



**ASP** ASSESSMENT AND  
STRENGTHENING PROGRAM



**Government of Khyber Pakhtunkhwa  
Finance Department**

# **INTERNAL AUDIT TOOLKIT**

**Directorate  
Elementary and Secondary Education Department**

**Government of Khyber Pakhtunkhwa**

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## Abbreviations & Acronyms

1	ADEO	Assistant District Education Officer
2	AD	Assistant Director
3	Add.D	Additional Director
4	ADP	Annual Development Programme
5	AG	Accountant General
6	APPM	Accounting policies and procedures manual
7	AS	Additional Secretary
8	ASP	Assessment & Strengthening Program
9	BPS	Basic Pay Scale
10	CNIC	Computerised National Identity Card
11	DD	Deputy Director
12	DDEO	Deputy District Education Officer
13	DDO	Drawing and Disbursing Officer
14	DEO	District Education Officer
15	DS	Deputy Secretary
16	E&SE	Elementary and Secondary Education
17	EMIS	Education Management Information System
18	ESRU	Education Sector Reform Unit
19	FD	Finance Department
20	GFR	General Financial Rules
21	GIZ	Gesellschaft Fur Internationale Zusammenarbeit (Acronym in German for 'German Agency for Technical Cooperation')
22	GoKP	Government of Khyber Pakhtunkhawa
23	GP Fund	General Provident Fund
24	HR	Human Resources
25	HRD	Human Resources Department
26	HRM	Human Resources Management
27	ICQs	Internal Control Questionnaires
28	IT	Information Technology
29	LPC	Last Pay Certificate
30	PA	Personal Assistant
31	PAO	Principal Accounting Officer
32	P&D	Planning and Development
33	POL	Petrol, Oil and Lubricants
34	SOB	Section Officer Budget
35	SO (B/T)	Section Officer Board and Trainings
36	SOG	Section Officer General
37	SS	Special Secretary
38	RSPN	Rural Support Program Network
39	USAID	United States Agency for International Development

## **1. Foreword**

Internal Audit Toolkit is the Finance Department's recommended approach to 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 of Elementary and Secondary Education. 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 of E&SE. 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, JULY 2013**

## 2. A Birds EyeView 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/ referred 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 – E&SE Department and Directorate of E&SE**

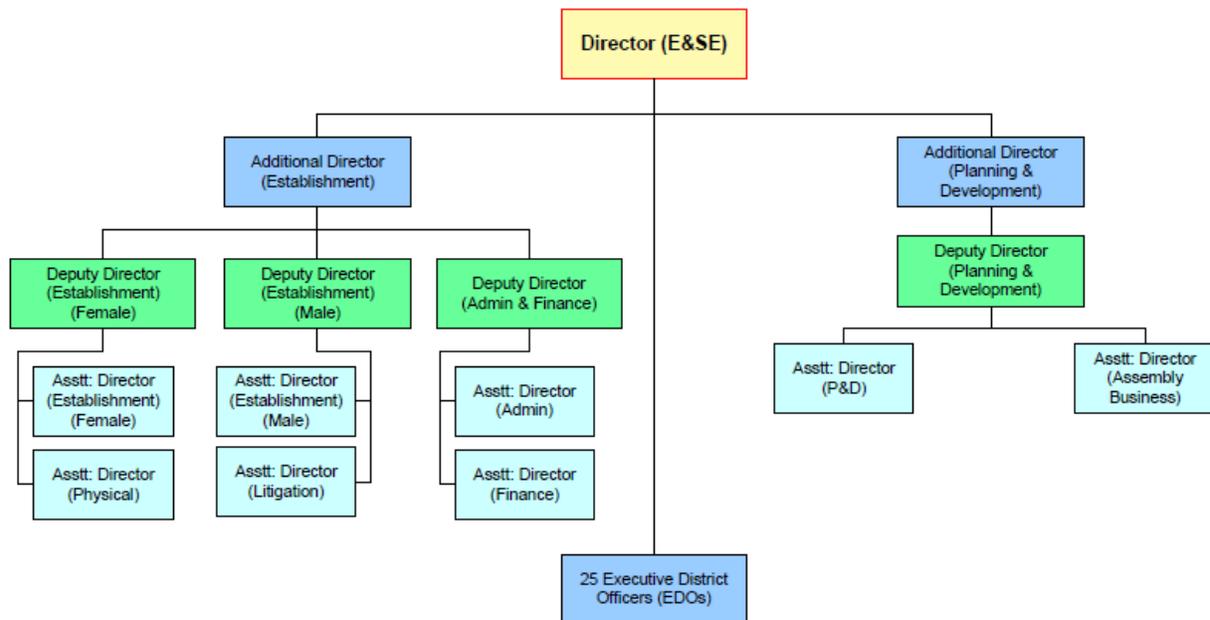
Elementary & Secondary Education Department is one of the biggest of all the departments in Khyber Pakhtunkhwa with more than 162,000 employees constituting 55.50% of the total employees of Khyber Pakhtunkhwa. There are 3.872 million students in more than 28000 Government institutions and more than 121,000 teachers. 20% of the total budget of Khyber Pakhtunkhwa (Rs. 60.944 billion) including current budget of Rs. 43.856 billion and developmental budget of Rs. 17.089 billion (Rs. 7.116 billion local ADP plus Rs. 9.973 billion foreign aid) is being spent on Elementary & Secondary Education Sector.

Directorate of Elementary & Secondary education is an attached department as per Rules of Business.

At Directorate level, the following are some of the major functions:

- The Directorate of Elementary and Secondary Education is responsible for implementation of government policies on education under the instructions and guidelines issued by Elementary and Secondary Education Department.
- The Directorate of Elementary and Secondary Education is responsible for service matters pertaining to 115,714 school teachers such as recruiting, posting, promotions, retirement and disciplinary matters.
- The Directorate of Elementary and Secondary Education is responsible to coordinate will all the school staff of the districts, monitoring and reporting etc.
- The Directorate of Elementary and Secondary Education is also responsible for the service matters of its 60,000 low ranking support staff.

At the Directorate level the organisational setup is as follows:



At District level the organisational setup is headed by District Education Officer (DEO) who is supported by DDEOs (Deputy District Education Officers) and ADEOs (Assistant District Education Officers). There are 25 District Education Officers in the province.

## **SECTION 1**

### **Planning-Permanent File**

**INTERNAL AUDIT CELL, E&SE 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	10/07/2013
PF-I		Status of the Entity	WTW	10/07/2013
PF-II		Background Information	WTW	10/07/2013
PF-III		Internal and External Factors	WTW	10/07/2013
PF-IV		Process Identification	WTW	10/07/2013
PF-V		Risk assessment	WTW	10/07/2013
PF-VI		Inherent Risk Assessment	WTW	10/07/2013
PF-VII		Control Risk Assessment	WTW	10/07/2013
PF-VIII		Significant Audit Areas	WTW	10/07/2013
_____	_____	_____	_____	_____

**INTERNAL AUDIT CELL, E&SE DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING-PERMANENT FILE**

**Update Control Sheet**

**Name of Entity/Organisation: Directorate of Elementary and Secondary Education**

Original file prepared by:    \_\_\_Waqas Iqbal Warraich\_\_\_\_\_

Date:    \_\_\_10/07/2013\_\_\_\_\_

File updated by:    \_\_\_\_\_ Date: \_\_\_\_\_

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

**Name of Entity/Organisation: Directorate of Elementary and Secondary Education**

Principal Address:

Directorate of Elementary and Secondary Education,

Dabgari Gardens Peshawar.

Status of the Entity:

Government (Provincial department)

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

Inter-Governmental Relationship:

Attached Department.

(Attached department, branch office, etc.)

## **INSTRUCTIONS**

*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, E&SE DEPARTMENT, GOVERNMENT OF KP

## AUDIT PLANNING-PERMANENT FILE

### Understanding of Entity's Activities – Background Information

**Name of Entity/Organisation: Directorate of Elementary and Secondary Education**

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

### Size of Entity:

Total revised expenditures budget and actual for the year 2011-12 and 2012-13 are as below;

Code	Heads	Budget 2011-12	Actual 2011-12	Budget 2012-13	Progressive till April-13
A011	Total Pay	23,396,100	21,807,309	33,647,000	17,583,538
A012-1	Total Regular Allowance	15,979,900	15,456,368	21,468,000	17,122,384
A-012-2	Total Other Allowance (Ex-TA)	2,600,000	2,456,047	215,000	-
A032	Total Communication	395,400	394,889	550,000	233,818
A3301	Total Utilities	614,000	519,987	900,000	782,376
A038	Total Travel & Transportation	1,798,000	1,782,416	3,560,000	1,860,349
A039	Total General	50,125,600	49,885,132	36,592,400	1,784,563
A13	Total Repair & Maintenance	562,000	558,365	420,000	352,162
	<b>Total</b>	<b>95,471,000</b>	<b>92,860,513</b>	<b>97,352,400</b>	<b>39,719,190</b>

### Core Operational Activity/Corporate Plan:

The Directorate of Elementary and Secondary Education is responsible for implementation of government policies on education under the instructions and guidelines issued by Elementary and Secondary Education department.

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

### Major Services:

- The Directorate of Elementary and Secondary Education is responsible for service matters pertaining to 115,714 school teachers such as recruiting, transfers, promotions, retirement and disciplinary matters.
- The Directorate of Elementary and Secondary Education is responsible to coordinate with all the school staff of the districts, monitoring and reporting etc.
- The Directorate of Elementary and Secondary Education is also responsible for the service matters of its 60,000 ancillary school staff.
- The Directorate of Elementary and Secondary Education is responsible for the recruitment of BPS-16 teachers and all the cases of promotion up to BPS-16. Service record of all levels of officers is also maintained by the Directorate E&SE. inter-district transfers are also one of its responsibilities. Pension cases, GP Fund cases and all types of leave cases are prepared and scrutinized by a section of the Directorate E&SE.

- The Directorate is also responsible for the Audit Para's, PAC and DAC.
- The reconciliation of funds allocated to the department is also the responsibility of the Directorate E&SE.
- The Directorate is also responsible to deal with Khyber Pakhtunkhwa Governor's directives, Chief Minister's directives and Assembly business.

(Zakat, income tax, public works, etc.)

### **Major Beneficiaries:**

Major beneficiaries of Directorate of Elementary and Secondary Education department are students at all levels (therefore public at large) as well as in all district (therefore teaching staff and administrative staff at large).

(Federal/Provincial/District level)

### **Major Cost Centres:**

The major cost centre in Directorate of Elementary and Secondary Education department are

A011 Total Pay  
 A012-1 Total Regular Allowance  
 A-012-2 Total Other Allowance (Ex-TA)  
 A032 Total Communication  
 A3301 Total Utilities  
 A038 Total Travel & Transportation  
 A039 Total General  
 A13 Total Repair & Maintenance

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

### **Reporting Authority:**

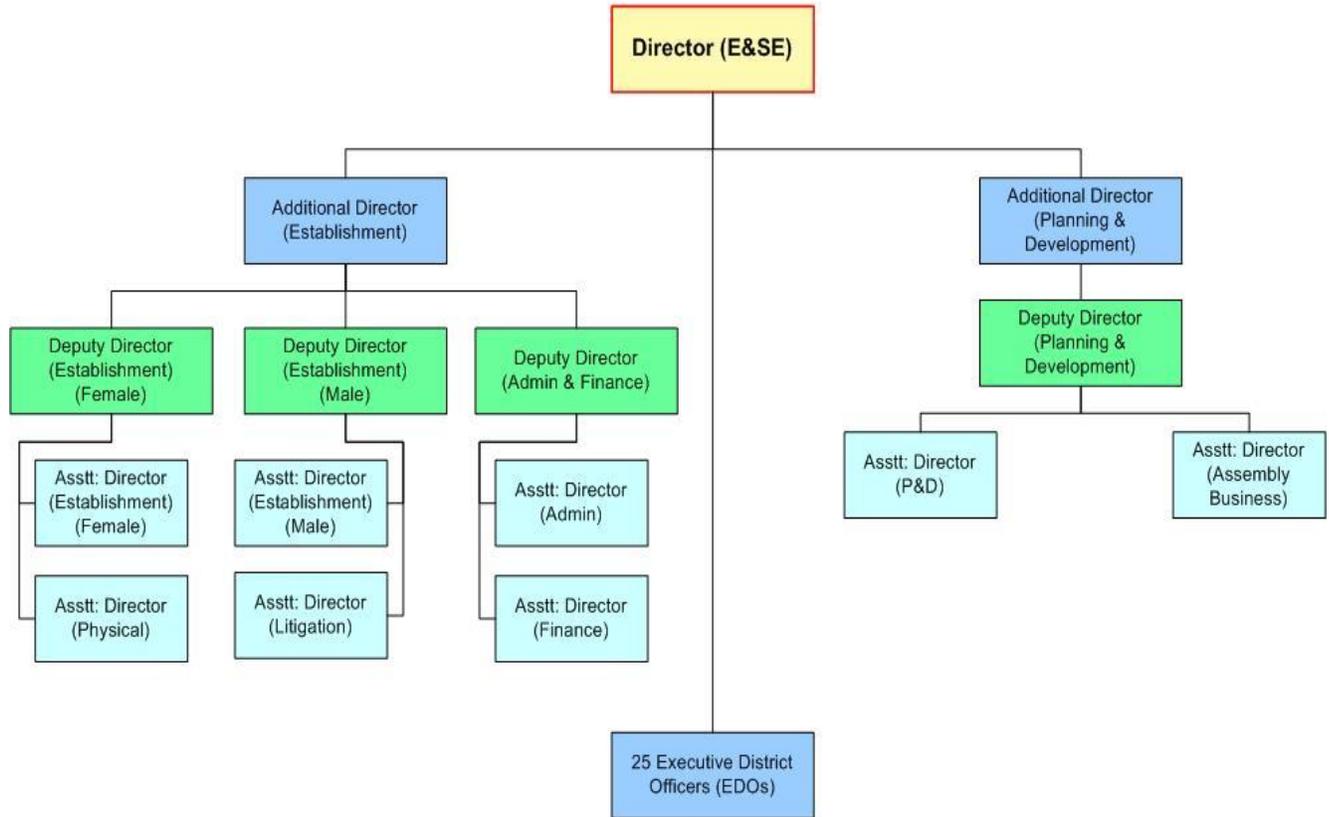
According to Rules of Business, 2007, the Director of Elementary and Secondary Education is responsible to the Secretary, Elementary and Secondary Education Department and Minister for Education for all the functions pertaining to the Primary & Secondary Education sub sector.

(Principal accounting officer/Ministry/CGA/others)

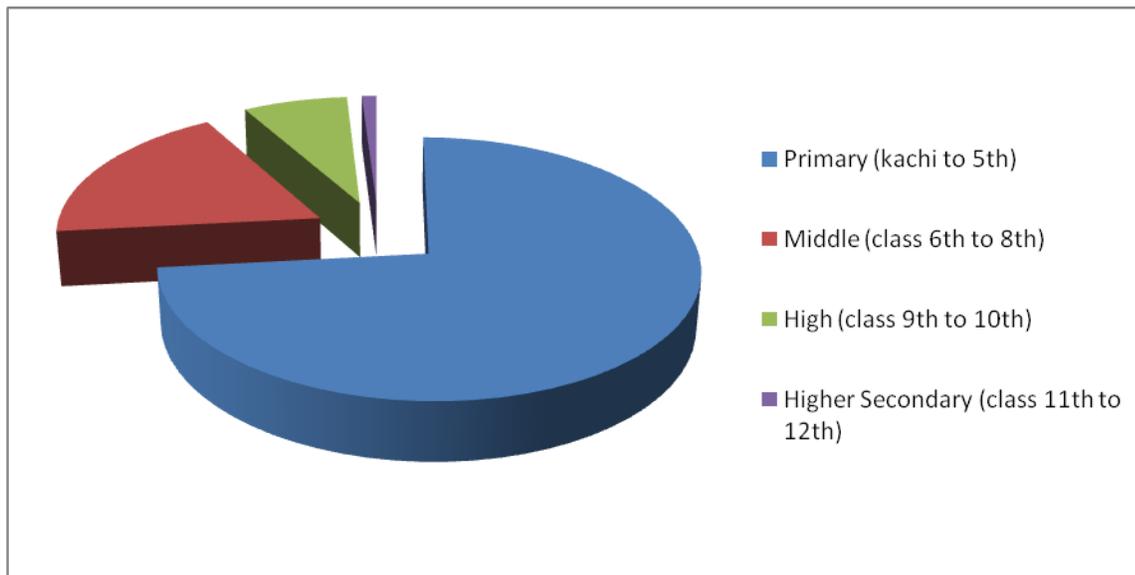
Important information and statistics:

Organogram of Elementary and Secondary Education:

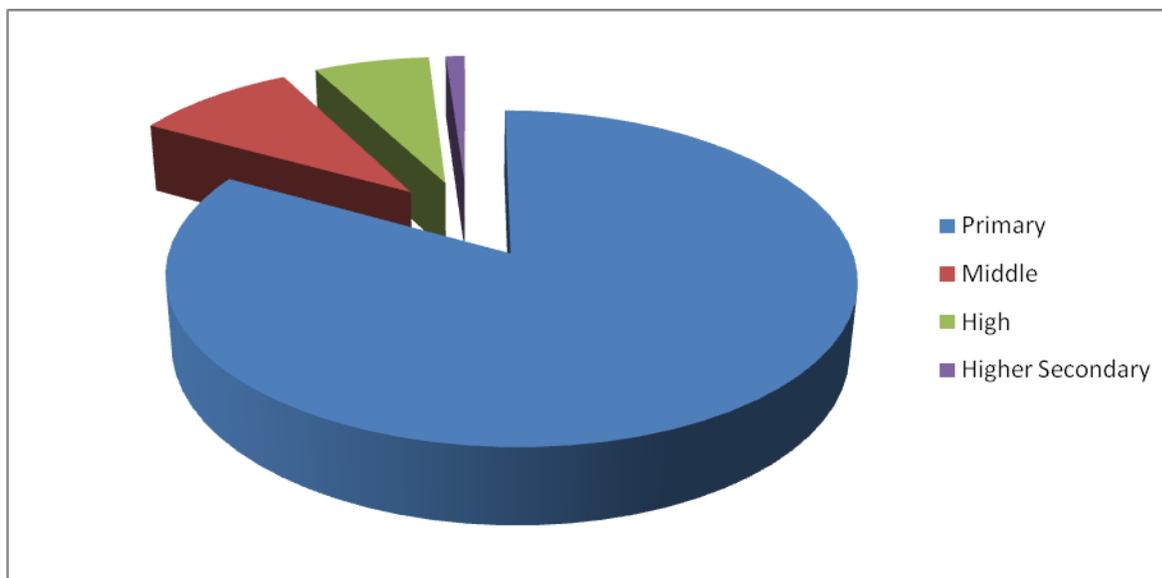
Directorate of E&SE, Khyber Pakhtunkhwa



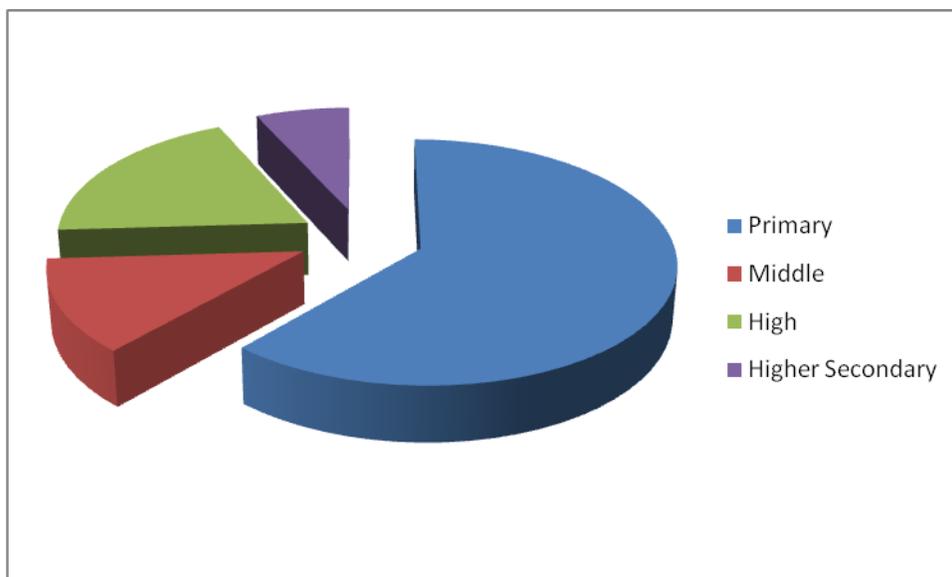
**Total number of students at different level:**



**Total distribution of schools at different levels:**



**Total number of teachers at different levels:**



**Circle wise clustering of schools:**

S. No	Districts	Primary		Middle		High		Higher secondary		Total
		Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	
1	Abbottabad	1051	547	89	79	62	36	14	7	<b>1885</b>
2	Bannu	675	445	64	66	49	33	10	8	<b>1350</b>
3	Chitral	476	163	55	33	47	15	4	0	<b>793</b>
4	Charsadda	581	421	55	48	63	27	9	5	<b>1209</b>
5	D.I Khan	808	386	115	60	72	40	11	7	<b>1499</b>
6	Dir Payan	835	426	91	57	66	32	14	8	<b>1529</b>
7	Karak	436	326	49	29	54	26	8	2	<b>930</b>
8	Kohat	380	266	45	34	45	21	10	6	<b>807</b>
9	Kohistan	787	252	61	8	23	1	1	0	<b>1133</b>
10	Manshera	1381	635	117	71	78	34	15	7	<b>2338</b>
11	Mardan	777	557	90	101	69	42	16	10	<b>1662</b>
12	Malakand	337	219	30	33	43	21	4	2	<b>689</b>
13	Nowshera	426	329	50	44	58	20	9	7	<b>943</b>
14	Peshawar	647	414	80	67	77	42	18	9	<b>1354</b>
15	Swat	843	433	84	56	73	22	13	5	<b>1529</b>
16	Swabi	601	439	75	38	75	47	7	7	<b>1289</b>
17	Bunner	439	167	47	22	47	18	7	2	<b>749</b>
18	Haripur	671	340	69	50	67	42	8	6	<b>1253</b>
19	Lakki	613	312	52	44	53	17	9	1	<b>1101</b>
20	Tank	215	136	27	16	24	7	1	0	<b>426</b>
21	Battagram	486	223	27	16	30	4	1	0	<b>787</b>
22	Dir Bala	585	210	65	24	37	9	5	2	<b>937</b>
23	Hangu	210	102	23	12	23	7	2	0	<b>379</b>
24	Shangla	413	152	50	15	31	4	5	1	<b>671</b>
25	Torghar	146	41	24	0	3	0	0	0	<b>214</b>
	<b>Total</b>	<b>14,819</b>	<b>7,941</b>	<b>1,534</b>	<b>1,023</b>	<b>1,269</b>	<b>567</b>	<b>201</b>	<b>102</b>	<b>27,456</b>

**Total number of students:**

S. No	Districts	Primary		Middle		High		Higher secondary		Total
		Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	
1	Abbottabad	57698	52760	5913	7048	18149	11833	5369	5432	<b>164202</b>
2	Bannu	48949	32141	4169	2669	13072	4237	4132	3411	<b>112780</b>
3	Chitral	23721	21372	3927	4549	9951	7130	2083	233	<b>72966</b>
4	Charsadda	78478	57866	6352	4417	22256	9148	6715	5505	<b>190737</b>
5	D.I Khan	66617	46280	5811	2799	14915	8793	5237	5850	<b>156302</b>
6	Dir Payan	107380	96682	12073	8036	24169	10153	11892	7322	<b>277707</b>
7	Karak	36948	35281	3991	3087	14758	9758	3246	782	<b>107851</b>
8	Kohat	55105	39226	3916	2335	14029	6408	7526	3911	<b>132456</b>
9	Kohistan	56618	22822	2173	247	1690	64	97	0	<b>83711</b>
10	Manshera	85917	78602	8343	5103	18508	10887	7416	4235	<b>219011</b>
11	Mardan	127124	108422	13190	8969	34866	18266	15525	11196	<b>337558</b>
12	Malakand	41503	38490	3233	4028	16809	9743	2629	2536	<b>118971</b>
13	Nowshera	64257	50753	5095	4415	18688	8966	5306	4953	<b>162433</b>
14	Peshawar	135776	99145	10677	6622	29525	20000	14846	10320	<b>326911</b>
15	Swat	135186	123185	9911	6786	24119	10661	8980	4745	<b>323573</b>
16	Swabi	85800	74092	9432	3842	32239	20164	4048	4844	<b>234461</b>
17	Bunner	69715	59720	5198	2151	15155	4707	3756	1350	<b>161752</b>
18	Haripur	45959	42622	4507	3651	18521	14678	5404	4666	<b>140008</b>
19	Lakki	49649	28040	5202	2291	14434	5475	6177	390	<b>111658</b>
20	Tank	17376	14081	1600	925	4048	2087	302	0	<b>40419</b>
21	Battagram	28716	31781	1067	580	3845	813	213	0	<b>67015</b>
22	Dir Bala	82579	58020	8436	3874	12324	3659	3441	1389	<b>173722</b>
23	Hangu	28065	12992	2209	602	6192	1956	1139	9	<b>53164</b>
24	Shangla	48128	23327	3325	909	7790	1286	2063	175	<b>87003</b>
25	Torghar	10847	3034	0	0	0	0	0	0	<b>13881</b>
	<b>Total</b>	<b>1588111</b>	<b>1250736</b>	<b>140691</b>	<b>89954</b>	<b>390412</b>	<b>200880</b>	<b>127542</b>	<b>83254</b>	<b>3871580</b>

**Total number of teaching staff:**

S. No	Districts	Primary		Middle		High		Higher secondary		Total
		Male	Female	Male	Female	Male	Female	Male	Female	
1	Abbottabad	2474	1536	553	422	852	430	324	218	<b>6809</b>
2	Bannu	1602	1041	372	329	689	258	256	141	<b>4688</b>
3	Chitral	1006	414	354	221	588	175	95	0	<b>2853</b>
4	Charsadda	2425	1375	375	262	912	253	265	108	<b>5975</b>
5	D.I Khan	2144	1256	636	322	813	399	342	185	<b>6097</b>
6	Dir Payan	2573	1504	507	270	833	236	380	130	<b>6433</b>
7	Karak	1475	803	307	163	738	276	222	50	<b>4034</b>
8	Kohat	1465	927	244	191	549	238	302	133	<b>4049</b>
9	Kohistan	1402	599	334	33	158	8	12	0	<b>2546</b>
10	Manshera	3292	1611	765	403	1022	404	409	149	<b>8055</b>
11	Mardan	3531	2267	577	567	1129	461	520	224	<b>9276</b>
12	Malakand	1248	785	190	208	681	262	105	59	<b>3538</b>
13	Nowshera	1716	1235	314	228	781	206	239	152	<b>4871</b>
14	Peshawar	3469	2260	533	431	994	570	597	313	<b>9167</b>
15	Swat	3132	1766	543	311	1061	265	394	115	<b>7587</b>
16	Swabi	2463	1725	459	187	1180	459	173	150	<b>6796</b>
17	Bunner	1569	566	251	70	496	112	163	21	<b>3248</b>
18	Haripur	1760	1305	389	260	826	477	242	162	<b>5421</b>
19	Lakki	1682	773	338	208	646	165	259	23	<b>4094</b>
20	Tank	570	353	155	84	271	71	24	0	<b>1528</b>
21	Battagram	1019	545	154	63	302	32	24	0	<b>2139</b>
22	Dir Bala	1772	670	359	91	376	51	101	28	<b>3448</b>
23	Hangu	735	307	113	36	241	52	47	0	<b>1531</b>
24	Shangla	1181	337	295	69	334	30	87	8	<b>2341</b>
25	Torghar	283	44	76	0	22	0	0	0	<b>425</b>
	<b>Total</b>	<b>45988</b>	<b>26004</b>	<b>9193</b>	<b>5429</b>	<b>16494</b>	<b>5890</b>	<b>5582</b>	<b>2369</b>	<b>116949</b>

**Student teacher ratio:**

S. No	Districts	Primary		Middle		High		Higher secondary		Total
		Boys	Girls	Boys	Girls	Boys	Girls	Boys	Girls	
1	Abbottabad	23	34	11	17	21	28	17	25	24
2	Bannu	31	31	11	8	19	16	16	24	24
3	Chitral	24	52	11	21	17	41	22	0	26
4	Charsadda	32	42	17	17	24	36	25	51	32
5	D.I Khan	31	37	9	9	18	22	15	32	26
6	Dir Payan	42	64	24	30	29	43	31	56	43
7	Karak	25	44	13	19	20	35	15	16	27
8	Kohat	38	42	16	12	26	27	25	29	33
9	Kohistan	40	38	7	7	11	8	8	0	33
10	Manshera	26	49	11	13	18	27	18	28	27
11	Mardan	36	48	23	16	31	40	30	50	36
12	Malakand	33	49	17	19	25	37	25	43	34
13	Nowshera	37	41	16	19	24	44	22	33	33
14	Peshawar	39	44	20	15	30	35	25	33	36
15	Swat	43	70	18	22	23	40	23	41	43
16	Swabi	35	43	21	21	27	44	23	32	34
17	Bunner	44	106	21	31	31	42	23	64	50
18	Haripur	26	33	12	14	22	31	22	29	26
19	Lakki	30	36	15	11	22	33	24	17	27
20	Tank	30	40	10	11	15	29	13	0	26
21	Battagram	28	58	7	9	13	25	9	0	31
22	Dir Bala	47	87	23	43	33	72	34	50	50
23	Hangu	38	42	20	17	26	38	24	0	35
24	Shangla	41	69	11	13	23	43	24	22	37
25	Torghar	38	69	0	0	0	0	0	0	33
	<b>Total</b>	<b>35</b>	<b>48</b>	<b>15</b>	<b>17</b>	<b>24</b>	<b>34</b>	<b>23</b>	<b>35</b>	

## **INSTRUCTIONS**

*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.***

**Understanding of Entity's Business – Internal and External Factors**

**Name of Entity/Organisation: Directorate of Elementary and Secondary Education**

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

***The major internal factors affecting the entity are:***

***Organizational Cultural*** (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).

***The major external factors affecting the entity business 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, the stability of the government impacts its working more significantly and positively).

