	Normally the concerned Station is informed instantly to do the needful followed by a letter dispatched through diary and dispatch section.

<b>DGL&amp;DD(RW) - Director General Office</b>	P7- Meeting is arranged involving all the Directors/DDOs for review and final approval of their respective development proposals. The finalised budget is sent to the Planning Section of the AL&CD for its scrutiny.	Risk that incomplete budget proposals are forwarded.	Director planning reviews it and DG checks it which mitigates the risk.
<b>*AL&amp;CD- Planning Section</b>	P8- Receives budgetary data , approves and forwards to P&D Department.	Risk sits in the AL&CD Planning Section.	Control for the risk sits in the AL&CD Planning Section.
<b>*P&amp;D Department</b>	P9- Starts consultation with concerned department regarding their consolidated data.	Risk sits in the P&D Department.	Control for the risk sits in the P&D Department.
<b>*P&amp;D Department</b>	P9- Prints ADP after finalization of budget proposals and takes approval of Chief Minister.	Risk sits in the P&D Department.	Control for the risk sits in the P&D Department.
<b>*Chief Minister/ cabinet</b>	P10- Approves and forwards ADP to Provincial Assembly for approval.	Risk sits in CM's Secretariat.	Control for the risk sits in the CM's Secretariat.
<b>*Provincial Assembly &amp; P&amp;D Department</b>	P11- Approves which is then intimated back to Planning & Development Department.  11/1- P&D D prints the ADP and sends to AL&CD.	Risk sits in Provincial Assembly.	Control for risk sits in the Provincial Assembly.
<b>*AL&amp;CD- Planning Section</b>	P12- Receives ADP book and itself as well as through the Drectorate prepares working papers of all schemes and forwards	Risk sits in AL&CD Planning Section.	Control for the risk sits in AL&CD Planning Section.

	to the concerned forum for Approval.		
<b>Concerned Forum.</b> <ul style="list-style-type: none"> <li>• ECNEC</li> <li>• CDWP</li> <li>• PDWP</li> <li>• DDWP</li> </ul>	P13- Reviews Working paper and accords approval of ADP schemes. Administrative approval is given by the Administrative Secretary who then requests to P&D Department for release of funds.	Risk sits in Concerned Department.	Control for the risk sits in Concerned Department.
<b>*P&amp;D Department</b>	P13-1 Approves allocations on basis of working papers.	Risk sits in P&D Department.	Control for the risk sits in P&D Department.
<b>AL&amp;CD DGL&amp;DD (RW)</b>	P14- Starts executing ADP.	Risk sits in AL&C Department.	Control for the risk sits in AL&C Department.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>A2</b>
<b>Budget Management- Consolidation -Non Developmental Budget (Demand for grants)</b>	<b>Process ID: AL&amp;CD/DG L&amp;DD (RW)/BM/Consolidation/ Non Dev-02</b>

### **Background Information**

In order to prepare estimates of non-developmental budget, Finance Department issues a budget call circular (BBC) in October to all the Administrative Secretaries to submit their estimates for the forthcoming year. Each department then forwards the instructions received to all the DDOs to prepare the budget. The budget data received from all DDOs is consolidated at the secretariat level. Before consolidation, it is extensively analysed and discussed with the stake holders. After perfection, it is sent to FD who either accepts it as such or does so after effecting necessary changes. It is then made part of master budget of the province and placed before the Cabinet for approval. It is finally debated by the Provincial Assembly and passed. FD prints it and starts releases to departments.

### ***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
<b>*Finance Department</b>	P1– Indicates through Budget Call Circular (BCC), tentative provisions (budgetary figures) to each department in October for the forthcoming financial year and asks them to prepare their respective non-development budget.	Risk sits in the Finance Department.	Control for the risk sits in the Finance Department.
<b>*AL&amp;C Department</b>	P3- Issues Instructions to all Directorates along with Budget Call Circular.	Risk sits in the AL&C Department.	Control for the risk sits in the AL&C Department.
<b>DGL&amp;DD(RW) - Director General</b>	P4 – Receives Instructions along with Budget Call Circular and marks to the Budget Section.	Risk that Instructions and BCC are not received.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. An annual planning calendar should be maintained by each section which should include all the important dates and related tasks.</li> <li>2.This annual planning calendar should be approved by the head of the section at the beginning of the year.</li> <li>3. At the end of each month this should be reviewed by the head of the section to ensure that no important task is missed or delayed.</li> </ol>

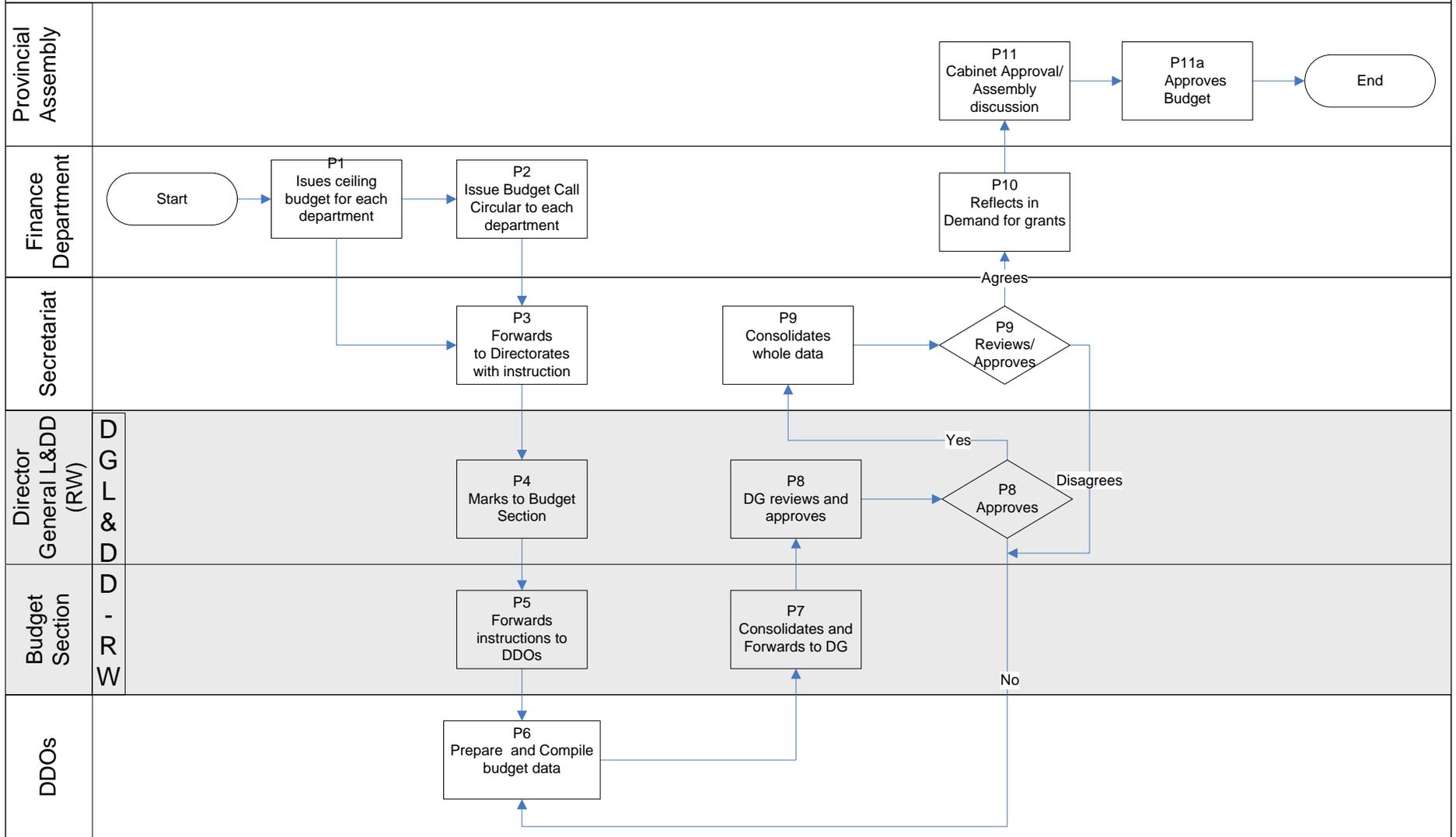
		Risk that Instructions and BCC are not expedited by the budget section of DG office.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat instructions should be followed.</li> <li>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</li> <li>3. The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</li> </ol>
<b>DGL&amp;DD(RW) - Budget Section-Superintendent Budget</b>	P5 – Forwards Instructions and Budget Call Circular along with instructions to all Districts/stations.	Risk that Instructions and Budget Call Circular are not forwarded on time.	<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P4”.</p>
		Risk that Instructions and Budget Call Circular are not forwarded to all Districts/stations.	A control sheet is maintained in the budget section which lists all the District/stations/DDOs. This sheet is used to forward instruction to all the District/stations/DDOs.
<b>*District/ Station offices-DDOs</b>	P6 – Collect the relevant data from each entity accordingly and then compile it in a form known as "Budget Data" and send it to Directorate.	Risk sits in DDOs.	Control for the risk sits in the DDOs.

<p><b>DGL&amp;DD(RW) - Budget Section- Computer operator</b></p>	<p>P7-Consolidates all the data sent by DDOs' and forwards to DG for review/approval. In case of disagreement, it is returned to DDO for correction.</p>	<p>Risk that during consolidation, a clerical mistake may occur such as an expenditure head is missed out.</p>	<p>After consolidation of data it is reviewed against;</p> <ul style="list-style-type: none"> <li>• Ceiling budget.</li> <li>• Previous year budget.</li> </ul> <p>to highlight any variation in data by Budget Superintendent. The control is evidenced by the signature of Budget Superintendent affixed on the consolidation sheet. The control also ensures the completeness of the data received.</p>
		<p>Risk that the rejected data is not returned to relevant DDO.</p>	<p>Budget Superintendent assures for the sending back the data.</p>
		<p>Risk that no segregation of duties with regard to consolidation of data and its review was carried out.</p>	<p>In the Budget section, the computer operator consolidates the data and Superintendent Budget reviews the consolidation sheet.</p>
		<p>Risk that Consolidated (DDO level) data is not received from all Districts/stations.</p>	<p>1. A control sheet is maintained by the computer operator which lists all the Districts/stations/DDOs. If the data is not received from a particular DDO then it is followed up by several reminders and phone calls.</p>
		<p>Risk that rejected data is not sent back to relevant directorate on time.</p>	<p>Normally the concerned directorate is informed on spot and letter is dispatched through diary and dispatch section.</p>
			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P4”.</p>

		Risk that Budget data is not forwarded to DG on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P4”.
<b>DGL&amp;DD(RW) Director General</b>	- P8- Reviews and approves the consolidated budget data. In case of disagreement, it is sent back to the DDO concerned. The approved data is then forwarded to AL&CD.	Risk that rejected data is not sent back to relevant directorate.	Normally the concerned directorate is informed on spot and letter is issued and dispatched through diary and dispatch section. Time constraints are risk mitigating factors.
		Risk that Budget data is not returned to the relevant DDO on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P4”.
<b>*AL&amp;C Department</b>	P9- Receives consolidated data, reviews it and forwards to the Finance Department. In case of disagreement, it is sent back to the Directorate for rectification.	Risk sits in the AL&C Department.	Control for the risk sits in the AL&C Department.
<b>*Finance Department</b>	P10- Receives departmental approved budget which is reflected in 'Demand for Grants'. Then it is sent to Cabinet for approval.	Risk sits in Finance Department.	Control for the risk sits in Finance Department.

<b>*Cabinet/Provincial Assembly/FD</b>	P11- Cabinet reviews the 'Demand for Grants' which is then forwarded to the Assembly for discussion & final approval. It is then printed by the FD and then allocated to Departments / entities.	Risk sits in the Cabinet/Provincial Assembly /FD.	Control for the risk sits in the Cabinet/Provincial Assembly/FD.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>A3</b>
<b>Budget Management- Revenue Estimates</b>	<b>Process ID: AL&amp;CD/DG L&amp;DD (RW)/BM/Consolidation/Rev- 03</b>

**Background Information**

Agriculture Department generates its revenue from seven attached departments i.e. Agriculture extension and Research, Livestock extension and Research, Water management, Agriculture Engineering and Fisheries as whole. However, the office of DG, Livestock and Dairy Development (Research Wing) earns substantial revenue by extending health services to live stock holders, selling of vaccines and animal nutritions in addition to renting out the departmental machinery.. The receipts so earned are deposited in the government bank account under the code: CO-3225. Estimates are then forwarded to the Finance Department for reflection in the Receipt book. Periodic meetings are held to review progress about collection of revenues.

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

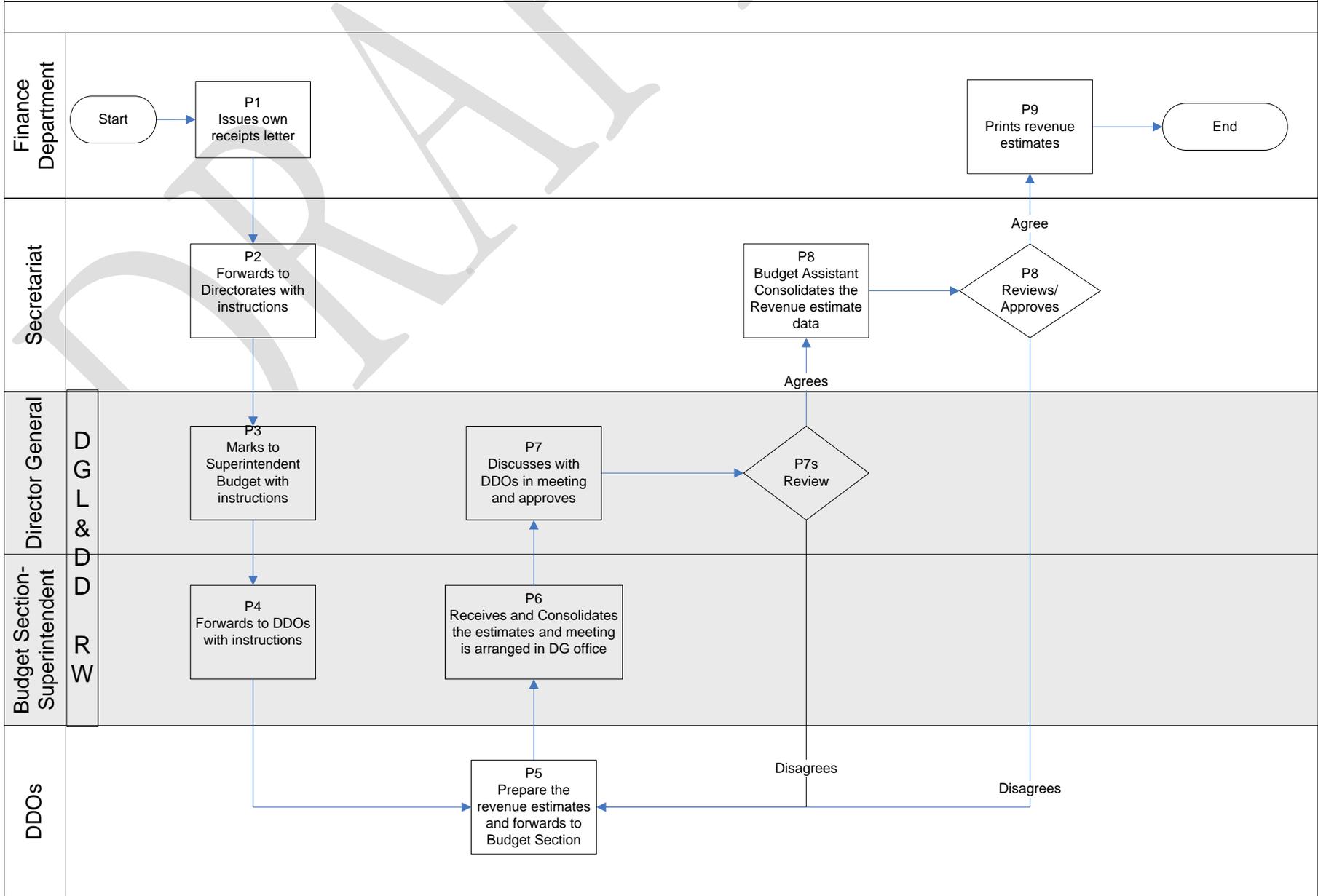
<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
<b>*Finance Department</b>	P1– Asks the Departments to intimate “Own Receipts Letter”.	Risk sits in Finance Department.	Control for the risk sits in the Finance Department.
<b>*AL&amp;CD- Accounts section-SOB</b>	P2 – Forwards this letter to the directorates along with instructions.	Risk sits in the AL&CD.	Control for the risk sits in the AL&CD.
<b>DGL&amp;DD(RW ) - Director General</b>	P3- Marks to the Superintendent Budget along with instructions.	Risk that the letter is not received on time.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. An annual planning calendar should be maintained by each section which should include all the important dates and related tasks.</li> <li>2. This annual planning calendar should be approved by the head of the section at the beginning of the year</li> <li>3. At the end of each month this should be reviewed by the head of the section to ensure that no important task is missed or delayed.</li> </ol>
		Risk that Letter is not forwarded to the superintendent on time.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat instructions should be followed.</li> <li>2. To ensure adherence to above referred Rules, Diary</li> </ol>

			<p>in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</p>
<b>DGL&amp;DD(RW) - Budget Section-Superintendent</b>	P4- Forwards these instructions and letter to all DDOs.	Risk that Letter is not forwarded to the DDOs.	The Budget section keeps complete list of Districts/stations/DDOs. Letters are issued through dispatch and diary section which keeps record of all dispatches on daily basis.
		Risk that Letter is not forwarded to the DDOs on time.	<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P3”.</p>
<b>*District/Station offices-DDOs</b>	P5- Collect and compile the data and then forward it to Superintendent Budget.	Risk sits in the DDOs.	Control for the risk sits in the DDOs.
<b>DGL&amp;DD(RW) Budget Section-Computer Operator</b>	P6- Consolidates all the data. Budget Superintendent reviews and after consolidation a meeting is arranged for discussion on revenue estimates with all the DDOs. Normally, the DG chairs the meeting. If disagrees, it is then sent back to the concerned DDO.	Risk that the compiled data is not received from all DDOs.	1. A control sheet is maintained by the computer operator which lists all the DDOs. If the data is not received from a particular DDO, then it is followed up by several reminders and phone calls.

		Risk that the rejected compiled data is not sent back to concerned DDO.	Normally, the DDO concerned is informed on time and letter is issued through diary and dispatch section and also the presence of the DDO in the meeting keeps him informed about the status of his estimates.
		Risk that during consolidation, a clerical mistake may occur, such as a source of revenue is left out.	The budget clerk receives the budget data and computer operator enters the data in computer in excel consolidation sheet and finally consolidation sheet is reviewed by Superintendent Budget. The review will ensure the completeness of the data.
		Risk that there is no segregation of duties.	The budgeted data is received by budget clerk and computer operator enters the data in excel consolidation sheet. The consolidated sheet is finally reviewed by the Budget Superintendent.
<b>DGL&amp;DD(RW) - Director General</b>	P7- Discusses the estimates with all the DDOs. If agreed, these are forwarded to Administrative Department. In case of disagreement, these are returned to the DDOs concerned for correction.	Risk that the estimates are not forwarded on time to Administrative Department.	<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P3”.
<b>*ALCD</b>	P8- Consolidates all the data, reviews, approves and finally sends it to the Finance department. In case of disagreement, it is returned to the concerned Directorates for correction.	Risk sits in the ALCD.	Control for the risk sits in the ALCD.

<b>*Finance Department</b>	P9- Receives departmental approved Revenue Estimates, which are reflected in the Estimated Receipt book.	Risk sits in Finance Department.	Control for the risk sits in Finance Department.
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*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>A4</b>
<b>Budget Management- Re-Appropriation/Surrender of savings</b>	<b>Process ID: AL&amp;CD/DG L&amp;DD (RW)/BM/Re- appropriation-04</b>

**Background Information**

Finance Department releases budget to different departments at start of the year. The appropriations usually do not withstand the external factors impacting the prices and fall short of funds to meet its needs. Resultantly, the department resorts to demand additional funds from the FD to bridge this gap which is provided as supplementary grant. Alternately, the department compromises on some expenditures and carry out reappropriations from certain heads because these expenditure heads are either less important or the entire amount allocated there under may remain un utilised by the end of the year.. It is therefore surrendered, if not required.

AL&C Department asks all its Directorates/district offices including Director General L&DD (RW) to intimate its need for Re-appropriation / Surrender of Saving. The Directorate General L&DD (RW) then prepares its statements of re-appropriation and savings and sends these to the AL&CD enroute to FD which, if agrees, makes adjustments in budgets under intimation to AG's office.

There are two key dates by which each department needs to do their budget Re-appropriate.

- Up to end of April.
- Up to 25<sup>th</sup> of June.

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
<b>*Finance Department</b>	P1 – Issues letter regarding Re-Appropriation/surrender of savings to AL&C Department.	Risk sits in Finance Department.	Control sits in the Finance Department.
<b>*AL&amp;C Department</b>	P2 - Receives the letter from Finance Department. Secretary receives it and asks it SO Budget to act.	Risk sits in the AL&CD.	Control sits in the AL&CD.
<b>*AL&amp;C Department- SO Budget</b>	P3 – Forwards the letter to the Directorate General L&DD (RW).	Risk sits in the AL&CD.	Control sits in the AL&CD.
<b>DG L&amp;DD (RW)- Accounts Section- Superintendent</b>	P4 – Prepares and consolidates the statement of Re-appropriation /Surrenders of savings of his office and those received from District offices in 10 <sup>th</sup> and 12 <sup>th</sup> month of the FY and submits to Principle Research Officer (PRO) and Director General (DG) for approval.	Risk that the letter is not received on time.	<b>Suggested Mitigating Controls:</b> 1. An annual planning calendar should be maintained by each section which should include all the important dates and related tasks. 2. This annual planning calendar should be approved by the head of the section at the beginning of the year 3. At the end of each month, this should be reviewed by the head of the section to ensure that no important task is missed or delayed.

		A clerical mistake may occur in the preparation and consolidation of statement.	<p><b>Suggested Mitigating Control:</b></p> <p>Assistant needs to prepare the statement of consolidation and Superintendent B&amp;A needs to check it while the DDO and DG should finally approve it.</p>
		The savings are surrendered almost at the end of the FY and as a result are not put to good use.	<p><b>Suggested Mitigating Control:</b></p> <p>Following the end of 1<sup>st</sup> month of FY, the DDO should prepare a 12 month rolling budget forecast at the end of each month. Then a forecast variance report between actual and forecasted budget must be prepared at the end of each month.</p> <p>It will be possible for the DDO to ascertain the exact position of savings/excess early in the financial year. This report must be reviewed and signed by the DG L&amp;DD (RW).</p>
		Risk that the statements of surrenders is not received on time from districts.	<p>Superintendent Accounts makes sure and follows up so that the statements are received on time.</p>
			<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat instructions should be followed.</li> <li>2. To ensure adherence to above referred rules Diary in and Diary out must be</li> </ol>

			reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards. 3.The reconciliation report should then be forwarded to the next higher authority for his/her review & signature.(where appropriate).
<b>DG L&amp;DD (RW)- Director General</b>	P5 – Approves the statement of re-appropriation/surrenders and forwards these to the AL&CD.	Approved statement is not forwarded to the AL&CD on time.	DG makes sure that letter is forwarded to the AL&CD on time.
			<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P4”.
<b>*AL&amp;C Department</b>	P6 – Receives the letter of re-appropriation / saving of surrender from Directorate General L&DD (RW).	Risk sits in the AL&CD.	Control sits in the AL&CD.
<b>*AL&amp;C Department</b>	P7 – Forwards the statements to the Finance Department for further approval .	Risk sits in the AL&CD.	Control sits in the AL&CD.
<b>*Finance Department</b>	P8 - Receives statement of re-appropriation and surrender of savings from AL&CD. Either approves or asks for changes. Budget book is adjusted accordingly under intimation to AG'Office and others.	Risk sits in Finance Department.	Control sits in the Finance Department.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



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***B – Human Resource Management***

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>B1</b>
Hiring process- Gazetted Employees	Process id: AL&CD/DG L&DD (RW)/HRM/Hiring Process-01

**Background Information:**

Director General L&DD is the competent authority for initiating the process of filling vacant posts in BS-16 and above. It is done either through promotions or through fresh recruitments depending upon the category of quota the vacant post falls in. For all gazetted posts i.e. BS – 17 and above, the hiring is done through a requisition sent to KP Public Service Commission which conducts tests and interviews of candidates, prepares and recommends final list of successful ones. Further procedure rests in the domain of Directorate and / or AL&CD. Director General Health conducts medical check-up of the successful employees before joining. The Service Books of employees thus appointed are maintained within the Department. AG's Office maintains record pertaining to salary and GP Fund.

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
DG L&DD (RW)- Establishment Section-Superintendent	P1 – Enquires about details of vacant positions at its own office and district offices.	Risk that the enquiry about vacant positions is not made on time and some important positions may remain vacant for a long time thereby affecting the operational efficiency of the department.	<p><b>Suggested Mitigating Control -</b> Enquiries should formally be made about vacant posts in all Districts at regular intervals e.g. quarterly.</p>
			<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. An annual planning calendar should be maintained by each section which should include all the important dates and related tasks.</li> <li>2. This annual planning calendar should be approved by the head of the section at the beginning of the year</li> <li>3. At the end of each month this should be reviewed by the head of the section to ensure that no important task is missed or delayed.</li> </ol>
		Risk that the letter asking to intimate vacant posts is not sent to all the Districts.	<p><b>Suggested Mitigating Control –</b> The Superintendent Establishment should maintain a Control sheet of all the District Offices and letters once dispatched to them should be indicated on the sheet.</p>

<b>*District Offices</b>	P2 – Prepare and provide the details of vacant positions to the Superintendent Establishment.	Risk sits in the District office.	Control sits in the District office.
		Risk that staff against vacant position is demanded but the current staffing strength is adequate.	<b>Suggested Mitigating Control –</b> Workload assessment, of the District demanding the new post, should be carried out by the Principle Research Officer (PRO)/Director General and comments be recorded on the file so that extra staff is not hired without any proper justification.
DG L&DD (RW)- Establishment Section- Superintendent	P3 – Consolidates the list of vacant positions received from all the districts/ offices.	Risk that details of vacant positions are not received from all the Districts.	<b>Suggested Mitigating Control –</b> The Superintendent Establishment should maintain a Control sheet (same sheet as explained above) of all the Districts and letters once received should be indicated on the sheet.
		Risk that a clerical mistake occurs during consolidation e.g. a vacant position is not entered.	Review of the consolidated list by the Superintendent, PRO and finally by Director General vis a vis the lists received from all Districts offices.
DG L&DD (RW)- Establishment Section- Superintendent	P4 – Prepares the requisition of vacant posts and sends it to the Administration section in Department of AL&CD after approval by DG.	Risk that the requisition is not sent on time.	Follow up by the District Office concerned about the status of the vacant positions.