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

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

***Curriculum changes*** (the entity must adopt itself according to latest curriculum changes)

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

## **INSTRUCTIONS**

*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*

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

**Name of Entity/Organisation: Directorate of Elementary and Secondary Education**

*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*
- *Revenue estimates*
- *Development budget*

*Fixed Asset Management*

*Stores and Inventories*

*Projects*

*Litigation*

*Strategic planning*

**INTERNAL AUDIT CELL, E&SE DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING-PERMANENT FILE**

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

**Name of Entity/Organisation: Directorate of Elementary and Secondary Education**

**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>		✓	

**INSTRUCTIONS**

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, E&SE DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING FILE**

**INHERENT RISK ASSESSMENT FORM**

**NAME OF AUDIT ENTITY:** Directorate of Elementary and Secondary Education

**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 Moderate.**

**INSTRUCTIONS**

*Inherent risk should be assessed for entity as 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.*



	<p>b) Recording of receipts and collection of money  c) Approval/authorisation and issue of payment  d) Recording of expenditure and issue of payment  e) Recording of assets and safeguarding of assets</p> <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?  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>NA  Yes  Yes  No  Yes    Yes  Yes</p>	<p>is present.  There is no collection of revenue in department.  Issue of cheque done by AG.  Payment issued against claims by AG.  Stock register is maintained</p> <p>As Above  JDs</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> <p>a) Accounting;  b) IT systems;  c) Other areas responsible for internal controls; and  d) Management  e) Planning and Evaluation?</p> <p>2. Do staff in the following areas get adequate training?</p> <p>a) Accounting;  b) IT systems;  c) Other areas responsible for internal controls; and  d) Management  e) Planning and Evaluation</p> <p>3. Do staff in the following areas have a clear understanding of the work and their responsibilities?</p> <p>a) Accounting;  b) IT systems;  c) Other areas responsible for internal controls; and  d) Management  e) Planning and Evaluation?</p> <p>4. Is the supervision of staff in the following areas adequate to ensure that the internal controls are 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  Yes  Yes    No  Yes  No  Yes  Yes    Yes  Yes  Yes  Yes  Yes    No  Yes  Yes  No  Yes    Yes  Yes  Yes  Yes  Yes</p>	<p>Training letter is present.  Training letter is present.    JDs and Manual of Secretariate Instructions.    Please refer to Accounting Cycle in Section 2.    PERs properly filled and DPC and PSB to make promotions on their basis.</p>
D	<p><b>Management policy and operating style</b></p> <p>1. Are policies and procedures clearly written and</p>	<p>Yes</p>	<p>Manual of Secretariat</p>

	<p>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?</p> <p>b) Understand the computer information system?</p> <p>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 meets frequently to?</p> <p>a) Update control policies &amp; procedures</p> <p>b) Review entity's performance</p> <p>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</p> <p>b) Reviewing the results on a monthly basis and 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</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>No</p> <p>No</p> <p>Yes</p>	<p>Instructions and all notification are disseminated.</p>
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	<p>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>	<p>Yes</p> <p>No</p> <p>No</p> <p>No</p>		
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>	<p>No</p> <p>Yes</p>		
F	<p><b>Reporting</b></p> <p>1. Are adequate management reports?</p> <p>a) Prepared regularly</p> <p>b) On a timely basis</p> <p>c) Distributed to the appropriate management</p> <p>d) In appropriate level of detail for the different levels of management</p> <p>e) Using proper cut-off procedures; and</p> <p>f) Reconciled to the accounting records</p> <p>2. Are management reports used to monitor financial and operational performance and check on the reliability of financial data through:</p> <p>a) Comparison with targets (budgets and operational goals) and</p> <p>b) Follow up on variation reports and unusual items</p> <p>3. Are actions taken in response to financial and performance reports?</p>	<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> <p>1. Is there adequate physical security over?</p> <p>a) Cash</p> <p>b) Valuable documents (cheques / securities / contracts) and</p>	<p>Yes</p> <p>Yes</p>		

	<p>c) Stocks and assets</p> <p>2. Are there adequate methods to prevent unauthorised access to:</p> <p>a) Records (accounting records / employee files / tax records / confidential commercial information);</p> <p>b) Computer terminals and</p> <p>c) Software controls and routines</p> <p>3. Is there adequate physical protection of?</p> <p>a) Manual records</p> <p>b) Computer hardware and systems and</p> <p>c) Computer back up records</p> <p>4. Is there a written disaster recovery plan?</p> <p>5. Is there a records retention policy?</p> <p>6. Are key documents properly maintained (records of decision / minutes of meetings / supporting analysis for management decisions)?</p>	<p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p> <p>Yes</p>		
H	<p><b>Internal audit function</b></p> <p>1. Does the entity have an internal audit function?</p> <p>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?</p> <p>3. Are the internal auditors independent of the activities they audit?</p> <p>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?</p> <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 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</p> <p>b) Training</p> <p>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>No</p> <p>NA</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</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, E&SE DEPARTMENT, GOVERNMENT OF KP  
AUDIT PLANNING FILE**

**CONTROL RISK ASSESSMENT FORM**

**NAME OF AUDIT ENTITY:** Directorate of Elementary and Secondary Education

**AUDIT COMPONENT:** Entity Level

**AUDIT PERIOD:** 2013

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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## **INSTRUCTIONS**

*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, E&SE DEPARTMENT, GOVERNMENT OF KP**

**AUDIT PLANNING-PERMANENT FILE**

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

**Name of Entity/Organisation: Directorate of Elementary and Secondary Education**

<b>Significant Financial Statement Components</b>	<b>Critical Audit Area Y/N</b>
A011 Total Pay	Yes
A012-1 Total Regular Allowance	Yes
A-012-2 Total Other Allowance (Ex TA)	Yes
A032 Total Communication	Yes
A3301 Total Utilities	Yes
A038 Total Travel & Transportation	Yes
A039 Total General	Yes
A13 Total Repair & Maintenance	Yes

## **INSTRUCTIONS**

*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.*

**Section II**

**Detailed Processes (Narratives and Flowcharts)**

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

<b>Process Narrative Including Risk and Control Matrix</b>	<b>A-1</b>
<b>Budget Management- Consolidation- Developmental Budget</b>	<b>Process ID: E&amp;SE/Directorate/BM /Consolidation/Dev-01</b>

**Background Information**

The planning of old and new schemes starts when E&SED forwards the instructions to its Directorate which in turn forwards the same to the DEOs. After getting relevant data from the DEOs, the Directorate forwards it to the E&SED in compiled form. The Administrative Department consolidates all the development projects/schemes, forwarded to it by the DDOs (Drawing and Disbursing Officer) of the department. These are then submitted to the Planning and Development (P&D) Department. To consider the Annual Development Programme (ADP), meetings are held in January and February in the P&D Department. At these meetings Finance Department and the concerned Administrative departments are duly represented. After detailed discussions in these meetings, ADP of the Department is finalised and allocations are tentatively made for individual schemes and projects. ADP is discussed in marathon discussions with the CM and finalised. After Cabinet's approval, it is placed before the Assembly for approval. Finally it is printed by P&DD and provided to all concerned in the province.

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 include Monitoring of schemes by the P&D department and District monitoring cell of E&SE
- **Completion Process:** Which includes sanction of posts of employees, PC-4, BM16 handing and taking over documents and relevant information about the infrastructure developed.

***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in department/entities shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE OF E&SED have been documented here.*

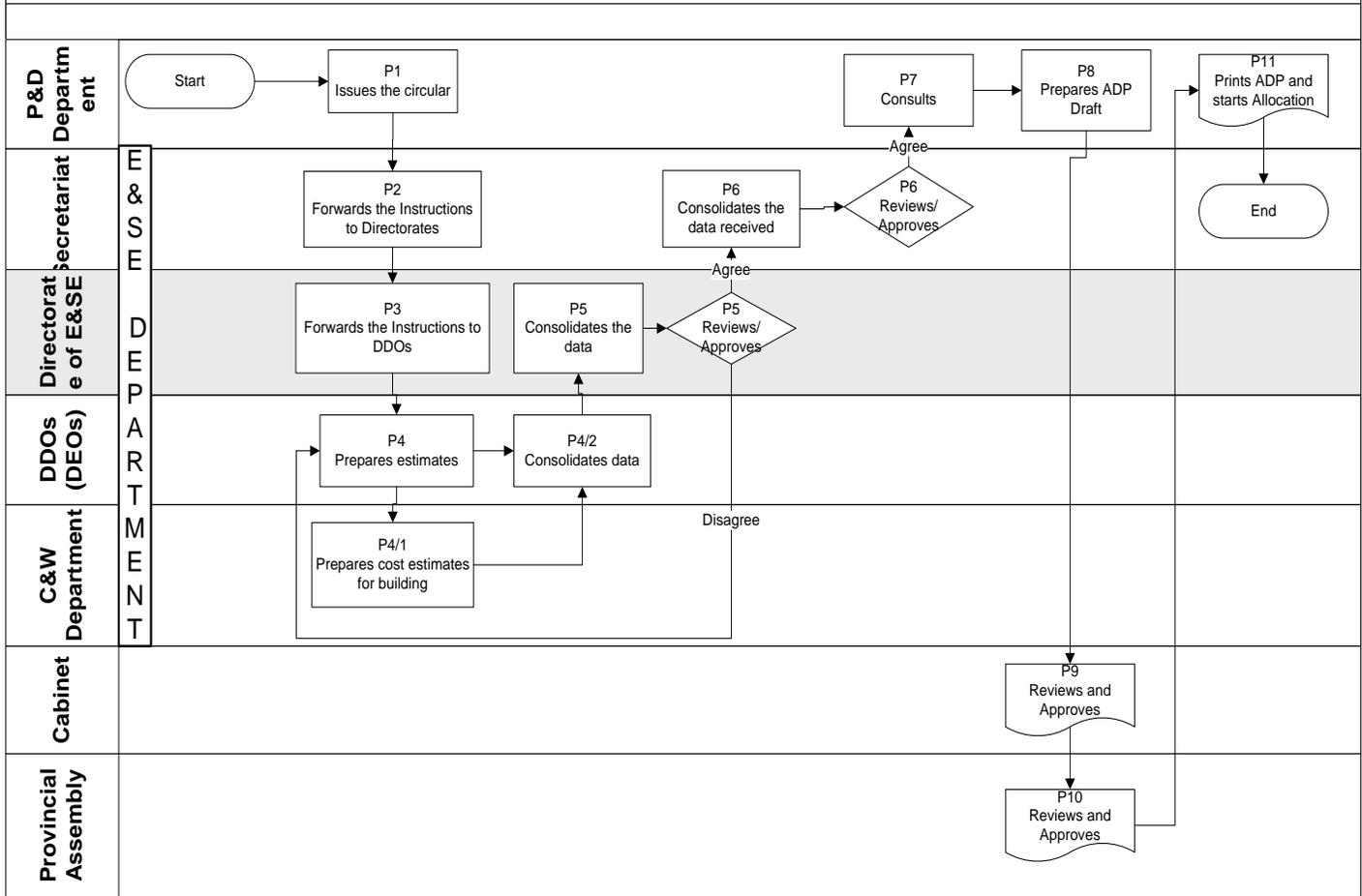
Section/ Entity	Process Step	Risk	Control
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<b>P&amp;D Department</b>	P1 –Issues a circular along with instructions and guidelines at the start of each year in January to departments for preparing budget estimates of new and already running schemes.	Risk sits in the P&D Department.	Control for the risk sits in the P&D Department.
<b>E&amp;SED</b>	P2 – Issues instructions to Directorate of E&SE along with guidelines to start compiling and collecting the relevant data.	Risk sits in the E&SED.	Control for the risk sits in the E&SED.
<b>Directorate of E&amp;SE</b>	P3 – Issues instructions to DEOs along with guidelines to start compiling and collecting relevant data.	Risk that instructions and guidelines are not issued to DEOs on time.	Letters are issued through dispatch and diary section which keeps record of all dispatches on daily basis.
			<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>DEOs Concerned</b>	<p><b>P4-</b> DEOs collect all the relevant data and prepare estimates such as need of furniture etc.</p> <p><b>P4/1-</b> DEOs also send relevant data to the C&amp;W Department for cost estimates of building etc.</p> <p><b>P4/2-</b> DEOs consolidate all relevant data including cost estimates received from C&amp;W Department on new and running projects. When all the data is compiled and finalized then send it to Directorate of E&amp;SE.</p>	Risk sits in the DEOs.	Control for the risk sits in the DEOs.
<b>Directorate of E&amp;SE</b>	<p><b>P5-</b> Consolidates the DEOs data. After consolidation Superintendent P&amp;D section reviews it. If agrees, forwards it to the E&amp;SED for approval. In case of disagreement it is returned to relevant DEO for correction.</p>	Risk that during consolidation a clerical mistake may occur such as a particular developmental head is left out.	After consolidation of data, it is reviewed against the standard guidelines issued by the P&D department. The completeness of the data is also ensured during the review by the Superintendent P&D section who signs on the consolidated sheet.
			After review by the Superintendent P&D section, the budget file is reviewed and approved by the AD P&D, DD P&D, Add.Dir P&D section and finally by the Director, E&S Education.
		Risk that there is no segregation of duties in budget section.	In the budget section the junior clerk consolidates the data and Superintendent P&D reviews and approves the consolidation sheet.
		Risk that Consolidated data is not received from all DEOs	1. A control sheet is maintained by the junior clerk, which lists all the DEOs. If the data is not received from a particular DEO

			then it is followed up by several reminders and phone calls. 2. Consolidation sheet is reviewed by Superintendent P&D who will ensure that all the DEOs are included.
		Risk that disagreed data is not returned to relevant DEO.	Normally the DEO concerned is informed on time and letter is issued and dispatched through diary and dispatch section.
			<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>E&amp;SED</b>	P6- Computer operator (Budget section) consolidates the whole data. After consolidation, Budget controlling officer (SO Budget) reviews and forwards to P&DD for approval. In case of disagreement, it is returned to the Directorate of E&SE for correction.	Risk sits in the E&SED.	Control for the risk sits in the E&SED.

<b>P&amp;D Department</b>	P7- 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>	P8-After finalization between E&SED and the P&D department, ADP Draft is prepared and forwarded to cabinet for approval.	Risk sits in the P&D Department.	Control for the risk sits in the P&D Department.
<b>Cabinet</b>	P9- Reviews and approves ADP Draft, forwards it to Provincial Assembly for approval.	Risk sits in Cabinet.	Control for the risk sits in Cabinet.
<b>Provincial Assembly</b>	P10- Reviews and approves ADP Draft then sends it back to P&D.	Risk sits in Provincial Assembly.	Control for the risk sits in Provincial Assembly.
<b>P&amp;D Department</b>	P11- Prints ADP, sends copy to E&SED and starts allocation of fund.	Risk sits in P&D Department.	Control for the risk sits in P&D Department.



<b>Process Narrative Including Risk and Control Matrix</b>	<b>A-2</b>
<b>Budget Management- Consolidation -Non Developmental Budget (Demands for grants)</b>	<b>Process ID: E&amp;SE/Directorate/BM /Consolidation/Non Dev-02</b>

**Background Information**

The process of budget preparation starts when Finance Department asks all the Administrative Departments etc to do so in line with Budget Call Circular (BCC) in October each year. BCC contains detailed instructions and also indicates the limits to which non- development budget is to be restricted. Department of E&SE forwards the instructions to the Directorate of E&SE. Directorate of E&SE inturn forwards the instructions received to all the DEOs to prepare the budget. The budget data received from all DEOs is consolidated and forwarded to the E&SED for onward submission to the Finance Department which after passing through the process of Cabinet approval lands in Assembly for approval. After approval by the Assembly, it is printed by the Finance Department and distributed.

***Important Note:***

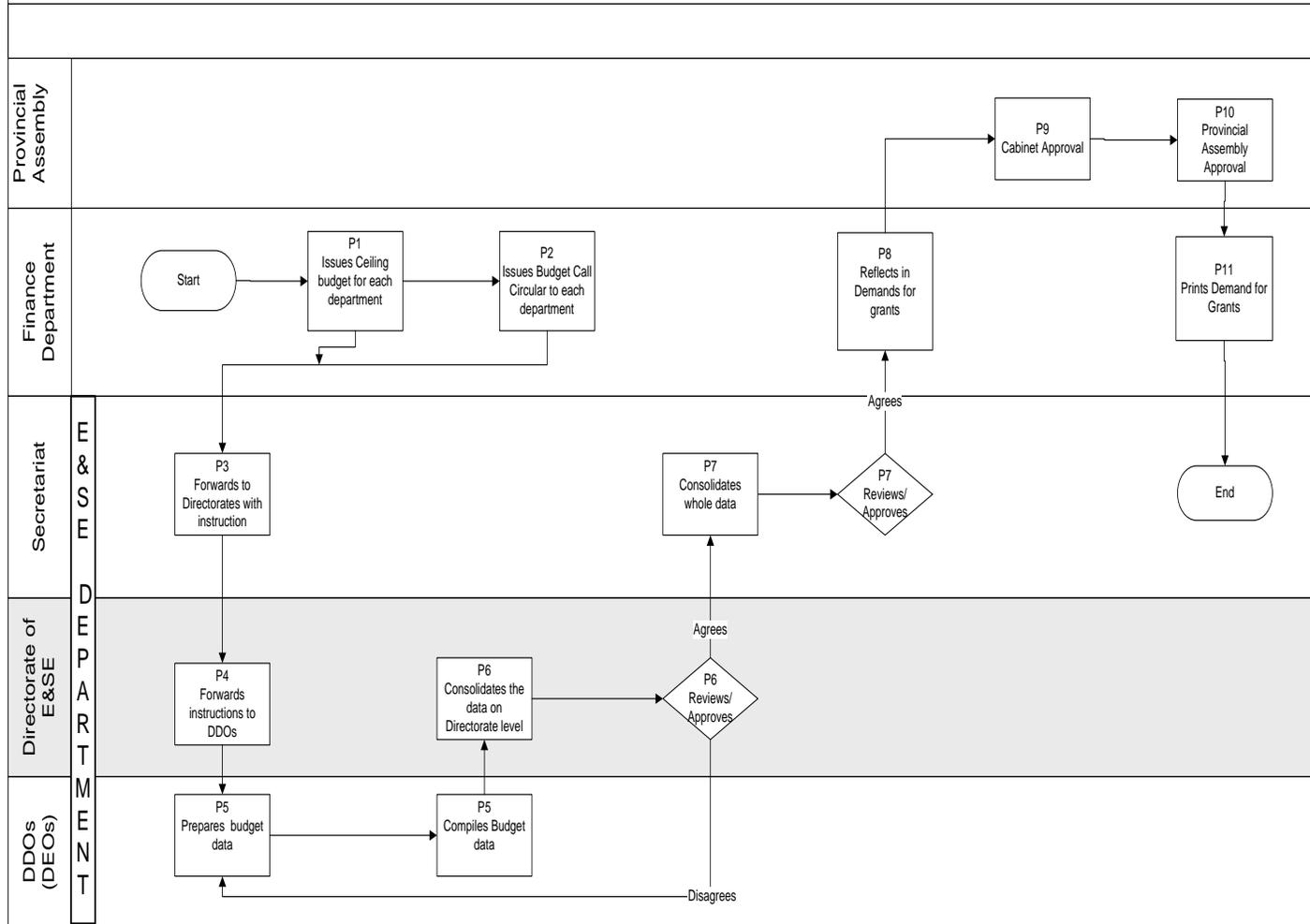
*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE OF E&SE have been documented here.*

Section/ Entity	Process Step	Risk	Control
Finance Department	P1 – Issues Budget Call Circular (BCC) which guides the department to prepare its revenue budget for forthcoming financial year.	Risk sits in the Finance Department.	Control sits in the Finance Department.
E&SED	P3 – Issues instructions to all Directorates of E&SE by enclosing Budget Call Circular.	Risk sits in the E&SED.	Control sits in the E&SED.
Directorate of E&SE	P4 – Issues instructions to all DEOs by enclosing Budget Call Circular to prepare budget estimates.	Risk that BCC are not issued to all DEOs on time.	The F&A section keeps a complete list of DEOs. Letters are issued through dispatch and diary section which keeps record of all dispatches on daily basis.
			<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</li> </ol>

			higher authority for his/her review & signature.(where appropriate)
<b>DEOs Concerned</b>	P5 –Collect the relevant data from each level accordingly, and then compile it in a form known as Budget data and send to Directorate of E&SE.	Risk sits in the DEOs.	Control sits in the DEOs.
<b>Directorate of E&amp;SE</b>	P6 – Consolidates all the DEOs’ data. After consolidation, it is reviewed by Superintendent, F&A. If he/she agrees, then forwards it to the E&SED. In case of disagreement, it is returned to relevant DEO for correction.	Risk that during consolidation clerical mistake may occur such as an expenditure head is missed out.	After consolidation of data it is reviewed against <ul style="list-style-type: none"> <li>• Ceiling budget.</li> <li>• Previous year budget.</li> </ul> to highlight any variation in data by controlling officer (Superintendent F&A).The control is evidenced by the signature of Superintendent. F&A section on the consolidation sheet. The control also ensures the completeness of the data received.
			After review by Superintendent F&A, the budget file is reviewed and approved by AD F&A, DD F&A, Add.D and Director, of E&S Education.
		Risk that no segregation of duties are made regarding preparation and approval of consolidated data.	In the F&A section, the junior clerk consolidates the data and Superintendent F&A section reviews and approves the consolidation sheet.

		Risk that Consolidated data is not received from all DEOs.	<p>1. A control sheet is maintained by the junior clerk who lists all the DEOs. If the data is not received from a particular DEO, it is followed up by several reminders and phone calls.</p> <p>2. Consolidation sheet is reviewed by Superintendent F&amp;A section who will ensure that all the DEOs are included.</p>
		Risk that rejected data is not sent back to relevant DEO.	Normally, the DEO concerned is informed on spot and letter is issued and dispatched through diary and dispatch section.
			<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>E&amp;SED</b>	P7- Computer operator (in Budget section) consolidates the entire Directorate's data. After consolidation, Budget controlling officer (SO Budget) reviews it. if he/she agrees, then forwards it to FD for approval. In case of disagreement, it is returned to the Directorate E&SE for correction.	Risk sits in the E&SED.	Control sits in the E&SED.
<b>Finance Department</b>	P8- Receives departmental approved budget which is then reflected in 'Demands for Grants'. Then forwards it to cabinet for approval.	Risk sits in Finance Department.	Control for the risk sits in Finance Department.
<b>Cabinet</b>	P9-(Cabinet) Reviews the 'Demand for Grants' which is then forwarded to the Provincial Assembly for discussion & final approval.	Risk sits in the Cabinet/Provincial Assembly.	Control for the risk sits in the Cabinet/Provincial Assembly.
<b>Provincial Assembly</b>	P10- Reviews and approves "Demand For Grants" then forwards it to Finance Department.	Risk Sits in Provincial Assembly.	Control for the risk sits in Provincial Assembly.
<b>Finance Department</b>	P11- Prints the "Demand for Grants" and releases starts.	Risk sits in Finance Department.	Control for the risk sits in Finance Department.



<b>Process Narrative Including Risk and Control Matrix</b>	<b>A-3</b>
<b>Budget Management- Revenue Estimates</b>	<b>Process ID: E&amp;SE/Directorate/BM /Consolidation/Rev-03</b>

**Background Information**

Directorate of E&SE plays a bridging role in revenue collections by the Department. It implies that it has no significant role regarding revenue generation. Directorate of E&SE only forwards the letter to the DEOs for the consolidation and compilation of revenue estimates and then forwards the statements of revenue estimates received from DEOs to Administrative Department. These revenue estimates are sent to Finance Department for reflection in the annual budget under head "revenue receipts".

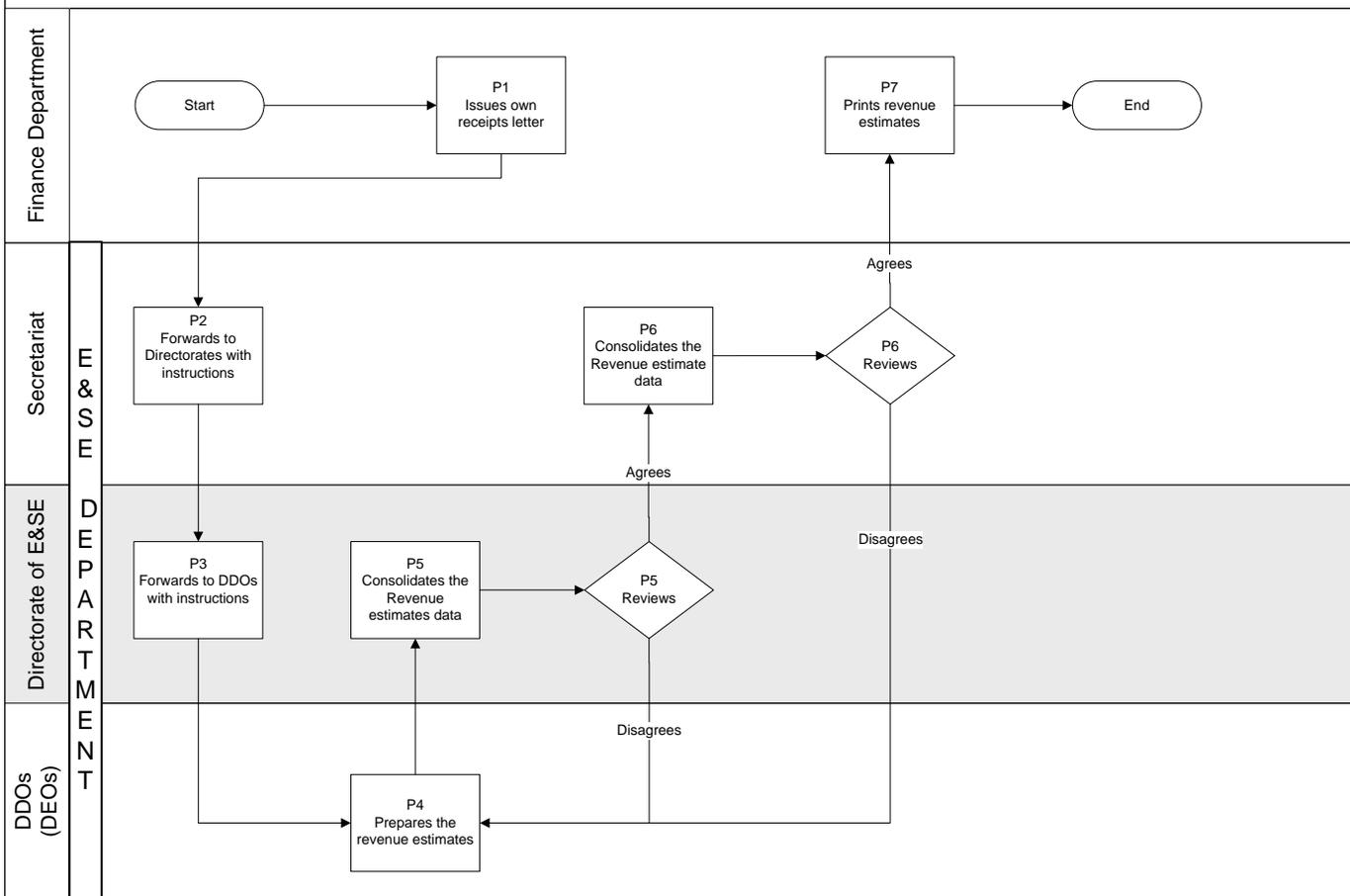
***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE OF E&S Education have been documented here.*

Section/ Entity	Process Step	Risk	Control
Finance Department	P1 – Issues call letter “Own Receipts Letter” to the Department of E&SE.	Risk sits in Finance Department.	Control sits in the Finance Department.
E&SED	P2 – Forwards this letter to the Directorate of E&SE with instructions.	Risk sits in the S E&SED.	Control sits in the E&SED.
Directorate of E&SE	P3 – Forwards these instructions /letters to DEOs.	Risk that Letter is not forwarded to all the DEOs.	The F&A section keeps a complete list of DEOs. Letters are issued through dispatch and diary section which keeps record of all dispatches on daily basis.
			<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>

<b>DEOs Concerned</b>	P4- Collects and compilesthe data and forwards it to Directorate of E&SE.	Risk sits in the DEOs.	Control sits in the DEOs.
<b>Directorate of E&amp;SE</b>	P5- Consolidates the DEOs data. After consolidation, Superintendent F&A section reviews it. If agrees, then forwards it to E&SED. In case of disagreement, it is returned to the relevant DEO for correction.	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 junior clerk enters the data in computer in excel consolidation sheet and finally Superintendent F&A section, AD F&A and DD F&A reviews it. The review will ensure the accuracy and completeness of the data.
		Risk that there is no segregation of duties.	Budget Clerk and Junior Clerk recieve and enters the data in excel consolidation sheet. DD, F&A section finally reviews it.
		Risk that Consolidated data is not received from all DEOs.	1. A control sheet which lists all the DEOs is maintained by the junior clerk. If the data is not received from a particular DEO, it is followed up by several reminders and phone calls. 2. Consolidation sheet is reviewed by Superintendent, F&A section who will ensure that all the DEOs are included.
		Risk that rejected data is not returned to relevant DEO.	Normally, the DEO concerned is informed on time and letter is issued through diary and dispatch section.

			<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>E&amp;SED</b>	<p>P6 – Consolidates the whole data. After consolidation, budget controlling officer (SOB) reviews it. If he/she agrees, then forwards it to the Finance Department.</p> <p>In case of disagreement , it is returned to the Directorate of E&amp;SE for correction.</p>	Risk sits in the E&SED.	Control sits in the E&SED.
<b>Finance Department</b>	<p>P7- Receives departmental approved Revenue Estimates, which are reflected in the Estimated Receipt Book.</p>	Risk sits in Finance Department.	Control sits in Finance Department.



<b>Process Narrative Including Risk and Control Matrix</b>	<b>A-4</b>
<b>Budget Management- Re-Appropriation/Surrender of savings</b>	<b>Process ID: E&amp;SE/Directorate/BM /Re-appropriation-04</b>

**Background Information**

Re-appropriations, supplementary budget and excess/surrenders are essential tools applied in managing the budget. When there are savings in one head and an entity is in dire need of funds in another head to meet expenditure, it can get the funds re-appropriated under Delegation of Powers under Financial Rules and Powers of Re-appropriation Rules 2001. In other words savings are reappropriated and not surrendered if needed to meet an expenditure. These are surrendered only when not needed for utilization. If exigencies demand and reappropriation is not possible due to lack of excess funds in any head, additional funds are demanded from the Finance Department.

E&SED forwards the letter **(Letter from Finance Department)** to the Directorate E&SE for the Re-appropriation / Surrender of Savings. The Directorate E&SE then prepares their statements of re-appropriation and send it to the E&SED.

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.

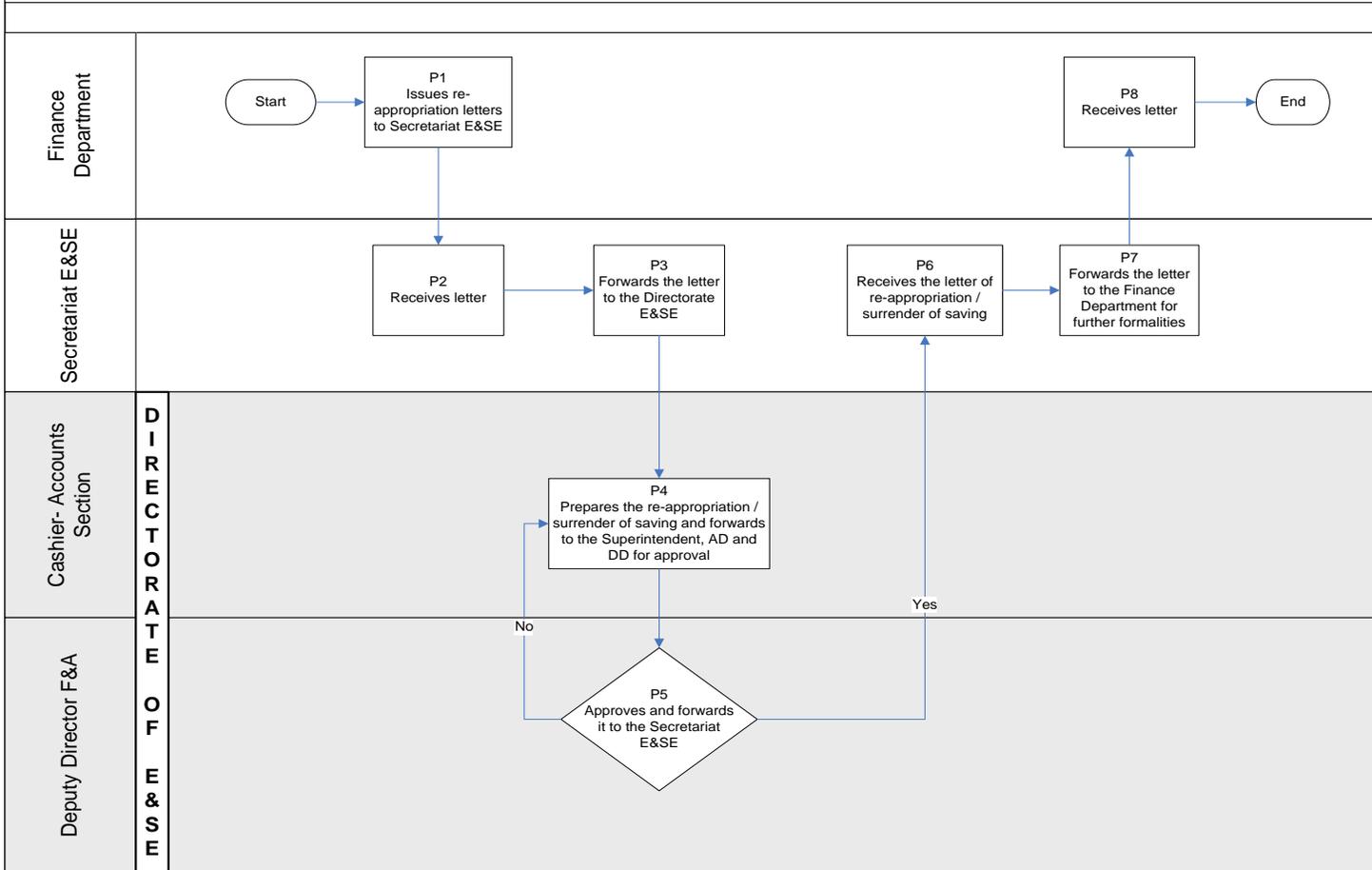
***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE OF E&SED have been documented here.*

Section/ Entity	Process Step	Risk	Control
Finance Department	P1 – Issues calendar vide which Appropriation / surrender of saving could be initiated.	Risk sits in Finance Department.	Control sits in the Finance Department.
E&SED	P2 - Receives the calender from Finance Department.	Risk sits in the E&SED.	Control sits in the E&SED.
E&SED	P3 – Forwards the calender to the Directorate of E&SE.	Risk sits in the E&SED.	Control sits in the E&SED.
Directorate of E&SE- Cashier- Accounts Section	P4 – Prepares the statement of Re-appropriation / Surrenders of savings in 10 <sup>th</sup> and 12 <sup>th</sup> month of the FY and forwards it to Superintendent F&A, AD F&A and DD F&A for approval.	Any clerical mistake may occur while preparing the statement.	<b>Suggested Mitigating Control:</b> Cashier needs to prepare the statement and Superintendent F&A section needs to check it while the DD, F&A should finally approve it.
		The savings are surrendered almost at the end of the FY and as a result are not put to good use.	<b>Suggested Mitigating Control:</b> Following the end of 1 <sup>st</sup> month of FY the Directorate of E&SE should prepare a 12 months 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 thus be possible for the Directorate E&SE to ascertain the exact position of savings/excess early in the financial year. This report must be reviewed and signed by the Director E&SE.

<b>Directorate of E&amp;SE- Deputy Director F&amp;A</b>	P5 – Approves the statement of re-appropriation/ surrenders and forwards it to the E&SED.	Approved Statement is not forwarded to the E&SED on time.	DD, F&A will make sure that letter is forwarded to the E&SED 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>E&amp;SED</b>	P6 – Receives the letter of re-appropriation / saving of surrender received from Directorate of E&SE.	Risk sits in the E&SED.	Control sits in the E&SED.
<b>E&amp;SED</b>	P7 – Forwards the letter to the Finance Department for further formalities.	Risk sits in the E&SED.	Control sits in the E&SED.
<b>Finance Department</b>	P8 - Receives the statement of re-appropriation/ surrender of saving from E&SED. Approves and makes adjustment in Budget. Sends Copy of adjustment to AG’s Office.	Risk sits in Finance Department.	Control sits in the Finance Department.

<b>AG Office</b>	P9- Recieves copy and makes adjustment in the budget.	Risk sits in AG's Office.	Control for the risk sits in AG's office.



***B – Human Resource Management***

<b>Process Narrative Including Risk and Control Matrix</b>	<b>B-1</b>
Hiring process- Gazetted Employees	Process id: E&SE/Directorate/HR M/Hiring Process-01

**Background Information:**

Director E&SE is the competent authority for appointment of officials in BPS-16. For employees in BPS-16 and above Public Service Commission is mandated to conduct tests, interviews and recommending final list of the successful candidates. Director General Health conducts medical check-up of the employees before joining.

The serviel files for the Directorate employees are maintained within the Department. AG's office is provided with essential documents of service record to start the salary.

***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 shall be documented at the respective departments/entities. Only risks and controls relating to Directorate have been documented here.*

Section/	Process Step	Risk	Control
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Entity			
<b>Directorate of E&amp;SE - SST (Secondary School Teacher) Officer Establishment Section</b>	P1 – Enquires about details of vacant positions at district level from the DEOs.	Risk that the enquiry from the DEO is not made on timely basis and important positions remain vacant for long, thus affecting the operational efficiency of the department.	<b>Suggested Mitigating Control -</b> Enquiries should formally be made from all the DEOs at regular intervals e.g. quarterly.
			<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.
		Risk that the enquiry letter is not sent to all the DEOs.	<b>Suggested Mitigating Control –</b> The SST Officer should maintain a Control sheet of all the DEOs and letters once dispatched to them should be entered on the sheet.
<b>DEO Office</b>	P2 – Prepares and provides the details of vacant positions to the SST officer Establishment.	Risk sits in the DEO office.	Control sits in the DEO office.
		Risk that staff against vacant position is	<b>Suggested Mitigating Control –</b>

		demanding but the current staffing strength is already sufficient.	Workload assessment, of the DEO/School demanding the new post, should be carried out by the Deputy Director and comments be recorded on the file so that extra staff is not hired without any proper justification.
<b>Directorate of E&amp;SE - SST (Secondary School Teacher) Officer Establishment Section</b>	P3 – Consolidates the list of vacant positions received from all the DEOs.	Risk that details of vacant positions are not received from all the DEOs.	<b>Suggested Mitigating Control –</b> The SST Officer Establishment Section should maintain a Control sheet (same sheet as explained above) of all the DEOs and letters once received should be recorded on the sheet .
		Risk that a clerical mistake occurs during consolidation e.g. a vacant position is not entered.	Review by the Assistant Director, Deputy Director, and Additional Director and finally by Director against the lists received from all DEOs offices.
<b>Directorate of E&amp;SE - SST (Secondary School Teacher) Officer Establishment Section</b>	P4 – Prepares the requisition of vacant posts and sends to the Administration section in E&SED.	Risk that the requisition is not sent on time.	Follow up by the DEO concerned about the status of the vacant positions.
			<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>E&amp;SED – Administration Section</b>	P5 – Forwards the requisition to the Public Service Commission for further processing.	Risk sits in the E&SE Department.	Control sits in the E&SE Department.
<b>Public Service Commission</b>	P6- Advertises the jobs in the National newspaper through information Department.	Risk sits in Public Service Commission.	Control sits in Public Service Commission.
<b>Public Service Commission</b>	P7 – Conducts test and 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 E&SE.	Risk sits in Public Service Commission.	Control sits in Public Service Commission.
<b>E&amp;SED – Secretary E&amp;SE</b>	P9 – Forwards the list of successful candidates to the Director E&SE.	Risk sits in E&SE Department.	Control sits in E&SE Department.
<b>Directorate of E&amp;SE-Director</b>	P10 – Forwards the file to computer operator in EMIS Cell for further action.	Risk that the file is not forwarded on time.	Computer Operator follows up the file.
			<b>Suggested Mitigating Controls:</b>

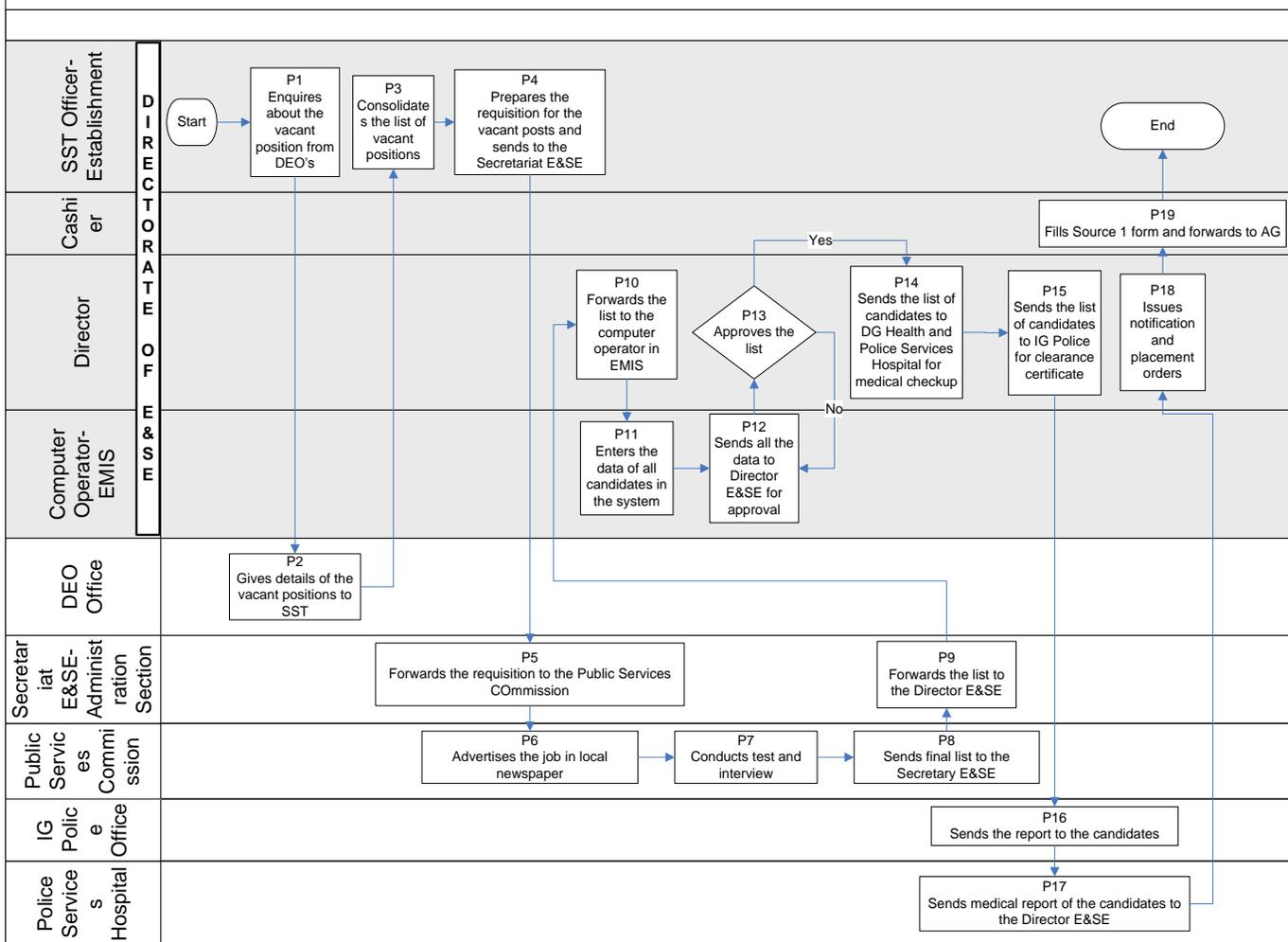
			<p>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.</p> <p>2. To ensure adherence to above referred rules Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</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>Directorate of E&amp;SE-Computer Operator-EMIS Section</b>	P11 – Enters the data of all the candidates in the system.	Risk that the data is entered incorrectly or list of the candidates is changed deliberately.	Director E&SE compares the list with the data entered by the computer operator in EMIS Cell.
			<p><b>Suggested Mitigating Control:</b></p> <p>List prepared by the computer operator in EMIS Cell should be forwarded to Director E&amp;SE only after being vetted by some other officer against the manual list of successful candidates</p>
<b>Directorate of E&amp;SE-Computer Operator-EMIS Section</b>	P12 – Sends all the data of the candidates to the Director E&SE directly for approval.	Risk that the data is not forwarded to the director on time.	<p><b>Suggested Mitigating Controls:</b></p> <p>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions</p>

			<p>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>Directorate of E&amp;SE-Director</b>	P13 – Approves the list and notifies the candidates.	Risk that some candidates are missed out in the notification.	Director E&SE uses list of the candidates.
			<p><b>Suggested Mitigating Control:</b></p> <p>The final notification once prepared must be checked by an independent person of the preparer with the list of successful candidates.</p>
<b>Directorate of E&amp;SE - Director</b>	P14 – Sends the list of successful candidates to the Director General, Health (Police Services Hospital) for their medical check-up.	Risk that appointment date is not fixed with the Director Genera, Health on time.	The candidates themselves will contact the department and ask for the medical check-up date.
			<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</p>

			<p>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>
		Risk that some candidates may be missed out from the list.	<p><b>Suggested Mitigating Control:</b> An independent person should check the list of candidates sent to DG Health with the list of successful candidates sent by the Public Service Commission.</p>
<b>Directorate of E&amp;SE - Director</b>	P15 – Sends the list of candidates to the IG Police for clearance certificate. (which candidates usually collect themselves and submit it to the Director, E&SE).	Risk that some candidates may be missed out from the list.	Successful candidates will follow up with the Directorate in case their names are not present in the list.
			<p><b>Suggested Mitigating Control:</b> A third person/official should check the list of candidates sent to IG police with the list of successful candidates sent by the Public Service Commission.</p>
		Risk that the list is not sent to IG Police on time.	<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>IG Police Office</b>	P16 – Issues police clearance certificate to the candidates.	Risk sits in the IG Police Office	Control sits in the IG Police Office
<b>Police Services Hospital</b>	P17 – Sends the medical report of the candidates to the Director E&SE.	Risk sits with Police Services Hospital.	Control sits with Police Services Hospital.
<b>Directorate of E&amp;SE - Director</b>	P18 – Issues notification and placement orders of the successful candidates.	Risk that the some of the candidates are missed out to notify.	Director reviews the final list of notification.
			The successful candidates will also follow up if not intimated on time.
			<b>Suggested Mitigating Control:</b> A third. Person/official person should check the notification with the list of successful candidates sent by the Public Service Commission.
<b>Directorate of E&amp;SE - Accounts Section -</b>	P19 - Prepares the file of the candidates, completes the source 1 form, attaches the	Risk that the Form is not filled properly. Incomplete	AG's office returns the case to the bill assistant.

<b>Cashier</b>	relevant documents (Charge report, appointment letter, CNIC) and forwards it to the AG's office to start the employee's payroll.	supporting documents are attached. Expired CNIC is attached.	
			Documents are checked / scrutinized and Source 1 form is approved and signed by DDO before forwarding to AG's office.
			Suggested Mitigating Control: A 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.	<b>Suggested Mitigating Controls:</b> 1. DDO office must maintain a list of approved bills/forms forwarded to bill assistant.  2. The DDO (DD F&A) 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 (DD F&A) before sending it to AG 's office.



<b>Process Narrative Including Risk and Control Matrix</b>	<b>B-2</b>
<b>Hiring - Non-Gazetted Employees</b>	<b>Process id: E&amp;SE/ Directorate/HRM/Hiring Process -02</b>

**Background Information:**

Director E&SE is the competent authority to appoint non gazetted officials against a vacant post. At Directorate level, only Junior Clerks and Naib Qasids (N/Q) are appointed. According to the Service Structure Rules, 33% of N/Qs shall be promoted as junior Clerks and remaining Junior clerks shall be appointed by initially method.

For non-gazetted employees, **(Junior Clerk and N/Q)** the whole process of recruitment including test, interviews and preparation of final list of the successful candidates is completed within the Directorate E&SE Department.