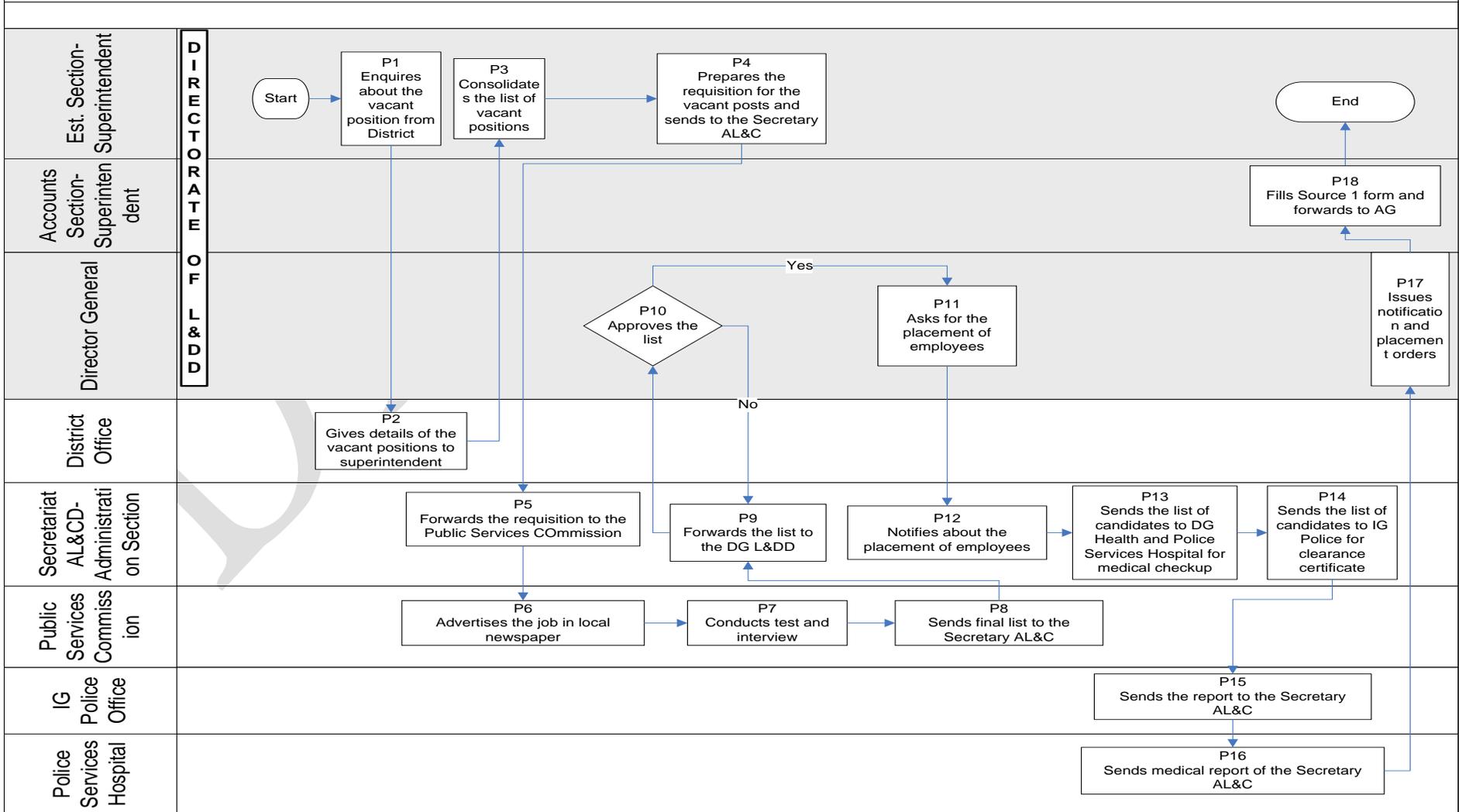
			<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat instructions should be followed.</li> <li>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</li> <li>3. The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</li> </ol>
<b>* AL&amp;CD – Administration Section</b>	P5 – Forwards the requisition to the Public Service Commission for further processing.	Risk sits in the AL&C Department.	Control sits in the AL&C Department.
<b>*Public Service Commission</b>	P6- Advertises the jobs in the local newspaper.	Risk sits in Public Service Commission.	Control sits in Public Service Commission.
<b>*Public Service Commission</b>	P7 – Conducts test and hold interviews of the candidates.	Risk sits in Public Service Commission.	Control sits in Public Service Commission.
<b>*Public Service Commission</b>	P8 – Sends final list of successful candidates to Secretary AL&CD.	Risk sits in Public Service Commission.	Control sits in Public Service Commission.
<b>* AL&amp;CD – Secretary AL&amp;C</b>	P9 – Forwards the list of successful candidates to the DG I&DD.	Risk sits in AL&C Department.	Control sits in AL&C Department.

DG (RW)- Director General	L&DD	P10 – Approves the list and notify the candidates.	Risk that some candidates are missed out to notify.	Director General uses list of the candidates while notifying.
				<b>Suggested Mitigating Control:</b> The final notification once prepared must be checked by an independent person of the preparer with the list of successful candidates.
DG (RW)- Director General	L&DD	P11 – Requests through a letter to AL&CD for the placement of newly appointed employees at the vacant posts in directorate or districts.	Risk that the case is not sent on time.	<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P4”.
<b>*AL&amp;CD – Secretary AL&amp;C</b>		P12 – Notifies placement of employees against vacant posts in different offices In the province.	Risk sits in the AL&CD.	Control sits in the AL&CD.
<b>* AL&amp;CD – Secretary AL&amp;C</b>		P13 – Sends the list of successful candidates to the Director General, Health (Police Services Hospital) for their medical check-up.	Risk sits in the AL&CD.	Control sits in the AL&CD.
<b>* AL&amp;CD – Secretary AL&amp;C</b>		P14 – Sends the list of candidates to the IG Police for clearance certificate. <b>(which candidates collect themselves and submit it to the Secretary AL&amp;C).</b>	Risk that the medical fitness certificate is forged.	Control sits in the AL&CD. Suggested Mitigating control. The medical fitness certificates be gor verified by Medical Superintendent concerned.
<b>*IG Office</b>	<b>Police</b>	P15 – Issues police clearance certificate to the candidates.	Risk sits in the Office of IG's Police.	Control sits in the office of IG's Police.

<b>*Police Services Hospital</b>	P16 – Sends the medical report of the candidates to the Secretary AL&CD.	Risk sits in Police Services Hospital.	Control sits in Police Services Hospital.
DG L&DD (RW)- Director General	P17 – Issues internal placement orders of the successful candidates within the Directorate General office / district offices.	Risk that the some of the candidates are missed out.	Director General reviews the final list of notification.
			The successful candidates will also follow up if not intimated on time.
			<b>Suggested Mitigating Control:</b> An independent official should check the notification with the list of successful candidates sent by the Public Service Commission.
DG L&DD (RW)- Accounts Section-Superintendent	P18 - Prepares the file of the candidates, completes the source-1 form, attaches the relevant documents (Charge report, appointment letter, CNIC) and forwards it to the AG's office to start the employee's payroll.	Risk that the form is not filled properly and incomplete supporting documents are attached such as an expired CNIC is attached.	AG's office returns the case to the bill assistant.
			Documents are checked / scrutinized and Source-1 form is approved and signed by PRO and DG before forwarding to AG's office.
			<b>Suggested Mitigating Control:</b> Document Control sheet listing all the documents required to be attached should be signed off by the preparer and reviewer both.

		Risk that the bill/form is not sent to AG's office.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. DDO office must maintain a list of approved bills/forms forwarded to bill assistant.</li> <li>2. The DDO office must compare the list with bill dispatch register on monthly basis.</li> <li>3. The bill dispatch register containing the list of bills along with their approval dates must be maintained and reviewed by the DDO before sending it to AG's office.</li> </ol>
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*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>B2</b>
Hiring - Non-Gazetted Employees	Process ID: AL&CD/ DG L&DD (RW)/HRM/Hiring Process -02

**Background Information:**

Director General L&DD (RW) is the competent authority to appoint officials in BS-16 and below. At Directorate level, only Junior Clerks, Naib Qasids (N/Q), Computer Operator and Lab Assistant are appointed. According to the Government rules, 33% of N/Qs shall be promoted to the post of junior Clerks and remaining posts of junior clerks shall be filled by initial recruitments.

In order to appoint a non-gazetted employee (**Junior Clerk, N/Q, Computer Operator and Lab Assistant**), the whole process of recruitment including test, interviews and preparation of final list of the successful candidates is completed within the Directorate General of L&DD (RW). AG's office is the competent authority to start the payroll. The service books of the Directorate's employees are maintained within the Department.

***Important Note:***

*End to end process has been documented for the sake of understanding only. The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
<b>DG L&amp;DD (RW)- Concerned Section</b>	P1– Forwards the file to Superintendent, PRO and finally to DG for filling up the vacancy.	Risk that an unreasonable requisition is forwarded to the DG, L&DD for approval.	Requisition is sent to DG, L&DD after the approval of Superintendent and Principle Research Officer (PRO). The above review ensures that there is valid justification for filling the vacancy..
			<b>Suggested Mitigating Controls:</b> 1) Request for filling the vacancy sent by a section concerned should be available in the file. The requisition should be approved by the relevant section head. 2) Workload assessment, of the section demanding the appointment, should be carried out by the PRO and comments be recorded on the file so that extra staff is not hired without any proper justification.
<b>DG L&amp;DD (RW)- Director General</b>	P2 – Approves filling up vacancy and returns it to Dealing Assistant of concerned section.	Risk that the case is not returned on time.	Dealing Assistant/concerned section will follow up the case.
			<b>Suggested Mitigating Controls:</b> 1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.

			<p>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</p>
<b>DG L&amp;DD (RW)- Concerned Section</b>	P3 – Prepares details of advertisement for the post.	Risk that the details of advertisement have deficiency in content/eligibility criteria.	Approval by Superintendent, PRO and finally by DG Naturally mitigates the risk.
<b>DG L&amp;DD (RW)- Concerned Section</b>	P4 – Forwards the details of advertisement to the Superintendent, PRO and finally to DG for approval.	Risk that the case is not forward on time.	<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P2”.</p>
<b>DG L&amp;DD (RW)- Director General</b>	P5 – Approves the file/case and marks it to the dealing assistant of concerned section.	Risk that the approval is delayed.	Dealing Assistant will contact the DG in case of delay.
			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P2”.</p>

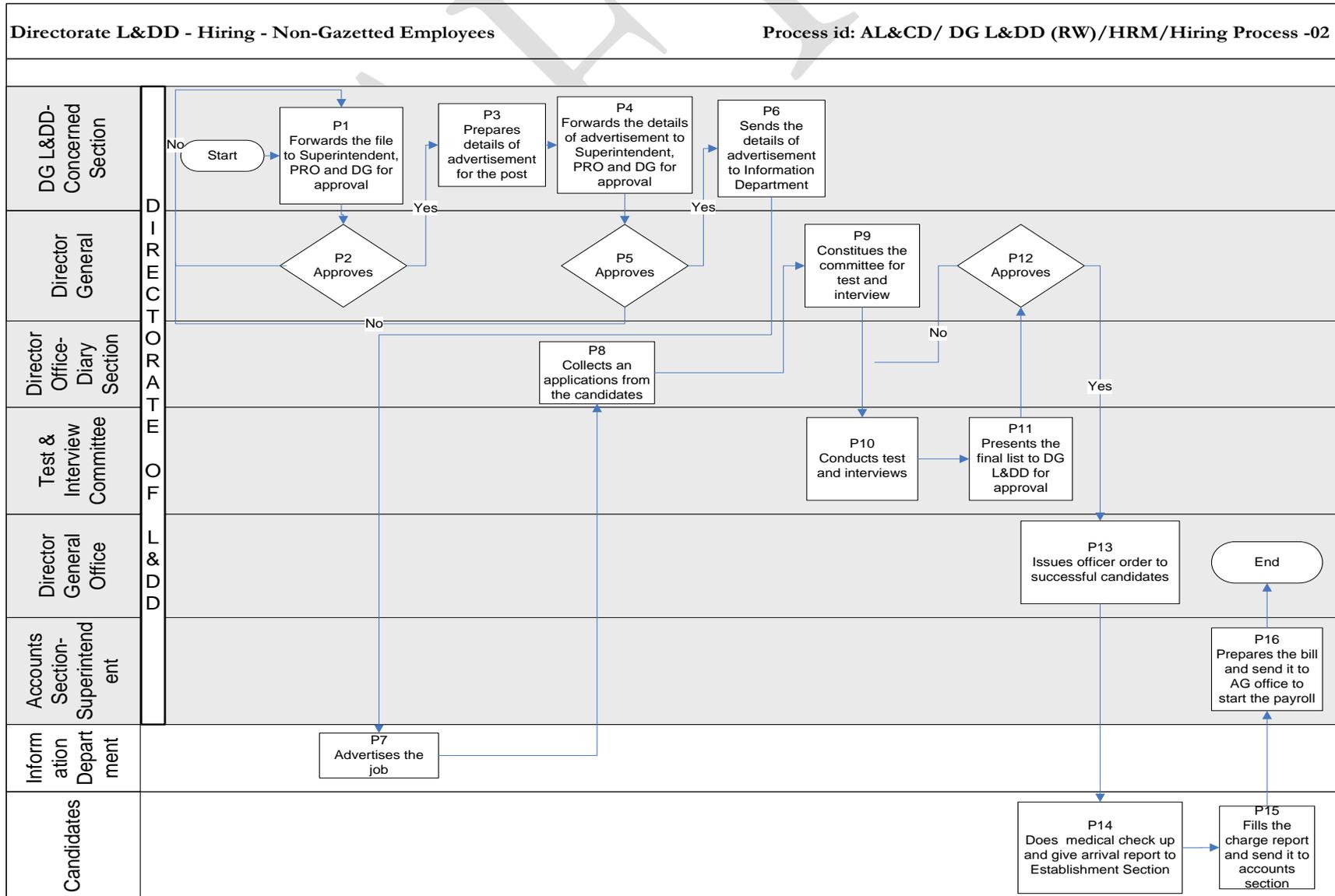
<b>DG L&amp;DD (RW)- Concerned Section</b>	P6 – Sends the advertisement to the Information Department.	Risk that the case is not forwarded on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P2”.
<b>*Information Department</b>	P7 – Advertises the job as per government rules.	Risk sits in Information Department.	Control sits in Information Department.
<b>DGL&amp;DD (RW)-Director Office-Diary Section</b>	P8 – Receives applications from the candidates and enters into diary register.	Risk that some applications are missed out.	Junior Clerk enters all the applications received in the diary register.
			<b>Suggested Mitigating Control:</b> The Superintendent Establishment should ensure that all the applications received are entered in the Diary register. On a test basis a sample of applications must be traced to the Diary register by a higher authority.
<b>DG L&amp;DD (RW)- Director General</b>	P9 – Constitutes a selection committee to conduct test and interviews of candidate who have applied.	Risk that the committee is influenced.	Committee members belong to Directorate and but one member is from Administrative Department, who serves as a watchful guardian.
<b>DG L&amp;DD (RW)- Test/Interview Committee</b>	P10 – Conducts test and interviews and prepares the final list of successful candidates.	Risk that the list is changed intentionally for personal interest.	Every member of committee signs the final list of successful candidates.

		Risk that the marks included in the final list are different from the marks obtained in test and interview.	Software is used for testing e.g. typing speed and the results are generated by the system thereby limiting the risk.
		Risk that the ineligible candidate is allowed to sit for test and interview and finally selected.	<b>Suggested Mitigating Control-</b> Initial screening of the applicants should be carried out at the time of submitting applications and those not fulfilling the criteria be screened out. This would leave all eligible candidates for consideration and competing with each other during test and interview.
<b>DG L&amp;DD (RW)- Test/Interview Committee</b>	P11 – Presents the final list of successful candidates to the DG for his approval.	Risk that the list is not forwarded on time.	<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P2”.
<b>DG L&amp;DD (RW)- Director General</b>	P12 – Approves the list.	Risk that the approval may not be given on time.	<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P2”.
<b>DG L&amp;DD (RW)- Director General Office</b>	P13 – Issues appointment orders of successful candidates.	Risk that some of the candidates are missed out.	The successful candidate will follow up.

			<p><b>Suggested Mitigating Control:</b> Establishment section should reconcile the notifications against the list of successful candidates to ensure that no one is left out.</p>
<b>Candidates</b>	P14 – Does their medical check-up from the Police Services Hospital, collects the medical report and submits it to the Establishment section along with arrival report.	Risk that the medical report is not submitted.	The candidate will not be allowed to fill the charge report and thus start his job.
		Risk that medical report is tampered or a bogus report is submitted.	<b>Suggested Mitigating Control –</b> The medical reports should be independently verified from the Police Services Hospital.
<b>Candidates</b>	P15 – Fills charge report and submits a copy to the Superintendent Accounts.	Risk that incorrect bio data is entered on the charge report.	Accounts Superintendent checks the form before forwarding to AG's office.
		Risk that the candidate is allowed to fill the charge report without submitting the medical report.	AG's office will not accept the incomplete documents and would not pay salary.
<b>DG L&amp;DD (RW)- Accounts Section-Superintendent</b>	P16 – Prepares file of the candidates; prepares the source-1 form, attaches the relevant documents (Charge report, appointment letter, CNIC) and forwards it to the AG's office to start the payroll.	Risk that the Form is not filled properly and incomplete supporting documents are attached such as an expired CNIC is attached.	AG's office returns the case to the cashier.

			Documents are checked / scrutinized and form is approved and signed by PRO before forwarding to AG's office.
			<p><b>Suggested Mitigating Control:</b></p> <p>Document Control sheet listing all the documents required to be attached should be signed off by the preparer and reviewer both.</p>
		Risk that the bill/form is not sent to AG's office.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. DDO office must maintain a list of approved bills/forms forwarded to accounts superintendent.</li> <li>2. The DDO office must compare the list with bill dispatch register on monthly basis.</li> </ol> <p>The bill dispatch register containing the list of bills along with their approval dates must be maintained and reviewed by the DDO before sending it to AG's office.</p>

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>B3</b>
<b>Posting and Transfer – Gazetted/Non Gazetted Employees</b>	<b>Process id: AL&amp;CD/ DG L&amp;DD (RW)/HRM/Posting- Transfer 03</b>

**Background Information:**

This process explains the inter district transfer of officers/employees. For gazetted officers/employees i.e. BPS – 1 and above notification is issued from the Directorate whereas an office order is issued for the non-gazetted officers/employees i.e. BPS - 15 and below. Director General, is AL & CD is the competent authority to transfer/post officials of BPS 1- BPS 15.

***Important Note:***

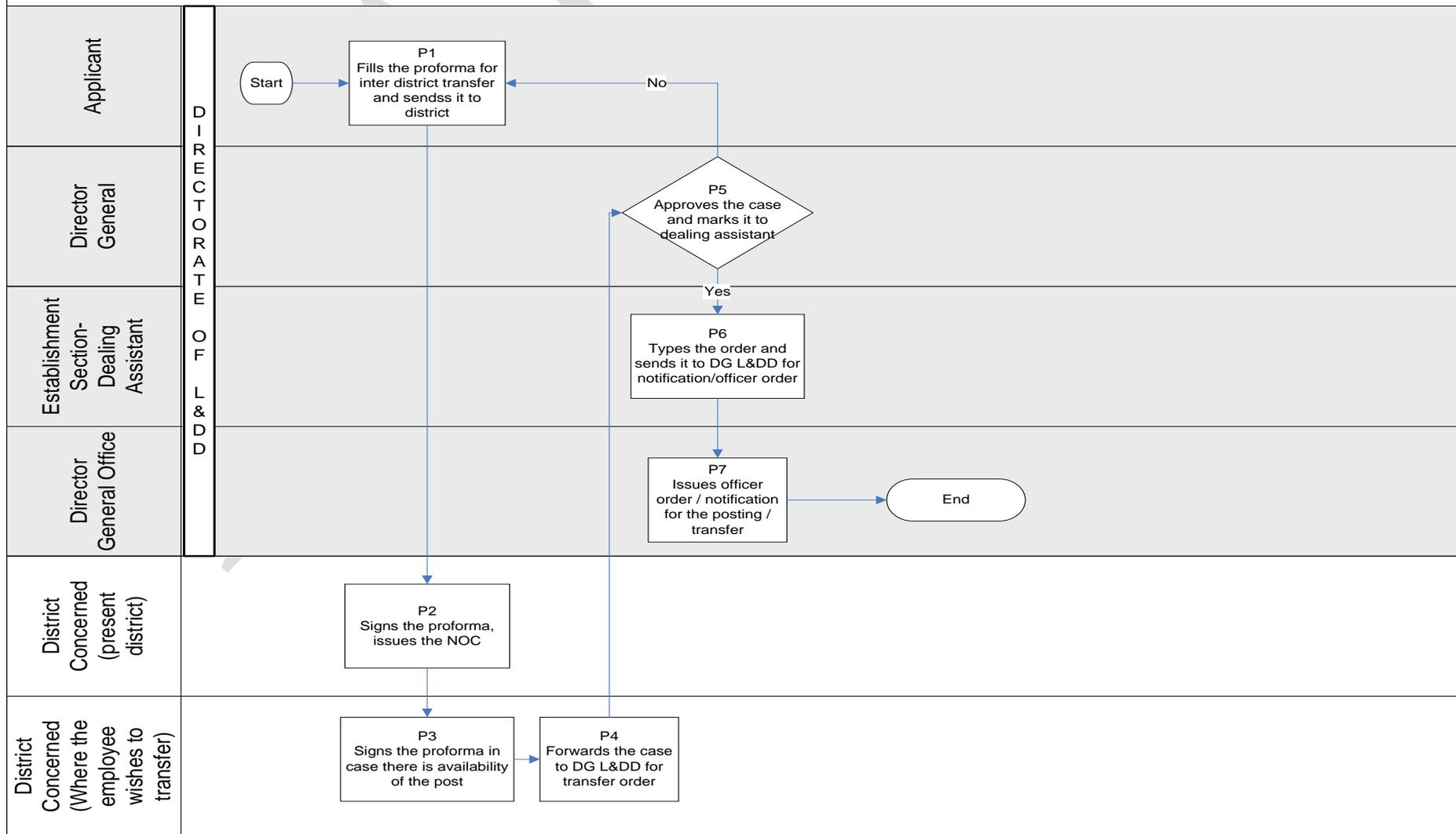
*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE OF GENERAL L&DD (RW) have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
<b>DG L&amp;DD (RW)- Applicant</b>	P1– Fills the Proforma for inter district transfer/posting with relevant information (district of domicile, designation, date of appointment, date of taking charge, reason of transfer, GP fund No, personal No) and sends it to district concerned.	Risk sits with the applicant.	Control sits with the applicant.
<b>*District Concerned- Present Posting</b>	P2– Issues No Objection Certificate (NOC) If proposal is accepted, and send it to that district office where the applicant wishes to be transferred.	Risk sits in district concerned.	Control sits in district concerned.
<b>*District Concerned</b>	P3– Signs the Proforma if there is availability of vacant post.	Risk sits in district concerned.	Control sits in district concerned.
<b>*District Concerned</b>	P4– Forwards the case to the DG, L&DD for transfer order.	Risk sits in district concerned.	Control sits in district concerned.
<b>DG L&amp;DD (RW)- Director General</b>	P5 – Approves the case and marks the file to the Dealing Assistant of establishment section.	Risk that the authorization is not granted on time.	Employee will contact the DG, L&DD in case of delay.
		Risk that a case for transfer is received respecting the employee having worked at the current post for less than the time prescribed by the Government depending on the area.	The review and approval by the district concerned where the applicant is currently posted and final review and approval by the Director General will mitigate the risk.

			<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.</li> <li>2. To ensure adherence to above referred rules Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</li> <li>3. The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature.(where appropriate).</li> </ol>
<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P6 – Types the transfer order and forwards the file to DG for issuance of office order/notification.	Risk that the case is not forwarded on time.	The employee will contact the Dealing Assistant L&DD in case of delay.
			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P5”.</p>
<b>DG L&amp;DD (RW)- Director General Office</b>	P7 – Issues office order/notification for the posting/transfer.	Risk that office order/notification is not issued on time.	The employee will contact with PRO/DG for delay.

			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P5”.</p>
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*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>B4</b>
Retirement - Leave encashment – All Employees	Process id: AL&CD/DG L&DD (RW)/HRM/Leave encashment-04

**Background Information:**

At the time of retirement an employee can claim up to one year's full salary from the department depending on the availability of leave in his/her account. AG's office is the competent authority to pass the bill and issue cheques for leave encashment.

*General Recommendation:* It is recommended that an overall Time Service Standard (TSS) must be prescribed for the whole leave encashment process. The TSS must then be further broken down into time standard for each individual process owner as well.

**Note:**

*The only difference between the process of Leave Encashment of Gazetted and Non-Gazetted employee is that in Gazetted employee's process applicant applies for the leave admissibility report to AG's office while in case of Non-Gazetted employees, an applicant gets leave admissibility report from the Establishment Section.*

***Important Note:***

*End to end process has been documented for the sake of understanding only. The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
<b>DG L&amp;DD (RW)-Applicant</b>	P1 – Applies for the leave admissibility report from AG's office.	Risk sits with the applicant.	Control sits with the applicant.
<b>*AG Office</b>	P2 – Issues the leave admissibility report to the applicant.	Risk sits in the AG's office.	Control sits in the AG's office.
<b>DG L&amp;DD (RW)-Applicant</b>	P3 – Prepares the application for retirement including supporting documents like (first appointment order, NIC, NALC, SSC certificate, first page of service book and CNIC).	Risk that the application is not filled properly or the required documents are not attached with the application.	Superintendent of the establishment section will not accept an incomplete application.
			AG's Office will also return an incomplete application.
<b>DG L&amp;DD (RW)-Applicant</b>	P3/a – Submits the application along with relevant documents in the diary branch.	Risk that the diary branch does not enter the application in the register either deliberately or erroneously.	<b>Suggested Mitigating Control:</b> Diary branch should allot a number to each application received and the number should be forwarded to the applicant for tracking purposes.
<b>DG L&amp;DD (RW)-Diary Branch</b>	P4 – Forwards the application to the dealing assistant in the establishment section.	Risk that the application is not dealt expeditiously.	Applicant will contact the diary section in case of delay.
			<b>Suggested Mitigating Controls:</b>  1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.  2. To ensure adherence to above referred Rules,

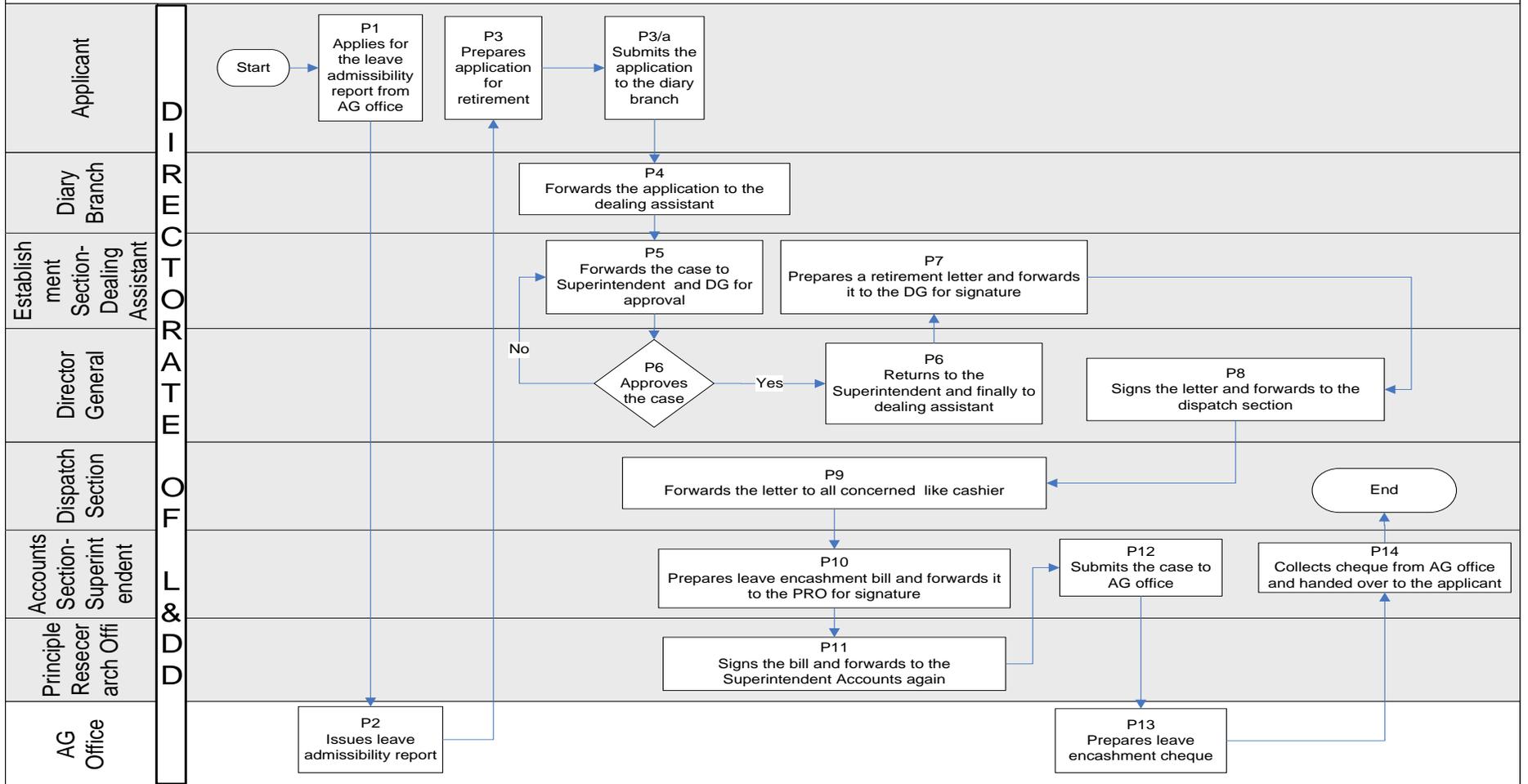
			<p>Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</p>
<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P5 – Forwards the case to the Superintendent and finally to Director General for approval.	Risk that the case is not forwarded on time.	Applicant will contact the Director General in case of delay.
			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P4”.</p>
<b>DG L&amp;DD (RW)- Director General</b>	P6 – Approves the case and returns it to the Superintendent and finally to dealing assistant in establishment section for further action.	Risk that the approval is not given on time.	Applicant will contact the Director General in case of delay.
			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P4”.</p>
<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P7 – Types the retirement notification and puts the file to DG for signature.	Risk that incorrect information is typed in the letter.	Superintendent PRO reviews the file in detail and will mitigate the risk.