AG'S office is the competent authority to start the payroll. The personnel files and service books for 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 shall be documented at the respective departments/entities. Only risks and controls relating to Directorate E&SE have been documented here.*

<b>Section/</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
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Entity			
<b>Directorate of E&amp;SE – Dealing Assistant-Administration Section</b>	P1 – Forwards the file to Superintendent, Assistant Director, Deputy Director, Additional Director and finally to Director intimating the availability of vacant posts and proposes filling them up.	Risk that an unreasonable requisition is forwarded to the Director E&SE for approval.	The information about vacant post is sent to Director E&SE after the approval of Superintendent, Assistant Director, Deputy Director, Additional Director and finally Director. The above review ensures that there is valid justification for the new position.
			<b>Suggested Mitigating Controls:</b> 1) Demand for the filling the position from the 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 new post, should be carried out by the Deputy Director and comments be recorded on the file so that extra staff is not hired without any proper justification.
<b>Directorate of E&amp;SE – Director</b>	P2 – Approves and asks Dealing Assistant to initiate recruitment against the vacant posts.	Risk that the case is not returned on time.	Dealing Assistant will follow up the case.
			<b>Suggested Mitigating Controls:</b> 1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of

			<p>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>Directorate of E&amp;SE Dealing Assistant-Administration Section</b>	P3 – Prepares details of advertisement for the post.	Risk that the details of advertisement have deficiency in their content/eligibility criteria.	Approval by Superintendent, Assistant Director, Deputy Director, Additional Director and finally by Director
<b>Directorate of E&amp;SE Dealing Assistant-Administration Section</b>	P4 – Forwards the details of advertisement to the Superintendent, Assistant Director, Deputy Director, Additional Director and finally to Director for approval.	Risk that the case is not forward on time.	<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</p>

			time standards.  3.The reconciliation report should then be forwarded to the next higher authority for his/her review & signature.(where appropriate)
<b>Directorate of E&amp;SE – Director</b>	P5 – Approves the file and marks it to the Dealing Assistant.	Risk that the approval is delayed	Dealing Assistant will contact the Director 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>Directorate of E&amp;SE – Dealing Assistant-Administration Section</b>	P6 – Sends the advertisement notice to the Information Department for publication in the national newspaper as per government policy.	Risk that the case is not forwarded on time.	<b>Suggested Mitigating Controls:</b> 1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of

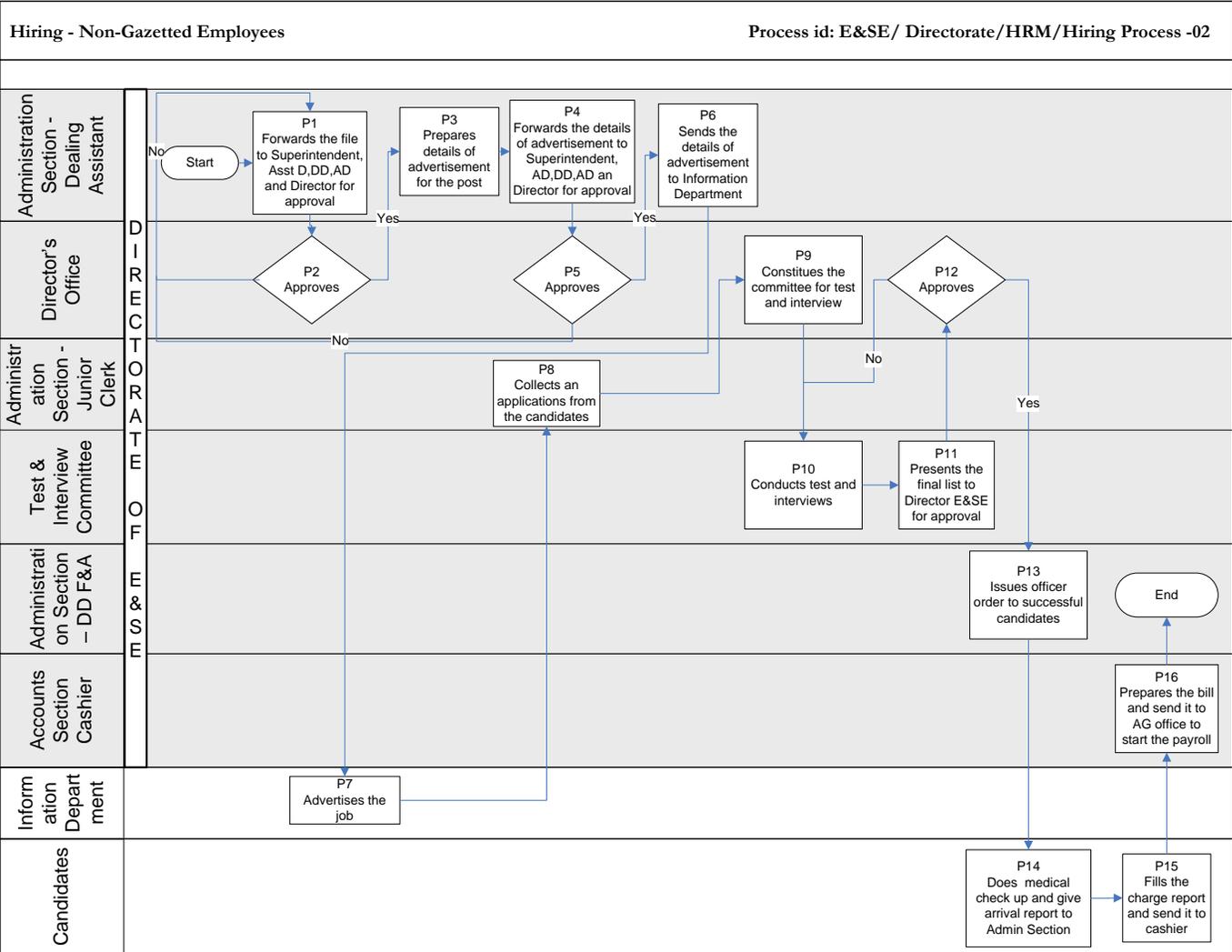
			<p>Secretariat Instructions should be followed.</p> <p>2. To ensure adherence to above referred rules Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature.(where appropriate)</p>
<b>Information Department</b>	P7 – Advertises the job as per government rules.	Risk sits in Information Department.	Control sits with Information Department.
<b>Directorate of E&amp;SE – Junior Clerk-Administration Section</b>	P8 – Receives applications from the candidates and enters into Diary register.	Risk that some applications are missed out.	Junior Clerk makes an entry in the Diary register for all the applications received.
			<p><b>Suggested Mitigating Control:</b></p> <p>The Assistant Director should ensure that all the applications received are entered in the Diary register. On a test basis a sample of application must be traced to the Diary register</p>
<b>Directorate of E&amp;SE – Director</b>	P9 – Constitutes the committee to conduct test and interviews.	Risk that the committee is influenced.	<p><b>Suggested Mitigating Control-</b></p> <p>Members of the committee should be from different sections</p>

			of the Directorate in addition to a member from the Administrative Department to mitigate the risk of foul play.
<b>Directorate of E&amp;SE – 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 itself so as to limit the risk.
		Risk that the ineligible candidate is allowed to sit for test and interview and is finally selected.	<b>Suggested Mitigating Control-</b> Initial screening of the applicants should be carried out at the time applications are submitted and only shortlisted candidates be allowed for test and interview.
<b>Directorate of E&amp;SE – Test/Interview Committee</b>	P11 – Presents the final list of successful candidates to the Director E&SE for approval.	Risk that the list is not forwarded 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>Directorate of E&amp;SE – Director</b>	P12 – Approves the list.	Risk that the approval may not be given on time.	<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>Directorate of E&amp;SE – Deputy Director F&amp;A-Administration Section</b>	P13 – Issues office order to the successful candidates.	Risk that some of the candidates are missed out to notify.	The successful candidate will follow up.
			<p><b>Suggested Mitigating Control:</b></p> <p>Administration section should reconcile the</p>

			notifications against the list of successful candidates to ensure that no one is left to notify.
<b>Candidate</b>	P14 – Does their medical check-up from the Police Services Hospital, collects the medical reports and submits it to the administration 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 starts his job.
		Risk that the report is changed or a bogus report is submitted.	<b>Suggested Mitigating Control –</b> The medical reports should be independently verified with the Police Services Hospital
<b>Candidate</b>	P15 – Fills charge report and submits a copy to the cashier.	Risk that incorrect bio data is entered in the charge report.	Cashier checks the form before forwarding to AG's office.
		Risk that the candidate is allowed to fill the charge report without submitting the medical fitness report.	AG's office will not accept the incomplete documents resulting not to register the employee on the payroll.
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P16 – Prepares the 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 employee's payroll.	Risk that the Form is not filled properly. Incomplete supporting documents are attached. Expired CNIC is attached.	AG's office returns the case to the cashier.
			Documents are checked / scrutinized and form is approved and signed by Deputy Director F&A (DDO)

			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 Cashier.</li> <li>2. The DDO (DD F&amp;A) 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 reviewed by the DDO (DD F&amp;A) before sending it to AG's office.</p>



<b>Process Narrative Including Risk and Control Matrix</b>	<b>B-3</b>
Posting and Transfer – Gazetted/Non Gazetted Employees	Process ID: E&SE/ Directorate/HRM/Posting-Transfer 03

**Background Information:**

This process explains the inter district transfer of officers/employees. In case of gazetted officers/employees i.e. BPS – 16, notification is issued by the Directorate whereas an office order is issued to notify the transfer of non-gazetted officers/employees i.e. BPS - 15 and below.

***Note:***

*The only difference in process of transfer between the Ministerial and Teaching staff is that the Teaching staffs has to fill a proper Proforma for transfer/posting while Ministerial staff applies for transfer on a simple application ; the remaining procedure for processing transfers is the same for both.*

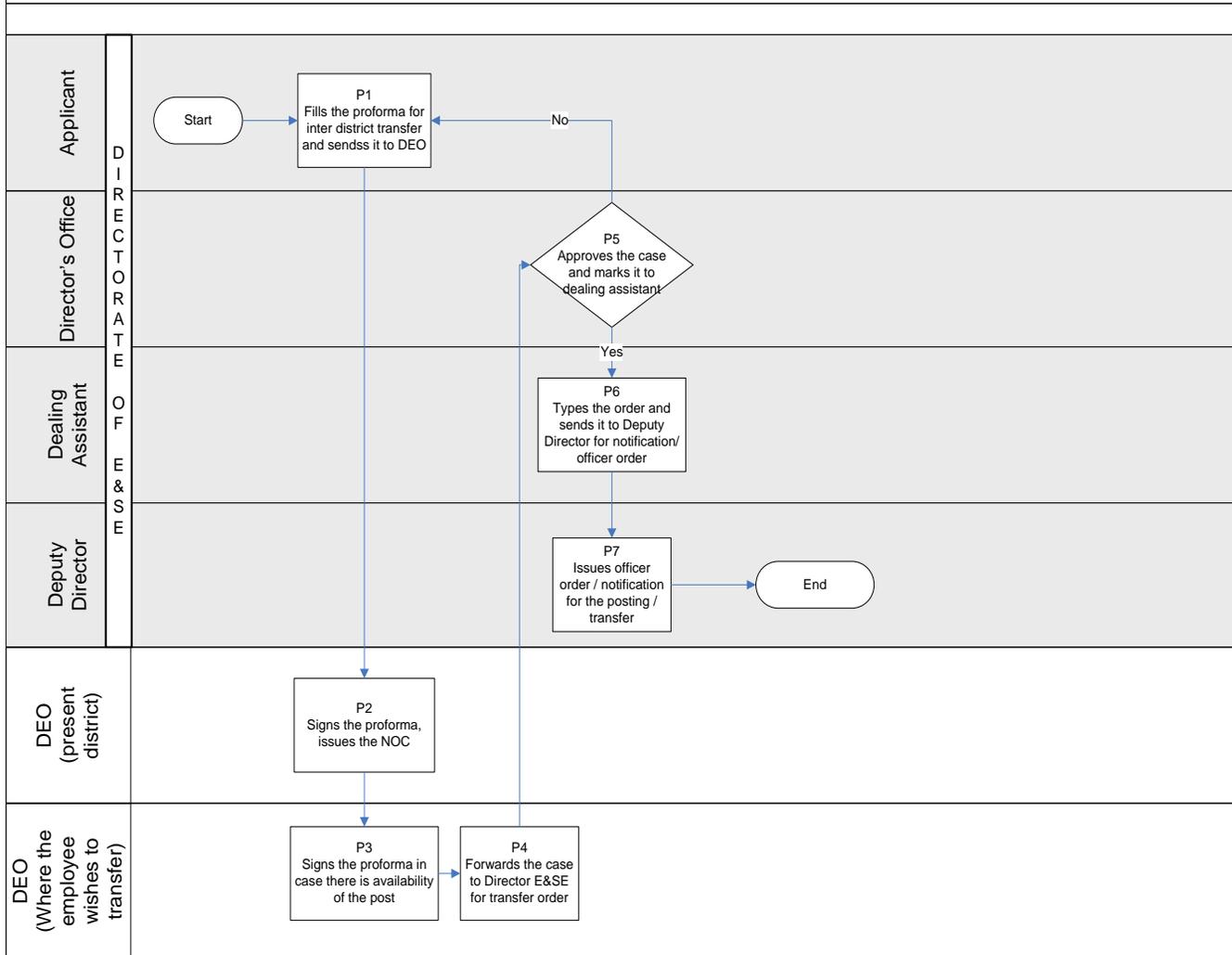
***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities shall be documented at the respective departments/entities. Only risks and controls relating to Directorate have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
<b>Directorate of E&amp;SE 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 DEO of the district (where the applicant is currently posted).	Risk sits with the applicant.	Control sits with the applicant.
<b>DEO Concerned</b>	P2 – Signs the proforma and issues No Objection Certificate, which the applicant collects and sends to concerned district (where the applicant wishes to be transferred) for the availability of the post.	Risk sits in DEO concerned.	Control sits in DEO concerned.
<b>DEO Concerned</b>	P3 – Signs the proforma in case there is availability of the post.	Risk sits in the DEO concerned	Control sits in the DEO concerned
<b>DEO Concerned</b>	P4 – Forwards the case to the Director E&SE for transfer orders.	Risk sits in the DEO concerned	Control sits in the DEO concerned
<b>Directorate of E&amp;SE Director</b>	P5 – Approves the case and marks the file to the Dealing Assistant.	Risk that the authorization is not granted on time.	Employee will contact the Director E&SE in case of delay.
		Risk that a case for transfer is received from the employee having worked at the current post for less than 3 years or less than the time prescribed by the Government.	The review and approval by the DEO where the applicant is currently posted and final review and approval by the Director will mitigate the risk

			<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>Directorate of E&amp;SE- Dealing Assistant- Establishment Section</b>	P6 – Types the order for transfer and forwards the file to Deputy Director for issuance of office order/notification.	Risk that the case is not forwarded on time.	The employee will contact the Dealing Assistant E&SE 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</p>

			<p>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>Directorate of E&amp;SE- Deputy Director- Establishment Section</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 Deputy Director E&SE for 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>Process Narrative Including Risk and Control Matrix</b>	<b>B-4</b>
Training and Development-Foreign – All Employees	<b>Process ID:  E&amp;SE/Directorate/HR  M/Training &amp;  Development - 04</b>

**Background Information**

Each organization conducts training and development activities to improve skills of its employees. The E&SE department provides training and development at different level and stages that help the employees in their career progression. There are two types of training one is inland & the other being the foreign training.

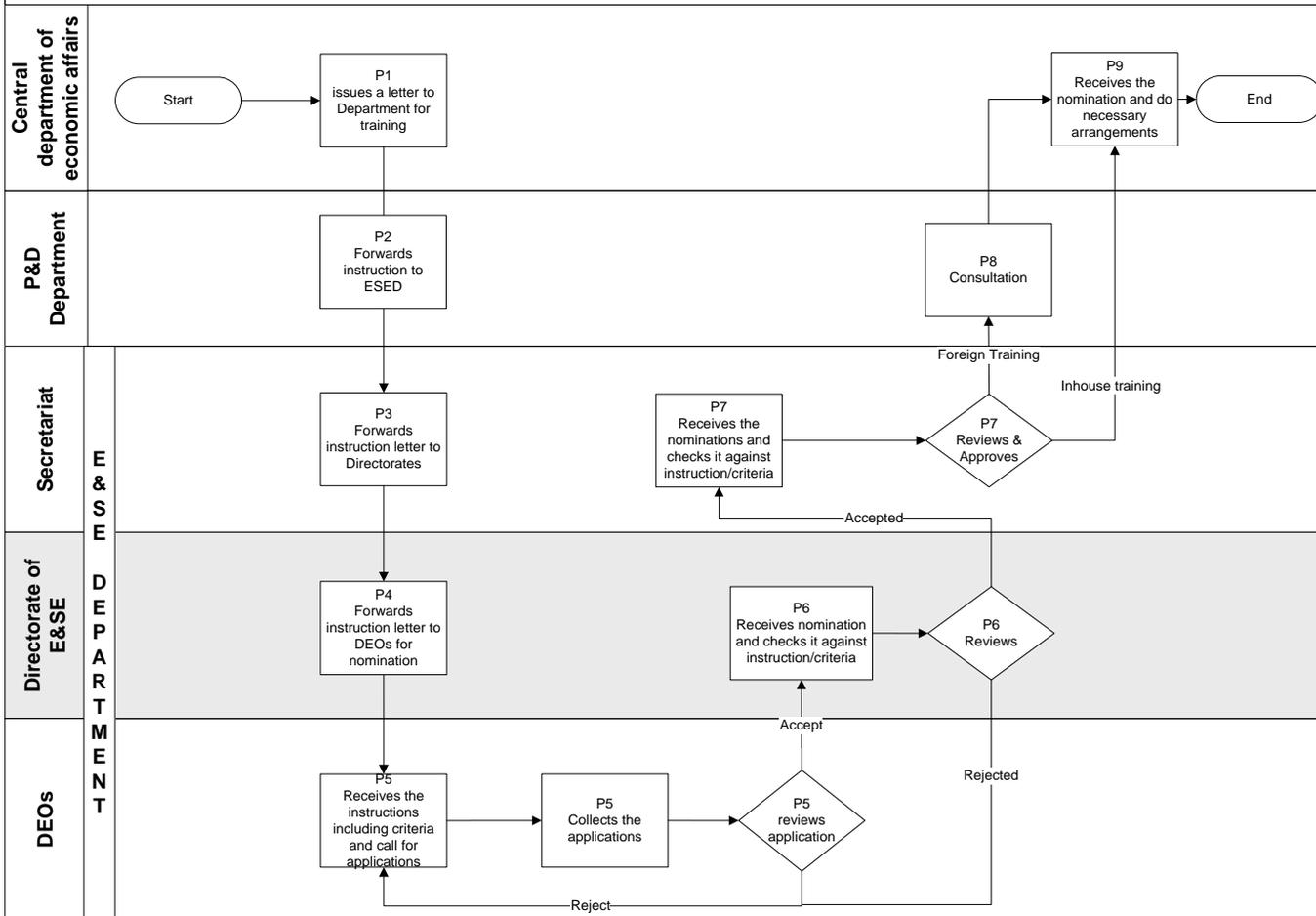
***Important Note:***

*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SED have been documented here.*

Section/ Entity	Process Step	Risk	Control
<b>Economic Affairs Division</b>	P1 – Issues a letter to Provinces E&SE for a foreign training .	Risk sits in Economic Affairs Divisions.	Control sits in Economic Affairs Division.
<b>Planning &amp; Development Department</b>	P2 –Receives the letter and then forwards it along with instructions to all Administrative Department with direction to send nominations.	Risk sits in the E&SED.	Control sits in the E&SED.
<b>E&amp;SED</b>	P3 – Issues instructions to Directorates for nomination.	Risk that letter is not forwarded to DEOs on time.	Letter is dispatched through dispatch and diary section which keep complete record.
			<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)

<p><b>Directorate of ES&amp;E- Assistant Director- P&amp;D Section</b></p>	<p>P4- Receives the instructions for selections and invites nominations from all DEOs.</p>	<p>Risk sits in DEOs concerned.</p>	<p>Control sits in DEOs concerned.</p>
<p><b>DEOs Concerned</b></p>	<p>P5-Receive nominations and review it against criteria and merit. If the applicant fulfils the criteria, it is accepted and forwarded to Directorate otherwise ignored.</p>	<p>Risk sits in DEOs concerned.</p>	<p>Control sits in DEOs concerned.</p>
<p><b>Directorate of E&amp;SE- Assistant Director- P&amp;D Section</b></p>	<p>P6- Receives nomination list, reviews it against set criteria and instructions and formal approval is taken from Deputy Director P&amp;D, Additional Director P&amp;D and Director E&amp;SE. The approved nomination list is then forwarded to E&amp;SED</p>	<p>Risk that ineligible candidate is selected for the training.</p>	<p>The letter received from Economic Affairs Division or P&amp;D Department clearly states the eligibility criteria and documents required. The application is reviewed and signed by the AD, P&amp;D then forwarded to Deputy Director P&amp;D, Additional Director P&amp;D and finally to Director E&amp;SE for review and approval.</p>
		<p>Risk that training is imparted in an area where there is already abundance of expertise and other important areas are ignored.</p>	<p><b>Suggested Mitigating Control –</b> The department should work 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 P&amp;DD / Economic Affairs Division to develop a comprehensive strategy for training.</p>

		Risk that an employee is selected for training in an area where he/she already has had an 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 his qualification, area of expertise, trainings done in the past etc. In the nominations for training the database should be consulted.
<b>E&amp;SED</b>	P7- Receives nomination list and reviews it against instructions and laid-down criteria. If nomination fulfils criteria, then it is accepted and forwarded. If not, it is rejected. If the nomination is for foreign training, it is forwarded to P&D department for consideration and final selection. If the nomination is for training inside the country, it is forwarded to Establishment Department or direct to the training institute/ forum/ NGOs.	Risk sits in E&SED.	Control sits in E&SED.
<b>P&amp;D Department &amp; Establishment Department.</b>	P8- (P&DD) consults in a meeting with E&SED and then forwards the case to Economic Affairs Department after taking NOC from Establishment Department.	Risk sits in P&D Department.	Control sits in P&D Department.
<b>Economic Affairs Division</b>	P9- Receives the nomination list and takes further action.	Risk sits in Economic Affairs Division.	A control sits in Economic Affairs Division.



<b>Process Narrative Including Risk and Control Matrix</b>	<b>B-5</b>
<b>Retirement - Leave encashment – All Employees</b>	<b>Process id: E&amp;SE/ Directorate/HRM/Leave encashment-05</b>

**Background Information:**

A retiring employee is entitled to leave encashment for full one year subject to availability of leave in his account. This is to compensate him for the services rendered for the period he could have availed the leave but preferred to perform duties. 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 Non-Gazetted employee's process applicant applies for the leave admissibility report to the cashier of 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 shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SD have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
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<b>Directorate of E&amp;SE-Applicant</b>	P1 – Applies for obtaining leave account from AG's office.	Risk sits with the applicant.	Control sits with the applicant.
<b>AG Office</b>	P2 – Issues the leave admissibility account.	Risk sits in the AG's office.	Control sits in the AG's office.
<b>Directorate of E&amp;SE-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.	Dealing Assistant of the concerned section will not accept the incomplete application.
			AG's Office will also return an incomplete application.
<b>Directorate of E&amp;SE-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>Directorate of E&amp;SE-Diary Branch</b>	P4 – Forwards the application to the dealing assistant in the concerned section of the applicant.	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 Instruction 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

			<p>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>Directorate of E&amp;SE-Dealing Assistant</b>	P5 – Forwards the case to the Superintendent, AD, DD, Add.Dir and finally to Director for approval.	Risk that the case is not forwarded on time.	Applicant will contact the Director 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>Directorate of E&amp;SE-Director</b>	P6 – Approves the case and returns it to the Add Dir, DD, AD, and Superintendent and finally to dealing assistant for further action.	Risk that the approval is not given on time.	Applicant will contact the Director 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>Directorate of E&amp;SE-Dealing Assistant</b>	P7 – Types the retirement notification and puts up the file to Superintendent, AD and DD for approval and signature.	Risk that incorrect information is typed in the letter.	Superintendent, AD, DD reviews the file in detail and will mitigate the risk.
<b>Directorate of E&amp;SE-Deputy Director-Admin</b>	P8 – Signs the retirement notification and forwards to the dispatch section.	Risk that the case is not forwarded on time.	Applicant will contact the Director E&SE 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</p>

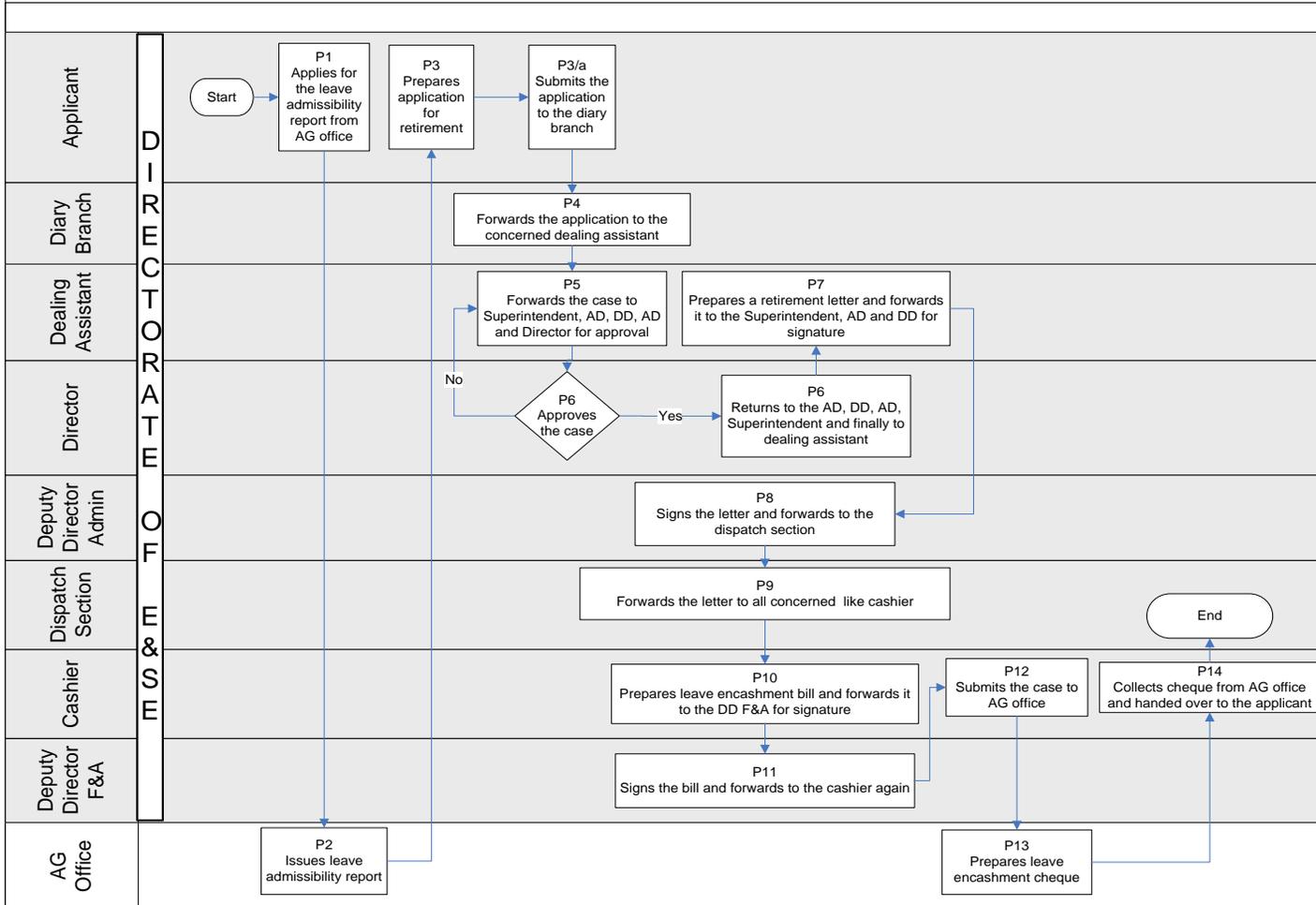
			<p>should be followed.</p> <p>2. To ensure adherence to above referred rules Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature.(where appropriate)</p>
<b>Directorate of E&amp;SE-Despatch Section</b>	P9 – Forwards the letter to all the concerned (such as Cashier, AG's Office, Applicant, Pension Branch).	Risk that the letter is not forwarded on time.	<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>Directorate of E&amp;SE-</b>	P10 – Prepares the leave encashment bill and forwards	Risk that the case is not forwarded on	Applicant will contact the Director E&SED in

Cashier- Accounts Section	it to the DD F&A for signature.	time.	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)
		Risk that leave encashment is calculated incorrectly on the bill	Review by the DDO (DD F&A) will check that all the calculations on the bill are done properly.
<b>Directorate of E&amp;SE- Deputy Director F&amp;A- Administration section</b>	P11 – Signs the bill and forwards it to the cashier.	Risk that the case is not forwarded on time.	Applicant will contact the Director E&SED 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>Directorate of E&amp;SE- Cashier- Accounts Section</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's office.	<b>Suggested Mitigating Controls:</b>  1. DDO office must maintain a list of approved bills/forms forwarded to bill assistant.  2. The DD F&A/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 DD F&A /DDO before sending it to AG's office.
<b>AG Office</b>	P13 – Prepares the leave encashment cheque.	Risk sits in the AG's office.	Control sits in the AG's office.
<b>Directorate of E&amp;SE- Cashier- Accounts Section</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 E&SED in case of delay.
		Risk that the cheque is received but later on	Acknowledgement slip is signed by the bill

		the receipt is denied.	assistant when he/she collects the cheque.
		Risk that cheque against a bill is not prepared at all.	<p><b>Suggested Mitigating Controls::</b></p> <ol style="list-style-type: none"> <li>1. The cashier must enter all the cheques received from AG's office against each bill in the bill dispatch 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 (DD F&amp;A).</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's office.</li> <li>4. Aging report must be sent to the Additional Director for his review and signatures.</li> </ol>
		Risk that the cheque is not issued to the applicant.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. An intimation letter to the applicant must be issued within 3 days from the receipt of cheque from AG's office.</li> <li>2. A list of cheques received from AG's Office, but not issued to the applicant for more</li> </ol>

			<p>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 Additional Director for his review and signatures.</p>
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<b>Process Narrative Including Risk and Control Matrix</b>	<b>B-6</b>
<b>Retirement – Pension , GP Fund and Benevolent Fund – All Employees</b>	<b>Process id: E&amp;SE/ Directorate/HRM/Pension/GP Fund -06</b>

**Background Information:**

Officers/Employees in Government retire at 60 years of age. After retirement an employee is entitled to pension, GP Fund, and Benevolent Fund. Legal heirs (who were dependent upon the employee at the time of his death) are also be entitled to pension If he dies during service after having rendered qualifying service. Pension is also admissible upon voluntary retirement or retirement on medical grounds provided there is qualifying service in one's accounts.

Officers/employees of BPS – 16 are categorized as gazetted and officers/employees of BPS – 15 and below are categorized as non-gazetted in Directorate of Elementary and secondary Education.

***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 shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SED have been documented here.*

Section/ Entity	Process Step	Risk	Control
Directorate of E&SE-Applicant	P1 – Prepares the pension papers.	Risk that the incorrect information is included in the pension papers.	Superintendent, AD, DD, Add.Dir and director E&SE reviews the case in detail.
			<p><b>Suggested Mitigating Control -</b></p> <p>As pension section exists in the Directorate of E&amp;SE, the pension papers should be prepared in the pension section and the current practice of outsourcing its preparation on payment must be discouraged.</p> <p>The DD F&amp;A (DDO) should make sure that the pension papers are prepared by the relevant section and is not outsourced.</p>
Directorate of E&SE-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.	<p><b>Suggested Mitigating Control:</b></p> <p>Diary branch should allot a number to each application received and the number should be forwarded to the applicant for tracking purposes.</p>
Directorate of E&SE-Diary Branch	P3 - Forwards the file to the dealing assistant in the section concerned.	Risk that the case is not forwarded on time.	Applicant will contact the diary section 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>Directorate of E&amp;SE-Dealing Assistant</b>	P4 – Forwards the file to Superintendent, AD and DD.	Risk that the case is not forwarded on time.	Applicant will contact the Director 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>

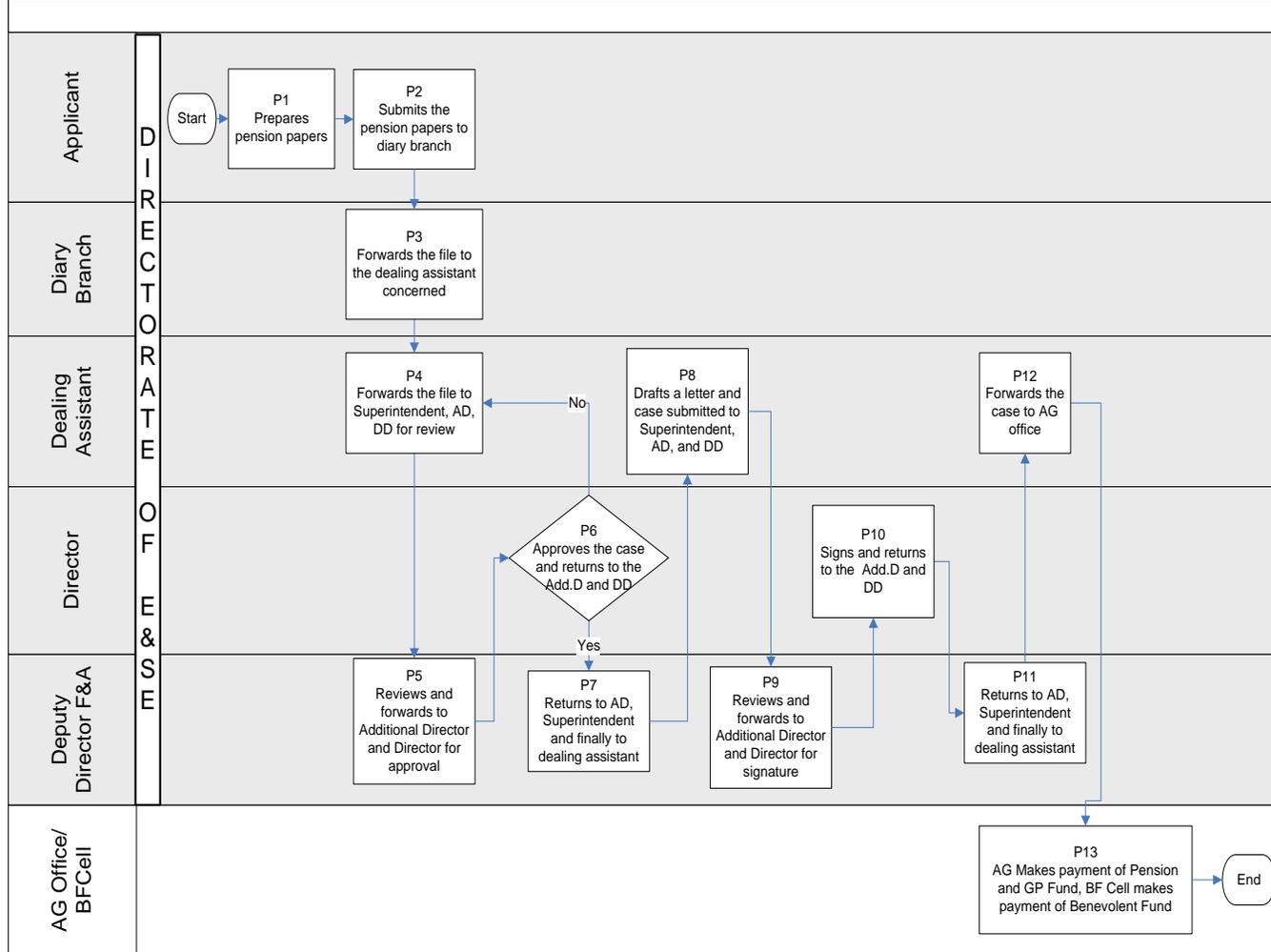
<b>Directorate of E&amp;SE- DD F&amp;A</b>	P5 – Reviews and forwards to Additional Director and finally to Director for approval.	Risk that the case is not forwarded on time.	<b>Suggested Mitigating Controls:</b> <ol style="list-style-type: none"> <li>1. Time service standards as per “APPENDIX-III Para 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>
<b>Directorate of E&amp;SE- Director</b>	P6 – Approves the case and returns it to the Additional Director and DD F&A.	Risk that the approval is not given on time.	<p>Applicant will contact the Director in case of delay.</p> <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</li> </ol>

			<p>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>Directorate of E&amp;SE-DD F&amp;A</b>	P7 – Reviews and returns the case to AD, Superintendent and finally to dealing assistant.	Risk that the case is not returned on time.	<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>Directorate of E&amp;SE-Dealing Assistant</b>	P8 – Drafts a letter for sending pension papers to Superintendent, AD, and DD.	Risk that irrelevant/wrong information is typed in the letter.	Superintendent, AD, DD, Add.D and Director E&SE reviews the file in detail
<b>Directorate of E&amp;SE-DD F&amp;A</b>	P9 - Reviews and forwards to Additional Director and Director for signature.	Risk that the case is not forwarded on time.	<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>Directorate of E&amp;SE-Director</b>	P10 – Signs the letter and returns it to the AD and DD.	Risk that the approval is not given on time.	Applicant will contact the Director 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>

<p><b>Directorate of E&amp;SE-DD F&amp;A</b></p>	<p>P11 - Returns the case to AD, Superintendent and finally to dealing assistant.</p>	<p>Risk that the case is not returned 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 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>Directorate of E&amp;SE-Dealing Assistant</b></p>	<p>P12 – Forwards the case to the AG's office and Benevolent Fund Cell.</p>	<p>Risk that the case is not forwarded on time.</p>	<p>Applicant will contact the Director in case of delay.</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 reconciled on a monthly basis to identify cases outstanding for more than the</li> </ol>

			<p>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>
		Risk that the bill is not sent to AG's office	<p><b>Suggested Mitigating Controls:</b></p> <p>1. DDO office must maintain a list of approved bills/forms forwarded to dealing assistant.</p> <p>2. The DDO (DD F&amp;A) 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 (DD F&amp;A) before sending it to AG 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 office.
<b>BF Cell</b>	P13/a –Makes Payment of Benevolent Fund.	Risk sits in BF cell.	Control for the risk sits in BF Cell.



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*C – Procurement*

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>C-1</b>
<b>Procurement- Tendering process</b>	<b>Process ID: E&amp;SE/Directorate/Procurement/ Tendering process-01</b>

**Background Information**

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

**Procurement Process**

After fulfilment of the initial requirements for procurement, the Purchase Committee (established by the head of the Department for purchases over Rs.100,000) requests to Information Department for publication of tenders in the newspapers. Bids are received from suppliers/ contractors and opened in a tender opening meeting by Tenders Evaluation Committee in presence of bidders who wish to attend or to be represented. Comparative statement is prepared and supplier/ contract with the lowest evaluated bid is asked to supply goods or services as the case may be. The purchase committee cancels the contract if it discovers that the information provided by the contractor is false. Earnest money amounting to 2% of the bid value is received from all tenderers as well as 10% of the cost of project from the successful bidders.

Tender Inviting Authority gives a minimum of 30 days between date of publication of the notice inviting tenders and submission of tenders.

***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 shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SED have been documented here.*

Section/ Entity	Process Step	Risk	Control
Directorate of E&SE-User Section	P1 – Forwards the purchase Requisition to the Director, E&SE.	Risk that an incorrect demand is submitted.	Head of the section verifies and then endorses the demand before forwarding it to the Director E&SE.
		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 (DD F&A).
Directorate of E&SE-Director	P2 – Marks the requisition to the accounts section.	The requisition is not forwarded to accounts section on time	The user section will follow up with the Director, E&SE 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</li> </ol>

			report should then be forwarded to the next higher authority for his/her review & signature.(where appropriate)
<b>Directorate of E&amp;SE- Accounts Section</b>	P3 – Accountant checks the availability of budget and forwards it to DD F&A/DDO.	Risk that availability of budget is not checked	Approval by Assistant Director, (Deputy Director F&A /DDO, Additional Director and Director, E&SE will ensure that budget is available and is to be spend according to KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001.
<b>Directorate of E&amp;SE- DDO- DD F&amp;A</b>	P4 – Reviews and forwards it to the competent authority.	Risk that the case is not forwarded on time.	The user section will follow up with the DD F&A/DDO 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>Directorate of E&amp;SE-Competent Authority</b>	P4/a – Approves the file and returns to the DDO (DD F&A).	Risk that approval is given by an authority exceeding his/her authority limits	The file is routed through DD F&A/DDO who will make sure that it is forwarded to the appropriate competent authority as defined in the KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001)
			The AG’s office will also ensure that the sanction to purchases by the competent authority is attached with the bill.
<b>Directorate of E&amp;SE- DDO- DD F&amp;A</b>	P4/b – Forwards the file to the accounts section.	Risk that the case is not forwarded on time.	The user section will follow up with DD F&A/DDO 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>Directorate of E&amp;SE- Accountant - Accounts Section</b>	P4/c – Reviews and analyses. If purchases cost less than Rs. 100,000, it proceeds to step 5 otherwise proceeds to step P6.	Risk applicable as in step P5.	Control as applicable in step P5.
<b>Directorate of E&amp;SE- Accounts Section</b>	P5- Accountant collects quotations from local market and suppliers for orders less than Rs.100,000 .	Risk that for purchases requisition above Rs.100,000 the tendering process is not followed.	Approval by Assistant Director, Deputy Director F&A, Additional Director and Director E&SE in accordance with KP 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 Assistant Director, Deputy Director F&A/DDO, Additional Director and Director E&SE. in accordance with to KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001.

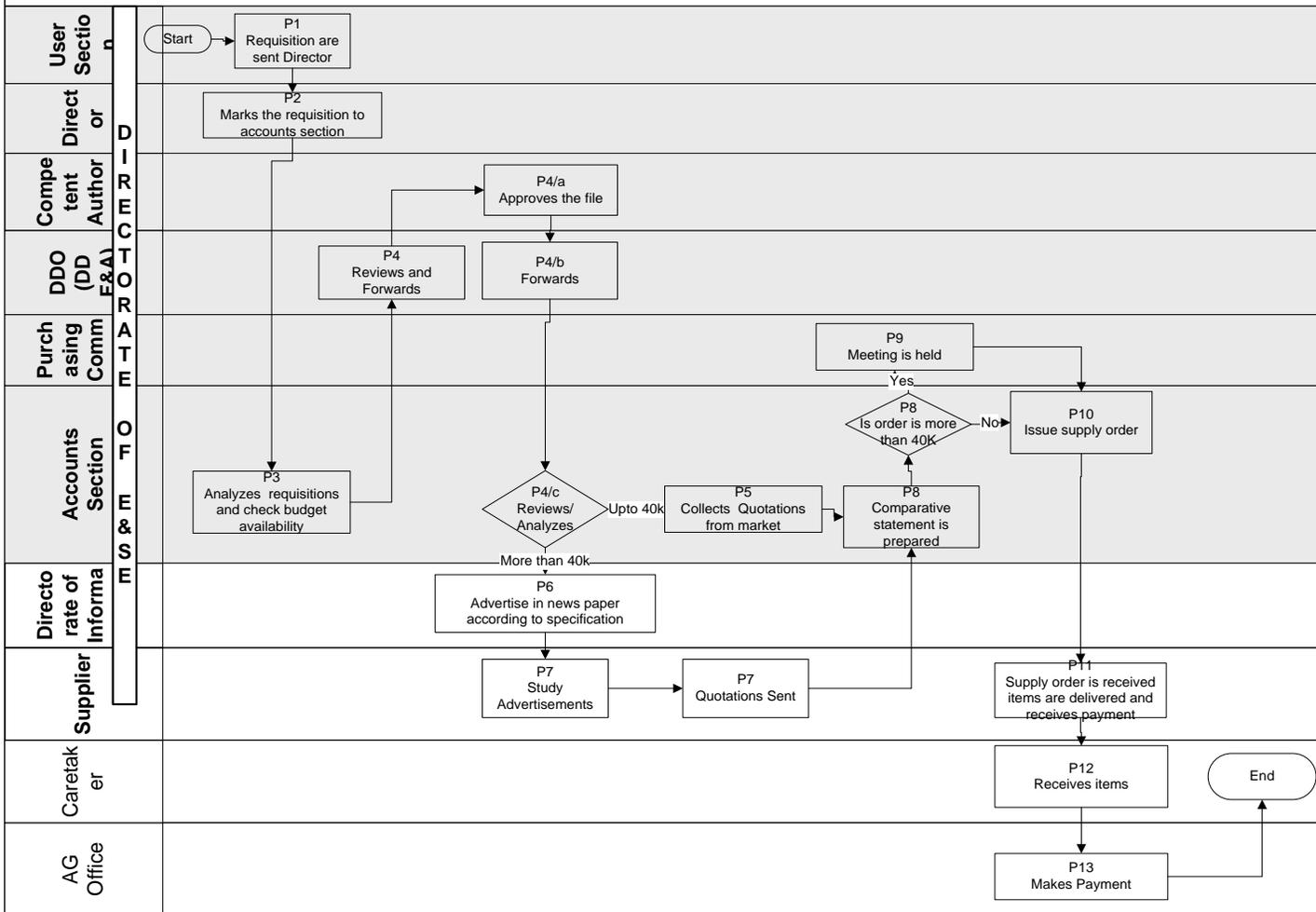
<b>Directorate of Information</b>	P6 – Advertises the tender in 03 daily newspapers according to “KP Procurement of Goods, Works & Services Rules 2014”.	Risk sits in the Directorate of Information.	Control for the risk sits in Directorate of information.
<b>Suppliers</b>	P7 - Check advertisement in newspaper, analyse it and then send their quotations to the accounts section.( or the addressee mentioned in the advertisement).	Risk sits with the respective supplier.	Control for the risk sits with the respective supplier.
<b>Directorate of E&amp;SE- Accounts Section</b>	P8 - Accountant receives quotations/tenders for both types of purchases and then a comparative statement is prepared.	Risk that the supplier does not meet the criteria specified in the tenders.	When quotations are received it is reviewed and signed by AD Admin, DD F&A/DDO 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 for purchases above Rs. Rs.100,000. For purchases below Rs. 100,000, the comparative statement is reviewed and signed by the DD F&A/DDO
		Risk that no single quotation/or less than three quotations are received.	Re- advertises the tenders. If again less than three quotations are received, then approval of the competent authority and reasons for going ahead with the purchases are documented.

<p><b>Directorate of E&amp;SE- Purchasing Committee</b></p>	<p>P9 - Meets with the prospective suppliers for discussion and negotiations to seek clarification about any vague point in the quotations and the lowest evaluated bid is selected and detailed minutes are recorded to this effect.</p>	<p>Risk that Specialist staff is not present in the purchase committee.</p>	<p>Purchase committee is headed by chairman normally Additional Director, and other members AD Admin, DD F&amp;A/DDO, user section Deputy Director. Where necessary, say for example if IT equipment is purchased then relevant personnel from the IT section such as EMIS is included in the Committee.</p>
		<p>Risk that quality is compromised if supplier is selected on the basis of the lowest bid.</p>	<p>In the purchasing committee meeting both price and quality are discussed with selected supplier and it is also mentioned in supply order. In case it is considered that a supplier with a higher bid will provide an item of the better quality, as specified in the tenders, and the said supplier is selected then reasons for selection of higher bid are recorded to justify.</p>
<p><b>Directorate of E&amp;SE- Accounts Section</b></p>	<p>P10 – Receives minutes of the meeting and Supply order is issued to successful supplier.</p>	<p>Risk that the price/item and quantity in the supply order are different from the one negotiated during purchase committee meeting.</p>	<p>The copy of supply order are also forwarded to Director and to Additional Director, and signed by DDO (DD F&amp;A). DD F&amp;A is normally member of the Committee and is aware of the negotiations carried out at the meeting.</p>

<b>Supplier</b>	P11- Receives supply order and dispatch note is prepared and items are delivered to an authorised official at place indicated in newspaper.	Risk sits with the supplier.	Control sits with the supplier.
<b>Caretaker</b>	P12- Recieves items and enters it in stock register. These are also inspected by the Purchase Committee.	Risk that items are not entered in stock register.	Members of Purchase committee signs the register.
<b>AG Office</b>	P13- Bill against the invoices is prepared and submitted to AG's office for payment directly to supplier.	Risk that payment to supplier is delayed for ulterior motives.	Control sits with DDO. Alternately the supplier may complaint to competent authority for delay.

Procurement- Tendering process

Process ID: E&SE/Directorate/Procurement/ Tendering process-01



<b>Process Narrative Including Risk and Control Matrix</b>	<b>C-2</b>
<b>Procurement- Fixed Assets/ Goods/ Services</b>	<b>Process ID: E&amp;SE/Directorate/Procurement/Fixed Assets-Goods-02</b>

**Background Information**

Directorate E&SE purchases only those fixed assets which are used in the Directorate of E&SE and not for its subordinate entities. These include Computers, Photocopier machine etc.

***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 shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SE have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
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<b>Directorate of E&amp;SE-User Section</b>	P1 – Sends purchase requisition to cashier.	Risk that incorrect demand is submitted.	Head of the section authorizes the demand before forwarding it to the Deputy Director F&A/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 rems and toners and each demand should be checked against this rate by the DDO (DD F&A).
<b>Directorate of E&amp;SE-Accounts Section - Cashier</b>	P2 – Forwards the requisition to the Deputy Director F&A /DDO in accounts section for approval.	The requisition is not forwarded to accounts section on time.	The user section will follow up with the Deputy Director F&A/DDO 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)

<p><b>Directorate of E&amp;SE-Administration Section –DDO (Deputy Director F&amp;A)</b></p>	<p>P3 – Marks the requisition to accounts section for further formalities.</p>	<p>The requisition is not forwarded to accounts section on time.</p>	<p>The user section will follow up with the Deputy Director F&amp;A/DDO in case of delay.</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 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>Directorate of E&amp;SE-Accounts Section</b>	<p><b>P4</b> – Receives the purchase requisition from DDO (DD F&amp;A) and analyse it.</p> <p><b>P4/1-</b> 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 Finance Department.</p> <p><b>P4/2-</b> After analysing and checking the availability of budget, the purchase requisition is approved for further action.</p>	Risk that incorrect requisition is received.	Head of the section authorizes the demand before forwarding it to the Deputy Director F&A/DDO.
		Risk that requisition is approved for further action without checking the availability of the budget.	Approval of DDO (DD F&A), Assistant Director, Additional Director and Director. (According to KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001)
<b>Finance Department</b>	<p><b>P5</b> –Negotiates and releases budget in revised or next year budget. If amount is provided in the revised budget, then the process proceeds to step 6 otherwise the department has to wait for the approval in the next year budget.</p>	Risk sits in Finance Department.	Control sits in Finance Department.

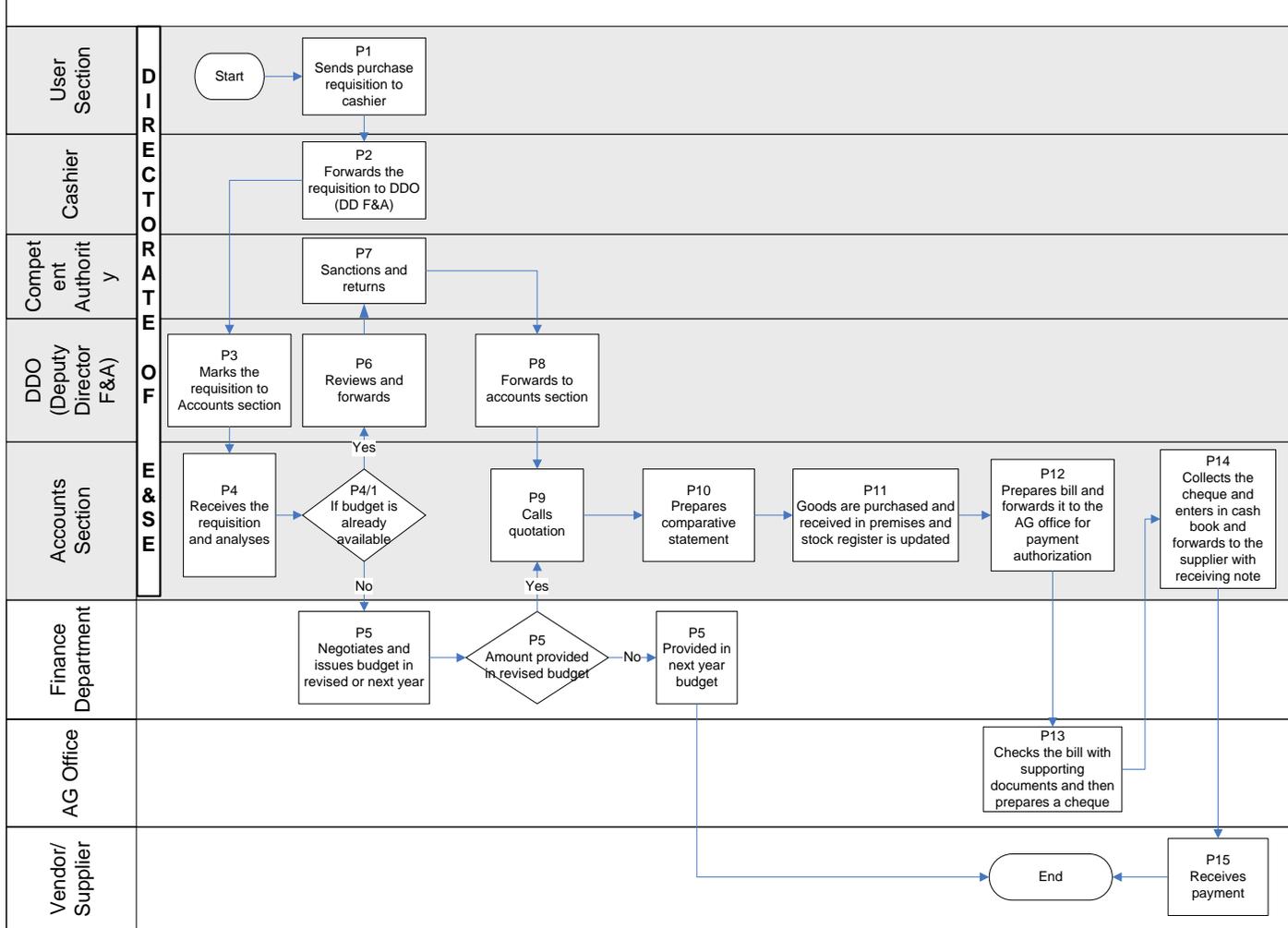
<p><b>Directorate of E&amp;SE-Administration Section –DDO (Deputy Director F&amp;A)</b></p>	<p>P6 – Reviews and forwards it to the competent authority for sanction.</p>	<p>Risk that the file is not forwarded on time.</p>	<p>The user section will follow up with the DDO (Deputy Director F&amp;A) in case of delay.</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 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>Directorate of E&amp;SE-Competent Authority</b></p>	<p>P7 – Sanctions and returns to the DD F&amp;A/DDO.</p>	<p>Risk that approval is given by an authority exceeding his/her authority limits.</p>	<p>The file is routed through DD F&amp;A/DDO who will make sure that it is forwarded to the appropriate competent authority according to KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001.</p>

			AG's office will also ensure that the sanction from the appropriate authority is attached with the bill.
<b>Directorate of E&amp;SE-Administration Section –DDO (Deputy Director F&amp;A)</b>	P8 – Forwards to the accounts section.	Risk that the file is not forwarded on time.	The user section will follow up with Deputy Director F&A/DDO 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>Directorate of E&amp;SE-Accounts section</b>	P9- Calls quotations through newspapers.	Risks are documented in tendering process. (Kindly refer to Process ID: E&SE/Directorate/Procurement/ Tendering process-01)	Controls are documented in tendering process. (Kindly refer to Process ID: E&SE/Directorate/Procurement/ Tendering process-01)

<b>Directorate of E&amp;SE-Accounts Section</b>	P10- Prepares Comparative statement.	Risk are already documented in tendering process(Kindly refer to Process ID: E&SE/Directorate/Procurement/ Tendering process-01)	Controls are already documented in tendering process. (Kindly refer to Process ID: E&SE/Directorate/Procurement/ Tendering process-01)
<b>Directorate of E&amp;SE-Accounts Section</b>	P11- Goods are purchased and received in premises and stock register is updated. /Services are provided.	Risk that stock register is not updated.	When the asset is received in the premises the caretaker records the entry in stock register and purchasing committee/DDO inspect the asset, checks entry in stock register including its specification and then sign it.
<b>Directorate of E&amp;SE-Accounts Section</b>	P12 – Prepares bill on the basis of supplier's quoted price and then forwards it along with documents to AG's Office for authorising payment.	Risk that a clerical mistake occurs in preparation of bill.	Once the bill is prepared, it is checked and signed by DD F&A/ DDO and then forwarded to AG's Office for payment.
		Risk that the bill is not sent to AG's office.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>DDO office must maintain a list of approved bills/forms forwarded to cashier.</li> <li>The DD F&amp;A/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 reviewed by the DDO (DD F&amp;A) before sending it to AG's office.</p>

<b>AG Office</b>	P13 - Checks the bill along with the supporting documents and once satisfied approves the bill and cheque is prepared.	Risk sits in AG's Office	Control sits in AG's office
<b>Directorate of E&amp;SE-Accounts Section</b>	P14 - Collects the cheque, enters in cash book, forwards it to supplier and acknowledgement is received. ( The current practice is that the petty expenses are paid by the accounts officer from his own pocket and the cheque from AG's office is prepared in DD F&A/DDO name and the amount is paid to the accounts officer after encashment).	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 cashier 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 (DD F&A). 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. 4. Aging report must be sent to the Additional Director for his review and signatures.