<b>DG L&amp;DD (RW)- Director General</b>	P8 – Signs the retirement notification and forwards to the despatch section.	Risk that the case is not forwarded on time.	Applicant will contact the Director General in case of delay.
			<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P4”.
<b>DG L&amp;DD (RW)- Despatch Section</b>	P9 – Forwards the letter to all the concerned (such as Cashier, Establishment Section AG's Office, Applicant, Pension Branch).	Risk that the letter is not forwarded on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P4”.
<b>DG L&amp;DD (RW)- Accounts Section- Superintendent</b>	P10 – Prepares the leave encashment bill and forwards it to the PRO for signature.	Risk that the case is not forwarded on time.	Applicant will contact the Director General in case of delay.
			<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P4”.
		Risk that leave encashment is calculated incorrectly on the bill.	Review by the PRO will check that all the calculations on the bill are done properly.
<b>DG L&amp;DD (RW)-Principle Research Officer</b>	P11 – Signs the case and forwards it to the Superintendent Accounts.	Risk that the case is not forwarded on time.	Applicant will contact the Director General in case of delay.
			<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P4”.

<b>DG L&amp;DD (RW)- Accounts Section-Superintendent</b>	P12 – Submits the leave encashment bill to the AG's office and AG's office issues a token number.	Risk that the bill is not sent to AG office.	<b>Suggested Mitigating Controls:</b>  1. DDO office must maintain a list of approved bills/forms forwarded to bill assistant.  2. The DDO office must compare the list with bill dispatch register on monthly basis. The bill dispatch register containing the list of bills along with their approval dates must be maintained and reviewed by the DDO before sending it to AG's office.
<b>*AG Office</b>	P13 – Prepares the leave encashment cheque.	Risk sits in the AG office.	Control sits in the AG's office.
<b>DG L&amp;DD (RW)- Accounts Section-Superintendent</b>	P14 – Collects the cheque from AG's office and hands it over to applicant.	Risk that the payment is not made on time.	Applicant will contact the Director General in case of delay.
		Risk that the cheque is received but later on the receipt is denied.	Acknowledgement slip is signed by the bill assistant when he/she collects the cheque.
		Risk that cheque against a bill is not prepared at all.	<b>Suggested Mitigating Controls::</b>  1. The cashier must enter all the cheques received from AG office against each bill in the bill dispatched register.  2. A monthly reconciliation of bills

			<p>sent and cheques received must be prepared. A reconciliation report identifying outstanding bills must be generated and reviewed by DDO/PRO</p> <p>3. An aging report of all outstanding bills must be prepared on monthly basis; any un paid bills for more than 30 days must be followed up with AG office.</p> <p>4. Aging report must be sent to the Principle Research Officer for his review and signatures.</p>
		<p>Risk that the cheque is not issued to the applicant.</p>	<p><b>Suggested Mitigating Controls:</b></p> <p>1. An intimation letter to the applicant must be issued within 03 days from the receipt of cheque from AG's office.</p> <p>2. A list of cheques received from AG Office, but not issued to the applicant for more than 15 days must be prepared from the cheques received register.</p> <p>3. The list shall be prepared on fortnightly basis.</p> <p>4. The list should then be forwarded to DG, L&amp;DD for his review and signatures.</p>

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>B5</b>
Retirement – Pension and GP Fund – All Employees	Process ID: AL&CD/ DG L&DD (RW)/HRM/Pension/ GP Fund -05

**Background Information:**

Officers/Employees in Government retire at 60 years of age. After retirement an employee is entitled to pension and leave encashment. Legal heirs of an employee can lay claim to pension if he dies after completing minimum qualifying service. An employee may also be entitled to pension upon voluntary retirement or on medical grounds provided he/she has served the minimum required years as stipulated in the law.

Officers/employees of BPS – 16 are categorized as gazetted and officers/employees of BPS – 15 and below are categorized as non-gazetted in Directorate General of Livestock and Dairy Development (Research Wing).

***Important Note:***

*End to end process has been documented for the sake of understanding only. The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

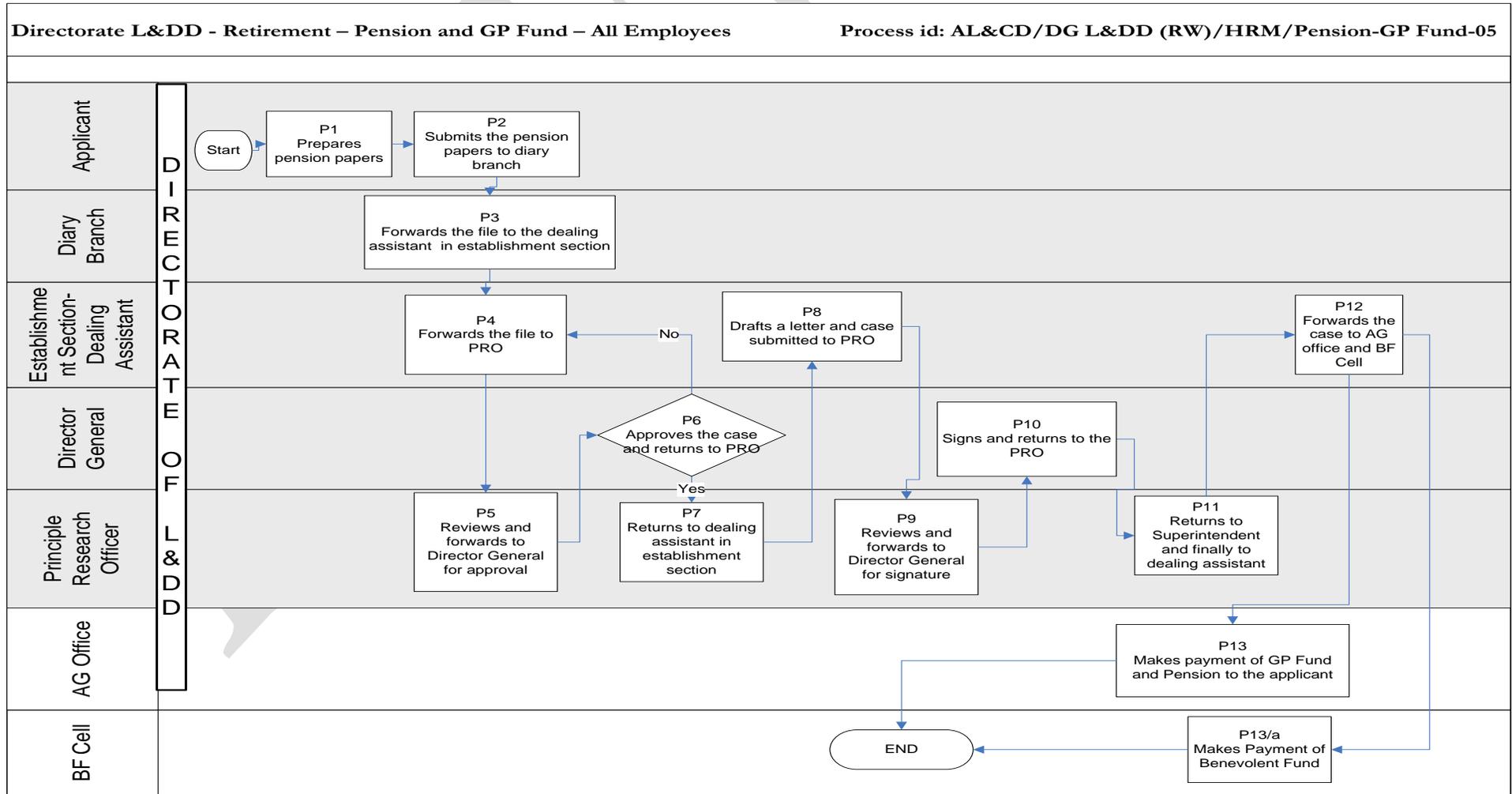
Section/ Entity	Process Step	Risk	Control
DG L&DD (RW)- Applicant	P1 – Prepares the pension papers.	Risk that the incorrect information is included in the pension papers.	Superintendent, PRO and DG L&DD reviews the case in detail.
DG L&DD (RW)- Applicant	P2 – Submits the pension papers in diary branch.	Risk that the diary branch does not enter the application in the register either deliberately or erroneously.	<b>Suggested Mitigating Control:</b> Diary branch should allot a number to each application received and the number should be forwarded to the applicant for tracking purposes.
DG L&DD (RW)- Diary Branch	P3 - Forwards the file to the dealing assistant in the establishment section.	Risk that the case is not forwarded on time.	Applicant will contact the diary section in case of delay.
			<b>Suggested Mitigating Controls:</b>  1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.  2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.  3.The reconciliation report should then be forwarded to the next higher authority for his/her review & signature.(where appropriate).

<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P4 – Forwards the file to Superintendent and then to PRO.	Risk that the case is not forwarded on time.	Applicant will contact the Director General in case of delay.
			<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”.
<b>DG L&amp;DD (RW)- Principle Research Officer (DDO)</b>	P5 – Reviews and forwards to Director General for approval.	Risk that the case is not forwarded on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”.
<b>DG L&amp;DD (RW)- Director General</b>	P6 – Approves the case and returns it to the PRO.	Risk that the approval is not given on time.	Applicant will contact the Director General in case of delay.
			<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”.
<b>DG L&amp;DD (RW)- Principle Research Officer (DDO)</b>	P7 – Reviews and returns the case to Superintendent and finally to dealing assistant in establishment section.	Risk that the case is not returned on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”.
<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P8 – Drafts a letter with reference to pension and forwards it to Superintendent and PRO.	Risk that irrelevant/wrong information is typed in the letter.	Superintendent, PRO and DG reviews the file in detail.

<b>DG L&amp;DD (RW)- Principle Research Officer (DDO)</b>	P9 - Reviews and forwards to Director General for signature.	Risk that the case is not forwarded on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”.
<b>DG L&amp;DD (RW)- Director General</b>	P10 – Signs the letter and returns it to the PRO.	Risk that the file is not given on time.	Applicant will contact the Director General in case of delay.
			<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”.
<b>DG L&amp;DD (RW)- Principle Research Officer (DDO)</b>	P11 - Returns the case to Superintendent and finally to dealing assistant in establishment section.	Risk that the case is not returned on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”.
<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P12 – Forwards the case to the AG's office for payment of GP Fund and Pension and to BF Cell for payment of Benevolent Fund.	Risk that the case is not forwarded on time.	Applicant will contact the Director General in case of delay.
			<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”.
		Risk that the bill is not sent to AG's office and BF Cell.	<b>Suggested Mitigating Controls:</b>  1. DDO office must maintain a list of approved bills/forms forwarded to dealing assistant.

			<p>2. The DDO office must compare the list with bill dispatch register on monthly basis.</p> <p>The bill dispatch register containing the list of bills along with their approval dates must be maintained and reviewed by the DDO before sending it to AG's office.</p>
<b>*AG Office</b>	P13 – Makes the payment for GP fund and pension to the applicant directly.	Risk sits in the AG's office.	Control sits in the AG's office.
<b>*BF Cell</b>	P13/a- Makes the payment for Benevolent Fund to the Applicant.	Risk sits in BF Cell.	Control for the risk sits in BF Cell.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>B6</b>
Training and Development – All Employees	Process ID: AL&CD/DG L&DD (RW)/HR/Training & Development - 06

**Background Information**

The training of its official is an integral part of each organization as; it develops new skills in employees and equips them with capacity to manage with wide ranging responsibilities in running an organisation efficiently. DG L&DD (RW) is conscious of this need and thus sends its employees to receive trainings in different fields to enable Department to meet new challenges in raising livestock. These trainings are imparted both inside and outside the country. Inside, the following institutions cater for this need of the Department.

- Pakistan Academy for Rural Development (PARD)
- Akhtar Hameed Khan Institute for Rural Development (AHKIRD) Islamabad
- International trainings are arranged through Ministry of Economic Affairs

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
<b>Ministry of Economic Affairs (CDEA)/ PARD/ AHKIRD</b>	P1 –Issues a letter to Provinces for nominations of employees for training and professional development.	Risk sits in Ministry of Economic affairs/ PARD/ AHKIRD.	Control for the risk sits in Central Department of Economic Affairs/ PARD/ AHKIRD.
<b>*AL&amp;CD- Section Officer Establishment</b>	P2–Receives the letter through P&DD and then forwards it along with instructions to Directorates.	Risk sits in the Department.	Control for the risk sits in the Department.
<b>DG L&amp;DD (RW)- Director General</b>	P3 - Receives the letter and marks it to the Superintendent Establishment.	Risk that letter is not forwarded to Establishment Section on time.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.</li> <li>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</li> <li>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature.(where appropriate)</li> </ol>

<b>DG L&amp;DD (RW)</b> – <b>Establishment</b> <b>Section-</b> <b>Superintendent</b>	P4 – Forwards the letter along with instructions to the DDOs for seeking nominations.	Risk that letter is not forwarded to the DDOs.	Establishment Section assures for the dispatch of the letter.
		Risk that letter is not forwarded to the DDOs on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”
<b>*AL&amp;CD</b> <b>DDOs</b>	P5- Receives the letters along with instructions for selections and call for applications.	Risk sits in DDOs.	Control for the risk sits in DDOs.
<b>*AL&amp;CD</b> <b>DDOs</b>	P6-Receives applications review these against laid-down criteria and merit. If the applicant fulfils the criteria, his/her application is accepted and included in the nomination list. If not then it is rejected. The applications of the nominated candidates are then forwarded to the Establishment Section, DG office.	Risk sits in DDOs	Control sits in DDOs
<b>DG L&amp;DD (RW)</b> - <b>Establishment</b> <b>Section-</b> <b>Superintendent</b>	P7- Receives nomination list and reviews it against instructions and criteria. If nomination fulfils criteria, it is accepted and forwarded to the coordinator for review.	Risk that nomination list is not received.	Establishment Section assures for the receipt of nominations through phone calls and intimation letters.

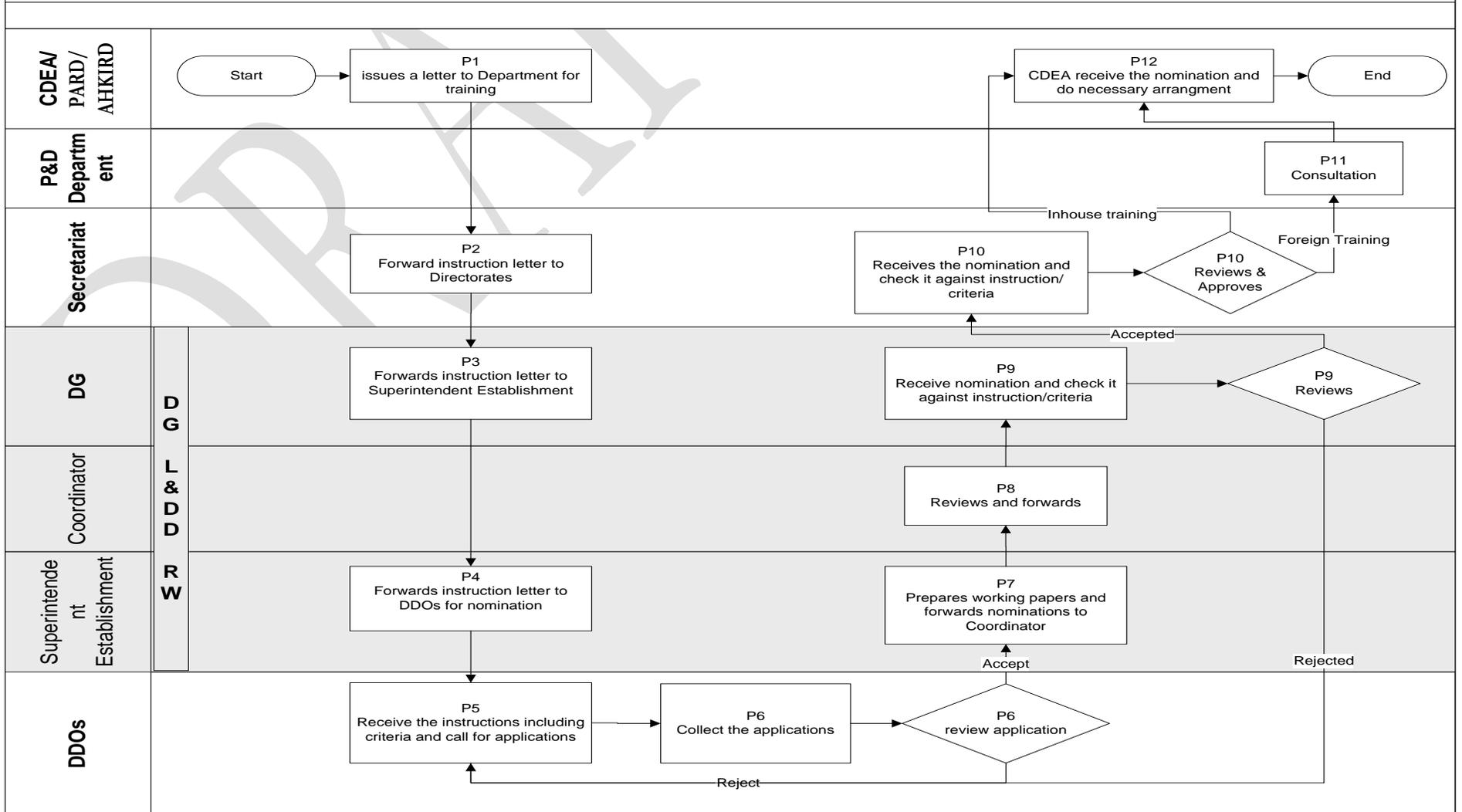
		Risk that nominations list is not forwarded to the Coordinator on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”
<b>DG (RW)- Coordinator</b>	<b>L&amp;DD</b>	P8- Reviews the nomination list and forwards it to DG.	Risk that nomination list is not Forwarded to the DG on time.  <b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P3”
<b>DG (RW)- Director General</b>	<b>L&amp;DD</b>	P9- Reviews and approves the nomination list and forwards it to the Secretariat.	Risk that ineligible candidate is selected for the training.  The letter received from Economic Affairs Department or P&D Department clearly stated the eligibility criteria and documents required. The application is reviewed and signed by Superintendent Establishment then forwarded to Coordinator and finally approved by DG assures the correct nominations for training.
		Risk that training is imparted in an area where there is already abundance of expertise and other important areas are ignored.	<b>Suggested Mitigating Control –</b> The department should carry out Training Needs Assessment at each level on an annual basis. This will identify the areas of strength and weaknesses. The plan should then be discussed with the Central Department of Economic Affairs/PARD/AHKIRD to develop a comprehensive strategy for training.

		Risk that an employee is selected for training in an area where he/she already has the expertise.	<b>Suggested Mitigating Control –</b> A complete HR database of all the employees should be maintained. This database should include all the relevant information about an employee including qualification, area of expertise, trainings done in the past etc. In the nominations for training the database should be consulted.
<b>*AL&amp;C Department</b>	P10- Receives nomination list reviews it against set criteria and instructions and formal approval is granted. If the nomination is for foreign training then it is forwarded to P&DD for scrutiny and approval and further submission to Economic Affairs Division.	Risk sits in the Department.	Control for the risk sits in the Department.
<b>*P&amp;D Department</b>	P11- A Committee headed by ACS in P&D Department approves the nominations and sends to Economic Affairs Division. However to avail opportunity for foreign training, NOC has to taken from the Establishment Department.	Risk sits in P&D Department	Control for the risk sits in P&D Department.
<b>*Central Department of Economic Affairs</b>	P12- Receives the nomination list and processes further.	Risk sits in Economic Affairs Division.	Control for the risk sits in Economic Affairs Division.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments.*

Training and Development – All Employees

Process Id: AL&CD/DG L&DD (RW)/HRM/Training & Development - 06



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*C – Procurement*

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>C1</b>
<b>Procurement- Tendering process</b>	<b>Process ID: AL&amp;CD/DG L&amp;DD(RW)/Procurement/ Tendering process-01</b>

### **Background Information**

Procurement includes acquisition of goods and/or services. The relevant law which governs the procurement procedure in KP is “KP Procurement of Goods, Works & Services Rules. 2014”.

### **Procurement Process**

After assessing need for new purchases and ensuring that budget is available, the Purchase Committee (established by the head of the Department for purchases above Rs. 100,000) requests to Information Department for publication of tenders in the newspapers. Bids are received from suppliers/ contractors and opened the by Tender Evaluation Committee in an open meeting.. Comparative statement is prepared and supplier/ contract with the lowest evaluated bid is accepted. The purchase committee cancels the contract if it is proven that the information provided by the contractor is false. Earnest money amounting to 2% of the bid value is received from all contractors and 8% of the cost of project from the successful bidders.

Tender Inviting Authority gives a minimum of 30 days to bidders for filing their respective bids after publication of tender notice in the newspapers.

### ***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
DG L&DD (RW) - User Section	P1- Forwards the purchase requisition to the Senior Research officer.	Risk that an incorrect demand is submitted.	Senior Research officer of the section authorizes the demand before forwarding it to the Principal Research Officer (DDO).
		Risk that a demand is created for items already on stock or the utilization rate is very high.	<b>Suggested Mitigating Control</b> – A utilization rate should be determined for major items such as paper reams and toners and each demand should be checked against this rate by the DDO.
DG L&DD (RW) - User Section- Senior Research Officer	P2 - Reviews and forwards to Principal Research Officer (PRO).	Risk that an incorrect demand is submitted.	Senior Research Officer of the section authorizes the demand before forwarding it to the Principal Research Officer (DDO).
DG L&DD (RW) - Principal Research Officer (PRO)-DDO	P3- Reviews and forwards to DG.	Risk that an erroneous demand is submitted.	SRO and PRO reviews the demands respectively.
DG L&DD (RW) - Director General (DG)	P4 – Reviews and marks the requisition to the stores section.	The requisition is not forwarded to stores section on time.	The user section will follow up in case of delay.
			<b>Suggested Mitigating Controls:</b>  1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.  2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a

			<p>monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</p>
<b>DG L&amp;DD (RW) - Stores Section-Superintendent</b>	P5- Reviews and forwards to Accounts section.	The requisition is not forwarded to accounts section on time.	<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P4”.</p>
<b>DG L&amp;DD (RW) - Accounts Section-Superintendent</b>	P6 – Checks the availability of budget and sends back to Stores Section.	Risk that availability of budget is not checked.	<p>Approval by DDO (PRO) will ensure that budget is available. and is to be utilised according to Khyber Pakhtunkhwa Delegation of Financial Powers under the Financial Rules and the Powers of Re-Appropriation Rules, 2001.</p>
<b>DG L&amp;DD (RW) - Stores Section-Superintendent</b>	P7- Reviews the file and forwards to competent authority for approval.	Risk that the file is not forwarded to Competent Authority on time.	<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P4”.</p>

<b>DG L&amp;DD (RW)</b> <b>- Competent Authority (DG/PRO)</b>	P8 – Approves the file and returns to Superintendent Stores.	Risk that approval is given by an authority exceeding his/her authority limits.	The file is routed to DDO who will make sure that it is forwarded to the appropriate competent authority according to Khyber Pakhtunkhwa Delegation of Financial Powers under the Financial Rules and the Powers of Re-Appropriation Rules, 2001.
		Risk that there is no segregation of duties in the process and discreet analyses of bids may not be forthcoming.	<b>Suggested Mitigating Control:</b>  Currently, the PRO acts both as DDO and competent authority to accord approval to purchase Both these roles needs to be separated and all the purchases should be approved by DG.
		Risk that approved file is not forwarded to stores Section on time.	<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P4”.
<b>DG L&amp;DD (RW)</b> <b>- Stores Section-Superintendent</b>	P9 – Collects quotations from market for purchase involving less than Rs.100,000 or advertises the tender in 3 daily newspapers for more than Rs. 100,000 according to “KP Procurement of Goods, Works & Services Rules 2013”.	Risk that for purchase requisition above Rs.100, 000, the tendering process is not followed.	Approval by DDO (DG/PRO). (According to Khyber Pakhtunkhwa Delegation of Financial Powers under the Financial Rules and the Powers of Re-Appropriation Rules, 2001).

		Risk that no market survey has been conducted before collecting quotations.	Approval by DDO (DG/PRO). (According to KP Delegation of Financial Powers under the Financial Rules 2013 and the powers of Re-Appropriation Rules, 2001).
<b>DG L&amp;DD (RW) - Stores Section-Superintendent</b>	P10- Receives sealed quotations/tenders for both type of purchase.	Risk that quotations are altered.	Sealed envelopes are presented in front of Purchase Committee for opening.
<b>DG L&amp;DD (RW) - Purchase Committee</b>	P11- Meets and bids are opened. Each member of the Purchase committee signs the envelopes and minutes of the meeting.	Risk that quotations are altered.	Sealed envelopes are presented in front of Purchase Committee for opening. And each member of the committee signs the envelope and then they are opened in presence of all stakeholders.
		Risk that a bid is not included either erroneously or deliberately.	In the advertisement venue and time of opening of the bids are mentioned and bidders are requested to attend personally or through a representative. If a bid is missed out then the bidder can complain and the issue would be resolved there and then.
<b>DG L&amp;DD (RW) - Stores Section-Superintendent</b>	P12- Receives the opened quotations/tenders for both type of purchase and prepare comparative statement. Comparative Statement is then forwarded to Purchase Committee.	Risk that the supplier does not meet the criteria specified in the tender.	When quotations are received it is reviewed and signed by DG, PRO and other committee members.

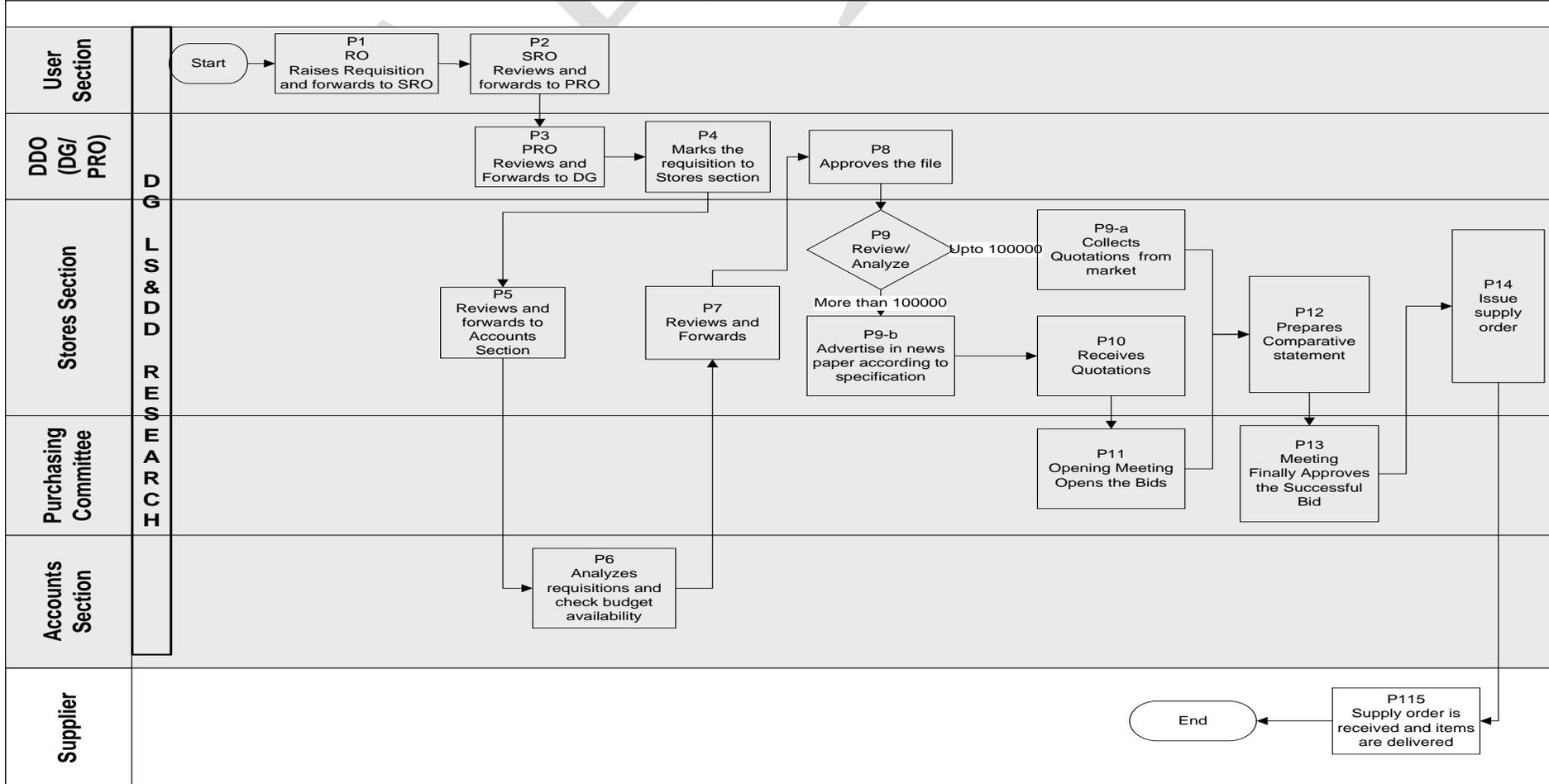
		Risk that an eligible supplier is not included in the comparative statement.	The comparative statement is reviewed and signed by all the members of the purchase committee provided the purchases cost above Rs. 100,000. For purchases below Rs. 100,000 the comparative statement is reviewed and signed only by the Superintendent stores and PRO.
		Risk that no single quotation/or less than three quotations are received.	Re- advertises the tender. If again less than three quotations are received then approval of the competent authority and reasons for going ahead with the purchase are documented.
<b>DG L&amp;DD (RW) - Purchase Committee</b>	P13- Meets with the prospective suppliers to seek clarification on any point in the bid and records minutes to this effect. The lowest bid on the basis of assessing purchases vis a vis procurement rules is accepted. (Purchase Committee is headed by Chairman and four other members).	Risk that no member of the purchase committee has technical know-how regarding a specific purchase.	Purchase committee is headed by chairman normally Director General and other members DDO (PRO), Superintendent stores, User section SRO, Coordinator and, where necessary, the relevant technical expert can be outsourced to ensure that purchases comply with desired technical specifications.
		Risk that quality is impaired if supplier selected on basis of lowest bid.	In the purchase committee, meeting price and quality both are discussed with selected supplier and it is also mentioned in supply order. In case where it is considered that a supplier with a

			higher bid will provide an item of better quality, as specified in the tender, and the said supplier is selected then reasons for selection of higher bidder are recorded.
<b>DG L&amp;DD (RW) - Stores Section-Superintendent</b>	P14 –Receives minutes of the meeting and Supply order is issued to a successful bidder.	Risk that the price/item and quantity in the supply order are different from the one agreed during purchase committee meeting.	The copy of supply order is also forwarded to all the members of the Committee.
<b>*Supplier &amp; Storekeeper</b>	P15- Receives supply order and delivers items to authorised officials.  15/1- On the basis of supplier 's invoice, a bill is prepared and sent to AG's office which issues cheque in favour of supplier. 15/2- Items are entered in the stock register by the Storekeeper and each entry is signed.	Risk sits with the supplier.	Control for the risk sits with the supplier.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments.*

**Procurement Process – Tendering**

Process id: **AL&CD/DG L&DD (RW)/Procurement/ Tendering process-01**



<b>Process Narrative Including Risk and Control Matrix</b>	<b>C2</b>
Procurement- Fixed Assets/Goods/Services	Process ID: AL&CD/DG L&DD (RW)/Procurement/Fixed Assets/Goods-02

**Background Information**

Directorate purchases fixed assets which are commonly used in the all other government offices. These include Computers, Photocopier machine etc. The bids for Goods and services are widely advertised.