<b>Vender/Supplier</b>	P15 - Receives the payment/Cheque.	Risk that the cheque is received by the supplier but later on the receipt is denied.	Acknowledgement slip is signed by the supplier at the time of collection of cheque.
		Risk that payment is not made to the supplier on time	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. An intimation letter to the supplier must be issued within 3 days from the receipt of cheque from AG's office.</li> <li>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.</li> <li>3. The list shall be prepared on fortnightly basis.</li> <li>4. The list should then be forwarded to Additional Director for his review and signatures.</li> </ol>



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***D – Fixed Assets Management***

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>D</b>
Fixed Assets Management- Fixed Assets	Process ID: E&SE/Directorate/FA M/Asset management- 01

**Background Information**

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

***Important Note:***

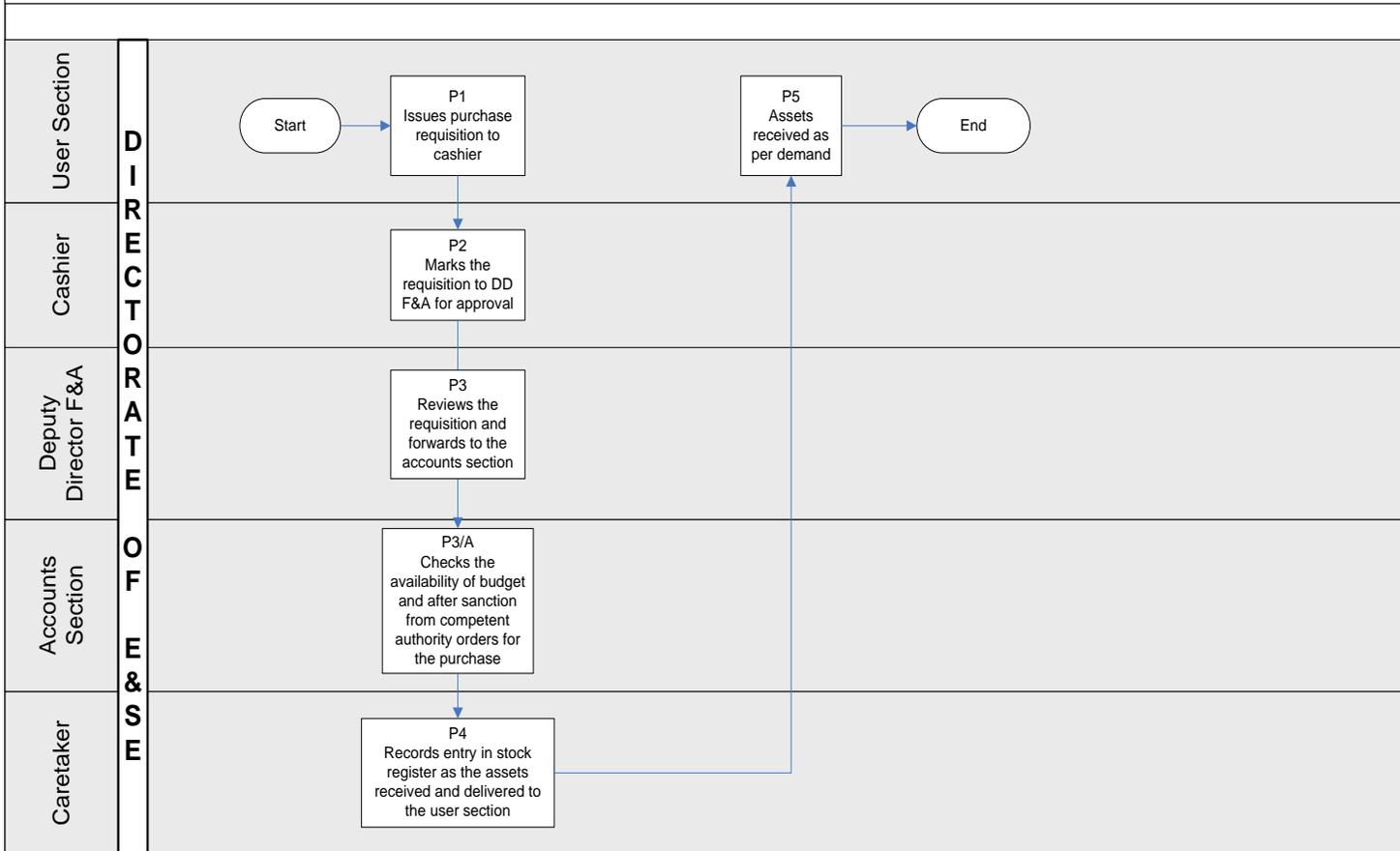
*End to end process has been documented for the sake of understanding only .The relevant risks and controls that sit in departments/entities shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SED have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
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<b>Directorate of E&amp;SE-User Section</b>	P1 – Issues purchase requisition to cashier.	Risk that the incorrect demand is submitted.	Head of the section authorizes the demand before forwarding to the Deputy Director F&A (Finance and Accounts).
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P2 – Forwards the requisition to the Deputy Director F&A for approval.	The requisition is not forwarded to Deputy Director F&A on time.	The user section will follow up with the Deputy Director F&A 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>Directorate of E&amp;SE-Deputy Director F&amp;A-Administration</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 Deputy Director F&A in case of delay.

<b>Section</b>			
<b>Directorate of E&amp;SE- Accounts Section</b>	<p>P3/A– Receives the approved requisition from DD F&amp;A, check the availability of budget, if budget is already available then ( after the sanction of the competent authority) quotations are called and asset is purchased.</p> <p>If budget is not available in respective head then request is generated to Finance Department for budget.</p>	Risk that an incorrect requisition is received.	Head of the section authorizes/reviews the demand before forwarding to the Deputy Director, F&A.
<b>Directorate of E&amp;SE- Store/Care taker</b>	<p>P4 – Records entry in the stock register upon delivery of the asset. The asset is directly delivered to user section. It is entered in the Stock register which is signed by the Deputy Director, F&amp;A.</p>	Risk that asset is not properly checked at the time of delivery.	At time of delivery, all purchases committee/DD F&A and AD Admin (Depending on the type of purchases i.e. below 100,000 or above Rs 100,000 inspect the asset and then sign entry in stock register.
			<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 in the stock register</p>

		Risk that no entry is made in stock register at the time of delivery.	At time of delivery DD F&A and AD Admin Purchase i.e. below Rs.100,000 or above 4inspect the asset and then sign entry in stock register.
		Risk that no end user inspection comments regarding qualities/quantity 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 .	<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 needs to put an item code on it. The item code entry is then made in the fixed asset register.
<b>Directorate of E&amp;SE- User Section</b>	P5-Receives the asset as per their required demand.	Risk that asset received is not according to their demand.	The caretaker 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.



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*E – Stores Management*

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>E</b>
<b>Stores Management - Stores Process</b>	<b>Process id: E&amp;SE/ Directorate/Stores Management/Stores Process-01</b>

**Background Information:**

In Directorate of Elementary and Secondary Education, the stores are divided into two parts, one is for stationary items and other is for fixed assets. Assistant Director (BPS – 17) is responsible to manage the stores.

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

As the demand reaches him, the caretaker (in Admin Section) issues the items to the user section if it is available in the store. After issuance, the record in the stock register is updated with respect to the issue of the items.

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

If items are not available in stores, Cashier prepares a file with respect to demand and forwards it to the competent authority as defined in Delegation of Financial Rules for sanctioning the amount so that the items could be purchased.

After approval, Cashier places an order with the supplier while caretaker receives from him as per supply order. The items are then issued to the user section as per its demand and recorded in the stock register which is 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 shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SED have been documented here.*

Section/ Entity	Process Step	Risk	Control
<b>Directorate of E&amp;SE- User Section</b>	P1 – Forwards the demand to the Director E&SE.	Risk that an incorrect or unreasonable demand is submitted.	Head of the section authorizes the demand before forwarding it to the Director, E&SE.
		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 DDO (DD F&A).
<b>Directorate of E&amp;SE- Director</b>	P2 – Approves the demand and forwards the demand file to the caretaker for issuance of items as required.	Risk that the demand is not forwarded on time.	The user section will follow up with the Assistant Director Admin.
			<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)

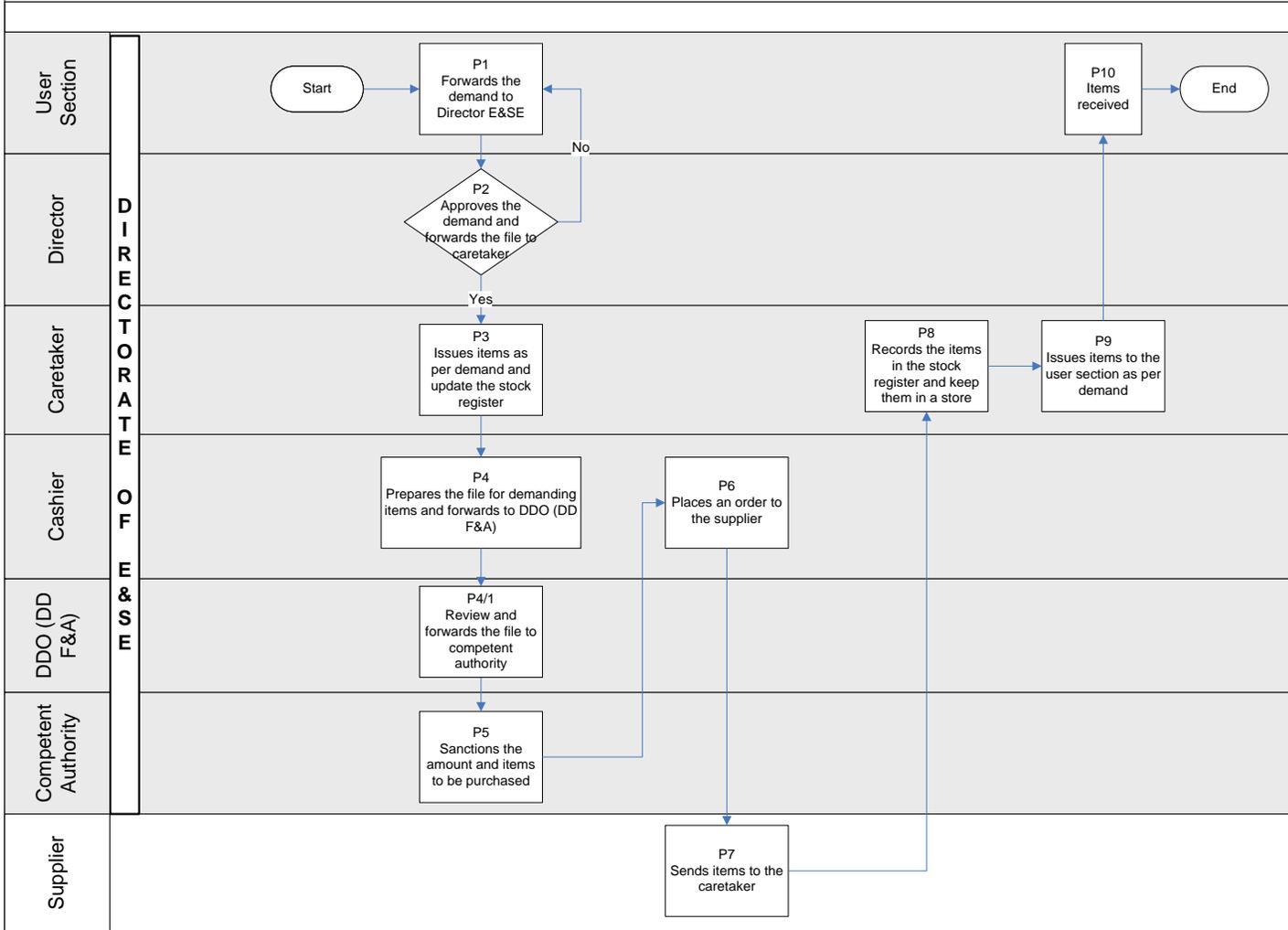
<b>Directorate of E&amp;SE-Caretaker</b>	P3 – Issues the items as per demand if exist in stock and updates the stock register accordingly. If items are not available, then it proceeds to step P4.	Risk that the irrelevant items or items in excess of requirement are issued.	Assistant Director, Admin will verify the items issued with stock register.
			The section demanding the items will reject them if not according to the specifications/quantity demanded.
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P4 – Prepares the file of required items with total cost estimate and forwards to the DDO (DD F&A) provided the items not available in stores.	Risk that the incorrect estimates is incorporated intentionally or un intentionally.	Prices are verified with quotations and their reasonableness checked by Assistant Director Admin.
<b>Directorate of E&amp;SE-DDO-Deputy Director F&amp;A</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 DD F&A/DDO.
			<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>Directorate of E&amp;SE-Competent Authority</b>	P5 – Sanctions the amount for purchase of items and returns the file to DD, F&A and finally to the cashier.	Risk that the officer may sanction the amount that does not fall within its competency.	The file is routed through AD, Admin, DDO, (DD F&A) who will make sure that it is forwarded to the appropriate authority. in accordance with accordance with KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001)
<b>Directorate of E&amp;SE-Cashier-Accounts Section</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. When quotations are received they are reviewed and signed by the committee members/DDO and selected with lowest rate.
<b>Supplier</b>	P7 – Delivers items to the caretaker.	Risk that the quantity received is less than the quantity ordered.	A second official, Assistant Director Admin, independent of caretaker checks the quantity and quality with the purchase order (The signature of AD Admin in the stock register is the evidence of the control).For purchases above Rs.100,000, the purchase committee checks the quality and quantity and signs in the stock register.
		Risk that the wrong items/items of low quality are received.	A second person, Assistant Director Admin, independent of caretaker checks the quantity and quality with the purchase order (The signature of AD Admin in the stock register is the evidence of the control). For purchases

			above Rs.100,000 the purchase committee checks the quality and quantity and sign in the stock register.
<b>Directorate of E&amp;SE-Caretaker</b>	P8 – Records the items in the stock register and keeps them safe in the stores.	Risk that the some items are incorrectly recorded in different item head.	Review by Assistant Director Admin and his signature in the stock register ensure correct entries.
		Risk that an item is stolen from the store.	The care taker keeps the store locked and no one except him can have access to the store.
		Risk that the items might get damaged or become useless.	The items are placed in the stores, cupboards and shelves in order.
			<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 item stored physically exist but does not match with the records in the books.	<b>Suggested Mitigating Control –</b> A periodic stock take procedure should mitigate the risk.
		Risk that the damaged items remains un-noticed.	<b>Suggested Mitigating Control –</b> A periodic stock take procedure should mitigate the risk
<b>Directorate of E&amp;SE-Caretaker</b>	P9 – Issues items to the user section.	Risk that the wrong items or extra items are issued.	The section demanding the items will reject if it not according to the specifications/quantity ordered.

Stores Management - Stores Process

Process id: E&SE/ Directorate/Stores Management/Stores Process-01



*F – Operating Expenses*

<b>Process Narrative Including Risk and Control Matrix</b>	<b>F</b>
<b>Operating Expense Process</b>	<b>Process id: E&amp;SE/ Directorate/Operating Expense Process-01</b>

**Background Information:**

Operating expenses includes all the expenditure incurred by the department in running its day to day business. Deputy Director F&A and cashier 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

Normally AG's office issues cheque In favour of DD,F&A for expenses below Rs. 100,000 is in the name of DD, F&A and above Rs. 100,000, it is in the name of 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 shall be documented at the respective departments/entities. Only risks and controls relating to Directorate E&SED have been documented here.*

<b>Section/ Entity</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
<b>Directorate of E&amp;SE-User Section</b>	P1 – Sends the demand/utility bills/POL charges to the Cashier.	Risk that the wrong demand is submitted.	Head of the section examines and authorizes the demand before forwarding it to the cashier.
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P2 – Checks the availability of the budget in the excel sheet maintained in the computer system.	Risk that the budget is not available but the cashier prepares the bill.	Review by DD, F&A will ensure that sufficient budget is available in the respective accounts head
			The AG's office will reject the bill if there is no budget as the SAP R3 system will not allow the payment.
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P2/a – Meets 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 cashier.
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P3 – Prepares the bill and attaches the supplier's invoices and sends it to the competent authority for approval.	Risk that an incorrect bill is forwarded.	DD, F&A verifies the bill before forwarding it to the competent authority. and sees that it is in accordance with KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001)
		Risk that an invoice irrelevant to the expenses incurred is presented.	Invoice is verified by the DD, F&A.
		Risk that a bogus invoice is attached.	The DD F&A will verify the invoices by comparing them with the demand received from the user section and confirms the items received from entries

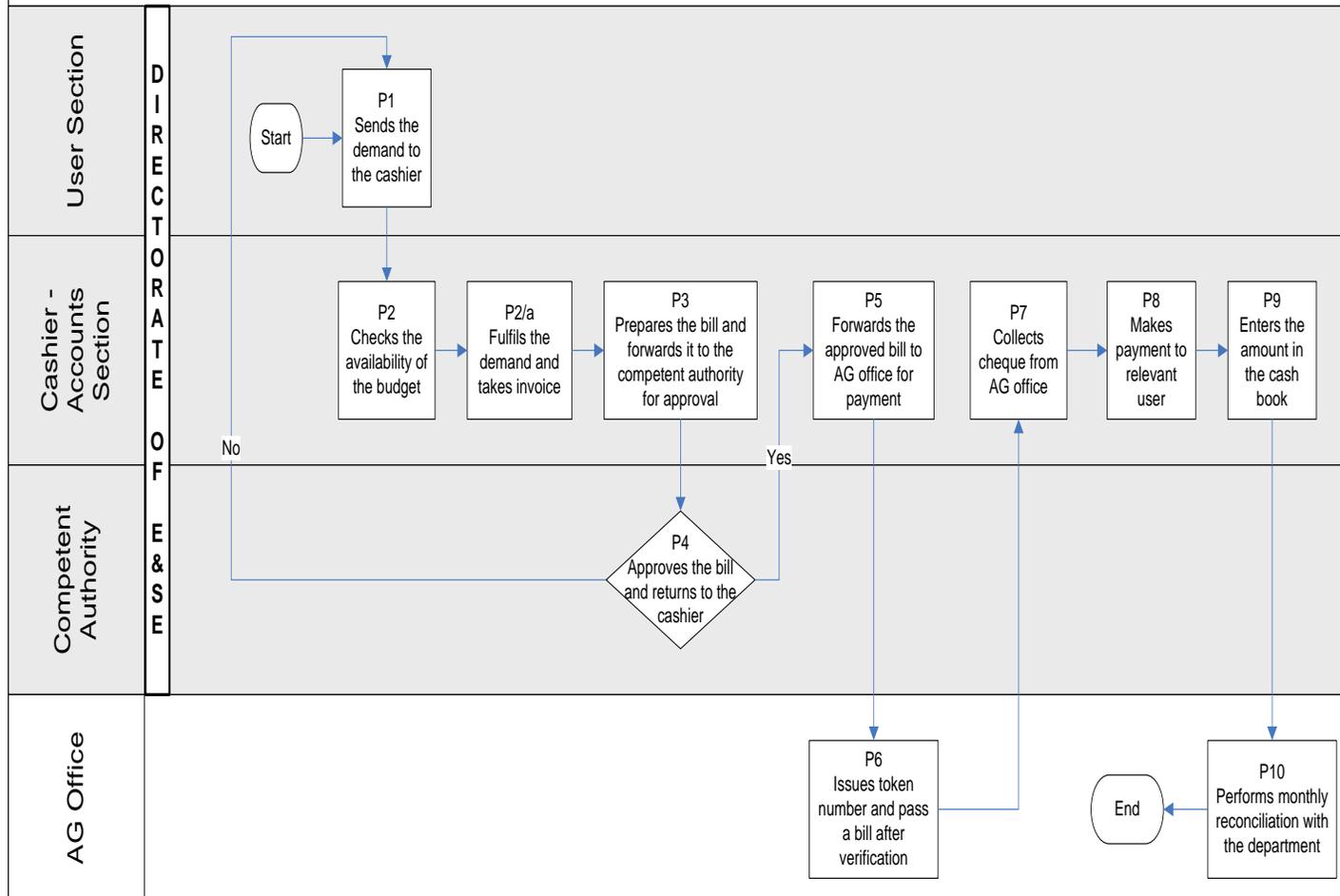
			recorded in the stock register and as regards provision of services, these are confirmed from the user section.
<b>Directorate of E&amp;SE-Competent Authority</b>	P4 – Issues sanction and returns the case to the cashier.	Risk that the officer may sanction the amount that does not fall under his authority.	The file is routed through DD, F&A who will make sure that it is forwarded to the appropriate authority having powers under Financial and Re-appropriation Rules.
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P5 – 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 cashier and checked by DD, F&A. Evidence of control is that it is stamped by DD, F&A.
		Risk that the bill is not sent to AG's office.	<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>DDO office must maintain a list of approved bills/forms forwarded to cashier</li> <li>The DD, F&amp;A /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 reviewed by the DD, F&amp;A before / DDO sending it to AG's office.</p>

<b>AG office</b>	P6 – Issues token number and prepares/pass the bill.	Risk sits in AG's Office	Control sits in AG's Office.
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P7 – Collects the cheque from AG's office.	Risk that the cheque is not prepared against a bill.	<b>Suggested Mitigating Controls:</b> <ol style="list-style-type: none"> <li>1. The cashier must enter all the cheques received from AG's office against each bill in the bill dispatched register.</li> <li>2. A monthly reconciliation statement of bills sent to AG's office for clearance and cheques received must be prepared. A reconciliation report identifying outstanding bills must be generated and reviewed by DD F&amp;A/DDO.</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's office.</li> <li>4. Aging report must be sent to the Additional Director for his review and signatures.</li> </ol>
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P8 – Makes payment to the relevant user.	Risk that the relevant user may claim that he did not receive any payment.	Acknowledgement of payment is taken.
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P9 – Enters the amount in the books of accounts (Cash Book)	Risk that an incorrect amount is entered in the cash book.	The monthly reconciliation performed with AG's office will rectify both these errors

			The DD, F&A checks all the entries in the Cash book and signs against each payment. Every page of the Cash book is also stamped by DD, F&A.
<b>AG office</b>	P10 – Performs monthly reconciliation with the department.	Risk sits in AG's Office.	Control sits in AG's Office.

Operating Expense Process

Process id: E&SE/ Directorate/Operating Expense Process-01



***G – Strategic Planning***

<b>Process Narrative Including Risk and Control Matrix</b>	<b>G</b>
Strategic Planning Process	Process id: E&SE/ Secretariat/Strategic Planning/Planning Annual Process -01

Currently, no strategic planning is carried out both at the secretariat and Directorate level. An education sector plan was developed in 2012. However, there is no capacity to develop a strategic plan. A proposed Strategic and annual planning process is given in the annexure.

*H - Project – Centre of Excellence*

<b>Process Narrative Including Risk and Control Matrix</b>	<b>H</b>
<b>Centre of Excellence</b>	<b>Process id: E&amp;SE/ Directorate/Project/Centre of Excellence</b>

### **Background Information**

Provincial Government initiated the program titled “Centre of Excellence” for talented students of Government schools. Proposal was developed by the elementary and secondary education department and submitted to the provincial cabinet in 2007 which was accordingly approved.

The main theme of the program was to restore the public confidence in the education system and to set the tone for healthy academic and qualitative competition among the public sector institutions. An important component of the program was to extend financial support to the students who were brilliant and excelled others in studies. According to program, such students who pay tuition fees, expends on books and uniform at the start of the year, are refunded the same amount upon provision of funds by the Government. The quota of such students availing the facilities in different schools is also decided by the GoKP.

Scholarships are awarded as follows:

- ETEA conducts test of the students **(must be studying in public schools)** from class sixth (6<sup>th</sup> class) and government awards scholarship up to intermediate level (12<sup>th</sup> class).
- Scholarship includes Tuition fee, miscellaneous expenses, Hostel fee, Pocket money, Books and Uniforms.

### ***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 shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SE have been documented here.*

Section/ Entity	Process Step	Risk	Control
<b>Directorate of E&amp;SE-Dealing Assistant-P&amp;D Section</b>	P1 – Forwards the file to the Superintendent, AD, DD, Add.Director and finally to Director for the approval to conduct test of the students.	Risk that the file is not forwarded on time.	E/TEA will contact the Directorate E&SE in case of delay.
			<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>
<b>Directorate of E&amp;SE-Director</b>	P2 – Approves the case forwards the file to the Add.Dir, DD, AD, Superintendent and finally to dealing assistant for further formalities.	Risk that the file is not forwarded on time.	P&D section will contact the Director E&SE in case of delay.
			<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,</li> </ol>

			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>Directorate of E&amp;SE- Assistant Director- P&amp;D Section</b>	P3 – Consults with the ETEA authority for fixing date of conducting test and forwards the file to the Director E&SE.	Risk that the timely consultation for fixing the date of conducting test is not done with ETEA.	<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>Directorate of E&amp;SE- Director’s Office</b>	P4 – Issues a letter to Information Department for advertisement.	Risk that the letter is not forwarded on time.	P&D section will contact with Director E&SE 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.

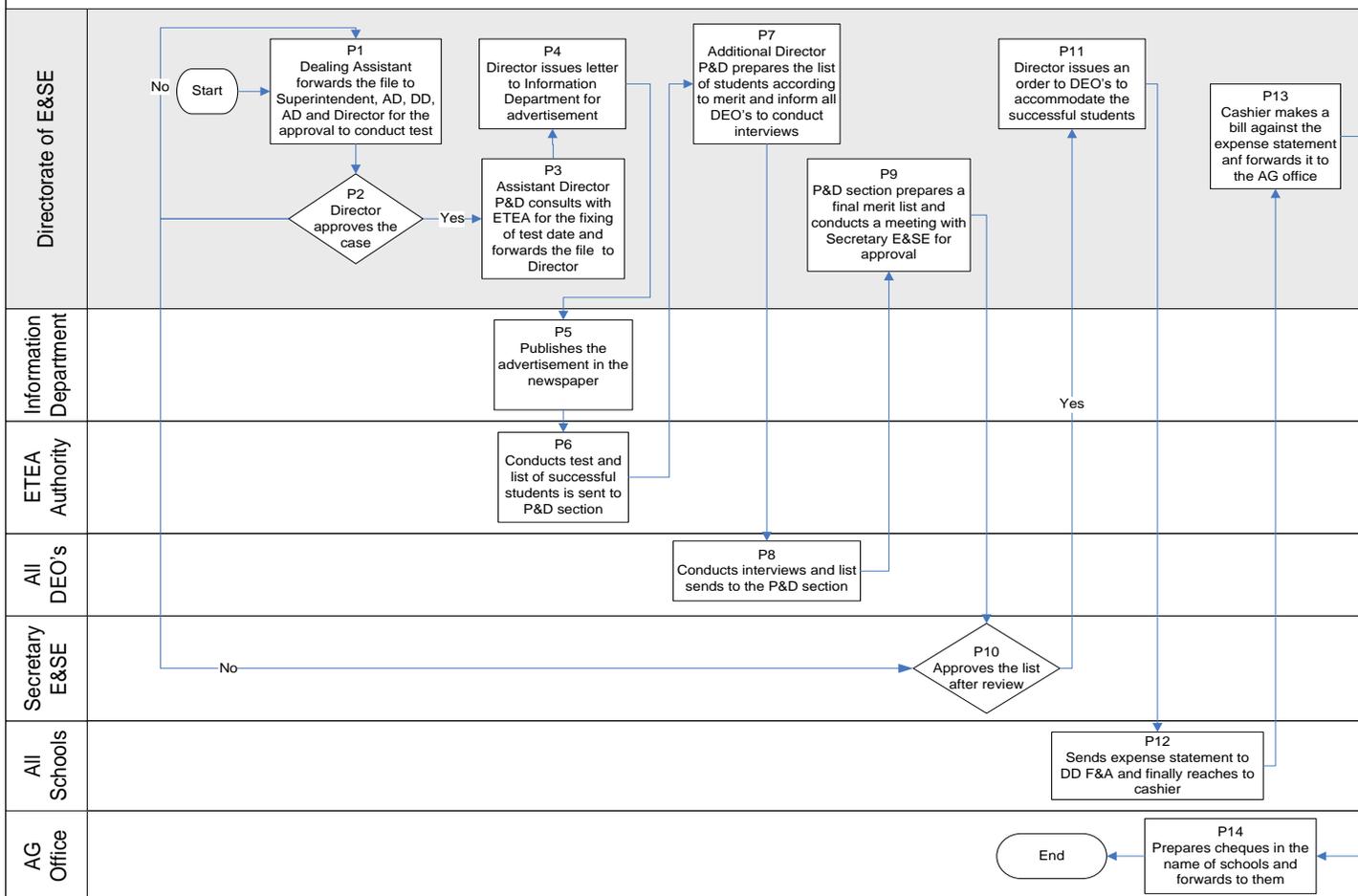
			<p>2. To ensure adherence to above referred rules Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review &amp; signature.(where appropriate)</p>
<b>Information Department</b>	P5- Advertises the date of test and other details.	Risk sits in the Information Department.	Control sits in the Information Department.
<b>ETEA Authority</b>	P6 – Conducts test of the students and afterwards sends the results to P&D section of Directorate of E&SE.	Risk sits in the ETEA Department.	Control sits in the ETEA Department.
<b>Directorate of E&amp;SE- Additional Director- P&amp;D Section</b>	P7 – Prepares the merit list and writes a letter to all DEOs to conduct interviews of the successful candidates.	Risk that a student who has cleared the ETEA is missed out in the merit list sent to the directorate.	On passing the exam the ETEA will also notify the name of successful candidates on its website and anyone missed out can pursue with the directorate.
			<p><b>Suggested Mitigating Control:</b></p> <p>The merit list prepared by the Additional Director and should be reviewed by the Director by comparing with the results sent by ETEA. Both preparer and reviewer .</p>
		Risk that the letter is not written on time.	DEOs will contact with P&D section in case of delay.
			<p><b>Suggested Mitigating Controls:</b></p> <p>1. Time service standards as per “APPENDIX-III</p>

			<p>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>
		Risk that the letter is not written to all DEOs and a DEO is missed out	<b>Suggested Mitigating Control</b> - A control sheet should be maintained which should include the names of all DEOs. Once letter is issued to a DEO then it should be indicated on the sheet.
<b>All DEOs</b>	P8 – Conducts interviews and final merit list is sent to the P&D section of Directorate of E&SE.	Risk sits in the DEOs office.	Control sits in the DEOs office.
<b>Directorate of E&amp;SE-P&amp;D Section</b>	P9 – Consolidates the final merit lists, prepares working papers and requests the Secretary E&SE to hold meeting of the concerned committee. The members of the meeting include Secretary as a chairman, Additional Director E&SE, Member Finance Department, Additional Director P&D, Director ESRU, Principle from UPS (University Public School Peshawar) etc.	Risk that a merit list from a DEO is missed out during consolidation.	<b>Suggested Mitigating Control</b> – An independent official other than that who consolidated all the merit lists received from the DEOs should review the consolidated final merit list to ensure that final merit list is sum total of all the merit lists received from all the DEOs.
		Risk that the consolidated merit list is changed either	<b>Suggested Mitigating Control</b> – The consolidated sheet

		deliberately or erroneously.	should be checked by an independent official against the final lists sent by all DEOs. Such review should be evidenced by a signature on the consolidated sheet
<b>Secretary E&amp;SE</b>	P10 – Approves the list and issues minutes of the meeting.	Risk sits in the E&SED.	Control sits in the E&SED.
<b>Directorate of E&amp;SE-Director's Office</b>	P11 – Issues notification with copies to all concerned like Chief Secretary, Chief Minister, Vice Chancellor Peshawar University, PD, ESRU, Executive Director,, ETEA, Secretary Finance and Secretary Education etc. which indicates the name of successful students.	Risk that the order is not given on time.	DEOs will contact with Director E&SED in case of delay.
			<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>All Schools</b>	P12 – Sends the expenditure statements to the Deputy Director, F&A and then DD,	Risk sits in the school.	Control sits in the school.

	F&A forwards it to the Superintendent, AD Accounts and cashier for further formalities.		
<b>Directorate of E&amp;SE-Cashier-Accounts Section</b>	P13 – Prepares the bill against the expenditure statement and sends it to the AG's office for clearance.	Risk that a bill is prepared on the basis of incorrect expenditure statement submitted by a schools.	Review by Superintendent, Assistant Director Accounts and Deputy Director F&A.
			<p><b>Suggested Mitigating Controls:</b></p> <ol style="list-style-type: none"> <li>1. The expenditure statement should be verified by the DD F&amp;A against the supporting documents provided by the schools. These documents should include student admission details, fee structure etc. All the amounts disbursed by the School should be deposited directly to the Bank account of the student or that of his/her Guardian.</li> <li>2. The reasonableness of the claim should be verified by calculating the number of students who have been awarded the scholarship multiplied by average amount of scholarship per student.</li> <li>3. A control sheet should be prepared for each school which should include all the students receiving the scholarship. Other important information such as what grade they are studying at, what is their fee structure and when did they receive the last payment etc should also be included</li> </ol>

		Risk that the bill is not sent to AG's office.	<p><b>Suggested Mitigating Controls:</b></p> <p>1. DDO office must maintain a list of approved bills/forms forwarded to cashier</p> <p>2. The DD, F&amp;A/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 reviewed by the DD, F&amp;A/DDO before sending it to AG's office.</p>
<b>AG Office</b>	P14– Prepares cheques in the name of schools and delivers them to concerned schools through the Directorate.	Risk sits in the AG's office.	Control sits in the AG's office.



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*I - Litigation*

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<b>Process Narrative Including Risk and Control Matrix</b>	<b>I</b>
<b>Litigation Process</b>	<b>Process id: E&amp;SE/ Directorate/Litigation Process -01</b>

**Background Information:**

An appellant (Employee/teacher) can file a case in Services Tribunal and the Defendant may be the Secretary of E&SE, Director E&SE or an officer at the district level.

During the litigation process the Directorate E&SE interacts with different departments including Services Tribunal, government pleader, and Law Department or may be the Supreme Court if the case in appeal status is contested there.

Vetting (by the government pleader) 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 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 shall be documented at the respective departments/entities. Only risks and controls relating to DIRECTORATE of E&SED have been documented here.*

<b>Section/</b>	<b>Process Step</b>	<b>Risk</b>	<b>Control</b>
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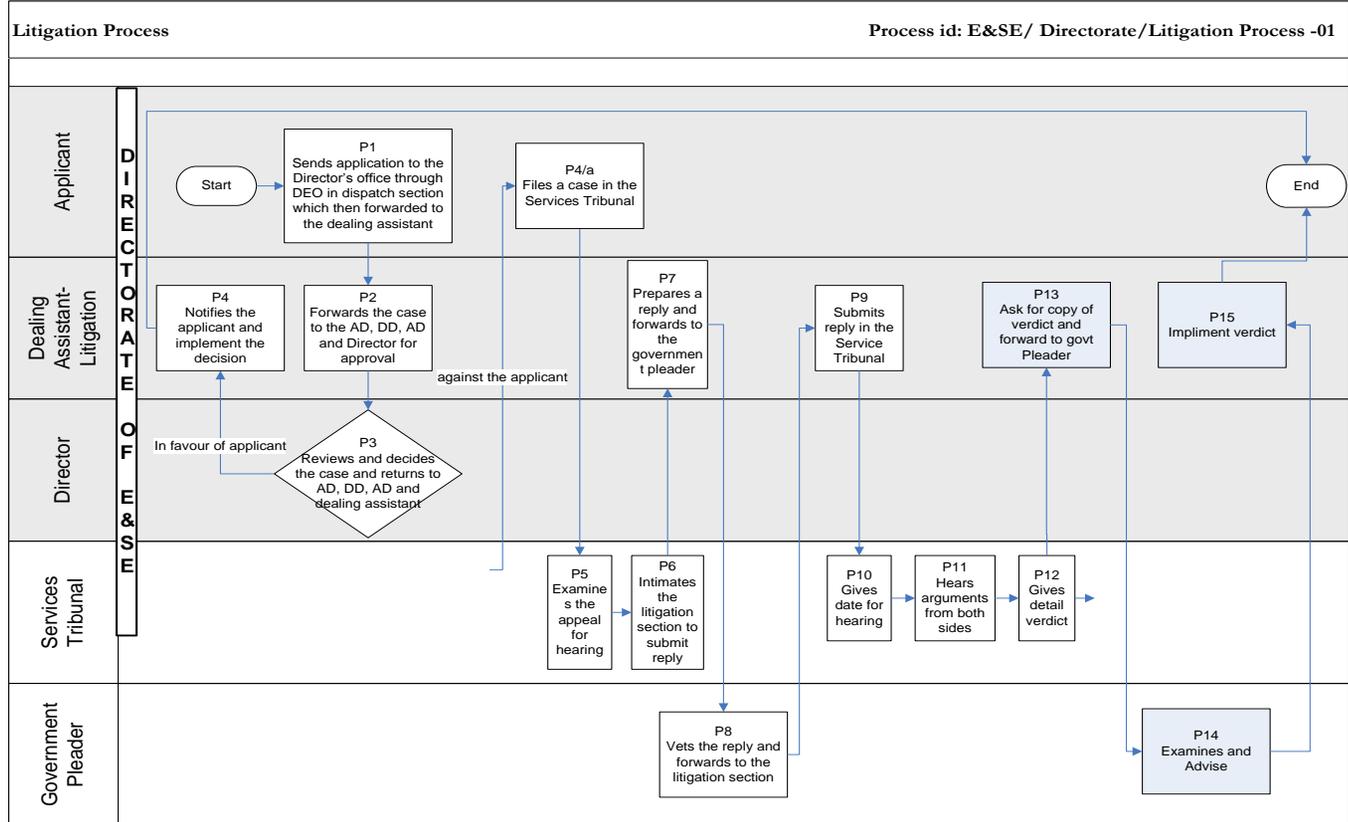
<b>Entity</b>			
<b>Applicant Directorate of E&amp;SE-</b>	P1 –(Applicant) Submits an application, seeking relief to its grievance, to Director E&SE through the EDO concerned which is marked to the dealing assistant in litigation section.	Risk sits with the applicant.	Control sits with the applicant.
<b>Directorate of E&amp;SE- Dealing Assistant- Litigation</b>	P2 – Forwards the case/application to the AD, DD Establishment, Additional Director and Director, E&SE for approval.	Risk that the litigation section does not send the case on time.	Assistant Director, litigation follows up the case on regular basis.
			<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>Directorate of E&amp;SE- Director</b>	P3 – Reviews the case and decides in favour of applicant or otherwise and returns the case to Add.D, DD, AD and dealing assistant litigation.	Risk that the decision by the Director is delayed perpetrating the justice.	Assistant Director litigation follows up the case.
			<b>Suggested Mitigating Controls:</b>  1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions

			<p>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>Directorate of E&amp;SE-Dealing Assistant-Litigation</b>	P4 – Notifies the applicant regarding the decision of the Director (department) and forwards it to the relevant section to implement the decision (If it is in favour of the applicant).	Risk that the order is not notified on time.	Assistant Director litigation follows up the case.
			<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>Directorate</b>	P4/a – If decision is against	Risk sits with the	Control sits with the

of E&SE-Applicant	the Applicant, He/She files a case in the Services Tribunal.	applicant.	applicant.
Services Tribunal	P5 – Examines the case and admits for hearing.	Risk sits in the Services Tribunal.	Control sits in the Services Tribunal.
Services Tribunal	P6- Intimates the litigation section to submit para wise comments.	Risk sits in the Services Tribunal.	Control sits in the Services Tribunal.
Directorate of E&SE-Dealing Assistant-Litigation	P7 – Prepares the para wise comments and sends to government pleader for vetting.	Risk that the Dealing Assistant litigation section does not send the reply on time.	Director E&SE follows up the case on regular basis.
			<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>
Government Pleader	P8 – Vets the reply and sends it back to litigation section.	Risk sits in the government pleader.	Control sits in the government pleader.
Directorate of E&SE-Dealing Assistant-Litigation	P9 – Submits the reply in the Services Tribunal.	Risk that the reply is not submitted on time.	Director E&SE follows up the case on regular basis.
			<b>Suggested Mitigating</b>

			<p><b>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>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 – Hears arguments from both sides.	Risk sits with Services Tribunal.	Control sits with Services Tribunal.
<b>Services Tribunal</b>	P12 – Gives detail verdict on the basis of record, evidence and arguments presented at the time of hearing in favour of either party.	Risk sits with Services Tribunal.	Control sits with Services Tribunal.
<b>Directorate of E&amp;SE-Dealing Assistant-Litigation</b>	P13- Asks for the copy of detailed verdict and forwards it to Government Pleader for advise.(If case is decided in favour of applicant)	Risk that copy is not obtained on time as a result time for appeal lapses.	<p><b>Suggested Mitigating Controls –</b></p> <p>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 AD Establishment and finally by the Deputy Director Establishment.</p>

<b>Government Pleader</b>	P14- Examines the detailed verdict and advises as it deems fit.	Risk sits with Government Pleader.	Control for the risk sits with Government Pleader.
<b>Directorate of E&amp;SE-Dealing Assistant-Litigation</b>	<b>P15</b> –If advise is that the judgment by the Services Tribunal in the favour of appellant/aggrieved official cannot be challenged, the verdict is implemented by the Department. If Law Department advises otherwise, the appeal is filed in SC.	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 ST 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 AD Establishment and finally by the Deputy Director Establishment.





**Section III**

**Audit Programs**



*A - Budget Management - Consolidation*

<b>AUDIT PROGRAM</b>	<b>A-1</b>
<b>Budget Management- Consolidation- Developmental Budget (Demands for grants)</b>	<b>Process ID: E&amp;SE/Directorate/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. ADP Scheme are properly reviewed and consolidated
- B. ADP Scheme 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>▪ Is there a central coordination team within the Directorate of E&amp;SE to ensure that the overall entity’s ADP Schemes are 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 (DEO) for the preparation of the ADP Schemes each year?</i></li> <li>▪ <i>Are the Instructions from the E&amp;SE Department communicated to the Directorate on time? Are instructions forwarded to the DEOs on timely basis? (Enough time should be given so that ADP Scheme is prepared at the DDO (DEOs) level)</i></li> <li>▪ Is there a central policy and coordination function to aggregate the ADP Schemes from every DDOs (DEOs) and provide Government</li> </ul>		

	<p>with a ADP Scheme that is consistent with, and further, the government's set of priorities?</p> <ul style="list-style-type: none"> <li>▪ For the current year ADP Schemes kindly check that the consolidation sheet prepared is signed by Additional Director P&amp;D.</li> <li>▪ Enquire about that how a single ADP Scheme is included in the consolidation sheet.</li> <li>▪ Kindly check the casting and cross casting of the consolidation sheet.</li> <li>▪ For a sample of new ADP Schemes from the consolidation sheet compare the figures to the compiled budget data sent by the DDOs(DEOs). <ul style="list-style-type: none"> <li>▪ Is the new ADP Scheme feasible.</li> <li>▪ Note down the observation highlighted by Additional Director P&amp;D or Senior Planning officer.</li> </ul> </li> <li>▪ Trace some of the compiled ADP Scheme data sent by DDOs (DEOs) to the consolidation sheet.</li> <li>▪ Check the variation in the DDOs (DEOs) ADP Schemes against the previous year and enquire about significant changes <ul style="list-style-type: none"> <li>• Use analytical procedure to find the variation in ADP Scheme data.</li> <li>• Enquire from management about high variation in ADP Schemes data and note the management comments.</li> </ul> </li> <li>▪ Check the approval process of the ADP Scheme by the Additional Director P&amp;D.</li> <li>▪ Review that the ADP Scheme is sent to E&amp;SE Department (Planning Section) within the time specified in the guidance issued by the Department.</li> </ul>		
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	<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>A-2</b>
<b>Budget Management- Consolidation -Non Developmental Budget (Demands for grants)</b>	<b>Process ID: E&amp;SE/Directorate/BM /Consolidation/Non 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>▪ Is there a central coordination team within the Directorate of E&amp;SE 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 (DEO) for the preparation of the budget each year?</i></li> <li>▪ <i>Are the Instructions from the E&amp;SE Secretariat including Budget Call Circular and ceiling budget communicated to all the Directorates in time? Are these instructions forwarded to each DEO in time? (Enough time should be given so that budget is prepared at the DDO(DEO) level)</i></li> <li>▪ Is there a central policy and coordination function to aggregate the budgets from every</li> </ul>		

	<p>DDOs(DEOs) and provide Government with a budget that is consistent with, and furthers, the government's set of priorities?</p> <ul style="list-style-type: none"> <li>▪ For the current year budget kindly check that the consolidation sheet prepared is signed by the Deputy Director Finance &amp; Administration.</li> <li>▪ Demand for the complete list of DDOs (DEOs) maintained and use this list to ensure that all the DDOs(DEOs) are included in the consolidation sheet.</li> <li>▪ Kindly check the casting and cross casting of the consolidation sheet.</li> <li>▪ For a sample of DDOs (DEOs) from the consolidation sheet compare the figures to the compiled budget data sent by the DDOs (DEOs).</li> <li>▪ Trace some of the compiled data sent by DDOs(DEOs) to the consolidation sheet</li> <li>▪ Kindly compare the consolidation sheet with Form LD-2.</li> <li>▪ For a sample of DDOs (DEOs) from the consolidation sheet compare the figures to the budget data sent by the DDOs (DEOs) 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 (DEOs) to the consolidation sheet.</li> <li>▪ Check the variation in the DDOs (DEOs) 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> </ul> </li> </ul>		
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	<ul style="list-style-type: none"> <li>• Enquire from management about high variation in budget data and note the management comments.</li> <li>▪ Ensure that the limit of ceiling budget is not exceeded. <ul style="list-style-type: none"> <li>• Select a sample of DDOs (DEOs) and Check current year original budget against allocated Budget Ceiling.</li> </ul> </li> <li>▪ Check the approval of the budget data by the Account officer, and Deputy Director Finance &amp; Administration and Director.</li> <li>▪ Review that the budget data is sent to the E&amp;SE Secretariat Budget Section 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>A-3</b>
Budget Management- Revenue Estimates	Process ID: E&SE/Directorate/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” 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 DEO for the preparation of the revenue estimates each year?</i></li> <li>▪ <i>Are the Instructions from the Finance Department communicated to the Directorate on time? Are these instructions disseminated to all the DEOs in time? (Enough time should be given so that revenue estimates is prepared at the DEO level)</i></li> <li>▪ For the current year revenue estimates kindly check that the consolidation sheet prepared is signed by the Superintendent F&amp;A.</li> <li>▪ Demand for the complete list of DEOs maintained and use this list to ensure that all the DEOs are included in the consolidation sheet.</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Kindly check the casting and cross casting of the consolidation sheet and basis used for calculation.</li> <li>▪ Trace some of the compiled data sent by DEOs to the consolidation sheet.</li> <li>▪ Check the variation in the DEOs 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>▪ 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>▪ Provincial own receipt letter send by the Secretariat E&amp;SE to Directorate E&amp;SE is signed by the Section Officer (B&amp;A) and also signed by the DDO (Deputy Director F&amp;A) as when received by the Directorate E&amp;SE.</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>A-4</b>
<b>Budget Management- Re-Appropriation/Surrender of savings</b>	<b>Process ID: E&amp;SE/Directorate/BM /Re-appropriation-04</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. 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>▪ <i>Is there a central coordination team within the Directorate E&amp;SE to ensure that the overall entity’s Re-appropriation/Surrenders of savings are aggregated?</i></li>   <li>▪ <i>Is there a process in place to provide clear instructions to each Directorate/DEO 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 Directorate E&amp;SE on time? Are these instructions forwarded to all the DEOs in time? (Enough time should be given so that statement of re-appropriation/surrenders of savings is prepared at the DEO level)</i></li> </ul>		

	<ul style="list-style-type: none"> <li>▪ For the current year statement of re-appropriation/surrenders of savings, kindly 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 (Deputy Director F&amp;A).</li>   <li>▪ Review that the statement of re-appropriation/surrenders of savings is sent to the E&amp;SED within the time specified in the guidance issued by the department.</li>   <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 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 – Human Resources Management***

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<b>AUDIT PROGRAM</b>	<b>B-1</b>
Hiring process- Gazetted Employees	Process id: E&SE/Directorate/HR M/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 DIRECTORATE E&amp;SE</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 Director E&amp;SE and forwarding letter is signed by the Deputy Director Establishment before forwarding to the Secretary Administration E&amp;SE.</li> <li>▪ Enquire about the vacant post in the District is by the approval of Director E&amp;SE and signature by the Deputy Director Establishment.</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 D G Health for medical check-up and signature by the Deputy Director Establishment.</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ The approval of the Director E&amp;SE is present on the letter send to I G Police for police clearance certificate and signature by the Deputy Director Establishment.</li> <li>▪ The medical report and police clearance certificate is present in the Establishment section of the all the candidates with approval of Director E&amp;SE and signature by the Deputy Director Establishment.</li> <li>▪ Is the list of successful candidates prepared by the computer operator in the EMIS cell checked by another officer against the list of successful candidates sent by Public Service Commission</li> <li>▪ Notification issued is checked with respect to the signature of Deputy Director Establishment and approval by the Director E&amp;SE.</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 Director E&amp;SE and signature by Deputy Director Establishment.</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 Section Deputy Director Establishment.</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 DEOs.</li> <li>▪ Who carries out the work load assessment of a demanding DEO or School?</li> </ul>		
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	<ul style="list-style-type: none"> <li>▪ Does DDO maintain a list of approved bills/forms forwarded to Cashier? 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 and notification)</li> <li>▪ Check that the notification is attached and date of expiry of CNIC</li> <li>▪ The copy of payslip is present in accounts section</li> <li>▪ Payslip is signed by the DDO (DD F&amp;A)</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</li> </ul> </li> </ul>		

	<p>TYPE 0021</p> <ul style="list-style-type: none"> <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> <ul style="list-style-type: none"> <li>▪ The source 1 form is signed by the Deputy Director Establishment</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> <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 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>B-2</b>
Hiring process- Non Gazetted Employees	Process id: E&SE/Directorate/HR M/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 DIRECTORATE E&amp;SE</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 E&amp;SE is present.</li> <li>▪ Advertisement sent to the Information Department is signed by the Deputy Director F&amp;A 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> </ul> </li> </ul>		

	<ul style="list-style-type: none"> <li>✓ Post for apply</li> <li>✓ TCS / Registry Number</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>▪ Director E&amp;SE 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 Director E&amp;SE of the successful candidates.</li> <li>▪ Notification issued is checked with respect to the signature of Deputy Director F&amp;A and approval by the Director E&amp;SE.</li> <li>▪ The arrival report is attached.</li> <li>▪ The medical report is attached of all the candidates and approval by Director E&amp;SE and signature by Deputy Director F&amp;A.</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 Deputy Director F&amp;A.</li> </ul> </li> <li>▪ Who carries out the work load assessment of a demanding DEO or School?</li> <li>▪ Does DDO maintain a list of approved bills/forms forwarded to Cashier? 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> </ul>		

	<ul style="list-style-type: none"> <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> <li>▪ Payslip is signed by the DDO (DD F&amp;A)</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 Deputy Director F&amp;A.</li> </ul>		
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	<ul style="list-style-type: none"> <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>   <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>   <p><b>TIMELINESS</b></p>   <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>B-3</b>
Posting and Transfer – Gazetted/Non Gazetted Employees	Process id: E&SE/ Directorate/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 DIRECTORATE E&amp;SE</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 Performa is filled completely and accurately.</li> <li>▪ The following steps filled in the Performa: <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 school</li> <li>✓ Name of school 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 master / head teacher</li> <li>✓ Signature of the applicant</li> <li>✓ Signature of No objection certificate by</li> </ul> </li> </ul>		

	<p>the DEO (where already posted)</p> <p>✓ Signature for the availability of post by the DEO (where want to be posted)</p> <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 concerned dealing assistant before forwarding to Director E&amp;SE.</li> <li>▪ The Director’s approval is present on the office order/notification.</li> <li>▪ Signature is present of the Deputy Director Establishment on the officer order / notification for Teaching Staff.</li> <li>▪ Signature is present of the Deputy Director F&amp;A 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 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>B-4</b>
Training and Development – All Employees	Process ID: E&SE/Directorate/HR M/Training & Development - 04

**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 Out-side 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> <li>▪ Enquire whether any in house training needs assessment is carried out</li> <li>▪ Enquire whether any HRM database is maintained which contains the list of all the employees along with their qualification, area of experience etc</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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<b>AUDIT PROGRAM</b>	<b>B-5-6</b>
Retirement – Pension, GP Fund and Leave Encashment-All employees	Process id: E&SE/ Directorate/HRM/Retirement Process-05-6

**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 (Deputy Director F&amp;A) and approved by the Director E&amp;SE.</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> <li>▪ Submission of pension letter is present.</li> <li>▪ NOC from estate office and signature by the estate officer and Assistant Director F&amp;A.</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> <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 Director</li> </ul> </li> </ul>		
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	<ul style="list-style-type: none"> <li>Establishment E&amp;SE.</li> <li>✓ Length of service</li> <li>✓ Section 2 calculation of “Qualifying Service”</li> <li>✓ Section 3a calculation of “Average Emoluments”</li> <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> </ul> <ul style="list-style-type: none"> <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 Assistant Director F&amp;A 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 Additional Director</li> <li>3. An intimation letter to applicant is issued within three days of receipt of cheque</li> <li>4. A list of cheques received from AG’s office and not issued to the applicant for more than 15 is prepared on fortnightly basis. The list is reviewed by Additional Director.</li> </ol> </li> </ul>		
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	<ul style="list-style-type: none"><li>▪ Enquire that the DDO office maintains a list of approved bills/forms forwarded to dealing assistant /Cashier and the DDO (DD F&amp;A) office compares the list with bill dispatched register on monthly basis. Any outstanding item is followed up with the Cashier/Dealing assistant</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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<b>AUDIT PROGRAM</b>	<b>B-7</b>
Employee Related Expenses (Allowances)	Process id: E&SE/ Directorate/HRM/Employee related expense-07