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risk and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
DG L&DD (RW) – User Section- Research Officer	P1 – Sends purchase requisition to DDO (PRO).	Risk that incorrect demand is submitted.	Head of the section (RO/SRO) authorizes the demand before forwarding it to the Principal Research Officer.
		Risk that a demand is created for items already on stock or the utilization rate is very high.	<b>Suggested Mitigating Control</b> – A utilization rate should be determined for major items such as paper rims and toners and each demand should be checked against this rate by the DDO.
DG L&DD (RW)- DDO (PRO)	P1/1 – Marks the requisition to the Accounts section.	The requisition is not forwarded to Accounts section.	The user section will follow up with the DDO (PRO) in case of delay.
			<b>Suggested Mitigating Controls:</b> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.</li> <li>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</li> <li>3. The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</li> </ol>

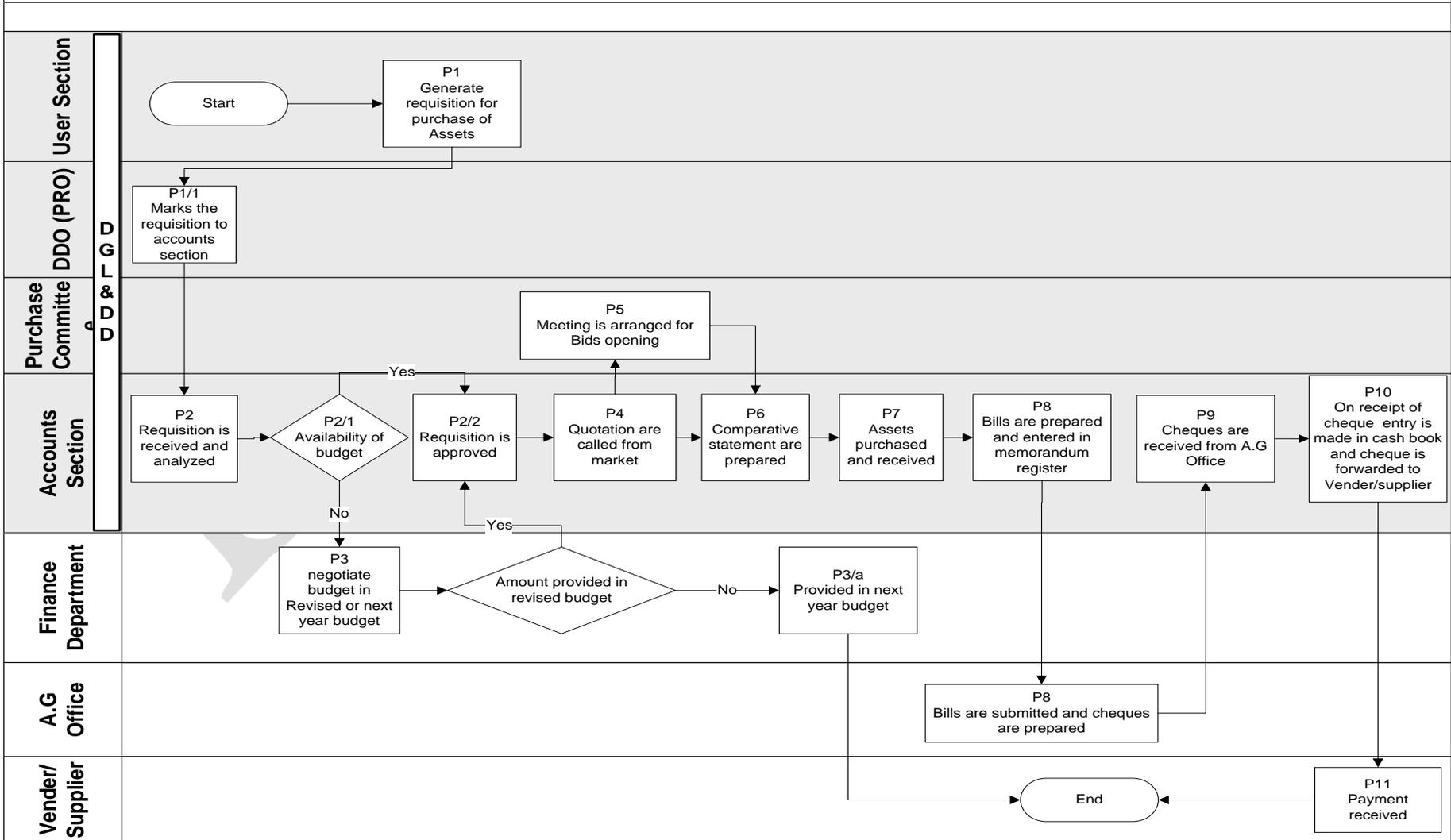
<p><b>DG L&amp;DD (RW)-Accounts Section-Superintendent</b></p>	<p>P2 –Receives the purchase requisition and analyses it.</p> <p>P2/1- If budget is already available then purchase requisition is approved for further action.</p> <p>If budget is not available in respective head then budget is demanded from the Finance Department.</p> <p>P2/2- After analysing and checking budget availability, the purchase requisition is approved for further action.</p>	<p>Risk that incorrect requisition is received.</p> <p>Requisition is approved for further action without checking the availability of the budget.</p>	<p>Head of the section (RO/SRO) authorizes the demand before forwarding it to the Principal Research Officer (DDO).</p> <p>Approval of DDO (PRO), Coordinator, and Director General (According to Khyber Pakhtunkhwa Delegation of Financial Powers under the Financial Rules, and the Powers of Re-Appropriation Rules, 2001.</p>
<p><b>(*)Finance Department</b></p>	<p>P3 –Negotiates and issues budget in revised or next year budget. If amount is provided in the revised budget then the process proceeds to step 4. Otherwise, the department has to wait for allocation of budget next year.</p>	<p>Risk sits in Finance Department.</p>	<p>Control sits in Finance Department.</p>
<p><b>DG L&amp;DD (RW)-Accounts section-Superintendent Accounts</b></p>	<p>P4- Calls for quotations.</p>	<p>Risks are documented in tendering process. (Kindly refer to Process ID: AL&amp;CD/DG L&amp;DD (RW)/Procurement/Tendering process-01).</p>	<p>Controls are documented in tendering process. (Kindly refer to Process ID: AL&amp;CD/DG L&amp;DD (RW)/Procurement/Tendering process-01).</p>

<b>DG L&amp;DD (RW)- Purchase Committee</b>	P5- Meets and bids are opened in transparent manner. Members of meeting include: -DG -Coordinator -PRO/Project Director -Accountant -And a Technical expert.	Risk of absence of any member especially Technical a expert.	Presence of all the members is necessary.
<b>DG L&amp;DD (RW)- Accounts Section- Computer Operator</b>	P6- Computer Operator prepares Comparative statement and superintendent checks it.	Risk are already documented in tendering process(Kindly refer to Process ID: AL&CD/DG L&DD (RW)/Procurement/ Tendering process-01).	Controls are already documented in tendering process. (Kindly refer to Process ID: AL&CD/DG L&DD (RW)/Procurement/ Tendering process-01).
<b>DG L&amp;DD (RW)- Accounts Section- Accounts Superintendent</b>	P7- Purchases and receives goods; and enters in stock register.	Risk that stock register is not updated.	When the asset is received at the premises, the caretaker records the entry in the stock register and Purchase Committee inspects the item, checks entry in stock register including quantity and full details of specification and then signs each entry.
<b>DG L&amp;DD (RW)- Accounts Section- Computer Operator</b>	P8- Prepares bill on the basis of quoted price. Enters it in memorandum register and then forwards bill along with documents to AG's Office for authorisation of payment .	Risk that clerical mistake may occur in preparation of bill.	Once the bill is prepared, it is reviewed by Superintendent Accounts and signed by DDO. It is then forwarded to AG's Office for rechecking and authorization of payment.
		Risk that the bill is not sent to AG's office.	<b>Suggested Mitigating Controls:</b> 1. DDO office must maintain a list of approved bills forwarded to bill assistant.  2. The DDO office must compare the list with bill dispatched register on monthly basis.

			The bill dispatch register containing the list of bills along with their approval dates must be maintained reviewed by the DDO before sending it to AG's office.
<b>(*)A.G Office</b>	P9- Checks the bill along with the supporting documents and once satisfied approves the bill and cheque is prepared which is returned to accounts section.	Risk sits in AG's Office.	Regular reconciliation is prepared with AG's office on a monthly basis.
<b>DG L&amp;DD (RW)- Accounts Section- Accounts Superintendent</b>	P10- Receives the cheque, enters in cash book, hands it over to supplier against acknowledgement receipt in particular for large purchases)  ( The current practice is that the petty expenses are paid by the Superintendent Accounts from his own pocket and the cheque from AG's office is prepared in DDO's name and the amount will be reimbursed to accounts officer).	Risk that cheque is not forwarded to the supplier.	The supplier will follow up for payment.
		Risk that a cheque is not prepared against a bill at all.	<b>Suggested Mitigating Controls::</b>  1. The Bill Assistant must enter all the cheques received from AG's office against each bill in the bill dispatched register.  2. A monthly reconciliation of bills sent and cheques received must be prepared. A reconciliation report

			<p>identifying outstanding bills must be generated and reviewed by DDO.</p> <p>3. An aging report of all outstanding bills must be prepared on monthly basis; any un paid bills for more than 30 days must be followed up with AG's office.</p> <p>4. Aging report must be sent to the DG for his review and signatures.</p>
<b>(*)Vender/ Supplier</b>	P11-Receives payment/Cheque.	the	<p>Risk that the cheque is received by the supplier but later on the receipt is denied.</p> <p>Acknowledgement slip is signed by the supplier at the time of collection of cheque.</p>
			<p>Risk that payment is not made to the supplier on time.</p> <p><b>Suggested Mitigating Controls:</b></p> <p>1. An intimation letter to the supplier must be issued within 03 days from the receipt of cheque from AG's office.</p> <p>2. A list of cheques received from AG's Office, but not issued to the supplier for more than 15 days must be prepared from the cheques received register.</p> <p>3. The list shall be prepared on fortnightly basis.</p> <p>4. The list should then be forwarded to DG for his review and signatures.</p>

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



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*D – Fixed Assets Management*

<b>Process Narrative Including Risk and Control Matrix</b>	<b>D</b>
Fixed Assets Management- Fixed Assets	Process ID: AL&CD/DG L&DD (RW)/FAM/Asset management-01

**Background Information**

Fixed assets management includes how the department manages and utilizes their fixed Assets? What are their current policies regarding fixed assets? What precautions have been adopted to safeguard their assets?

***Important Note:***

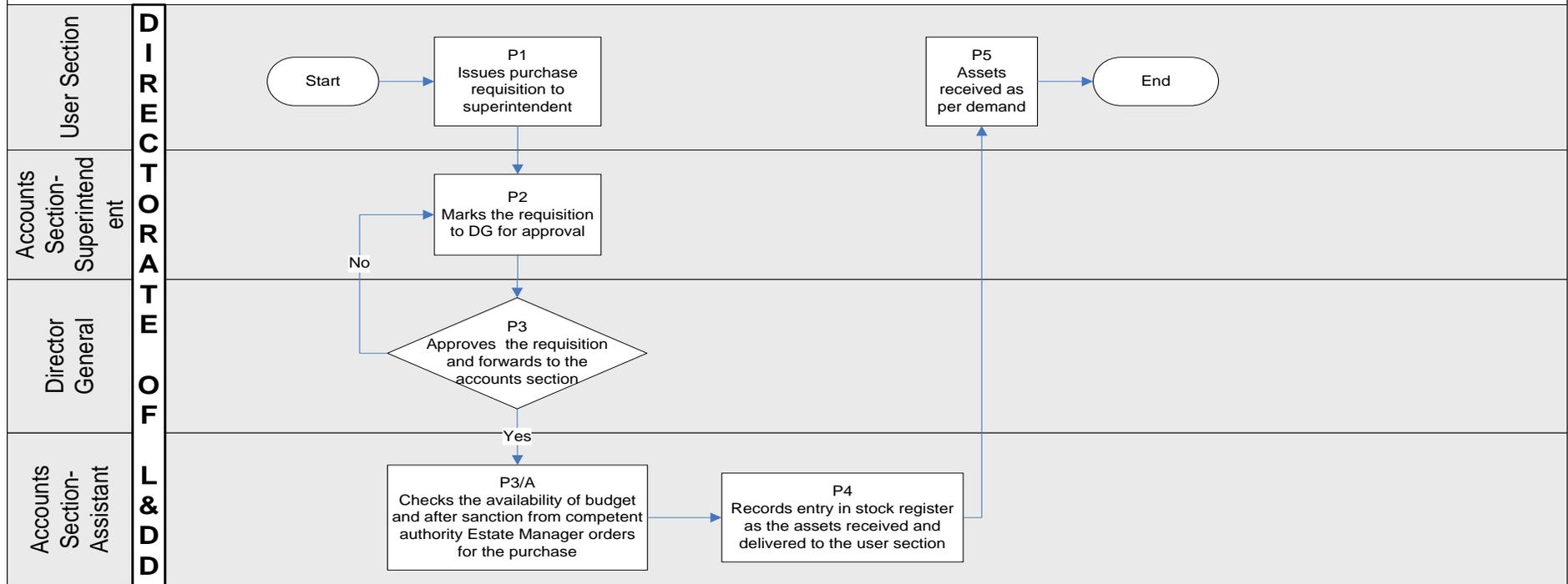
*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
<b>DG L&amp;DD (RW)- User Section</b>	P1 – Issues purchase requisition to Superintendent accounts.	Risk that the incorrect demand is submitted.	Head of the section authorizes the demand before forwarding to the Director General.
<b>DG L&amp;DD (RW)- Accounts Section- Superintendent</b>	P2 – Forwards the requisition to the DG for approval.	The requisition is not forwarded to DG on time.	The user section will follow up with the DG Office in case of delay.
			<p><b>Suggested Mitigating Controls:</b></p> <p>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.</p> <p>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3. The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</p>
<b>DG L&amp;DD (RW)- Director General</b>	P3 – Approves the requisition and forwards it to the accounts section for further formalities.	The requisition is not forwarded to accounts section on time.	The user section will follow up with the DG Office in case of delay.
			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P2”.</p>

<p><b>DG L&amp;DD (RW)- Accounts Section-Assistant</b></p>	<p>P3/A– Receives the approved requisition from DG and check the availability of budget. If amount in the budget is available, the quotations are called by Estate Manager with the approval of competent authority and asset is purchased after following the due process of law.( Pls go to P4).</p> <p>If budget is not available in respective head then request is made to the Finance Department for grant of funds.</p>	<p>Risk that an incorrect requisition is received.</p>	<p>Head of the section authorizes/reviews the demand before forwarding to the PRO/Competent Authority.</p>
<p><b>DG L&amp;DD (RW)- Accounts Section-Assistant</b></p>	<p>P4 – Records entry in the stock register upon delivery of the asset. The asset is directly delivered to user section. Stock register is signed by the Estate Manager/PRO.</p>	<p>Risk that asset is not properly checked at the time of delivery.</p>	<p>At time of delivery all purchasing committee /PRO/DG. Depending on the type of Purchase i.e. below 100000 or above 100000) inspect the asset and then sign entry in stock register.</p>
			<p><b>Suggested Mitigating Control:</b> The In-charge of the user section should also make sure that the asset delivered is according to the specifications. He/She should then sign each entry in the stock register</p>

		Risk that no entry is made in stock register at the time of delivery.	At time of delivery Estate Manager/PRO Purchase i.e. below 100,000 or above 100,000) inspects the asset and then signs each entry in stock register.
		Risk that no end user comments with regard to specifications have been noted.	<b>Suggested Mitigating Control-</b> In-charge of end user section must sign the stock register and put a note on demand.
		Risk that the asset is later stolen/replaced/misplaced from the user department.	<b>Suggested Mitigating Control-</b> A periodic physical verification of fixed assets should be carried out.
			<b>Suggested Mitigating Control-</b> When asset is received in premises, caretaker/accounts assistant needs to put an item code on it. The item code entry is then made in the fixed asset register.
<b>DG L&amp;DD (RW)- User Section</b>	P5-Receives the asset as per their required demand.	Risk that asset received is not according to their demand.	The caretaker/accounts assistant will also make sure that the asset delivered is according to the demand.
			<b>Suggested Mitigating Control-</b> In charge of end user section must sign the stock register and put a note on demand.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



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*E – Stores Management*

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>E</b>
Stores Management - Stores Process	Process id: AL&CD/ DG L&DD(RW)/Stores Management/Stores Process-01

**Background Information:**

In Directorate General of Live stock and Dairy Development (Research Wing), stores are divided into two parts, one is for stationary items and the other for fixed assets. Estate Manager (BPS – 17) is responsible to manage the stores.

**1<sup>st</sup> Scenario:**

As the demand reaches the account, the assistant accounts issues the items to the user section provided it is available and updates the record in the stock register with respect to the issue of the items.

**2<sup>nd</sup> Scenario:**

If items are not available in stores, assistant /superintendent accounts prepares a file with respect to demand and forwards it to the competent authority empowered to sanction the amount under prevalent Financial and Reappropriation Rules so that the item can be purchased.

After approval, Estate Manager places an order with the supplier and account assistant/superintendent receives items from the supplier as per order. The items are then issued to the user section as per its demand and recorded in the stock register and updated accordingly.

***Important Note:***

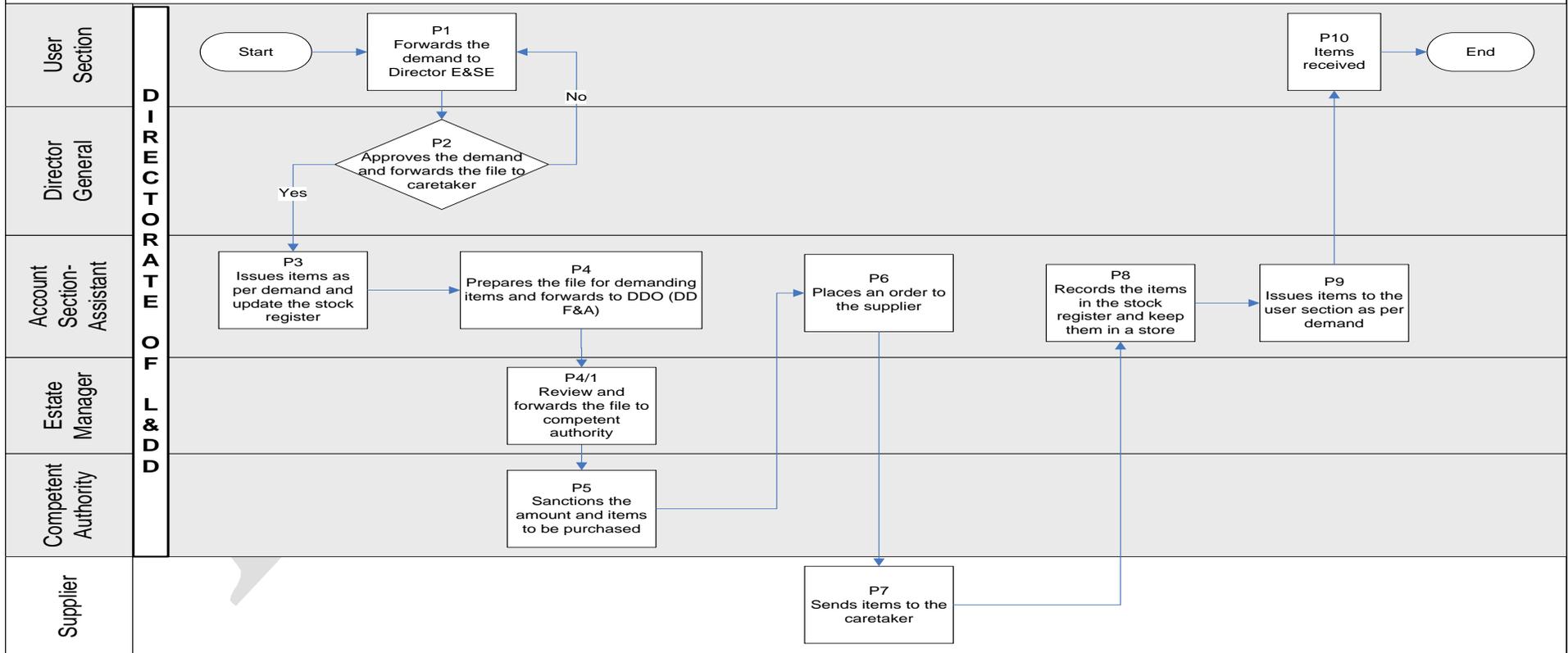
*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

Section/ Entity	Process Step	Risk	Control
DG L&DD (RW)- User Section	P1 – Forwards the demand to the DG for approval.	Risk that an incorrect or unreasonable demand is submitted.	Head of the section authorizes the demand before forwarding it to the DG L&DD.
		Risk that a demand is created for items already in stock or the utilization rate is very high.	<b>Suggested Mitigating Control –</b> A utilization rate should be determined for consumable items and each demand must be checked against this pre-determined utilization rate by the Estate Manager.
DG L&DD (RW)- Director General	P2 – Approves the demand and forwards the demand file to the account assistant for issuance of items as required.	Risk that the demand is not forwarded on time.	The user section will follow up with the Estate Manager.
			<b>Suggested Mitigating Controls:</b>  1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.  2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.  3. The reconciliation report should then be forwarded to the next higher authority for his/her review & signature (where appropriate).
DG L&DD (RW)- Accounts Section- Assistant	P3 – Issues the items as per demand and update the stock register (In case of items already available in the	Risk that the incorrect items or excess items are issued.	Estate Manager will verify the issued items with the stock register.

	stores) and if items are not available then proceed to step P4.		
			The demanding section will reject the items if not according to the specifications/quantity demanded.
<b>DG L&amp;DD (RW)- Accounts Section- Assistant</b>	P4 – Prepares the file of items demanded and their total cost estimates and forwards to the Estate Manager. (In case items demanded is not available in stores).	Risk that the incorrect estimates are incorporated intentionally or by mistake.	The quantity of stock items is verified by Estate Manager from the stock register and from the demand letter issued by the user section.
			Prices are verified by comparing with quotations and their reasonableness checked by Estate Manager.
<b>DG L&amp;DD (RW)- Estate Manager</b>	P4/1 – Reviews and forwards the file to the competent authority.	Risk that the file is not forwarded on time.	The user section will follow up with the Estate Manager.
			<b>Suggested Mitigating Controls:</b>  “Please refer to the time service standards control suggested under Process Step – P2”.
<b>DG L&amp;DD (RW)- Competent Authority</b>	P5 – Sanctions the amount of items to be purchased and returns the file to account assistant and finally to the Estate Manager.	Risk that the officer may sanction the amount that does not fall under his authority.	The file is routed through Estate Manager and PRO who make sure that it is forwarded to the appropriate authority as defined in Khyber Pakhtunkhwa Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001.
<b>DG L&amp;DD (RW)- Estate Manager</b>	P6 – Places an order to the supplier for the items to be purchased.	Risk that the order is given to a supplier in personal interest.	Three quotations are received from different suppliers and are reviewed and signed by the committee members to select the lowest evaluated rate.
<b>*Supplier</b>	P7 – Sends items to the account assistant.	Risk that the quantity received is less than the quantity ordered.	A second official (Estate Manger), independent of account assistant checks the quantity and quality with the purchase order (The signature of Estate Manager/PRO in the stock

			register is the evidence of the control).For purchases above Rs. 100,000, the purchase committee checks the quantity and quality and signs each entry in the stock register.
		Risk that the wrong items/items of low quality are received.	A second person, Estate Manger independent of account assistant checks the quantity and quality with the purchase order (The signature of Estate Manager/PR in the stock register is the evidence of the control).For purchases above Rs. 100,000 the purchase committee checks the quantity and quality and signs each entry in the stock register.
<b>DG L&amp;DD (RW)- Account Section- Assistant</b>	P8 – Records the items in the stock register and keeps them in the stores.	Risk that the some items are incorrectly recorded under an inappropriate head.	Review by PRO and signature in the stock register.
		Risk that a store item is stolen.	The account assistant keeps the store locked and no one except him is allowed to enter the stores.
		Risk that the items get damaged or become useless.	The items are placed in the stores, cupboards and shelves. No extra purchase is done.
			<b>Suggested Mitigating Control –</b> The store room should have enough space to accommodate all the store items so that the fragile items are not piled on one another.
		Risk that the store item physically available does not correspond with the records in the books.	<b>Suggested Mitigating Control –</b> A periodic stock take procedure should mitigate the risk.
		Risk that damaged goods remains un-noticed.	<b>Suggested Mitigating Control –</b> A periodic stock take procedure should mitigate the risk.
<b>DG L&amp;DD (RW)- Account Section- Assistant</b>	P9 – Issues items to the user section.	Risk that the wrong items or excess items are issued.	The demanding section will reject the items if not according to the specifications/quantity ordered.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



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*F – Operating Expenses*

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>F</b>
<b>Operating Expense Process</b>	<b>Process ID: AL&amp;CD/ DG L&amp;DD (RW)/Operating Expense Process-01</b>

**Background Information:**

Operating expenses includes all the expenditure incurred by the department in running its day to day business. Principle Research Officer (PRO) and Accounts Superintendent play a major role in the process. Some of the important heads included in the operating expenses are mentioned below:

- POL charges
- Utility bills
- Repair & Maintenance

If expenses are less than Rs. 100,000, the cheque is prepared by the AG's office in favour of Drawing and Disbursing Officer (DDO) and for an amount above Rs. 10,000, it is issued to the Vendor.

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

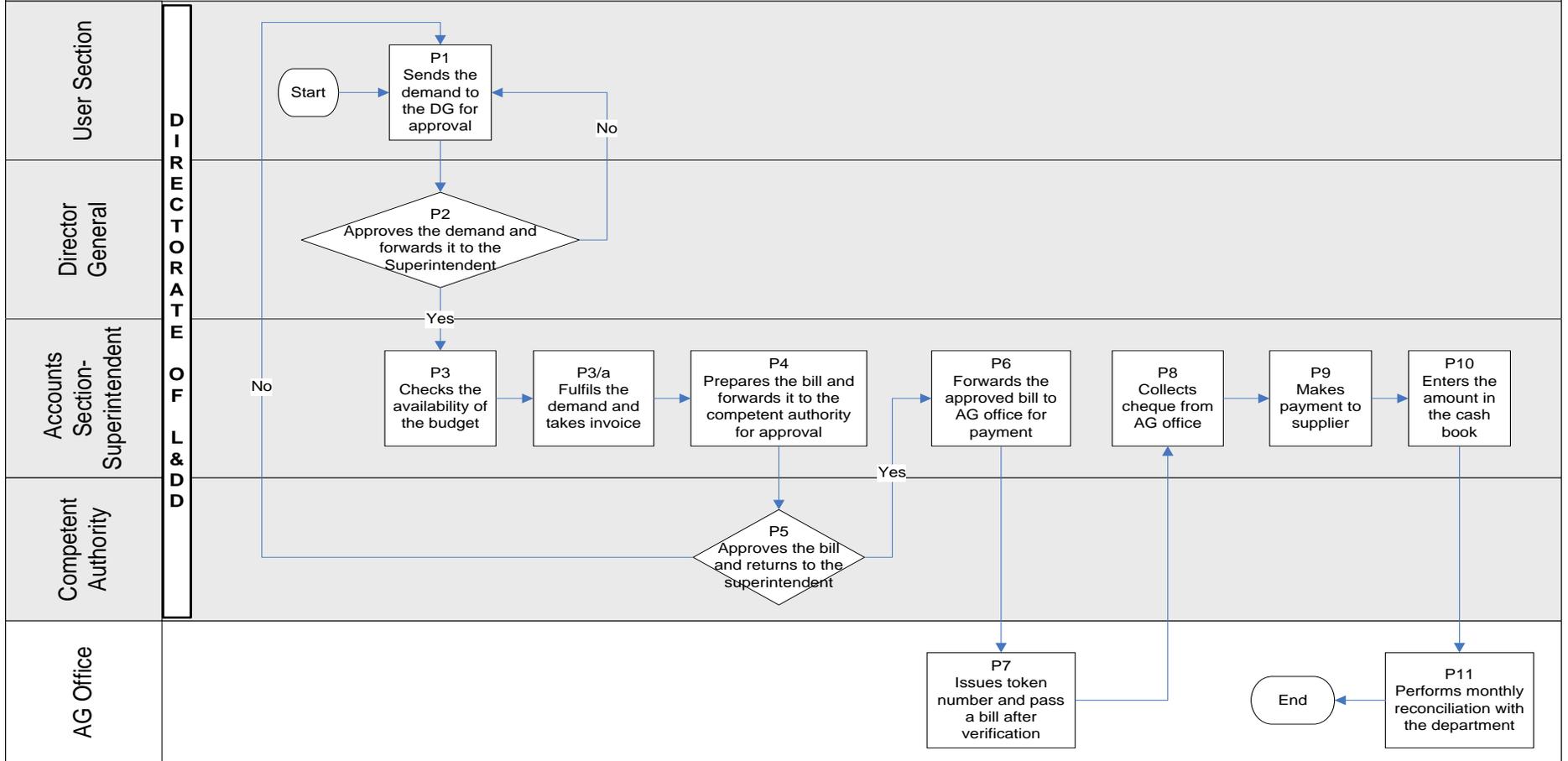
<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
<b>DG L&amp;DD (RW)- User Section</b>	P1 – Sends the demand/utility bills/POL charges to the DG, L&DD for approval.	Risk that the wrong demand is submitted.	Head of the section/PRO authorizes the demand before forwarding it to the accounts superintendent.
<b>DG L&amp;DD (RW)- Director General</b>	P2 – Approves the demand and forwards it to accounts Superintendent for further processing.	Risk that the approval is not given on time.	<b>Suggested Mitigating Controls:</b>  1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.  2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.  3.The reconciliation report should then be forwarded to the next higher authority for his/her review & signature (where appropriate).
<b>DG L&amp;DD (RW)- Accounts Section- Superintendent</b>	P3 – Checks the availability of the budget in the excel sheet maintained in the computer system/books of accounts.	Risk that the budget is not available but the accounts superintendent prepares the bill.	Review by PRO will ensure that sufficient budget is available in the respective accounts head.
			AG's office rejects the bill if the there is no budget as the SAP R3 system will not allow the payment.
<b>DG L&amp;DD (RW)- Accounts Section- Superintendent</b>	P3/a – Fulfils the demand and receives the invoices for the expenses incurred from the supplier.	Risk that the demand is not fulfilled on time.	The user section will follow up with the accounts superintendent.

<b>DG L&amp;DD (RW)-Accounts Section-Superintendent</b>	P4 – Prepares the bill and attaches the supplier's invoice and sends it to the competent authority for approval.	Risk that an incorrect bill is forwarded.	PRO verify the calculation of the bill before forwarding it to the competent authority as defined in Khyber Pakhtunkhwa Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001.
		Risk that an invoice other than of the expense incurred is presented.	Invoice is verified by the PRO.
		Risk that a bogus invoice is attached.	The PRO verifies the invoices with the demand from the user section and confirms the goods received from entries in the stock register and for services he has to enquire from those to whom the service is provided.
<b>DG L&amp;DD (RW)-Competent Authority</b>	P5 – Issues sanction and returns the case to the accounts Superintendent.	Risk that the officer may sanction the amount that does not fall under his authority.	The file is routed through PRO who makes sure that it is forwarded to the appropriate authority as per Delegation of Powers under Financial Rules and Powers under Reappropriation Rules, 2001.
<b>DG L&amp;DD (RW)-Accounts Section-Superintendent</b>	P6 – Forwards the approved bill to the AG's office for payment.	Risk that an incorrect bill is presented.	AG's office returns the bill immediately.
			Bill is prepared by the accounts superintendent and checked by PRO. Evidence of control is that it is stamped by PRO.
		Risk that the bill is not sent to AG's office.	<b>Suggested Mitigating Controls:</b> 1. DDO office must maintain a list of approved bills/forms forwarded to accounts superintendent.  2. The DDO office must compare the list with bill

			<p>dispatched register on monthly basis.</p> <p>The bill dispatch register containing the list of bills along with their approval dates must be maintained and reviewed by the DDO before sending it to AG's office.</p>
<b>*AG office</b>	P7 – Issues token number and clears the bill.	Risk sits in AG's Office.	Control sits in AG's Office.
<b>DG L&amp;DD (RW)- Accounts Section- Superintendent</b>	P8 – Collects the cheque from AG's office.	Risk that the cheque is not prepared against a bill.	<p><b>Suggested Mitigating Controls::</b></p> <ol style="list-style-type: none"> <li>The accounts superintendent must enter all the cheques received from AG's office against each bill in the bill dispatch register.</li> <li>A monthly reconciliation of bills sent and cheques received must be prepared. A reconciliation report identifying outstanding bills must be generated and reviewed by PRO.</li> <li>An aging report of all outstanding bills must be prepared on monthly basis; any un paid bills for more than 30 days must be followed up with AG's office.</li> <li>Aging report must be sent to the Director General, L&amp;DD for his review and signatures.</li> </ol>
<b>DG L&amp;DD (RW)- Accounts Section- Superintendent</b>	P9 – Makes payment to the concerned/Vendor/Supplier ..	Risk that the Supplier may claim that he did not receive any payment.	Acknowledgement of payment is taken in the register.
<b>DG L&amp;DD</b>	P10 – Enters the amount in	Risk that an	The monthly reconciliation

<b>(RW)- Accounts Section- Superintendent</b>	the books of accounts (Cash Book).	incorrect amount is entered in the cash book.	performed with AG's office will rectify both these errors.
			The PRO checks all the entries in the Cash book and signs against each payment. Every page of the Cash book is also stamped by PRO.
<b>*AG office</b>	P11 – Performs monthly reconciliation with the department.	Risk sits in AG's Office.	Control sits in AG's Office.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments.*



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*G – Sale of Vaccines*

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>G</b>
Sale of Vaccines	<b>Process ID: AL&amp;CD/DG L&amp;DD (RW)/Revenue/Sale of Vaccines-01</b>

**Background Information**

The DG L&DD (RW) produces vaccines for different diseases like Foot and Mouth Disease (FMD), Haemorrhagic Septicaemia Vaccine (HSV), BQV, Anthrax Spore Vaccine (ASV), Enterotoxaemia cum Lamb Dysentery Vaccine (ETV) and New Castle Disease Vaccine (NDV) etc. It is supplied to hospitals, Station Labs of Agriculture and Livestock department, general public and other governmental (Army) and non governmental institutions (NGOs). It is the main source of revenue for the department which is deposited into the Personal Ledger Account (PLA).

***Important Note:***

*End to end process has been documented for the sake of understanding only. The relevant risk and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

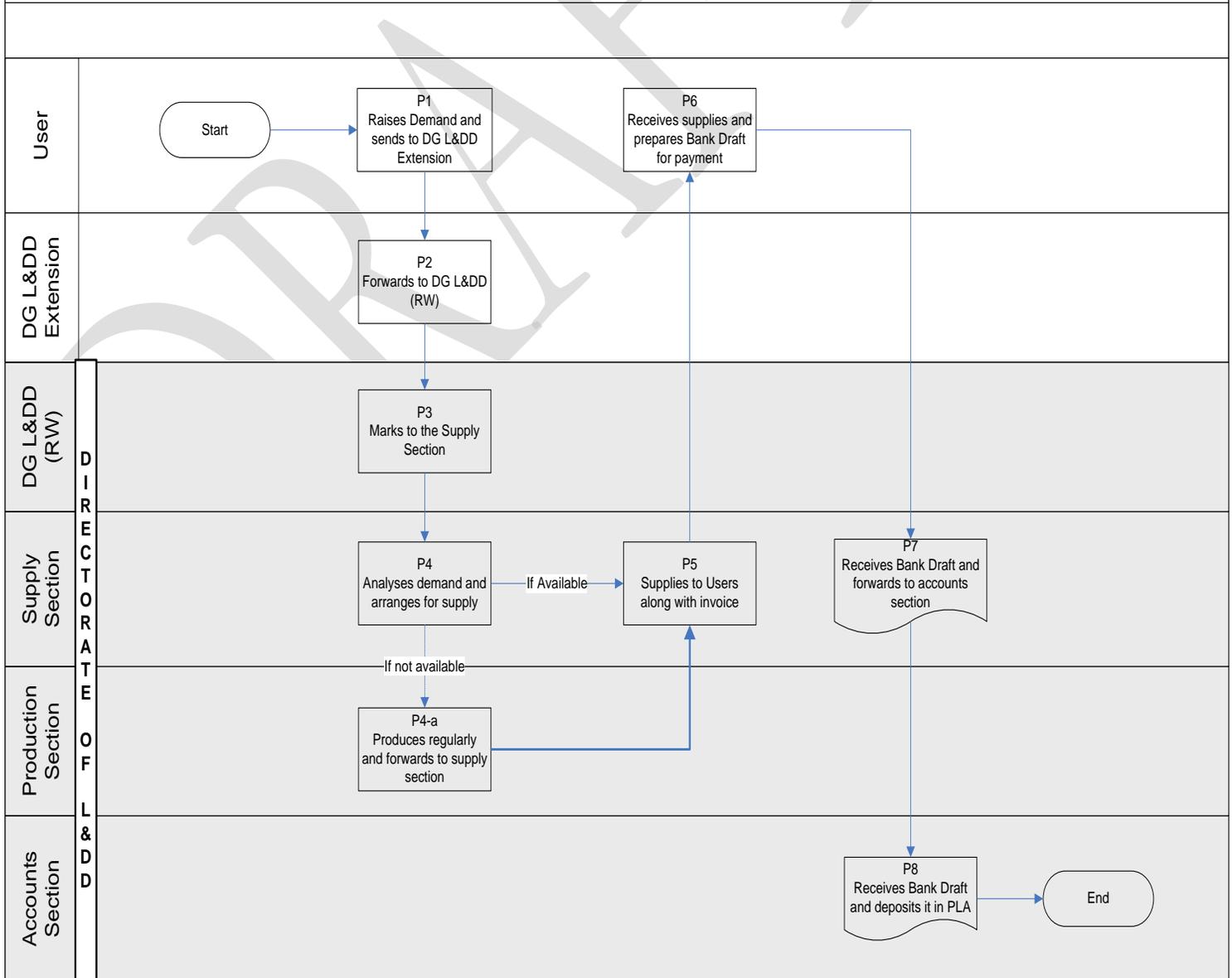
Section/ Entity	Process Step	Risk	Control
<p><b>*User</b></p>	<p>P1- Raises demand and forwards to DG, Extension of L&amp;DD.</p> <p>The Users include:</p> <ul style="list-style-type: none"> <li>• Hospitals</li> <li>• Station Laboratories</li> <li>• Army</li> <li>• NGOs and</li> <li>• General Public</li> </ul> <p>Hospitals forwards their respective demands to the DG, Extension L&amp;DD while the others contact the DG, L&amp;DD (RW) directly.</p>	<p>Risk sits in the User entity.</p>	<p>Control for the risk sits in the User entity.</p>
<p><b>*AL&amp;CD-DG L&amp;DD (Extension)</b></p>	<p>P2- Receives demand from hospitals and forwards to DG, L&amp;DD (RW).</p>	<p>Risk sits in the DG, AL&amp;DD (Extension).</p>	<p>Control for the risk sits in the DG, AL&amp;DD (Extension).</p>
<p><b>AL&amp;CD-DG L&amp;DD (RW)-DG office</b></p>	<p>P3- Receives demand and marks it to supply section.</p>	<p>Risk that the demand is not forwarded to supply section on time.</p>	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instruction should be followed.</li> <li>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</li> <li>3. The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature.(where appropriate).</li> </ol>

<b>DG L&amp;DD (RW)- Supply section- In-charge</b>	P4- Analyses the demand and checks the availability. If vaccines are available, they are dispatched to the user but if not available production department is consulted for its preparation.	Risk that the demand is not forwarded to the user on time.	<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P3”.
		Risk that wrong vaccines are issued to the user.	Supply section Accountant checks and Section In-charge reviews.
		Risk that less or increased quantities of vaccines are issued.	Supply section Accountant checks and Section In-charge reviews.
		Risk that the information available about the vaccine on stock is not correct.	Supply section Accountant checks against the production and Section In-charge verifies and updates the stock register accordingly.
<b>DG L&amp;DD (RW)- Production section</b>	P4-a- Produces vaccines regularly throughout the year and forwards to the supply section for storage (Cold storage).	Risk that vaccines are not produced regularly.	Vaccines production has its own time schedule according to which vaccines are produced.
		Risk that vaccines produced on regular basis have no adequate demand and hence expires.	<b>Suggested Mitigating Controls:</b> A quarterly demand of each type of vaccine needs to be determined from past selling experience. The production shall then be planned according to the demand.
<b>DG L&amp;DD (RW)- Supply section- Store keeper</b>	P5- Dispatches vaccines along with invoice to the purchaser. And gets receipt from the purchaser for office record.	Risk that the invoice prepared is of different amount than the vaccines dispatched.	Invoice is prepared by the Store keeper, cashier reviews and Section In-Charge verifies.

		Risk that amount entered in the sale register is different from the amount invoiced.	Invoice is prepared by the Store keeper, cashier reviews and Section In-Charge verifies.
		Risk that vaccines are sold to a user who is already defaulted on payment.	<b>Suggested Mitigating Controls:</b> Receivables aging report should be maintained and defaulters should be persuaded to clear outstanding dues before making sales to them again.
<b>*User</b>	P6- Receives vaccines and invoice and prepares Bank draft in favour of DG, L&DD (RW) for payment.	Risk sits in the User entity.	Control for the risk sits in the User entity.
		Risk that vaccines are received and later on receipt is denied by the user.	Invoice is signed by the purchaser for receiving of vaccines.
<b>DG L&amp;DD (RW)- Supply section- In-charge</b>	P7- Receives Bank Draft, verifies against the vaccines dispatched and Cashier deposits it in the bank (Personal Ledger Account) (PLA).	Risk that Bank draft of lower payment is received.	Supply Section Cashier checks against the invoice and Section In-charge reviews.
		Risk that payment against a sale is received late.	<b>Suggested Mitigating Controls:</b> Receivables aging report should be maintained and should be followed when making sales to customers.
		Risk that Bank draft is not deposited in Bank on time.	<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P3”.

		Risk that Bank draft is not deposited in Bank at all.	<b>Suggested Mitigating Controls:</b> Bank reconciliation should be carried out on monthly basis. The reconciliation should be reviewed by a second person.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



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*H - Litigation*

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>H1</b>
Litigation Process - Service Matters	Process id: AL&CD/ DG L&DD (RW)/Litigation Process -01

**Background Information:**

An appellant (Employee) can file a case in Services Tribunal if he is aggrieved of any matter related to his service. The Defendants usually are / and include Secretary of AL&C, Director General L&DD (RW) or an Officer at district level in addition to others. During the litigation process, the Director General, L&DD (RW) interacts with different departments including Services Tribunal, government pleader, and Law Department or may be the Supreme Court if an appeal is preferred by any party in the latter court against the judgement of Service Tribunal. The written statement/ defence is thoroughly vetted by the government pleader to examine the contents of the department's defence for reasonableness against the relevant laws and regulations before forwarding to the Services Tribunal.

***Important Note:***

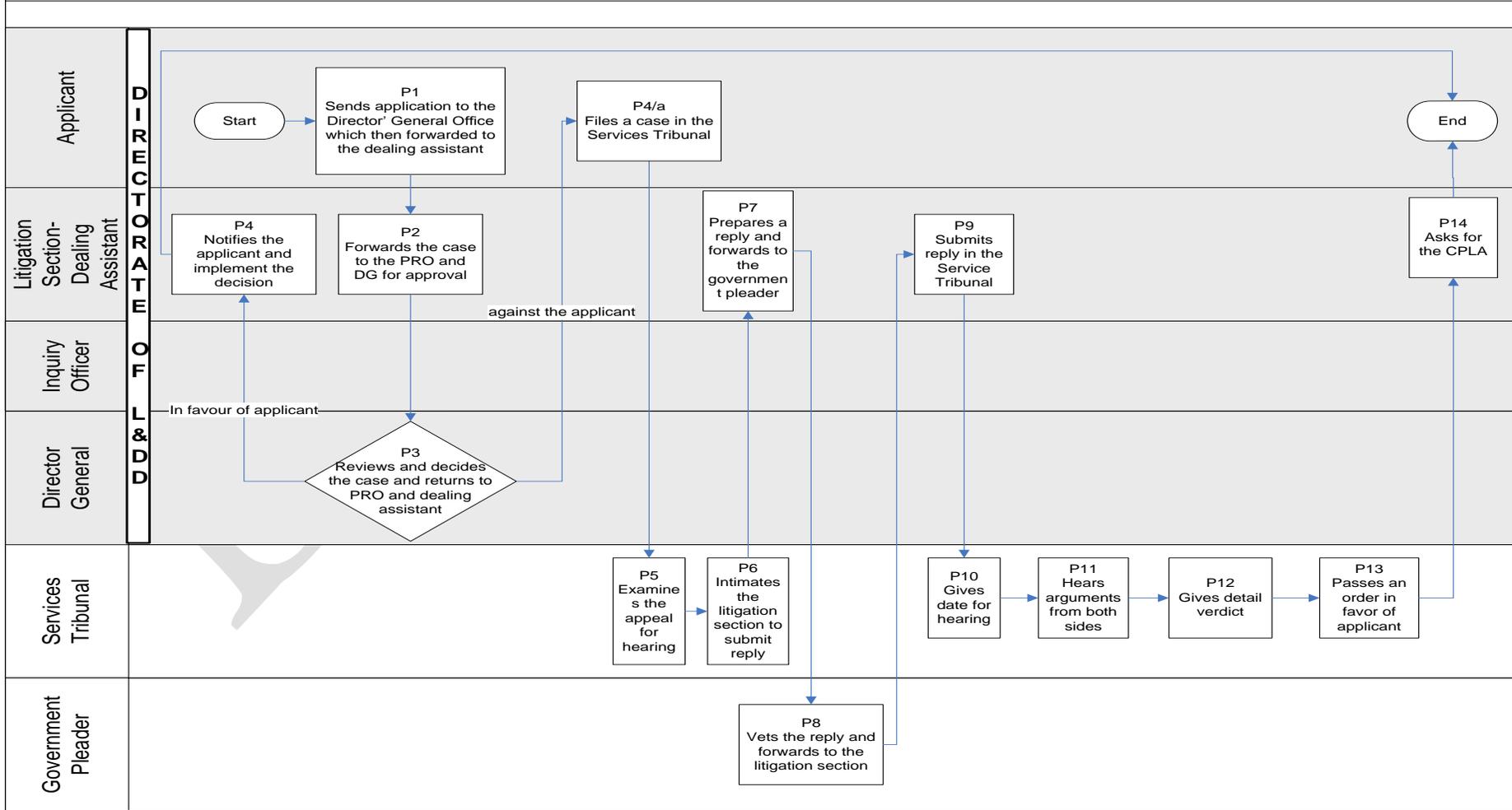
*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
<b>DG L&amp;DD (RW)- Applicant</b>	P1 – Sends an application to the Director General, L&DD which is marked to the dealing assistant in litigation section.	Risk sits with the applicant.	Control sits with the applicant.
<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P2 – Forwards the case/application to the PRO/Coordinator and DG for approval.	Risk that the litigation section does not send the case on time.	PRO/Coordinator litigation follow ups the case on regular basis.
			<p><b>Suggested Mitigating Controls:</b></p> <p>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.</p> <p>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3. The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature (where appropriate).</p>
<b>DG L&amp;DD (RW)- Director General</b>	P3 – Reviews the case and decides in the favour of applicant or otherwise and returns the case to PRO/Coordinator, Superintendent and dealing assistant litigation.	Risk that the approval is not given on time which resulted delay in case.	PRO/Coordinator litigation follows up the case.
			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P2”.</p>

<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P4 – Notifies the applicant regarding the decision of the department and forwards it to the relevant section to implement the decision (If it is in favour of the applicant). If it is against the Applicant, he is at liberty to proceed as per next step onwards.	Risk that the order is not notified on time.	PRO/Coordinator follows up the case. litigation
			<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P2”.
<b>DG L&amp;DD (RW)- Applicant</b>	P4/a – Files a case in the Services Tribunal.	Risk sits with the applicant.	Control sits with the applicant.
<b>*Services Tribunal</b>	P5 – Examines the case and admits for hearing.	Risk sits in the Services Tribunal.	Control sits in the Services Tribunal.
<b>*Services Tribunal</b>	P6- Sends summons asking the defendants to attend and defend.	Risk sits in the Services Tribunal.	Control sits in the Services Tribunal.
<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P7 – Prepares the reply and the sends it to government pleader for vetting.	Risk that the Dealing Assistant litigation section does not send the reply on time.	Director General L&DD follow ups the case on regular basis.
			<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P2”.
<b>*Government Pleader</b>	P8 – Vets the reply and sends it back to litigation section.	Risk sits in the government pleader.	Control sits in the government pleader.
<b>DG L&amp;DD (RW)- Establishment Section- Dealing Assistant</b>	P9 – Submits the reply in the Services Tribunal.	Risk that the reply is not submitted on time.	Director General L&DD/PRO/Coordinator follow ups the case on regular basis.

			<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P2”.
<b>*Services Tribunal</b>	P10 – Gives date for hearing to both parties.	Risk sits with Services Tribunal.	Control sits with Services Tribunal.
<b>*Services Tribunal</b>	P11 – Records evidence and hears arguments of both parties.	Risk sits with Services Tribunal.	Control sits with Services Tribunal.
<b>*Services Tribunal</b>	P12 – Gives detailed verdict on the basis of arguments and record presented in the court.	Risk sits with Services Tribunal.	Control sits with Services Tribunal.
<b>*Services Tribunal</b>	P13 – Passes an order in favour of an applicant or against him. If order is against the Department, it is either appealed against in SC or implemented as opined by Law Department. If decides to appeal, next step P14 is taken.	Risk sits in Services Tribunal.	Control sits in Services Tribunal.
<b>DG L&amp;DD (RW)- Director General</b>	P14 – Asks for the CPLA (Civil Petition Leave to Appeal) in the light of verdict made by the Services Tribunal for Supreme Court hearing.	Risk that the case facts are against the department but it is still contended in the Supreme Court.	Law Department approves the case before it is being filed in the Supreme Court.
		Risk that appeal against the Service Tribunal orders is not made on time and as a result the time for appeal lapses.	<b>Suggested Mitigating Controls</b> – A complete list of all the cases and their current status should be prepared by the dealing clerk in the litigation section on fortnightly basis. This list should be reviewed by PRO/Coordinator and finally by the Director General L&DD.

*(\*) These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments.*



<b>Process Narrative Including Risk and Control Matrix</b>	<b>H2</b>
Litigation Process – Civil Matters	Process id: AL&CD/ DG L&DD (RW)/Litigation Process -02

**Background Information:**

An appellant (Employee) can file a case in District/High/Supreme Court and the Defendant side of the case may include Secretary AL&CD/Director General L&DD or the Chief Secretary beside any other official. During the litigation process the Directorate L&DD interacts with different Departments including District/High/Supreme Court, government pleader, and Law Department. The defence is properly vetting (by the government pleader) which is a process through which the contents of the department's reply are vetted for reasonableness against the relevant laws and regulations before forwarding to the District/High/Supreme Court. If Directorate loses the case in District/High Court, it consults Law Department for instituting an appeal in the higher forum or implements the judgement.

***Note:***

*In all cases an appellant appeals to Director General, L&DD for redress of his grievance . If he/ she accepts the appeal, an officer (**Appointed by the Director General L&DD**) is asked to enquire about the matter and report to him.If the issue is not resolved within stipulated time period (03 Months), then appellant files a case to District/High/Supreme Court for further proceedings. In High Court, the matter is agitated through writ petitions and in lower courts ( having limited or no jurisdiction) it is instituted through an ordinary plaint.*

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than AL&CD shall be documented at the respective departments/entities. Only risk and controls relating to DIRECTORATE GENERAL OF L&DD (RW) have been documented here.*

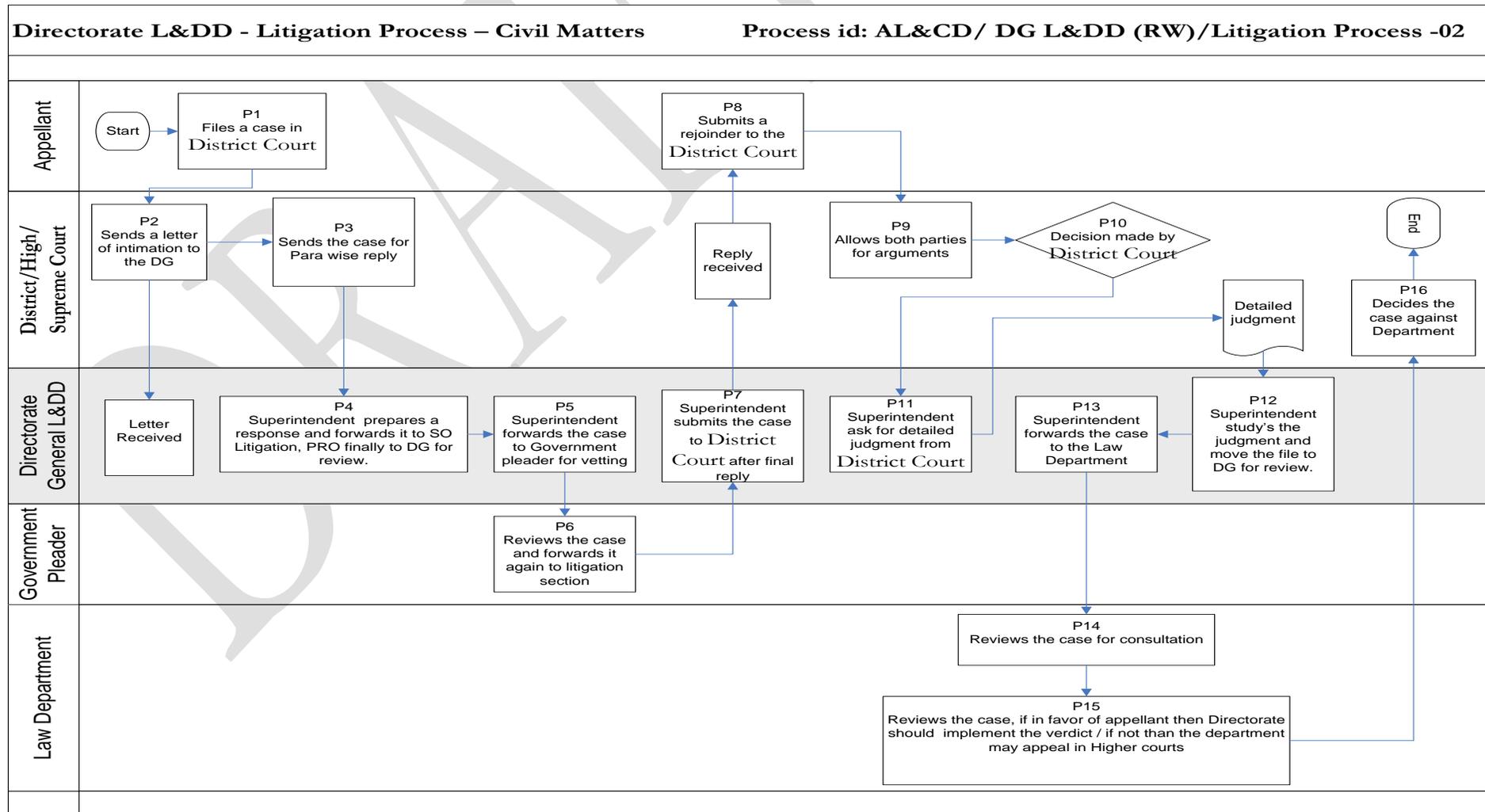
Section/ Entity	Process Step	Risk	Control
Appellant	P1 – Files a case in District/High/Supreme Court.	No appropriate risk.	No appropriate control.
<b>*District/High/Supreme Court</b>	P2 – Sends summons asking the defendants to attend the court and file their replies.	Risk sits with District/High/Supreme Court.	Control sits with District/High/Supreme Court.
<b>*DG Litigation(RW)- Litigation Section-Superintendent Litigation</b>	P3 – Collects a copy of plaint and submits to the Director General for his perusal and guidance on parawise reply.	Risk sits with District/High/Supreme Court.	Control sits with District/High/Supreme Court.
<b>DG L&amp;DD (RW)- Litigation Section-Superintendent Litigation</b>	P4 – Prepares parawise reply and submits to SO Litigation, PRO/Coordinator and finally to Director General for final review.	Risk that the file will not be forwarded on time for further processing.	The District/High/Supreme Court will follow up with the Director General L&DD for detailed replies. Moreover, when the Directorate is intimated about a case against it, it is bound to respond otherwise exparte proceedings will follow and DG would be reprimanded for this inaction.
			<b>Suggested Mitigating Controls:</b> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.</li> <li>2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases</li> </ol>

			<p>outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature.(where appropriate).</p>
<b>DG L&amp;DD (RW) - Litigation Section-Superintendent Litigation</b>	P5 – Presents the reply for vetting by the government pleader who reviews the case in detail.	Risk that the litigation section will not follow up the case.	An officer is appointed specially to follow up the case on daily basis.
<b>*Government Pleader</b>	P6- Forwards the case again to the litigation section after review.	Risk sits with Government Pleader.	Risk sits with Government Pleader.
<b>DG L&amp;DD (RW)- Litigation Section-Superintendent Litigation</b>	P7 – Submits the case with reply to the District/High/Supreme Court.	Risk that the litigation section does not send the case on time.	Director General L&DD follow ups the case on regular basis.
			<p><b>Suggested Mitigating Controls:</b></p> <p>“Please refer to the time service standards control suggested under Process Step – P4”.</p>
<b>Appellant</b>	P8 – Submits the rejoinder (reply) in the District/High/Supreme Court on the next hearing when especially by the court to do so.	Risk sits in the respective appellant.	Control sits in the respective appellant.
<b>*District/High/Supreme Court</b>	P9 – Allows both the parties to lead evidence and to submit arguments.	Risk sits with District/High/Supreme.	Control sits with District/High/Supreme.

<b>*District/High/Supreme Court</b>	P10 –Decides the case and announces.	Risk sits with District/High/Supreme.	Control sits with District/High/Supreme.
<b>DG L&amp;DD (RW)- Litigation Section-Superintendent Litigation</b>	P11 – Requests the District/High/Supreme for a copy of the detailed judgment.	Risk that the judgment is not requested.	Director General, L&DD asks for the detailed judgment.
		Risk that the certified copy of the decision is not obtained on time and as a result the time for appeal lapses.	<b>Suggested Mitigating Control –</b> A complete list of all the cases and their current status should be prepared by the assistant in the SO Litigation section on fortnightly basis. This list should be reviewed by SO Litigation and finally by the DG.
<b>DG L&amp;DD (RW)- Litigation Section-Superintendent Litigation</b>	P12 – Studies the detailed judgment and put up the file to SO Litigation, PRO/Coordinator and finally to DG for review.	Risk that the file is not forwarded on time.	DG will ask for the verdict given by the District/High/Supreme
			<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P4”
<b>DG L&amp;DD (RW)- Litigation Section-Superintendent Litigation</b>	P13 – Forwards the case to the Law Department for opinion.	Risk that the case not be forwarded on time.	Appellant will follow up with the Directorate L&DD through the District/High/Supreme.

			<b>Suggested Mitigating Controls:</b> “Please refer to the time service standards control suggested under Process Step – P4”.
<b>*Law Department</b>	P14 – Receives a case from litigation section for consultation.	Risk sits with Law d.department.	Control sits with Law Department.
<b>*Law Department</b>	P15 –If opines that the judgment by the District/High/Supreme in favour of appellant cannot be challenged then the verdict is implemented by the department. If Law Department opines that the judgement is not rational and bears ground to challenge it in higher court, the Directorate files, an appeal accordingly after getting it vetted from the office of Advocate General.	Risk sits with Law Department.	Control sits with Law Department.
<b>*District/High/Supreme Court</b>	P16 – Decides the case on merit. If it is a judgement from the last and the highest forum, it becomes conclusive and decision is binding on both the parties.	Risk sits with District/High/Supreme.	Control sits with District/High/Supreme.

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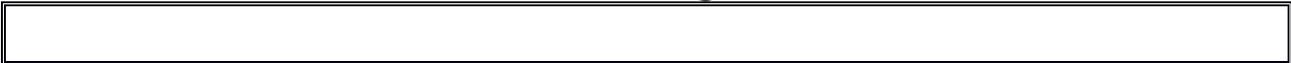


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**Section III**

**Audit Programs**



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***A - Budget Management - Consolidation***

<b>AUDIT PROGRAM</b>	<b>A1</b>
<b>Budget Management- Consolidation- Developmental Budget (Demand for grants)</b>	<b>Process ID: AL&amp;CD/DG L&amp;DD (RW)/BM/Consolidation/Dev-01</b>

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

To determine whether, on the basis of the systems and transactions examined (selecting all significant and/or representative samples) that:

- A. Budgets are properly reviewed and consolidated
- B. Budget process is timely and responsive.

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Budgets – Timely communication and proper consolidation</b></p> <ul style="list-style-type: none"> <li>▪ <i>Does the instructions from P&amp;D are received in time by the entity? ( this should be in August or September)</i></li> <li>▪ Is there a central coordination team within the Secretariat to ensure that the overall entity’s budget is aggregated and includes the highest priority items within the government’s priorities?</li> <li>▪ <i>Is there a process in place to provide clear instructions to each Directorate/DDO for the preparation of the budget each year?</i></li> <li>▪ <i>Are the Instructions from the P&amp;D Department communicated to all the Directorates on time? (Enough time should be given so that budget is prepared at the DDO level)</i></li> <li>▪ Is there a central policy and coordination function to aggregate the budgets from every Directorate and provide Government with a budget that is consistent with, and further, the government’s set of priorities?</li> <li>▪ For the current year budget check that the consolidation sheet prepared is signed by the controlling officer.</li> <li>▪ Demand for the complete list of Directorates/DDOs maintained and use this list to ensure that all the Directorates/DDOs are included in the consolidation sheet.</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Check the casting and cross casting of the consolidation sheet.</li> <li>▪ For a sample of DDOs from the consolidation sheet compare the figures to the compiled budget data sent by the DDOs.(through Directorate)</li> <li>▪ Trace some of the compiled data sent by DDOs (through Directorate) to the consolidation sheet.</li> <li>▪ Check the variation in the DDOs budget against the previous year and enquire about significant changes <ul style="list-style-type: none"> <li>• Use analytical procedure to find the variation in budgeted data.</li> <li>• Enquire from management about high variation in budget data and note the management comments.</li> </ul> </li> <li>▪ Check the approval of the budget data by the Deputy Secretary, Additional Secretary and Secretary of the department.</li> <li>▪ Review that the budget data is sent to the P&amp;D Department within the time specified in the guidance issued by the Department.</li> <li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made please make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li> </ul>	
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<b>AUDIT PROGRAM</b>	<b>A2</b>
<b>Budget Management- Consolidation -Non Developmental Budget (Demand for grants)</b>	<b>Process ID: AL&amp;CD/DG L&amp;DD (RW)/BM/Consolidation/N on Dev-02</b>

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

To determine whether, on the basis of the systems and transactions examined (selecting all significant and/or representative samples) that:

- A. Budgets are properly reviewed and consolidated
- B. Budget process is timely and responsive.

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Budgets – Timely communication and proper consolidation</b></p> <ul style="list-style-type: none"> <li>▪ <i>Does the budget circular and ceiling budget is received in time by the entity? ( this should be in August or September)</i></li> <li>▪ Is there a central coordination team within the Secretariat to ensure that the overall entity’s budget is aggregated and includes the highest priority items within the government’s priorities?</li> <li>▪ <i>Is there a process in place to provide clear instructions to each DDO for the preparation of the budget each year?</i></li> <li>▪ <i>Are the Instructions from the Finance Department including Budget Call Circular and ceiling budget communicated to all the DDOs in time? (Enough time should be given so that budget is prepared at the DDO level)</i></li> <li>▪ Is there a central policy and coordination function to aggregate the budgets from every Directorate and provide Government with a budget that is consistent with, and furthers, the government’s set of priorities?</li> <li>▪ For the current year budget check that the consolidation sheet prepared is signed by the controlling officer.</li> <li>▪ Demand for the complete list of DDOs maintained and use this list to ensure that all the DDOs are included in the consolidation sheet.</li> <li>▪ Check the casting and cross casting of the consolidation sheet.</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ For a sample of DDOs from the consolidation sheet compare the figures to the compiled budget data sent by the DDOs.</li> <li>▪ Trace some of the compiled data sent by DDOs to the consolidation sheet</li> <li>▪ Compare the consolidation sheet with Form LD-2.</li> <li>▪ For a sample of DDOs from the consolidation sheet compare the figures to the budget data sent by the DDOs with <ul style="list-style-type: none"> <li>• Form BM-1&amp;2 (Estimates of current expenditure such as salary and non-salary).</li> <li>• Form BM-6/9 (Schedule for new expenditure such as new Vehicle purchase).</li> </ul> </li> <li>▪ Trace some of the compiled data sent by DDOs to the consolidation sheet.</li> <li>▪ Check the variation in the DDOs budget against the previous year and enquire about significant variations <ul style="list-style-type: none"> <li>• Use analytical procedure to find the variation in budgeted data.</li> <li>• Enquire from management about high variation in budget data and note the management comments.</li> </ul> </li> <li>▪ Ensure that the limit of ceiling budget is not exceeded. <ul style="list-style-type: none"> <li>• Select a sample of DDOs and Check current year original budget against allocated Budget Ceiling.</li> </ul> </li> <li>▪ Check the approval of the budget data by the Deputy Secretary, Additional Secretary and Secretary of the department.</li> <li>▪ Review that the budget data is sent to the Finance Department within the time specified in the guidance issued by the Department. (01 January for Permanent estimates and 01 February for Temporary estimates)</li> <li>▪ Demand for the reconciliation between diary in and diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made please make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed.</li> </ul>	
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<b>AUDIT PROGRAM</b>	<b>A3</b>
Budget Management- Revenue Estimates	Process ID: AL&CD/DG L&DD (RW)/BM/Consolidation/ Rev-03

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

To determine whether, on the basis of the systems and transactions examined (selecting all significant and/or representative samples) that:

- A. Revenue Estimates are properly reviewed and consolidated
- B. Revenue Estimates process is timely and responsive.

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Revenue Estimates – Timely communication and proper consolidation</b></p> <ul style="list-style-type: none"> <li>▪ <i>Does the “own receipt letter “is received in time by the entity? (This should be in January each year.)</i></li> <li>▪ <i>Is there a process in place to provide clear instructions to each DDO for the preparation of the revenue estimates each year?</i></li> <li>▪ <i>Are the Instructions from the Finance Department communicated to all the DDOs on time? (Enough time should be given so that revenue estimates is prepared at the DDO level)</i></li> <li>▪ <i>Is there a central policy and coordination function to aggregate the revenue estimates from every DDO and provide Government with a data that is consistent with, and furthers, the Government’s set of priorities?</i></li> <li>▪ <i>For the current year revenue estimates check that the consolidation sheet prepared is signed by the controlling officer.</i></li> <li>▪ <i>Demand for the complete list of DDOs maintained and use this list to ensure that all the DDOs are included in the consolidation sheet.</i></li> <li>▪ <i>Check the casting and cross casting of the consolidation sheet and basis used for calculation.</i></li> <li>▪ <i>For a sample of DDOs from the consolidation sheet compare the figures to the compiled data sent by the DDOs.</i></li> </ul>		

	<ul style="list-style-type: none"><li>▪ Trace some of the compiled data sent by DDOs to the consolidation sheet.</li><li>▪ Check the variation in the DDOs revenue estimates against the previous year and enquire about significant changes<ul style="list-style-type: none"><li>• Use analytical procedure to find the variation in revenue estimated data.</li><li>• Enquire from management about high variation in data and note the management comments.</li></ul></li><li>▪ Check the approval of the revenue estimate data by the Controlling officer (Director Planning), PRO and DG of the department.</li><li>▪ Review that the revenue estimate data is sent to the Finance Department within the time specified in the guidance issued by the department.</li><li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made please make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li></ul>		
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<b>AUDIT PROGRAM</b>	<b>A4</b>
Budget Management- Re-Appropriation/Surrender of savings	Process ID: AL&CD/DG L&DD (RW)/BM/Re-appropriation-04

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

To determine whether, on the basis of the systems and transactions examined (selecting all significant and/or representative samples) that:

- A. Re-appropriation/Surrender of savings are properly reviewed and consolidated.
- B. Re-appropriation/Surrender of savings process is timely and responsive.

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Statement of Re-appropriation/Surrenders – Timely communication and proper consolidation</b></p> <ul style="list-style-type: none"> <li>▪ <i>Does the instruction about Re-appropriation/Surrenders of savings is received in time by the entity?</i></li> <li>▪ Is there a central coordination team within the Director General level to ensure that the overall entity’s Re-appropriation/Surrenders of savings are aggregated?</li> <li>▪ <i>Is there a process in place to provide clear instructions to each District Office for the preparation of the statement of Re-appropriation/ Surrenders of savings each year?</i></li> <li>▪ <i>Are the Instructions from the Finance Department communicated to the Director General Level on time? Are these instructions forwarded to all the District Offices in time? (Enough time should be given so that statement of re-appropriation/ surrenders of savings is prepared at the District level)</i></li> <li>▪ For the current year statement of re-appropriation/surrenders of savings, check the segregation of duties: <ul style="list-style-type: none"> <li>• Statement is prepared by</li> <li>• Checked by</li> <li>• Approved by.</li> </ul> </li> <li>▪ Check the approval of the statement of re-appropriation/surrenders of savings by the DDO (Senior Research Officer).</li> <li>▪ Review that the statement of re-appropriation/surrenders of savings is sent to the Secretariat AL&amp;CD within the time specified in the guidance issued by the department.</li> </ul>		

	<ul style="list-style-type: none"><li>▪ Review that the statement of re-appropriation/surrenders for the current year and enquire about any major savings/re-appropriation as this may be indicative of poor budgeting and blockade of funds when it could be utilised in some other good means.</li><li>▪ Is a rolling budget forecast made by the Department to ascertain the position of excess/surrender early in the Financial Year?</li><li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made then make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed.</li></ul>		
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*B – Human Resource Management*

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<b>AUDIT PROGRAM</b>	<b>B1</b>
Hiring process- Gazetted Employees	Process id: AL&CD/DG L&DD (RW)/HRM/Hiring Process-01

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There are controls over the hiring process
- There are controls that the post created is on need basis
- There is adequate separation of duties

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls:</b></p> <p><b>AT DIRECTOR GENERAL (RESEARCH)</b></p> <p>Select a sample of new appointments (from the list of employees hired during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ The requisition for vacant post is signed by the DG L&amp;DD and forwarding letter is signed by the Principle Research Officer (PRO) before forwarding to the Secretary Administration AL&amp;C</li> <li>▪ Enquire about the vacant post in the District is by the approval of Director General L&amp;DD</li> <li>▪ Advertisement of the post is available on the file</li> <li>▪ Results of tests and interviews conducted by Public Service Commission are available on the file</li> <li>▪ List of successful candidates is available</li> <li>▪ The approval is present on the letter send to DG Health for medical check-up and signature by the PRO</li> <li>▪ The approval of the Secretary AL&amp;C is present on the letter send to IG Police for police clearance certificate and signature by the Deputy Secretary Admin AL&amp;C</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ The medical report and police clearance certificate is present in the Establishment section of the all the candidates with approval of DG L&amp;DD and signature by the PRO</li> <li>▪ Notification issued is checked with respect to the signature of PRO and approval by the DG</li> <li>▪ Compare the notification issued with the list of successful candidates sent by Public Service Commission</li> <li>▪ The arrival report is attached.</li> <li>▪ The medical report is attached of all the candidates and approval by DG and signature by PRO</li> <li>▪ Ensure the following: <ul style="list-style-type: none"> <li>✓ Medical report is signed by the Medical Superintendent civil hospital</li> <li>✓ Finger prints of the candidate are present</li> </ul> </li> <li>▪ Ask for availability of annual planning calendar in the section.</li> <li>▪ Enquire about the frequency with which enquiries about vacant position are made from the District Level</li> <li>▪ Who carries out the work load assessment of a demanding District level</li> <li>▪ Does DDO maintain a list of approved bills/forms forwarded to Accounts Superintendent? Also enquire about any reconciliation carried out between the said list and the despatch register.</li> </ul>		
	<p><b>FOR AG's OFFICE DOCUMENTS</b></p> <p>Select a sample of recruitment (from the list of employees hired during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ Check that the source 1 form and source 2 form are completely filled</li> <li>▪ Verify the data entered on the source 1 form with the supporting documents e.g. (CNIC, charge report and notification)</li> <li>▪ Check that the notification is attached and date of expiry of CNIC</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ The copy of payslip is present in accounts section</li> <li>▪ Payslip is signed by the DDO (SRO)</li> <li>▪ The following heads of source 1 form is filled correctly <ul style="list-style-type: none"> <li>✓ DDO CODE (COST CENTER)</li> <li>✓ PERSONNEL ACTIONS – INFO TYPE 00</li> <li>✓ PERSONAL DATA – INFO TYPE 0002</li> <li>✓ ORGANISATIONAL ASSIGNMENT – INFO TYPE 0001</li> <li>✓ PRESENT ADDRESS – INFO TYPE 0006</li> <li>✓ PERMANENT ADDRESS – INFO TYPE 0006</li> <li>✓ BASIC PAY – INFO TYPE 0008</li> <li>✓ LEAVES – INFO TYPE 2001</li> <li>✓ BANK DETAIL – INFO TYPE 0009</li> <li>✓ GP FUND SUBSCRIPTION – INFO TYPE 0057</li> <li>✓ CREATE DATA SPECIFICATION – INFO TYPE</li> <li>✓ INTERNAL DATA – INFO TYPE 0032</li> <li>✓ FAMILY INFORMATION – INFO TYPE 0021</li> <li>✓ RECURRING PAYMENTS (ALLOWANCES) – INFO TYPE 0014</li> <li>✓ RECURRING PAYMENTS (ALLOWANCES) – INFO TYPE 0014</li> <li>✓ RECURRING PAYMENTS (DEDUCTIONS) – INFO TYPE 0014</li> <li>✓ PAYROLL – INFO TYPE 003</li> </ul> </li> <li>▪ The source 1 form is signed by the PRO</li> <li>▪ The following heads of source 2 form is filled correctly <ul style="list-style-type: none"> <li>✓ Office of the</li> <li>✓ For the month of</li> <li>✓ DDO Code</li> <li>✓ Description</li> <li>✓ Personal number</li> <li>✓ Employee name</li> <li>✓ Grade</li> <li>✓ General data change</li> <li>✓ Change in payments/deductions</li> <li>✓ CNIC number</li> <li>✓ Salary start and stop status</li> </ul> </li> </ul>	
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	<ul style="list-style-type: none"> <li>▪ The source 2 form is signed in three stages i.e. Prepared by, Audited/Checked by and Entered/Verified by</li> <li>▪ Check whether a Document Control Sheet, listing all the documents required to be attached with the bill is prepared and signed by the preparer and reviewer both.</li> </ul> <p><b>TIMELINESS</b></p> <ul style="list-style-type: none"> <li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li> </ul>		
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<b>AUDIT PROGRAM</b>	<b>B2</b>
Hiring process- Non Gazetted Employees	Process id: AL&CD/DG L&DD (RW)/HRM/Hiring Process-02

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There are controls over the hiring process
- There are controls that the post created is on need basis
- There is adequate separation of duties

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls:</b></p> <p><b>AT DIRECTOR GENERAL LEVEL</b></p> <p>Select a sample of new appointments (from the list of employees hired during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ The approval for the post by the Director General L&amp;DD is present.</li> <li>▪ Advertisement sent to the Information Department is signed by the PRO and letter is present.</li> <li>▪ A copy of the advertisement is available on the file</li> <li>▪ All the applications are entered in the diary register and ensure the following heads properly filled: <ul style="list-style-type: none"> <li>✓ Date of receiving</li> <li>✓ Bate of Birth</li> <li>✓ District of Domicile</li> <li>✓ Qualification</li> <li>✓ Candidate name</li> <li>✓ Address</li> <li>✓ Post for apply</li> <li>✓ TCS / Registry Number</li> </ul> </li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Is there a process of initial screening of the applications carried out so that only candidates who meets the criteria are called for tests and interview</li> <li>▪ DG L&amp;DD constitutes the committee for test and interviews and approval is present.</li> <li>▪ Final list of successful candidates along with detailed results is available on the file</li> <li>▪ Approval is present of the DG L&amp;DD of the successful candidates.</li> <li>▪ Notification issued is checked with respect to the signature of PRO and approval by the DG L&amp;DD</li> <li>▪ The arrival report is attached.</li> <li>▪ The medical report is attached of all the candidates and approval by DG and signature by PRO</li> <li>▪ Ensure the following: <ul style="list-style-type: none"> <li>✓ Medical report is signed by the Medical Superintendent civil hospital</li> <li>✓ Finger prints of the candidate are present</li> <li>✓ Medical report is signed by the PRO</li> </ul> </li> <li>▪ Who carries out the work load assessment of a demanding District level</li> <li>▪ Does DDO (SRO) maintain a list of approved bills/forms forwarded to Accounts Superintendent? Also enquire about any reconciliation carried out between the said list and the despatch register.</li> </ul>		
	<p><b>FOR AG OFFICE DOCUMENTS</b></p> <p>Select a sample of recruitment (from the list of employees hired during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ Check that the source 1 form and source 2 form are completely filled</li> <li>▪ Verify the data entered on the source 1 form with the supporting documents e.g. (CNIC, charge report, office order and appointment letter)</li> <li>▪ Check that the office order is attached and date of expiry of CNIC</li> <li>▪ The copy of payslip is present in accounts section</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Payslip is signed by the DDO (SRO)</li> <li>▪ The following heads of source 1 form is filled correctly <ul style="list-style-type: none"> <li>✓ DDO CODE (COST CENTER)</li> <li>✓ PERSONNEL ACTIONS – INFO TYPE 00</li> <li>✓ PERSONAL DATA – INFO TYPE 0002</li> <li>✓ ORGANISATIONAL ASSIGNMENT – INFO TYPE 0001</li> <li>✓ PRESENT ADDRESS – INFO TYPE 0006</li> <li>✓ PERMANENT ADDRESS – INFO TYPE 0006</li> <li>✓ BASIC PAY – INFO TYPE 0008</li> <li>✓ LEAVES – INFO TYPE 2001</li> <li>✓ BANK DETAIL – INFO TYPE 0009</li> <li>✓ GP FUND SUBSCRIPTION – INFO TYPE 0057</li> <li>✓ CREATE DATA SPECIFICATION – INFO TYPE</li> <li>✓ INTERNAL DATA – INFO TYPE 0032</li> <li>✓ FAMILY INFORMATION – INFO TYPE 0021</li> <li>✓ RECURRING PAYMENTS (ALLOWANCES) – INFO TYPE 0014</li> <li>✓ RECURRING PAYMENTS (ALLOWANCES) – INFO TYPE 0014</li> <li>✓ RECURRING PAYMENTS (DEDUCTIONS) – INFO TYPE 0014</li> <li>✓ PAYROLL – INFO TYPE 003</li> </ul> </li> <li>▪ The source 1 form is signed by the PRO</li> <li>▪ The following heads of source 2 form is filled correctly <ul style="list-style-type: none"> <li>✓ Office of the</li> <li>✓ For the month of</li> <li>✓ DDO Code</li> <li>✓ Description</li> <li>✓ Personal number</li> <li>✓ Employee name</li> <li>✓ Grade</li> <li>✓ General data change</li> <li>✓ Change in payments/deductions</li> <li>✓ CNIC number</li> <li>✓ Salary start and stop status</li> </ul> </li> <li>▪ The source 2 form is signed in three stages i.e. Prepared by, Audited/Checked by and Entered/Verified by</li> </ul>		
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	<ul style="list-style-type: none"><li>▪ Check whether a Document Control Sheet, listing all the documents required to be attached with the bill is prepared and signed by the preparer and reviewer both.</li></ul> <p><b>TIMELINESS</b></p> <ul style="list-style-type: none"><li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li></ul>		
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<b>AUDIT PROGRAM</b>	<b>B3</b>
Posting and Transfer – Gazetted/Non Gazetted Employees	Process id: AL&CD/ DG L&DD (RW)/HRM/Posting-Transfer 03

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There are controls over the posting and transfer process
- There is adequate separation of duties
- Document sent to AG office is filled completely

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls:</b></p> <p><b>AT DIRECTOR GENERAL LEVEL</b></p> <p>Select a sample of posting and transfer (from the list of employees during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ The Proforma is filled completely and accurately.</li> <li>▪ The following steps filled in the Proforma: <ul style="list-style-type: none"> <li>✓ Name of the applicant</li> <li>✓ Domicile</li> <li>✓ Designation</li> <li>✓ Date of 1<sup>st</sup> appointment</li> <li>✓ Date of taking over charge</li> <li>✓ Name of present office</li> <li>✓ Name of office where posting is required</li> <li>✓ Reason for transfer</li> <li>✓ G.P Fund number</li> <li>✓ Personal number</li> <li>✓ Numbers of casual leaves</li> <li>✓ Signature of Head of the Department</li> <li>✓ Signature of the applicant</li> <li>✓ Signature of No objection certificate by the District office(where already posted)</li> <li>✓ Signature for the availability of post by the District Office (where want to be posted)</li> </ul> </li> </ul>		

	<ul style="list-style-type: none"> <li>▪ All the above supporting documents should be duly attested by the concerned officer and by the applicant.</li> <li>▪ The office order is signed by the dealing assistant of establishment section before forwarding to Director General L&amp;DD</li> <li>▪ The DG approval is present on the office order/notification.</li> <li>▪ Signature is present of the Deputy PRO on the office order</li> <li>▪ Signature is present of the PRO on the officer order / notification for Ministerial Staff.</li> </ul>		
	<p><b>TIMELINESS</b></p> <ul style="list-style-type: none"> <li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li> </ul>		

<b>AUDIT PROGRAM</b>	<b>B4&amp;5</b>
Retirement – Pension, GP Fund and Leave Encashment-All employees	Process id: AL&CD/ DG L&DD (RW)/HRM/Retirement Process-04&05

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There are controls over the retirement process
- There are controls that calculation of Pension and is properly done
- There is adequate separation of duties

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls:</b></p> <p><b>FOR PENSION DOCUMENTS</b></p> <p>Select a sample of transactions (from the list of employees retired during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ The retirement notification is present in the office.</li> <li>▪ Leave encashment is granted in the notification.</li> <li>▪ Date of retirement is mention in the notification.</li> <li>▪ Retirement notification is signed by the DDO (SRO) and approved by the Director General L&amp;DD.</li> <li>▪ Ensure the following in long leave application: <ul style="list-style-type: none"> <li>✓ Date of 1<sup>st</sup> appointment</li> <li>✓ Date of birth</li> <li>✓ Date of retirement</li> <li>✓ Name of the applicant</li> <li>✓ Leave rules applicable</li> <li>✓ Post held</li> <li>✓ Department or office</li> </ul> </li> </ul>		

	<ul style="list-style-type: none"> <li>✓ Pay</li> <li>✓ House rent allowance</li> <li>✓ Nature of leave applied</li> <li>✓ Period of leave in days</li> <li>✓ Date of commencement</li> <li>✓ Particulars of rules</li> <li>✓ Date of return from last leave</li> <li>✓ Nature of leave</li> <li>✓ Signature of the applicant</li> <li>✓ Remarks and recommendation of the controlling officer</li> <li>✓ Signature of the controlling officer</li> <li>✓ Report of audit officer</li> </ul> <ul style="list-style-type: none"> <li>▪ Ensure the following as a supporting documents: <ul style="list-style-type: none"> <li>✓ Non involving certificate</li> <li>✓ Matric certificate</li> <li>✓ Non availing leave certificate</li> <li>✓ Personal data involving name, race, residence, father's name, DOB, exact height, personal marks for identification, all fingers impression, signature of the applicant, attestation stamp,</li> <li>✓ Clearance certificate</li> <li>✓ CNIC copy</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>▪ Submission of pension letter is present.</li> <li>▪ NOC from estate office and signature by the estate officer</li> <li>▪ Part 1 of the pension paper is filled by the applicant and ensure the following: <ul style="list-style-type: none"> <li>✓ Pension Rupees and percentage%</li> <li>✓ Date of superannuation</li> </ul> </li> </ul> <ul style="list-style-type: none"> <li>▪ Ensure the following in Part 2 of pension papers <ul style="list-style-type: none"> <li>✓ Postal address</li> <li>✓ Commencement of service</li> <li>✓ Class of pension or gratuity</li> <li>✓ Proposed gross pension/gratuity amount</li> <li>✓ Proposed value of commutation</li> <li>✓ Proposed net pension per month</li> <li>✓ Date from which pension is commence</li> <li>✓ Signature of the Additional PRO</li> <li>✓ Length of service</li> <li>✓ Section 2 calculation of “Qualifying Service”</li> <li>✓ Section 3a calculation of “Average Emoluments”</li> </ul> </li> </ul>		
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	<ul style="list-style-type: none"> <li>✓ Section 3b Statement of Pay last drawn</li> <li>✓ Section 4 calculation of pension / gratuity</li> <li>✓ Section 6 commuted value of pension</li> <li>✓ Section 7 orders of sanctioning authority</li> </ul> <ul style="list-style-type: none"> <li>▪ Part 3 of the pension papers is filled by the AG Office.</li> <li>▪ The following certificates are attached with the application: <ul style="list-style-type: none"> <li>✓ Pension papers 4 sets</li> <li>✓ Service book</li> <li>✓ Photographs</li> <li>✓ NIC</li> <li>✓ NOC</li> <li>✓ 1<sup>st</sup> appointment order</li> <li>✓ CNIC</li> <li>✓ List of family members</li> <li>✓ Specimen Signature</li> <li>✓ Declaration certificate</li> <li>✓ Retirement notification</li> <li>✓ List of family members</li> </ul> </li> <li>▪ These certificates are countersigned by the PRO/DG after signature from the pensioner.</li> <li>▪ Ensure the following (for leave encashment): <ol style="list-style-type: none"> <li>1. A monthly reconciliation of bills sent and cheques received is prepared. Any outstanding items are identified and reviewed by the DDO</li> <li>2. Aging report of all outstanding bills is prepared on monthly basis. The report is reviewed and signed by PRO</li> <li>3. An intimation letter to applicant is issued with in three days of receipt of cheque</li> <li>4. A list of cheques received fro AG office and not issued to the applicant for more than 15 is prepared on fortnightly basis. The list is reviewed by PRO/DG</li> </ol> </li> <li>▪ Enquire that the DDO office maintains a list of approved bills/forms forwarded to dealing assistant / Superintendent and the DDO (SRO) office compares the list with bill dispatched register on monthly basis. Any outstanding item is followed up with the Superintendent/Dealing assistant</li> </ul>		
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<p><b>TIMELINESS</b></p> <ul style="list-style-type: none"><li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li></ul> <p><b>Compliance with Authority</b></p> <p>Ensure that the attached pension rules are being followed.</p>		
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<b>AUDIT PROGRAM</b>	<b>B6</b>
Training and Development – All Employees	Process ID: AL&CD/DG L&DD (RW)/HR/Training & Development - 06

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- Job descriptions are properly defined
- In-house training and development
- Refresher courses / trainings to keep resources updated
- Person specification vs. job description
- There is adequate separation of duties

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Tests:</b></p> <ul style="list-style-type: none"> <li>▪ Verification of Job descriptions to check it is properly defined by the related department.</li> <li>▪ Inquire from Training section either In-house or Outside training and development was provided to employees to update their expertise.</li> <li>▪ Inquire/inspection of documents if any prepared by HR (Human Resource) against the employees trainings.</li> <li>▪ Discussion with employees about their knowledge and expertise in related areas.</li> <li>▪ Verify the role and responsibilities of employee's and ensure that their duties are properly segregated from each other.</li> </ul> <p><b>TIMELINESS</b></p> <ul style="list-style-type: none"> <li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made please make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per "APPENDIX-III Para 7 (c)" Manual of Secretariat Instructions are followed.</li> </ul>		

<b>AUDIT PROGRAM</b>	<b>B7</b>
Employee Related Expenses (Allowances)	

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- All pay and allowances are paid only to eligible employees

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Tests:</b></p> <p>For selected employees from the payroll master sheet (computerised sheet sent from AG office) please ensure the following;</p> <ul style="list-style-type: none"> <li>▪ Compare the total pay i.e. basic pay and allowances with the previous month and enquire and investigate any change</li> <li>▪ See that the pay of the officer is according to his/her scale</li> </ul> <p>Please check that the following allowances (where applicable) are paid as per the rule:</p> <p><b>Adhoc Relief (Wage Type: 1831)</b></p> <ul style="list-style-type: none"> <li>• Check that employees appointed after 30.06.2005 are not admissible for such allowance</li> <li>• Check that employees whose date of joining was 30-6-2005 was paid adhoc relief allowance as per revised pay scale 2005.</li> <li>• Check that the adhoc relief allowance shall continue to be admissible at frozen level on existing conditions.</li> <li>• Check that the allowance is admissible to the employees transferred from one post to another taking effect after 01-07-2005, provided they were previously in receipt of such benefits.</li> </ul>		

	<ul style="list-style-type: none"> <li>• Check that this allowance was also admissible on extra ordinary leaves as soon as they resume duties, at the frozen level which would have been admissible to them had they not proceeded on EOL.</li> </ul> <p><b>Special Additional Allowance (Wage type: 1623)</b></p> <ul style="list-style-type: none"> <li>• Check that this allowance was not paid to new employees who joined after 1-12-2001 and only paid to previous employees at frozen level who were entitled to and in respect of the benefits immediately before their appointment (promotions/transfers/absorptions).</li> </ul> <p><b>Special Allowance (Wage Type: 1550)</b></p> <ul style="list-style-type: none"> <li>• Check that an increase @ 15 % on initial pay shall be allowed to the contractual appointees as special allowance that are in receipt of pay package slightly higher than the standard pay package prescribed under the contract appointment policy dated: 29-12-2004.</li> </ul> <p><b>Special Relief Allowance (Wage Type: 1776)</b></p> <ul style="list-style-type: none"> <li>• Check that employees appointed after 30.06.2005 are not admissible for such allowances</li> <li>• Check that employees whose date of joining was 30-6-2005 onwards was paid special relief allowance @ 15 % of basic pay per month to a civil servant in BPS-1 to 22 as per revised pay scale 2005. This allowance continues to be admissible at frozen level on existing conditions.</li> <li>• Check that the allowance is admissible to the employees transferred from one post to another taking effect after 01-07-2005, provided they were previously in receipt of such benefits.</li> <li>• Check that this allowance was also admissible on extra ordinary leave as soon as they resume duties, at the frozen level which would have been admissible to them had they not proceeded on EOL.</li> </ul> <p><b>Superannuation age</b></p> <ul style="list-style-type: none"> <li>• Check that superannuation pension is granted to a Government servant only on completion of age. Identify those Government officials who have attained the age of superannuation but are still in government job.</li> </ul>		
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	<p><b>Dearness Allowance (Wage type: 1864)</b></p> <ul style="list-style-type: none"> <li>• Check that the dearness allowance @ 15 % sanctioned w.e.f. 1.07.2006 shall stand frozen at the level of its admissibility as on 30.06.2007 and the amount shall continue to be admissible to the entitled recipients until further orders but it will not be admissible to new entrants joining Govt. service on or after 01.07.2007.</li> </ul> <p><b>Entertainment Allowance (Wage type: 1518)</b></p> <ul style="list-style-type: none"> <li>• Check that this allowance is admissible to the Grade 19 and above officers only.</li> </ul> <p><b>Senior Post Allowance (Wage type: 1549)</b></p> <ul style="list-style-type: none"> <li>• Check that Senior Post allowance is admissible only to BPS 20,21,22</li> </ul> <p><b>Performance Evaluation Allowance (Wage type: 1615)</b></p> <ul style="list-style-type: none"> <li>• Check that Performance Evaluation Allowance is allowed to Audit Officer working in Performance Evaluation Cell BPS 17 and above</li> </ul> <p><b>Diet Allowance (Wage type: 1817)</b></p> <ul style="list-style-type: none"> <li>• Diet allowance is only allowed to nursing below cadre 16</li> </ul> <p><b>Integrated Allowance (Wage Type: 1833)</b></p> <ul style="list-style-type: none"> <li>• Check that Integrated allowance is admissible only to Qasid, Naib Qasid and Daftari</li> </ul> <p><b>Orderly Allowance (Wage Type :1540)</b></p> <ul style="list-style-type: none"> <li>• Check that orderly allowance is only allowed to Grade 20 and above or opt for the provision of residence orderly (only one is allowed)</li> </ul> <p><b>Instructional Allowance (Wage type: 1594)</b></p> <ul style="list-style-type: none"> <li>• Check that Instructional allowance is only allowed to officer/staff deployed on instructional duties in training institutes</li> </ul> <p><b>Warden Allowance (Wage Type: 1618)</b></p> <ul style="list-style-type: none"> <li>• Check that Warden allowance is only allowed to teachers who are assigned the duties of Hostel Warden in colleges and polytechnics</li> </ul>		
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	<p><b>Medical Allowance (Wage Type: 1300)</b></p> <ul style="list-style-type: none"> <li>• Check that Medical allowance is only allowed to Non Gazetted employees</li> </ul> <p><b>Following allowances are abolished, Check that no employee is taking these allowances</b></p> <ul style="list-style-type: none"> <li>• Cash Handling (Wage Type 1587 )</li> <li>• Outfit (Wage Type 1638)</li> <li>• Furniture Cloth (Wage Type 1524 )</li> <li>• Telecom (Wage Type 1562 )</li> <li>• Good Conduct (Wage Type )</li> <li>• Copier/Photo state (Wage Type 1512 )</li> <li>• Telephone (Wage Type 1563 )</li> <li>• Statistics (Wage Type 1569 )</li> <li>• Gilgit (Wage Type 1526 )</li> </ul> <p><b>Appointment</b></p> <ul style="list-style-type: none"> <li>• Check that Naib Qasids are appointed after the up gradation of existing employee on or after 01.07.2008 at Grade 1</li> <li>• Check that Drivers are appointed after the up gradation of existing employee or after 01.07.2008 at Grade 4</li> </ul> <p><b>Over Time Allowance</b> Check that allowance to Garage Superintendent of Provincial Assembly at the rate of Rs.1500 P.M</p>		
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*C – Procurement*

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<b>AUDIT PROGRAM</b>	<b>C1</b>
Procurement- Tendering process	Process ID: AL&CD/DG L&DD (RW)/Procurement/ Tendering process-01

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- A proper Tendering process was followed;
- The analysis of the bids was according to the selection criteria;
- The calculations and comparisons were properly carried out;
- The contract was awarded in a timely manner; the end user was involved in the process; relevant information was properly presented; and the awarding process was properly disclosed;

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls and Regularity:</b></p> <p>From the Cash book select a sample of purchases above Rs.100,000 and examine the contract file to perform the following:</p> <ul style="list-style-type: none"> <li>▪ Check that appropriate requisition is available for the goods to be purchased.</li> <li>▪ Check that the requisition is both approved by section in-charge and the DDO (PRO).</li> <li>▪ Check for appropriate sanction from the competent authority as delegation of power rules</li> <li>▪ A departmental purchasing committee has been established by the head of the department.</li> <li>▪ For each contract, review the advertising process and determine whether information about the RFP was widely distributed (at least 3 leading newspapers),</li> <li>▪ Sufficient time provided to respond (A minimum of thirty days shall be allowed between date of publication of the notice Inviting Tenders and submission of tenders)</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ (Any reduction in the time stipulated may be specifically authorized by the Head of the Procuring Entity for reasons to be recorded in writing)</li> <li>▪ Check that “terms and conditions” of the tender notice are in accordance with the rules set out by KP procurement rules 2013.</li> <li>▪ Examine that at least 3 bids have been received. What was done when less than 3 bids were submitted? (Was special authority obtained to proceed when fewer than 3 bids received and justification given (such as only 2 suppliers of product/service available)?</li> <li>▪ Ensure that sufficient funds were available for the purchase. Also ensure that there has been an administrative approval of the funds under KP Delegation of Powers under the Financial rules 2013 and Powers of Re-Appropriation Rules 2001</li> <li>▪ Seek evidence that evaluation criteria is established before bids are opened (by observation and/or interviewing and confirm that in certain cases, this criteria is provided to potential bidders with the RFP)</li> </ul>		
	<p>Ensure that the following procedure has been followed during the tender opening process:</p> <ul style="list-style-type: none"> <li>▪ All the envelopes received containing tenders shall be counted and initialled by the Tender Inviting Authority.</li> <li>▪ The name of contractors or suppliers who have withdrawn their tenders shall be announced.</li> <li>▪ All the tenders received in time shall be opened.</li> <li>▪ A record of the corrections noticed at the time of the bid opening shall be maintained.</li> <li>▪ The name of the tenderers and the quoted prices shall be read out. The price shall be circled in ink and page initialled by the Tender Inviting Authority.</li> <li>▪ The fact whether earnest money security has been deposited and other documents required have been produced shall be indicated.</li> <li>▪ Minutes of the tender opening shall be recorded</li> <li>▪ Ensure that a comparative statement is prepared and duly signed by all the members of the purchase committee.</li> <li>▪ Cross check the figures on the comparative statement with individual quotations sent by the suppliers.</li> </ul>		

<ul style="list-style-type: none"><li>▪ Any minutes of the meeting between the suppliers and the purchase committee for the negotiation of the price should be recorded and signed by all the members of the committee.</li><li>▪ A supply order has been issued to the approved supplier with in the terms and conditions agreed.</li><li>▪ Check that tender security of 10% (in the form of call deposit) has been received from the successful bidder. Please note that the 2% earnest money shall be adjusted against this tender security.</li><li>▪ Verify that the earnest money of 2% received (in the form of call deposit) from the unsuccessful bidders has been returned.</li><li>▪ Evaluate whether the purchasing committee has been formed in such a way that an expert is available to ensure that goods of specified quality are purchased</li><li>▪ Ensure that a declaration form as given in the KP procurement rules 2003 has been submitted by all the members of the purchase committee (This relates to ethics)</li><li>▪ If it's single source procurement then ensure that all the requirements under KP procurement Rules 2003 have been followed.</li><li>▪ Verify that approval from the head of the procuring department has been obtained for the single source purchase.</li><li>▪ Ensure that the single source procurement meets the following three different conditions explained in the rules:<ul style="list-style-type: none"><li>a) The goods, construction or services are available only from a particular contractor or supplier, or a particular contractor or supplier has exclusive rights in respect of the goods, construction or services, and no reasonable alternative or substitute exists; or</li><li>b) The Procuring Entity having procured goods, equipment, technology or services from contractor or supplier, determines that additional supplies must be procured from that supplier or contractor for reasons of standardization or because of the need for compatibility with existing goods, equipment, technology or services, taking into account the effectiveness of the original procurement in meeting the needs of the Procuring Entity, the limited size of the proposed procurement in relation to the original procurement, the reasonableness of the price and the unsuitability of alternatives to the goods or services in question; or</li></ul></li></ul>	
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<p>c) The works to be undertaken by a department fall under the category of petty works as defined in the Khyber Pakhtunkhwa Delegation of Financial Powers under the Financial Rules 2013 and the Powers of Re-Appropriation Rules, 2001.</p> <ul style="list-style-type: none"> <li>▪ By reviewing the cash book analyse whether the purchases have been broken into smaller parts in order to avoid tendering.</li> </ul> <p>From the Cash book select a sample of purchases below Rs.100,000 and examine the contract file to perform the following:</p> <p>(Follow all the above steps. The main differences are as follows. No tendering. Local purchase No purchase committee)</p> <p><b>TIMELINESS</b></p> <ul style="list-style-type: none"> <li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made please make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed.</li> </ul>	
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<b>AUDIT PROGRAM</b>	<b>C2</b>
Procurement- Fixed Assets/Goods	Process ID: AL&CD/DG L&DD (RW)/Procurement/Fixed Assets/Goods-02

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There is adequate separation of duties
- Purchase of goods and services justified and properly authorised
- Controls to ensure that the necessary funds are available under the budget and the particular goods or services are a correct expenditure against the budget (consistent with the object / appropriation / objectives of the programme)
- There are procedures to administer control over the receipt of duplicate invoices
- There are controls to ensure that the goods and services have been delivered and received, according to the quantity, quality and within time promised (where applicable)

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls and Regularity;</b></p> <p>For a sample of fixed assets/goods purchase for the period from the Cash Book perform the following;</p> <ul style="list-style-type: none"> <li>▪ Check that appropriate requisition is available for the goods to be purchased.</li> <li>▪ Check that the requisition is both approved by section in-charge and the Principal Research Officer (DDO)</li> <li>▪ Check for appropriate sanction from the competent authority as delegation of power rules</li> <li>▪ Ensure that adequate budget was available for the purchase under appropriate head.</li> <li>▪ Check entry in the stock register</li> <li>▪ Verify that the receipt (Inward registry) is signed by the Principal Research Officer/Purchase Committee</li> <li>▪ Check the format of the stock Register. It should be made in such a way</li> </ul>		

that there are receipt , issues and balance of stock items shown

- Verify the issue with the section demand
- Verify the signature of the user section in-charge on the issue side of the register
- Check the bill prepared by the bill Assistant and perform the following;
  1. Check the account code on the bill and ensure that proper head of account is being debited (e.g. A03970 – other charges)
  2. Compare the items on the bills with the supplier invoices
  3. Verify that the bill is signed by the PRO
  4. Check casting of the bill
- Check payments for product/service entered into ledger (Cash book) for correct year.
- Check that procurement was made from person registered with Industries Department of Provincial Government.
- Check that procurement of taxable goods was made from a person duly registered under the Sales Tax Act, 1990. [Section 2(3) of Sales Tax Special Procedure (Withholding) Rules, 2007 as amended by SRO.77(I)/2008, Dated:23<sup>rd</sup> January, 2008]
- Check that sales tax was withheld at 3% or 16% as amended from time to time.[Section 2(2) and (3) of Sales Tax Special Procedure (Withholding) Rules, 2007 as amended by SRO.77(I)/2008, Dated:23<sup>rd</sup> January, 2008]
- Check that Income Tax was deducted at 3.5% on supplies and 6.0% on services or as mentioned in Income Tax Ordinance. [Section 153 of Income Tax Ordinance]
- Through CAATs or other means, identify in the records any situations of “identical” transactions and check whether they are two separate purchases (tracing through to physical check of goods/services received) or are cases of double payment for same goods/service. Follow up on cause(s) of duplicate payments (including possibility of fraud).
- Check that the original suppliers’ invoices attached with the bill are stamped by the superintendent stores as verified. This can also be seen on the photocopied invoices.
- At least for large transactions and transactions close to year end, conduct physical check on existence of goods and services (if these are distant from

	<p>site where conducting audit, may seek confirmation in writing from DDO or independent party)</p> <ul style="list-style-type: none"> <li>▪ Check that procurement was made at the close of the financial year to prevent lapse of budget grant for the purpose of showing full amount of grant as utilized without actually obtaining delivery of goods and services.[Rule-388 (i) of CTR] [Rule 290 of TR Vol-I]</li> <li>▪ Demand for an Aging report of bills outstanding for more than 30 days. Please check the report is reviewed by DS.</li> <li>▪ Enquire about any bill outstanding for more than 30 days and note down the reasons</li> </ul> <p><b>TIMELINESS</b></p> <ul style="list-style-type: none"> <li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/ files relating to the process. If such reconciliation is not made please make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed.</li> </ul>	
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*D – Fixed Assets Management*

<b>AUDIT PROGRAM</b>	<b>D</b>
Fixed asset Management- Fixed assets	Process ID: AL&CD/DG L&DD (RW)/FAM/Asset management-01

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- Fixed assets record is properly maintained
- Written policies and procedures are in place for safeguarding of assets
- The Disposal of assets is properly managed
- Utilization of assets is monitored

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls ;</b></p> <p>For a sample of assets purchased during the period, by reviewing the Cash book, ensure the following;</p> <ul style="list-style-type: none"> <li>▪ There is written requisition from the user Department for purchase of asset</li> <li>▪ The requisition is approved from the head of the section</li> <li>▪ Review that the requisition is approved by the DDO (SRO)</li> <li>▪ Check the entry of the asset in the stock register</li> <li>▪ Verify the signatures of DDO (SRO)/purchase committee and the in-charge of the section where the asset is delivered on the stock register</li> <li>▪ Ensure that adequate budget was available for the purchase under appropriate head.</li> <li>▪ For any assets not delivered, determine why payment was made before delivery</li> <li>▪ Check for a sample selected out of the Fixed Assets Register (Cash book) that the assets physically exist and that they comply with the information in the Register regarding location, asset identification number, description, classification, and other relevant information</li> </ul>		

### **Policies and Procedures**

- Confirm that a proper Fixed Asset Register according to sections 13.4, 13.5 and 13.6 of the Accounting Policies and Procedures Manual (APPM) being maintained?
- Is the following information contained in the Fixed Assets Register:
  - Description
  - Classification of asset
  - Date of purchase / date of completion
  - Original purchase cost (in rupees)
  - Cost in foreign currency (where applicable)
  - Asset identification number
  - Current location
  - Ownership of / responsibility for?
- Are fixed assets reports produced every quarter? (A requirement of Financial Reporting Manual)
- Are the policies for disposal of fixed assets (13.5) being followed?
- Is there proper accounting of the proceeds from disposal (13.6) being followed?
- Are periodic physical counts of assets made by persons independent of accounting and asset records **and** independent of the custodians of the assets?

### **Disposal**

- Take a sample of assets recently disposed of and check:
  - a) Whether proper authority was obtained to dispose of the asset
  - b) That an appropriate price was obtained (either by a competitive bid process or by benchmarking the value of the asset before determining the price)
  - c) Where possible, compare prices obtained for similar assets and investigate any assets apparently sold below value

### **Utilization**

- Are buildings used as intended?
- Are buildings properly utilised (e.g. classroom used and/or not overcrowded)?
- Are records kept on the use of equipment (logs of daily use / distances travelled / who used / fuel consumed) and is actual capacity utilisation assessed periodically

	<p><b>Compliance with Authority</b></p> <ul style="list-style-type: none"> <li>• Check that Serious loss to immovable property has been immediately reported by department officer to head of Department</li> <li>• Check that Head of Department immediately reported the loss to Government</li> <li>• Check that copy of completed enquiry has been simultaneously submitted for audits</li> <li>• Check that hiring of private building is only allowed when Government building is not available and non availability of accommodation certificate from the divisional officer has been obtained</li> <li>• Check that any public building has been occupied for private residence without consent of Government</li> <li>• Check that rent of Government building let to private person has been received in advance according to the rate prevailing in locality</li> </ul> <p><b>TIMELINES</b></p> <ul style="list-style-type: none"> <li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li> </ul>		
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*E – Stores Management*

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<b>AUDIT PROGRAM</b>	<b>E</b>
Stores Management - Stores Process	Process ID: AL&CD/ DG L&DD (RW)/Stores Management/Stores Process-01

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- Stores record is properly maintained
- Written policies and procedures are in place for the safeguard of stores
- There is sound management of inventory levels

<i>Audit Procedure</i>	<b>Done By:</b>	<b>WP Ref.</b>
<p><b>Test on Controls and Regularity;</b></p> <p>For a sample of store items (stationery etc) purchased during the period, by reviewing the Cash book, ensure the following;</p> <ul style="list-style-type: none"> <li>▪ There is written requisition from the user Department for purchase of store item</li> <li>▪ The requisition is approved from the head of the section</li> <li>▪ Review that the requisition is approved by the DDO (SRO)</li> <li>▪ Check the entry of the store item in the stock register</li> <li>▪ Check that DDO (SRO) has signed in the stock register</li> <li>▪ Check for the sanction authority is appropriate as per Khyber Pakhtunkhwa Delegation of Financial Powers under the Financial Rules 2013 and the powers of Re-Appropriation Rules, 2001</li> <li>▪ Check for the signature of the DDO (SRO) on the goods inward side of stock register</li> <li>▪ Through observation ensure that the store room is locked and only the caretaker/assistant can enter the store room</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ For a balance of items (e.g. stationery, toners etc) as appearing in the stock register perform a physical count and compare with the records in the stock register</li> <li>▪ Observe the condition of store items and enquire about any damaged items during the physical count (as explained above)</li> <li>▪ Take a sample of recent acquisitions of stores and check against stores accounts</li> <li>▪ Demand for a stock take report</li> <li>▪ Check that after periodic physical count a certificate of verification with its result has been recorded in the stock register and discrepancies have been reported to the accounts</li> <li>▪ Check that shortage, damage and unserviceable stores have been reported to competent authority for write off or auction</li> <li>▪ Check that any excess or surplus stock has been kept by department</li> <li>▪ Check that obsolete, surplus or unserviceable stock have been disposed/write off under the sanction of competent authority</li> <li>▪ Check that report of unserviceable stores has been available</li> <li>▪ Check that unserviceable stores have been disposed/sold through public auction</li> <li>▪ Check that disposal record is available</li> <li>▪ Check that the value of imported stores have been converted to rupee account at the current prevailing exchange rate</li> <li>▪ Check that any payment for stores has not been made before these are received or surveyed.</li> </ul> <p><b>Safeguarding of stock</b></p> <ul style="list-style-type: none"> <li>▪ Examine the facilities for handling and storing inventory and conclude whether appropriate</li> <li>a) Determine whether the amount of space is reasonable (not too crowded / not too much wasted space)</li> <li>b) Conclude whether the storage conditions are suitable (no perishable items stored outside / the building free of wet or damp / reasonable access to stored items)</li> </ul>	<p>GFR-161</p> <p>GFR-167</p> <p>CTR-379</p> <p>GFR-22</p> <p>GFR-22</p>	
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<p>c) Check that storage is free of hazards or dangerous situations (unstable shelving / very heavy items stored high / walkways cluttered / dangerous chemicals not marked or guarded)</p> <p>d) Observe whether there are adequate physical controls over the inventory to ensure they are properly safeguarded</p> <ul style="list-style-type: none"> <li>▪ Conclude whether the maintenance of inventory records are sufficient to safeguard the inventory</li> </ul> <p>a) Records are maintained up-to-date</p> <p>b) Access to records controlled so difficult to change to cover up theft</p> <p>c) Regular reconciliation of actual inventory with inventory records and accounting records</p> <p><b>Level of Inventory and utilization rate</b></p> <ul style="list-style-type: none"> <li>▪ Examine items in stock by physical inspection and identify any unusual items (large quantity / look as if in storage a long time / etc.) and enquire about the items</li> <li>▪ Look at items in records that raise possible questions (large stock levels / little demand / large volume purchased with low usage and already many in stock / last purchase many years ago / etc.) (if this type of information can be determined easily)</li> <li>▪ Follow up on items noted in steps 1 and 2</li> </ul> <p><b>Measures of Over-Supply</b></p> <ul style="list-style-type: none"> <li>▪ On a sample basis, including high value items or very bulky items (taking up space in stores) (and also items noted in stores / records as apparently over-stocked), examine usage rates and thus calculate the amount of inventory in terms of months (or years) it would take to use up all of that item in stock</li> <li>▪ For those items that have many year's worth of usage, enquire why so much is in stock and what actions are intended to be taken</li> </ul> <p><b>Measures of Under-Supply</b></p>	<p>GFR-22</p> <p>B&amp;R – 3.11 B&amp;R – 3.11</p> <p>B&amp;R – 3.11</p>	
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	<ul style="list-style-type: none"><li>▪ From stores records / stores accounts, identify those items that could not be supplied from stock, especially those with high usage (if such information is available)</li><li>▪ Examine items on “back order”, (i.e. those items ordered and still not delivered) and determine how long been on order, especially those with high usage, and determine if reasonable or not</li><li>▪ If information is available on “lead times” (i.e. how long it normally takes from order to delivery) compare information obtained from back orders with the lead times and identify problems and reasons for problems</li></ul> <p><b>TIMELINESS</b></p> <ul style="list-style-type: none"><li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li></ul>	
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*F- Operating Expenses*

<b>AUDIT PROGRAM</b>	<b>F</b>
Operating Expense Process	Process ID: AL&CD/ DG L&DD (RW)/Operating Expense Process-01

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There are controls over the operating expense process
- There is adequate separation of duties
- Genuine demand for the expenditure
- The record is properly maintained and updated

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls:</b></p> <p><b>AT DIRECTOR GENERAL LEVEL</b></p> <p>Select a sample of operating expense (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ Demand letter is present and duly signed by the relevant section who ordered and DDO (SRO)</li> <li>▪ The demand letter is also signed by the person who received items</li> <li>▪ Invoice/bill is present against purchases and signed by the DDO (SRO).</li> <li>▪ Scrutinized stamp may also be present on the invoice</li> <li>▪ The stock register is updated after receiving the items</li> <li>▪ The signature of the employee/person is available in the stock register who receives items</li> <li>▪ Requisition is approved and duly signed by the Accounts Superintendent and DDO (SRO)</li> <li>▪ Quotations are available from different suppliers and signed individually with respect to their business name</li> <li>▪ Comparative statement is prepared and signed by the Accounts Superintendent, DD (SRO) and Director General L&amp;DD</li> <li>▪ The lowest rate is ordered</li> <li>▪ Purchase order is signed by DDO(SRO)</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Contingent bill is prepared as per Rules (Financial Powers) and duly signed by Director General and DDO (SRO)</li> <li>▪ The signatures have been taken in stock register by the ones who received items from caretaker</li> <li>▪ Stock register is signed by the DDO (SRO)</li> <li>▪ Ensure the following:             <ol style="list-style-type: none"> <li>1. A monthly reconciliation of bills sent and cheques received is prepared. Any outstanding items are identified and reviewed by the DDO</li> <li>2. Aging report of all outstanding bills is prepared on monthly basis. The report is reviewed and signed by PRO</li> <li>3. An intimation letter to applicant is issued with in three days of receipt of cheque</li> <li>4. A list of cheques received fro AG office and not issued to the applicant for more than 15 is prepared on fortnightly basis. The list is reviewed by PRO</li> </ol> </li> <li>▪ Enquire that the DDO office maintains a list of approved bills/forms forwarded to dealing assistant /Superintendent and the DDO (SRO) office compares the list with bill dispatched register on monthly basis. Any outstanding item is followed up with the Superintendent/Dealing assistant</li> </ul>		
	<p><b>FOR AG OFFICE DOCUMENTS</b></p> <p>Select a sample of operating expense (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ Total amount of the bill is cross verified with the invoices available</li> <li>▪ The code/head on contingent bill is correct which bears the total amount of expenditure</li> <li>▪ Contingent bill is signed by the DDO(SRO)</li> <li>▪ Amount of total budget is updated on the contingent bill</li> <li>▪ Amount of total expenditure is updated on contingent bill</li> <li>▪ Balancing/remaining amount is also updated on the contingent bill</li> <li>▪ Provincial coded classification proforma (form PR8) is filled correctly</li> <li>▪ The following heads of provincial coded classification proforma is filled:             <ul style="list-style-type: none"> <li>✓ Fund number</li> <li>✓ Government code</li> <li>✓ Business area/department</li> <li>✓ Cost cent/DDO</li> <li>✓ Detail function</li> <li>✓ Vendor number</li> </ul> </li> </ul>		

	<ul style="list-style-type: none"> <li>✓ C.L. Code</li> <li>✓ C.N. Code</li> <li>✓ Payment (debit)</li> <li>✓ Deduction (credit)</li> <li>✓ Object code</li> <li>✓ Net payment</li> </ul> <ul style="list-style-type: none"> <li>▪ Provincial coded classification proforma is signed by the DDO(SRO)</li> <li>▪ Check casting of the proforma</li> <li>▪ Check payments for product/service entered into ledger (Cash book) for correct year</li> <li>▪ In the cash book verify the signature of the DDO (SRO) against the cheque paid</li> <li>▪ Check the acknowledgement received from the supplier.</li> <li>▪ Obtain a copy of reconciliation between AG office and department for a few months including for the month of June</li> <li>▪ Verify that the reconciliation is signed and stamped by the responsible officers of the both departments.</li> <li>▪ Demand for an Aging report of bills outstanding for more than 30 days check the report is reviewed by Director General</li> <li>▪ Enquire about any bill outstanding for more than 30 days and note down the reasons</li> </ul> <p><b>TIMELINESS</b></p> <ul style="list-style-type: none"> <li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</li> </ul>	
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*G– Sale of Vaccines*

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<b>AUDIT PROGRAM</b>	<b>G</b>
Sale of Vaccines	Process ID: AL&CD/DG L&DD (RW)/Revenues/Sale of Vaccines-01

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- The Sales are recorded properly
- Stock register is updated timely
- Expired vaccines are not sold
- Segregation of duties exist
- Cash is handled properly
- Reconciliation is done on regular basis

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Tests:</b></p> <ul style="list-style-type: none"> <li>▪ Demand exists in the DG L&amp;DD Supply section from the users.</li> <li>▪ Verify the pricing from the charge Sheet duly approved by the DG L&amp;DD.</li> <li>▪ The signature of the District Director/Concerned User is present on the requisition.</li> <li>▪ The Bill is present against the requisition and duly signed by the Section In-Charge and “Paid Stamp” is present.</li> <li>▪ The Cash Memo is present and signed by the cashier.</li> <li>▪ The receipt and book number is pre-numbered.</li> <li>▪ Check printed expiry dates on the vials.</li> <li>▪ Verification of Job descriptions to check it is properly defined by the related department.</li> <li>▪ Verify the role and responsibilities of employee’s and ensure that their duties are properly segregated from each other.</li> <li>▪ Cash is kept in the lockers.</li> <li>▪ Verify from the date of receipt of cash and bank deposit receipt to ensure that cash is deposited in the bank on time.</li> <li>▪ The reconciliation is done by the Section In-charge and verified by the DG.</li> </ul>		

	<p><b>TIMELINESS</b></p> <ul style="list-style-type: none"><li>▪ Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made please make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed.</li></ul>		
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*H – Litigation*

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<b>AUDIT PROGRAM</b>	<b>H1</b>
Litigation Process – Service Matters	Process id: AL&CD/ DG L&DD (RW)/Litigation Process -01

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There are controls over the litigation process.
- There is adequate separation of duties.
- The case is decided on merit.

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls:</b></p> <p>Select a sample of litigation (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ The application by the applicant is present in the litigation section.</li> <li>▪ The following in the application: <ul style="list-style-type: none"> <li>✓ Name of the applicant</li> <li>✓ Designation of the applicant</li> <li>✓ Signature of the applicant</li> <li>✓ Application address to whom</li> <li>✓ Attention to whom</li> </ul> </li> <li>▪ Intimation letter is signed by the registrar, Services Tribunal</li> <li>▪ The office order for the applicant is signed by the Director General L&amp;DD and clearly mentions the order to be implementing by the competent authority and forwards the copy of order to all concerns.</li> <li>▪ The Para wise reply is completed and signed by all the respondents</li> <li>▪ Reply by litigation section fulfils the following heads: <ul style="list-style-type: none"> <li>✓ Preliminary objections</li> <li>✓ Facts</li> <li>✓ On Grounds</li> <li>✓ Signature of the DG L&amp;DD or any other respondents.</li> </ul> </li> </ul>		

<ul style="list-style-type: none"> <li>✓ Stamped by government pleader (vetted)</li> <li>▪ Letter to Law Department is signed by the Superintendent litigation.</li> <li>▪ Ensure the following in detail judgement by Services Tribunal <ul style="list-style-type: none"> <li>✓ The judgement is stamped and attested on every page by the Examiner Khyber Pakhtunkhwa Services Tribunal</li> <li>✓ Signature of all the members</li> <li>✓ Stamp of certified is present</li> </ul> </li> <li>▪ Ensure the following blanks in the detail judgement: <ul style="list-style-type: none"> <li>✓ Date of presentation of application</li> <li>✓ Number of words</li> <li>✓ Copying fee</li> <li>✓ Urgent</li> <li>✓ Total</li> <li>✓ Name of copyist</li> <li>✓ Date of completion of copy</li> <li>✓ Date of delivery of copy</li> </ul> </li> </ul> <p><b>TIMELINESS</b></p> <p>Demand for the reconciliation between Diary in and Diary out of different officials involved in the process for the documents/files relating to the process. If such reconciliation is not made make a note. If possible perform a reconciliation between the diary in and diary out and see whether the requirements of the time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions are followed</p>		
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\* The litigation process does not have any major financial implication in Cash Basis of Accounting.

<b>AUDIT PROGRAM</b>	<b>H2</b>
Litigation Process – Civil matters	Process ID: AL&CD/Secretariat/Litigation/Civil Cases-02

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There are controls over the litigation process.
- There is adequate separation of duties.
- The appeal in the higher court is made on time.

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls:</b></p> <p>Select a sample of civil cases (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> <li>▪ The petitioner’s form is present in the case file.</li> <li>▪ The following in the case file: <ul style="list-style-type: none"> <li>✓ Legal Case appeal number</li> <li>✓ Background of case</li> <li>✓ Prayer</li> <li>✓ Grounds</li> <li>✓ Signature of the advocate</li> </ul> </li> <li>▪ Intimation letter is signed by the Registrar, of the District Court.</li> <li>▪ Reply by litigation section fulfils the following heads: <ul style="list-style-type: none"> <li>✓ Preliminary objections</li> <li>✓ Facts</li> <li>✓ Grounds</li> <li>✓ Signature of the Secretary Health</li> <li>✓ Stamped by government pleader (vetted)</li> </ul> </li> <li>▪ Letter to Law Department is signed by the section officer litigation.</li> <li>▪ Ensure the following in the committee’s minutes of the meeting:</li> </ul>		

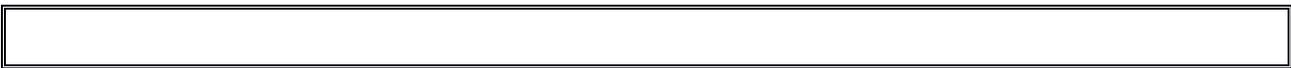


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**Section IV**

***Internal Controls Design Deficiencies***



S. No	Section Process Id	Process Step	Control Weakness	Implication	Recommendation	Implementation Responsibility
1	A4 Process ID: AL&CD/ DG L&DD (RW)/BM /Re-appropriation-04	P4 – Prepares and consolidates the statement of Re-appropriation /Surrenders of savings of his office and those received from District offices in 10 <sup>th</sup> and 12 <sup>th</sup> month of the FY and submits to Principle Research Officer (PRO) and Director General (DG) for approval	No review by second person	Clerical mistake may occur in the preparation and consolidation of statement.	Assistant needs to prepare the statement of consolidation and Superintendent B&A needs to check it while the DDO and DG should finally approve it.	Directorate General L&DD (RW)
			Non preparation of variance report	The savings are surrendered almost at the end of the FY and as a result are not put to good use.	Following the end of 1 <sup>st</sup> month of FY the DDO should prepare a 12 month rolling budget forecast at the end of each month. Then a forecast variance report between actual and forecasted budget must be prepared at the end of each month. It will be possible for the DDO to	

					ascertain the exact position of savings/excess early in the financial year. This report must be reviewed and signed by the DG L&DD (RW).	
2	<b>B1</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process-01	P1 Enquires about details of vacant positions at its own office and district offices.	Work load assessment being not carried out	Risk that the enquiry from the District is not made on timely basis and important positions remain vacant for long, thus affecting the operational efficiency of the department	Enquiries should formally be made from all the Districts at regular intervals e.g. quarterly.	Directorate General L&DD (RW)
			Control Sheet not available	Risk that the enquiry letter is not sent to all the Districts	The Superintendent Establishment should maintain a Control sheet of all the District Offices and letters once dispatched to them should be indicated on the sheet.	
3	<b>B1</b> Process id: AL&CD/ DG	P2 – Prepare and provides the details of vacant positions available to the Superintendent	Work load assessment being not carried out	Risk that staff against vacant position is demanded but the current staffing	Workload assessment, of the District demanding the new post,	Directorate General L&DD (RW)

	L&DD (RW)/HR M/Hiring Process-01	Establishment.		strength adequate.	should be carried out by the Principle Research Officer (PRO)/Director General and comments be recorded on the file so that extra staff is not hired without any proper justification.	
4	<b>B1</b> Process id: AL&CD/DG L&DD (RW)/HR M/Hiring Process-01	P3 – Consolidates the list of vacant positions received from all the districts.	Control Sheet not available	Risk that details of vacant positions are not received from all the Districts.	The Superintendent Establishment should maintain a Control sheet (same sheet as explained above) of all the Districts and letters once received should be indicated on the sheet	Directorate General L&DD (RW)
5	<b>B1</b> Process id: AL&CD/DG L&DD (RW)/HR M/Hiring Process-01	P10 – Approves the list and notify the candidates.	Independent review by a second person not available	Risk that some candidates are missed out to notify.	The final notification once prepared must be checked by an independent person of the preparer with the list of successful candidates.	Directorate General L&DD (RW)
6	<b>B1</b>	P17 – Issues internal	Independent review	Risk that the some of	An independent	Directorate General

	Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process-01	placement orders of the successful candidates within the Directorate General office.	by a second person not available	the candidates are missed out to notify.	official should check the notification with the list of successful candidates sent by the Public Service Commission.	L&DD (RW)
7	<b>B1</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process-01	P18 - Prepares the file of the candidates, completes the source 1 form, attaches the relevant documents (Charge report, appointment letter, CNIC) and forwards it to the AG office to start the employee's payroll.	Control Sheet not available	Risk that the Form is not filled properly. Incomplete supporting documents are attached such as an Expired CNIC is attached.	Document Control sheet listing all the documents required to be attached should be signed off by the preparer and reviewer both.	Directorate General L&DD (RW)
8	<b>B2</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process -02	P1 – Forwards the file to Superintendent, PRO and finally to DG for the approval of post/position.	Work load assessment being not carried out	Risk that an unreasonable requisition is forwarded to the DG L&DD for approval.	1) Request for filling the vacancy sent by a section concerned should be available in the file. The requisition should be approved by the relevant section head. 2) Workload assessment, of the section demanding	Directorate General L&DD (RW)

					the appointment, should be carried out by the PRO and comments be recorded on the file so that extra staff is not hired without any proper justification.	
9	<b>B2</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process -02	P8 – Receives applications from the candidates and enters into Diary register.	Second person review is not available	Risk that some applications are missed out.	The Superintendent Establishment should ensure that all the applications received are entered in the Diary register. On a test basis a sample of applications must be traced to the Diary register by a higher authority	Directorate General L&DD (RW)
10	<b>B2</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process -02	P10 – Conducts test and interviews and prepares the final list of successful candidates.	Initial screening of applicants not carried out	Risk that the ineligible candidate is allowed to sit for test and interview and finally selected.	Initial screening of the applicants should be carried out at the time of submitting applications and those not fulfilling the criteria be screened out. This would leave all	Directorate General L&DD (RW)

					eligible candidates for consideration and competing with each other during test and interview.	
11	<b>B2</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process -02	P13 – Issues office order to the successful candidates.	No review by second person	Risk that some of the candidates are missed out to notify.	Establishment section should reconcile the notifications against the list of successful candidates to ensure that no one is left to notify.	Directorate General L&DD (RW).
12	<b>B2</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process -02	P14 – Does their medical check-up from the Police Services Hospital, collects the medical report and submits it to the Establishment section along with arrival report.	No independent verification of report submitted	Risk that the report is changed or a bogus report is submitted	The medical reports should be independently verified with the Police Services Hospital	Directorate General L&DD (RW).
13	<b>B2</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Hiring Process -02	P16 – Prepares file of the candidates; prepares the source-1 form, attaches the relevant documents (Charge report, appointment letter, CNIC) and forwards it to the AG's office to start the payroll.	No control sheet is available	Risk that the Form is not filled properly and incomplete supporting documents are attached such as an expired CNIC is attached.	Document Control sheet listing all the documents required to be attached should be signed off by the preparer and reviewer both.	Directorate General L&DD (RW)

			Non availability of a reconciliation	Risk that the bill/form is not sent to AG office.	<p>1. DDO office must maintain a list of approved bills/forms forwarded to accounts superintendent</p> <p>2. The DDO office must compare the list with bill dispatched register on monthly basis.</p> <p>The bill dispatch register containing the list of bills along with their approval dates must be maintained and reviewed by the DDO before sending it to AG office.</p>	
14	<p><b>B4</b> Process id: AL&amp;CD/ DG L&amp;DD (RW)/HR M/Leave encashmen t-04</p>	P3/a – Submits the application along with relevant documents in the diary branch.	Diary number not allocated	Risk that the diary branch does not enter the application in the register either deliberately or erroneously.	Diary branch should allot a number to each application received and the number should be forwarded to the applicant for tracking purposes.	Directorate General L&DD (RW)

15	<p><b>B4</b> Process id: AL&amp;CD/ DG L&amp;DD (RW)/HR M/Leave encashmen t-04</p>	<p>P14 – Collects the cheque from AG office and hands it over to applicant.</p>	<p>Aging report not prepared</p>	<p>Risk that cheque against a bill is not prepared at all.</p>	<ol style="list-style-type: none"> <li>1. The cashier must enter all the cheques received from AG office against each bill in the bill dispatched register.</li> <li>2. A monthly reconciliation of bills sent and cheques received must be prepared. A reconciliation report identifying outstanding bills must be generated and reviewed by DDO/PRO</li> <li>3. An aging report of all outstanding bills must be prepared on monthly basis; any un paid bills for more than 30 days must be followed up with AG office.</li> <li>4. Aging report must be sent to the Principle Research</li> </ol>	<p>Directorate General L&amp;DD (RW)</p>
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					Officer for his review and signatures.	
			Reconciliation not carried out	Risk that the cheque is not issued to the applicant.	<p>1. An intimation letter to the applicant must be issued within 3 days from the receipt of cheque from AG office.</p> <p>2. A list of cheques received from AG Office, but not issued to the applicant for more than 15 days must be prepared from the cheques received register.</p> <p>3. The list shall be prepared on fortnightly basis.</p> <p>4. The list should then be forwarded to DG L&amp;DD for his review and signatures.</p>	

16	<b>B5</b> Process id: AL&CD/ DG L&DD (RW)/HR M/Pension /GP Fund -05	P2 – Submits the pension papers in diary branch.	Diary number not allocated	Risk that the diary branch does not enter the application in the register either deliberately or erroneously.	Diary branch should allot a number to each application received and the number should be forwarded to the applicant for tracking purposes.	Directorate General L&DD (RW)
17	<b>B6</b> Process ID: AL&CD/ DG L&DD (RW)/HR/ Training & Development - 06	P9- Reviews and approves and then forwards it to the Secretariat.	No Training Needs Assessment carried out	Risk that training is imparted in an area where there is already abundance of expertise and other important areas are ignored	The department should carry out Training Needs Assessment at each level on an annual basis. This will identify the areas of strength and weaknesses. The plan should then be discussed with the Central Department of Economic Affairs/PARD?AH KIRD to develop a comprehensive strategy for training.	Directorate General L&DD (RW)
			Non Availability of an HR database	Risk that an employee is selected for training in an area where	A complete HR database of all the employees should	

				he/she already has the expertise	be maintained. This database should include all the relevant information about an employee including qualification, area of expertise, trainings done in the past etc. In the nominations for training the database should be consulted.	
18	<b>C1</b> Process ID: AL&CD/ DG L&DD(R W)/Procur ement/ Tendering process-01	P1 – Forwards the purchase Requisition to the Senior Research officer.	Utilization rate of items is not available	Risk that a demand is created for items already on stock or the utilization rate is very high	A utilization rate should be determined for major items such as paper rims and toners and each demand should be checked against this rate by the DDO	Directorate General L&DD (RW)
19	<b>C1</b> Process ID: AL&CD/ DG L&DD(R W)/Procur ement/	P8 – Approves the file and returns to Superintendent Stores.	No segregation of duties found	Risk that there is no segregation of duties in the process	Currently, the PRO acts both as DDO and competent authority to accord approval to purchase Both these roles needs to	Directorate General L&DD (RW)

	Tendering process-01				be separated and all the purchases should be approved by DG.	
20	<b>C2</b> Process ID: AL&CD/DG L&DD (RW)/Procurement/Fixed Assets/Goods-02	P1 – Sends purchase requisition to DDO (PRO).	Utilization rate of items is not available	Risk that a demand is created for items already on stock or the utilization rate is very high	A utilization rate should be determined for major items such as paper rims and toners and each demand should be checked against this rate by the DDO.	Directorate General L&DD (RW)
21	<b>C2</b> Process ID: AL&CD/DG L&DD (RW)/Procurement/Fixed Assets/Goods-02	P8– Prepares bill on the basis of quoted price. Enters it in memorandum register and then forwards bill along with documents to AG's Office for authorisation of payment .	Non availability of a reconciliation	Risk that the bill is not sent to AG office.	1. DDO office must maintain a list of approved bills forwarded to bill assistant.  2. The DDO office must compare the list with bill dispatched register on monthly basis. The bill dispatch register containing the list of bills along with their approval dates must be maintained reviewed by the	Directorate General L&DD (RW)

					DDO before sending it to AG's office.	
22	<b>C2</b> Process ID: AL&CD/ DG L&DD (RW)/Procurement/Financial Assets/Goods-02	P10- Receives the cheque, enters in cash book, hands it over to supplier against acknowledgement receipt in particular for large purchases)  ( The current practice is that the petty expenses are paid by the Superintendent Accounts from his own pocket and the cheque from AG's office is prepared in DDO's name and the amount will be reimbursed to accounts officer).	Aging report not prepared	Risk that a cheque is not prepared against a bill at all.	1. The Bill Assistant must enter all the cheques received from AG's office against each bill in the bill dispatched register.  2. A monthly reconciliation of bills sent and cheques received must be prepared. A reconciliation report identifying outstanding bills must be generated and reviewed by DDO.  3. An aging report of all outstanding bills must be prepared on monthly basis; any unpaid bills for more than 30 days must be followed up with AG's	Directorate General L&DD (RW)

					office. 4. Aging report must be sent to the DG for his review and signatures.		
23	<b>C2</b> Process ID: AL&CD/ DG L&DD (RW)/Procurement/ Fixed Assets/ Goods-02	P11-Receives payment/Cheque.	the	Reconciliation is not carried out	Risk that payment is not made to the supplier on time	<p>1. An intimation letter to the supplier must be issued within 03 days from the receipt of cheque from AG's office.</p> <p>2. A list of cheques received from AG's Office, but not issued to the supplier for more than 15 days must be prepared from the cheques received register.</p> <p>3. The list shall be prepared on fortnightly basis.</p> <p>4. The list should then be forwarded to DG for his review and signatures.</p>	Directorate General L&DD (RW)

24	<b>D</b> Process ID: AL&CD/ DG L&DD (RW)/FA M/Asset management-01	P4 – Records entry in the stock register upon delivery of the asset. The asset is directly delivered to user section. Stock register is signed by the Estate Manager/PRO	The asset is not checked by In-charge of user section	Risk that asset is not properly checked at the time of delivery.	The In-charge of the user section should also make sure that the asset delivered is according to the specifications. He/She should then sign in the stock register	Directorate General L&DD (RW)
			No physical verification of assets is being carried out	Risk that the asset is later stolen/replaced/misplaced from the user department	A periodic physical verification of fixed assets should be carried out.	
					When asset is received in premises caretaker/accounts assistant needs to put an item code on it. The item code entry is then made in the fixed asset register.	
25	<b>E</b> Process id: AL&CD/ DG L&DD(R W)/Stores Management	P1 – Forwards the demand to the DG for approval.	Utilization rate of items is not available	Risk that a demand is created for items already in stock or the utilization rate is very high.	A utilization rate should be determined for consumable items and each demand must be checked	Directorate General L&DD (RW)

	nt/Stores Process-01				against this pre-determined utilization rate by the Estate Manager.	
26	<b>E</b> Process id: AL&CD/DG L&DD(RW)/Stores Management/Stores Process-01	P8 – Records the items in the stock register and keep the items in the stores.	Not enough accommodation in the store.	Risk that the items get damaged or become useless.	The store room should have enough space to accommodate all the store items so that the fragile items are not piled on one another.	Directorate General L&DD (RW)
				Risk that the store item physically available does not correspond with the records in the books.	A periodic stock take procedure should mitigate the risk.	
27	<b>F</b> Process id: AL&CD/DG L&DD (RW)/Operating Expense Process-01	P8 – Collects the cheque from AG's office.	Aging report not being prepared	Risk that the cheque is not prepared against a bill.	1. The accounts superintendent must enter all the cheques received from AG's office against each bill in the bill dispatch register.  2. A monthly reconciliation of bills sent and cheques received must be prepared.	Directorate General L&DD (RW)

					<p>A reconciliation report identifying outstanding bills must be generated and reviewed by PRO.</p> <p>3. An aging report of all outstanding bills must be prepared on monthly basis; any un paid bills for more than 30 days must be followed up with AG's office.</p> <p>4. Aging report must be sent to the Director General, L&amp;DD for his review and signatures.</p>	
28	<p><b>G</b> Process ID: AL&amp;CD/ DG L&amp;DD (RW)/Revenue/Sale of Vaccines</p>	<p>P5- Dispatches vaccines along with invoice to the purchaser. And gets receiving from the purchaser.</p>	<p>Aging report not being prepared</p>	<p>Risk that vaccines are sold to a user from whom an amount balance is long outstanding due.</p>	<p>Receivables aging report should be maintained and should be followed when making sales to customers.</p>	<p>Directorate General L&amp;DD (RW)</p>

29	<b>H1</b> Process id: AL&CD/ DG L&DD (RW)/Litigation Process -01	P14– Asks for the CPLA (Civil Petition Leave to Appeal) in the light of verdict made by the Services Tribunal for Supreme Court hearing.	No review by second person	Risk that appeal against the Service Tribunal orders is not made on time and as a result the time for appeal lapses.	A complete list of all the cases and their current status should be prepared by the dealing clerk in the litigation section on fortnightly basis. This list should be reviewed by PRO/Coordinator and finally by the Director General L&DD.	Directorate General L&DD (RW)
30	<b>H2</b> Process id: AL&CD/ DG L&DD (RW)/Litigation Process -02	P11 – Requests the District/High/Supreme for a copy of the detailed judgment.	No review by second person	Risk that the certified copy of the decision is not obtained on time and as a result the time for appeal lapses.	A complete list of all the cases and their current status should be prepared by the assistant in the SO Litigation section on fortnightly basis. This list should be reviewed by SO Litigation and finally by the DG.	Directorate General L&DD (RW)
31	Strategic Planning Process		There is no formal strategic and annual planning process	Strategic issues will not be given the required attention	Both strategic and annual planning process should be	Directorate General L&DD (RW)

			carried out in the department	and consideration.	developed and implemented in the department	
32	All processes		Outstanding items are not properly followed	Timeliness of the process may be impaired	: Time service standards as per "APPENDIX-III Para 7 (c)" Manual of Secretariat should be followed. To ensure adherence to above rules Diary in and Diary out must be reconciled on a weekly/monthly basis to identify cases outstanding for more than the prescribed time standards. The reconciliation should then be forwarded to the next higher authority for review.(where appropriate)	Directorate General L&DD (RW)
33	Most processes (where		Bill is not sent to AG Office	Timeliness of the payment will be effected	1. DDO office must maintain a list of approved	Directorate General L&DD (RW)

	bills/form a are sent to AG Office)				<p>bills/forms forwarded to bill assistant.</p> <p>2. The DDO office must compare the list with bill dispatched register on monthly basis. The bill dispatch register containing the list of bills along with their approval dates must be maintained reviewed by the DDO before sending it to AG office/BF cell.</p>	
34	Most processes (Where bills are sent to AG Office for preparation of cheque)		Delay in payment by the AG office and no proper follow up by the department	Loss of good quality supplier.	<p>1. The Bill Assistant must enter all the cheques received from AG office against each bill in the bill dispatched register.</p> <p>2. A monthly reconciliation of bills sent and cheques received must be prepared.</p>	Directorate General L&DD (RW)

					<p>A reconciliation report identifying outstanding bills must be generated and reviewed by DDO.</p> <p>3. An aging report of all outstanding bills must be prepared on monthly basis; any un paid bills for more than 30 days must be followed up with AG office.</p> <p>4. Aging report must be sent to the DG for his review and signatures.</p>	
35	Most Processes (where cheque is forwarded by department to supplier)		Payment delayed to supplier/applicant	Loss of quality supplier etc	<p>1. An intimation letter to the supplier must be issued within 3 days from the receipt of cheque from AG office.</p> <p>2. A list of cheques received from AG</p>	Directorate General L&DD (RW)

					<p>Office, but not issued to the supplier for more than 15 days must be prepared from the cheques received register.</p> <p>3. The list shall be prepared on fortnightly basis.</p> <p>4. The list should then be forwarded to DDO for his review and signatures.</p>	
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