**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*

<b>AUDIT PROGRAM</b>	<b>C-1</b>
Procurement- Tendering process	Process ID: E&SE/Directorate/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.40,000 and examine the contract file to perform the following:</p> <ul style="list-style-type: none"> <li>▪ Please check that appropriate requisition is available for the goods to be purchased.</li> <li>▪ Please check that the requisition is both approved by section in-charge and the DDO (DD F&amp;A).</li> <li>▪ Check for appropriate sanction from the competent authority as delegation of power rules</li> <li>▪ A purchasing committee has been established by the Director E&amp;SE.</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</li> </ul>		

	<p>thirty days shall be allowed between date of publication of the notice Inviting Tenders and submission of tenders)</p> <ul style="list-style-type: none"> <li>▪ (Any reduction in the time stipulated may be specifically authorized by the Director of the Procuring Entity for reasons to be recorded in writing)</li> <li>▪ Kindly check that “terms and conditions” of the tender notice are in accordance with the rules set out by NWFP (KP) procurement rules 2014.</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 and Powers of Re-Appropriation Rules 2001</li> </ul>		
	<ul style="list-style-type: none"> <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>Please 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 initialed 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 initialed by the Tender Inviting Authority.</li> </ul>		

	<ul style="list-style-type: none"><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>▪ Please ensure that a comparative statement is prepared and duly signed by all the members of the purchase committee.</li><li>▪ Please cross check the figures on the comparative statement with individual quotations sent by the suppliers.</li><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>▪ Please 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 2014 has been submitted by all the members of the purchase committee (This relates to ethics)</li><li>▪ If it's single source procurement then kindly ensure that all the requirements under KP procurement Rules 2014 have been followed.</li><li>▪ Please verify that approval from the head of the procuring department has been obtained for the single source purchase.</li></ul>		
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	<ul style="list-style-type: none"> <li>▪ Kindly 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> <li>c) The works to be undertaken by a department fall under the category of petty works as defined in the KP Delegation of Financial Powers under the Financial Rules and the Powers of Re-Appropriation Rules, 2001.</li> </ul> </li> <li>▪ By reviewing the cash book kindly analyse whether the purchases have been broken into smaller parts in order to avoid tendering.</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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<b>AUDIT PROGRAM</b>	<b>C-2</b>
Procurement- Fixed Assets/Goods	Process ID: E&SE/Directorate/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>▪ Please check that appropriate requisition is available for the goods to be purchased.</li> <li>▪ Please check that the requisition is both approved by section in-charge and the DDO (DD F&amp;A).</li> <li>▪ Check for appropriate sanction from the competent authority as delegation of power rules</li> <li>▪ Please ensure that adequate budget was available for the purchase under appropriate head.</li> <li>▪ Please check entry in the stock register</li> <li>▪ Please verify that the receipt (Inward registry) is signed by the DDO (DD F&amp;A)/Purchase Committee</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Check the format of the stock Register. It should be made in such a way that there are receipt , issues and balance of stock items shown</li> <li>▪ Kindly verify the issue with the section demand</li> <li>▪ Please verify the signature of the user section in-charge on the issue side of the register</li> <li>▪ Please check the bill prepared by the bill Assistant and perform the following; <ol style="list-style-type: none"> <li>1. Check the account code on the bill and ensure that proper head of account is being debited (e.g. A03970 – other charges)</li> <li>2. Compare the items on the bills with the supplier invoices</li> <li>3. Verify that the bill is signed by the DDO (DD F&amp;A)</li> <li>4. Check casting of the bill</li> </ol> </li> <li>▪ Check payments for product/service entered into ledger (Cash book) for correct year.</li> <li>▪ Check that procurement was made from person registered with Industries Department of Provincial Government.</li> <li>▪ Check that procurement of taxable goods was made from a person duly registered under the Sales Tax Act, 1990.</li> <li>▪ Check that sales tax was withheld at 3% or 16% as amended from time to time.</li> <li>▪ Check that Income Tax was deducted at 3.5% on supplies and 6.0% on services or as mentioned in Income Tax Ordinance.</li> <li>▪ 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).</li> <li>▪ Please check that the original suppliers’ invoices attached with the bill are stamped by the DDO (DD</li> </ul>		
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	<p>F&amp;A) as verified. This can also be seen on the photocopied invoices.</p> <ul style="list-style-type: none"> <li>▪ 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 site where conducting audit, may seek confirmation in writing from DDO or independent party)</li> <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 service.</li> <li>▪ Ensure the following: <ol style="list-style-type: none"> <li>5. A monthly reconciliation of bills sent and cheques received is prepared. Any outstanding items are identified and reviewed by the DDO</li> <li>6. Aging report of all outstanding bills is prepared on monthly basis. The report is reviewed and signed by Additional Director</li> <li>7. An intimation letter to applicant is issued with in three days of receipt of cheque</li> <li>8. A list of cheques received fro AG’s office and not issued to the applicant for more than 15 is prepared on fortnightly basis. The list is reviewed by Additional Director.</li> </ol> </li> <li>▪ Enquire that the DDO office maintains a list of approved bills/forms forwarded to dealing assistant /Cashier and the DDO (DD F&amp;A) office compares the list with bill dispatched register on monthly basis. Any outstanding item is followed up with the Cashier/Dealing assistant</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: E&SE/Directorate/FA M/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, kindly 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 (DD F&amp;A)</li> <li>▪ Kindly check the entry of the asset in the stock register</li> <li>▪ Please verify the signatures of DDO (DD F&amp;A)/purchase committee and the in-charge of the section where the asset is delivered on the stock register</li> <li>▪ Please ensure that adequate budget was available for the purchase under appropriate head.</li> </ul>		

	<ul style="list-style-type: none"> <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> <p><b>Policies and Procedures</b></p> <ul style="list-style-type: none"> <li>▪ 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?</li> <li>▪ Is the following information contained in the Fixed Assets Register: <ul style="list-style-type: none"> <li>▪ Description</li> <li>▪ Classification of asset</li> <li>▪ Date of purchase / date of completion</li> <li>▪ Original purchase cost (in rupees)</li> <li>▪ Cost in foreign currency (where applicable)</li> <li>▪ Asset identification number</li> <li>▪ Current location</li> <li>▪ Ownership of / responsibility for?</li> </ul> </li> <li>▪ Are fixed assets reports produced every quarter? (A requirement of Financial Reporting Manual)</li> <li>▪ Are the policies for disposal of fixed assets (13.5) being followed?</li> <li>▪ Is there proper accounting of the proceeds from disposal (13.6) being followed?</li> <li>▪ Are periodic physical counts of assets made by persons independent of accounting and asset records and independent of the custodians of the assets?</li> </ul> <p><b>Disposal</b></p> <ul style="list-style-type: none"> <li>▪ Take a sample of assets recently disposed of and check: <ol style="list-style-type: none"> <li>a) Whether proper authority was obtained to dispose of the asset</li> <li>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)</li> </ol> </li> </ul>		
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	<p>c) Where possible, compare prices obtained for similar assets and investigate any assets apparently sold below value</p> <p><b>Utilization</b></p> <ul style="list-style-type: none"> <li>▪ Are buildings used as intended?</li> <li>▪ Are buildings properly utilised (e.g. classroom used and/or not overcrowded)?</li> <li>▪ 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</li> </ul> <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 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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***E – Stores Management***

<b>AUDIT PROGRAM</b>	<b>E</b>
Stores Management - Stores Process	Process id: E&SE/ Directorate/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><b>Audit Procedure</b></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, kindly 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 (DD F&amp;A)</li> <li>▪ Kindly check the entry of the store item in the stock register</li> <li>▪ Please check that DDO (DD F&amp;A) has signed in the stock register</li> <li>▪ Check for the sanction authority is appropriate as per KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Kindly check for the signature of the DDO (DD F&amp;A) on the goods inward side of stock register</li> <li>▪ Through observation ensure that the store room is locked and only the caretaker can enter the store room</li> <li>▪ For a balance of items (e.g. stationery, toners etc) as appearing in the stock register kindly 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 <ul style="list-style-type: none"> <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> </ul> </li> </ul>	<p>GFR-161</p> <p>GFR-167</p> <p>CTR-379</p> <p>GFR-22</p> <p>GFR-22</p> <p>GFR-22</p>	
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	<ul style="list-style-type: none"> <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 <ul style="list-style-type: none"> <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> <li>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)</li> <li>d) Observe whether there are adequate physical controls over the inventory to ensure they are properly safeguarded</li> </ul> </li> <li>▪ Conclude whether the maintenance of inventory records are sufficient to safeguard the inventory <ul style="list-style-type: none"> <li>a) Records are maintained up-to-date</li> <li>b) Access to records controlled so difficult to change to cover up theft</li> <li>c) Regular reconciliation of actual inventory with inventory records and accounting records</li> </ul> </li> </ul> <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> </ul>		
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	<ul style="list-style-type: none"> <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> <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 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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*F – Operating Expenses*

<b>AUDIT PROGRAM</b>	<b>F</b>
Operating Expense Process	Process id: E&SE/ Directorate/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 DIRECTORATE</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 (DD F&amp;A)</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 (DD F&amp;A).</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 Accountant and DDO (DD F&amp;A).</li> <li>▪ Quotations are available from different suppliers and signed individually with respect to their business name</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ Comparative statement is prepared and signed by the Accountant, DDO (DD F&amp;A) and Director</li> <li>▪ The lowest rate is ordered</li> <li>▪ Purchase order is signed by DDO(DD F&amp;A)</li> <li>▪ Contingent bill is prepared as per Rules (Financial Powers) and duly signed by Director and DDO (DD F&amp;A)</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 (DD F&amp;A)</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 Additional Director</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 Additional Director.</li> </ol> </li> <li>▪ Enquire that the DDO office maintains a list of approved bills/forms forwarded to dealing assistant /Cashier and the DDO (DD F&amp;A) office compares the list with bill dispatched register on monthly basis. Any outstanding item is followed up with the Cashier/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(DD F&amp;A)</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 performa (form PR8) is filled correctly</li> </ul>		

	<ul style="list-style-type: none"> <li>▪ The following heads of provincial coded classification performa 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> <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> </li>   <li>▪ Provincial coded classification performa is signed by the DDO(DD F&amp;A)</li>   <li>▪ Check casting of the performa</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 (DD F&amp;A) 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 and December</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. Please check the report is reviewed by Director.</li>   <li>▪ Enquire about any bill outstanding for more than 30 days and note down the reasons</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 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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***G – Strategic Planning***

<b>AUDIT PROGRAM</b>	<b>G</b>
<b>Strategic Planning Process</b>	<b>Process id: E&amp;SE/ Directorate/Strategic Planning/Planning Annual Process -01</b>

The program will be developed once the strategic planning process is implemented at the department level.

*H - Project – Centre of Excellence*

<b>AUDIT PROGRAM</b>	<b>H</b>
Centre of Excellence Project	Process id: E&SE/ Directorate/Project/Centre of Excellence

**Audit Period:**

**Date(s) Conducted:**

**Audit Objectives:**

**To ensure that:**

- There are adequate monitoring controls are built in the project
- There is adequate segregation of duties

	<b>Audit Procedure</b>	<b>Done By:</b>	<b>WP Ref.</b>
	<p><b>Test on Controls:</b></p> <p>For an ETEA test carried out during the year ensure the following:</p> <ul style="list-style-type: none"> <li>▪ The advertisement to conduct test of the students is present in the office and approved by the Director E&amp;SE before forwarding to the Information Department.</li> <li>▪ The letter to Information Department is present in the office and signed by the Assistant Director P&amp;D to ensure the reliability.</li> <li>▪ District wise result / merit list is present in the P&amp;D Section and is approved by the ETEA Authority (Educational Testing &amp; Evaluation Agency)</li> <li>▪ Check the following in the merit list: <ul style="list-style-type: none"> <li>✓ Total number of districts</li> <li>✓ Number of male students in each district</li> <li>✓ Number of female students in each district</li> <li>✓ Total number of absent students</li> <li>✓ Ones who are not eligible due to (over age, under age or studying in private schools)</li> <li>✓ Number of students above 60% marks</li> <li>✓ Number of students below 60% marks</li> </ul> </li> </ul>		

	<ul style="list-style-type: none"> <li>▪ ETEA merit list must be cross verified with the list prepared by the P&amp;D Section after final interviews taken in the districts and with the minutes of the meeting done with Secretary E&amp;SE (where Secretary approves the merit list)</li> <li>▪ The minutes of the meeting done with Secretary E&amp;SE is present in the office and signed by the Assistant Director P&amp;D</li> <li>▪ The notification is present in the office and ensure the following: <ul style="list-style-type: none"> <li>✓ Names of all successful candidates</li> <li>✓ Father name</li> <li>✓ Domicile</li> <li>✓ Institution allotted</li> </ul> </li> <li>▪ The notification is approved by the Director E&amp;SE and signature by the Deputy Director P&amp;D before forwarding to all concerns like: <ul style="list-style-type: none"> <li>✓ PS to Chief Minister</li> <li>✓ Vice Chancellor Peshawar University</li> <li>✓ PD ESRU</li> <li>✓ Executive Director ETEA</li> <li>✓ All DEOs</li> <li>✓ All Schools (selected for the Project)</li> <li>✓ All selected students</li> </ul> </li> <li>▪ The expenditure statement received from the schools is signed by the Principle / Head Master</li> <li>▪ Cross verify the total amount of expenditure with the total number of students in that particular school (Using the list that the Secretary approved)</li> <li>▪ The bill of the payment is prepared correctly with no transactional errors and signed by the DDO (Deputy Director F&amp;A) and approved by the Director E&amp;SE before forwarding to AG's office</li> <li>▪ Receiving is present with the cashier in the accounts section that the cheques are collected from AG's office</li> </ul>		
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	<ul style="list-style-type: none"> <li>▪ The cash book is maintained and updated as the cheques are delivered to the all concerns school's Principle</li> <li>▪ TCS receipt is present in the accounts section for those cheques which were delivered via TCS or any other courier service.</li> <li>▪ If possible, depending on the availability of the data, perform circularisation of the students receiving the scholarship</li> <li>▪ Check the reasonableness of the claim made by schools by calculating the number of students who have been awarded the scholarship multiplied by average amount of scholarship per student.</li> <li>▪ Vouch the supporting documents attached by the schools with the expenditure statement</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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*I - Litigation*

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<b>AUDIT PROGRAM</b>	<b>I</b>
Litigation Process	Process ID: E&SE/ Directorate/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 E&amp;SE 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 and Executive District Officer E&amp;SE.</li> <li>▪ Reply by litigation section fulfils the following heads:</li> </ul>		

	<ul style="list-style-type: none"> <li>✓ Preliminary objections</li> <li>✓ Facts</li> <li>✓ On Grounds</li> <li>✓ Signature of the Director E&amp;SE or any other respondents.</li> <li>✓ Stamped by government pleader (vetted)</li> </ul> <ul style="list-style-type: none"> <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 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</p>		
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\* The litigation process does not have any major financial implication in Cash Basis of Accounting.

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*Section- IV*  
*Audit Report*

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*Report on Internal Controls Design Deficiencies*

S. No	Section Process Id	Process Step	Control Weakness	Implication	Recommendation	Implementation Responsibility
1	<b>A-4</b> Process ID: E&SE/Directorate/BM/ Re-appropriation-04	P4 – Prepares the statement of Re-appropriation /Surrenders of savings in 10 <sup>th</sup> and 12 <sup>th</sup> month of the FY and forwards it to Superintendent F&A, AD F&A and DD F&A for approval.	No review by second person	Clerical mistake may occur in the preparation of statement	Cashier needs to prepare the statement and Superintendent F&A needs to check it while the DD F&A should finally approve it.	Director E&SE
2	<b>A-4</b> Process ID: E&SE/Directorate/BM/ Re-appropriation-04	P4 – Prepares the statement of Re-appropriation /Surrenders of savings in 10 <sup>th</sup> and 12 <sup>th</sup> month of the FY and forwards it to Superintendent F&A, AD F&A and DD F&A for approval.	Non preparation of variance report and rolling budget	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 department 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 department	Director E&SE

					to ascertain the exact position of savings/excess early in the financial year. This report must be reviewed and signed by the Secretary E&SE.	
3	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P1 – Enquires about details of vacant positions at district level from the DEOs.	Control over timely execution of important tasks missing.	Operational efficiency of the department will be impaired.	Enquiries should formally be made from all the DEOs at regular intervals e.g. quarterly.	Director E&SE.
4	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P1 – Enquires about details of vacant positions at district level from the DEOs.	Control over timely execution of important tasks missing.	Operational efficiency of the department will be impaired.	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	Director E&SE.

					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.	
5	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P1 – Enquires about details of vacant positions at district level from the DEOs.	Control sheet for all DEOs missing.	A DEO may be missed out to be notified.	The SST Officer should maintain a Control sheet of all the DEOs and letters once dispatched to them should be indicated on the sheet.	Director E&SE.
6	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P2 – Prepares and provides the details of vacant positions the SST officer Establishment.	Work load assessment is not carried out.	Extra staff may be hired and will be a burden on the National Exchequer.	Workload assessment, of the DEO/School demanding the new post, should be carried out by the Deputy Director and comments be recorded on the file so that extra staff is not hired without any proper justification.	Director E&SE.

7	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P3 – Consolidates the list of vacant positions received from all the DEOs.	Control Sheet of all DEOs not maintained.	A DEO may be missed out.	The SST Officer should maintain a Control sheet (same sheet as explained above) of all the DEOs and letters once received should be indicated on the sheet.	Director E&SE.
8	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P11 – Enters the data of all the candidates in the system.	Review by second person not available.	Data may be entered incorrectly or list of the candidates is changed deliberately.	List prepared by the computer operator in EMIS Cell should be forwarded to Director E&SE only after being vetted by some other officer against the manual list of successful candidates	Director E&SE
9	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P13 – Approves the list and notify the candidates.	No review by a second person.	A candidate may be 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.	Director E&SE.

10	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P14 – Sends the list of successful candidates to the Director General Health (Police Services Hospital) for their medical check-up.	No review by a second person.	A candidate may be missed out from the list.	An independent person should check the list of candidates sent to DG Health with the list of successful candidates sent by the Public Service Commission.	Director E&SE.
11	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P15 – Sends the list of candidates to the IG Police for clearance certificate	No review by a second person	A candidate may be missed out from the list	A third person/ official should check the list of candidates sent to IG police with the list of successful candidates sent by the Public Service Commission.	Director E&SE
12	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P18 – Issues notification and placement orders of the successful candidates.	No review by a second person.	A candidate may be missed out to notify.	A third. Person/ official person should check the notification with the list of successful candidates sent by the Public Service Commission.	Director E&SE.

13	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P19 - 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.	No control sheet is available	All the performas are not filled and forwarded.	Document Control sheet listing all the documents required to be attached should be signed off by the preparer and reviewer both.	Director E&SE
14	<b>B-1</b> Process id: E&SE/Direc torate/HRM /Hiring Process-01	P19 - 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.	Non availability of a reconciliation	Forms may not be forwarded to AG's office at all	1. DDO office must maintain a list of approved bills/forms forwarded to bill assistant.  2. The DDO (DD F&A) 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	Director E&SE

					must be maintained reviewed by the DDO (DD F&A) before sending it to AG's office.	
15	<b>B-2</b> Process id: E&SE/ Directorate/ HRM/Hiring Process -02	P1 – Forwards the file to Superintendent, Assistant Director, Deputy Director, Additional Director and finally to Director intimating the availability of vacant posts and proposes filling them up.	No work load assessment carried out	Extra staff may be hired and will be a burden on the National Exchequer	1) Demand for the position from the 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 new post, should be carried out by the Deputy Director and comments be recorded on the file so that extra staff is not hired without any proper justification.	Director E&SE
16	<b>B-2</b> Process id:	P8 – Receives applications from	Second person review is not	Some applications	The Assistant Director should	Director E&SE

	E&SE/ Directorate/ HRM/Hiring Process -02	the candidates and enters into Diary register.	available.	may be missed out.	ensure that all the applications received are entered in the Diary register. On a test basis a sample of application must be traced to the Diary register	
17	<b>B-2</b> Process id: E&SE/ Directorate/ HRM/Hiring Process -02	P9 – Constitutes the committee to conduct test and interviews.	Multi-sectional committee not available.	The committee may be influenced.	Members of the committee should be from different sections of the Directorate along an independent member from the Secretariat to mitigate the risk of biasness.	Director E&SE
18	<b>B-2</b> Process id: E&SE/ Directorate/ HRM/Hiring Process -02	P10 – Conducts test and interviews and prepares the final list of successful candidates.	Initial screening of applicants not carried out.	An ineligible candidate may be selected.	Initial screening of the applicants should be carried out at the time applications are submitted and only shortlisted candidates be allowed for test and interview.	Director E&SE

19	<b>B-2</b> Process id: E&SE/ Directorate/ HRM/Hiring Process -02	P13 – Issues office order to the successful candidates.	No review by second person.	A candidate may be left to notify.	Administration section should reconcile the notifications against the list of successful candidates to ensure that no one is left to notify.	Director E&SE
20	<b>B-2</b> Process id: E&SE/ Directorate/ HRM/Hiring Process -02	P14 – Does their medical check-up from the Police Services Hospital, collects the medical report and submits it to the administration section along with arrival report.	No independent verification of report submitted.	Bogus report may be submitted.	The medical reports should be independently verified with the Police Services Hospital	Director E&SE
21	<b>B-2</b> Process id: E&SE/ Directorate/ HRM/Hiring Process -02	P16 – Prepares the 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 employee’s payroll.	No control sheet is available.	All the performas are not filled and forwarded.	Document Control sheet listing all the documents required to be attached should be signed off by the preparer and reviewer both.	Director E&SE

22	<b>B-2</b> Process id: E&SE/ Directorate/ HRM/Hiring Process -02	P16 – Prepares the 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 employee’s payroll.	Non availability of reconciliation	Forms may not be forwarded to AG office at all	1. DDO office must maintain a list of approved bills/forms forwarded to Cashier  2. The DDO (DD F&A) 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 (DD F&A) before sending it to AG office.	Director E&SE
23	<b>B-4</b> Process ID: E&SE/Direc torate/HRM /Training &	P6- Receives nomination list reviews it against set criteria and instructions and	No Training Needs Assessment carried out.	Important areas where capacity building is required may be ignored.	The department should work out Training Needs Assessment at each level on an	Director E&SE

	Development - 04	formal approval is taken from Deputy Director P&D, Additional Director P&D and Director E&SE. The approved nomination list is then forwarded to E&SED			annual basis. This will identify the areas of strength and weaknesses. The plan should then be discussed with the of Economic Affairs Division to develop a comprehensive strategy for training.	
24	<b>B-4</b> Process ID: E&SE/Directorate/HRM/Training & Development - 01	P6- Receives nomination list reviews it against set criteria and instructions and formal approval is taken from Deputy Director P&D, Additional Director P&D and Director E&SE. The approved nomination list is then forwarded to Secretariat E&SE	Non Availability of an HR database	Individual capacity building will not be possible	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.	Director E&SE

25	<b>B-5</b> Process id: E&SE/ Directorate/ HRM/Leave encashment- 05	P3/a – Submits the application along with relevant documents in the diary branch.	Diary number not allocated	Difficulty in a particular application	Diary branch should allot a number to each application received and the number should be forwarded to the applicant for tracking purposes.	Director E&SE
26	<b>B-5</b> Process id: E&SE/ Directorate/ HRM/Leave encashment- 05	P12 – Submits the leave encashment bill to the AG's office and AG's office issues a token number.	Non availability of a reconciliation.	Forms may not be forwarded to AG's office at all.	1. DDO office must maintain a list of approved bills/forms forwarded to bill assistant. 2. The DDO (DD F&A) 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 (DD F&A) before sending it to AG's office.	Director E&SE

27	<p><b>B-5</b> Process id: E&amp;SE/ Directorate/ HRM/Leave encashment- 01</p>	<p>P14 – Collects the cheque from AG’s office and hands it over to applicant.</p>	<p>Aging report not prepared.</p>	<p>Payment will be delayed.</p>	<p>The cashier must enter all the cheques received from AG’s office against each bill in the bill dispatched register.</p> <p>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 (DD F&amp;A).</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</p>	<p>Director E&amp;SE</p>
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					Additional Director for his review and signatures.	
28	<b>B-5</b> Process id: E&SE/ Directorate/ HRM/Leave encashment- 05	P14 – Collects the cheque from AG’s office and hands it over to applicant.	Reconciliation not carried out.	Payment will be delayed.	1. An intimation letter to the applicant must be issued within 3 days from the receipt of cheque from AG’s office. 2. A list of cheques received from AG’s Office, but not issued to the applicant for more than 15 days must be prepared from the cheques received register. 3. The list shall be prepared on fortnightly basis. 4. The list should then be forwarded to Additional Director for his review and signatures.	Director E&SE
29	<b>B-6</b> Process id: E&SE/	P1 – Prepares the pension papers.	Pension section not performing the required	Incorrect information may be	As pension section exists in the Directorate of	Director E&SE

	Directorate/ HRM/Pension/GP Fund -06		duties.	included in the pension papers.	E&SE, the pension papers should be prepared in the pension section and the current practice of outsourcing its preparation on payment must be discouraged. The DD F&A (DDO) should make sure that the pension papers are prepared by the relevant section and is not outsourced.	
30	<b>B-6</b> Process id: E&SE/ Directorate/ HRM/Pension/GP Fund -06	P12 – Forwards the case to the AG's office.	Non availability of a reconciliation.	Forms may not be forwarded to AG's office at all.	1. DDO office must maintain a list of approved bills/forms forwarded to bill assistant.  2. The DDO (DD F&A) office must compare the list with bill dispatched register on monthly basis. The bill dispatch register containing the list of bills	Director E&SE

					along with their approval dates must be maintained reviewed by the DDO (DD F&A) before sending it to AG's office.	
31	<b>C-1</b> Process ID: E&SE/Direc torate/Procu rement/ Tendering process-01	P1 – Forwards the purchase Requisition to the Director E&SE.	Utilization rate of items is not available	High utilization rate of an item will go unnoticed	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 (DD F&A).	Director E&SE
32	<b>C-2</b> Process ID: E&SE/Direc torate/Procu rement/Fixe d Assets- Goods-02	P1 – Sends purchase requisition to cashier.	Utilization rate of items is not available	High utilization rate of an item will go unnoticed	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 (DD F&A).	Director E&SE

33	<p><b>C-2</b> Process ID: E&amp;SE/Direc torate/Procu rement/Fixe d Assets- Goods-02</p>	<p>P12 – Prepares bill on the basis of supplier’s quoted price and then forward bill along with documents to AG’s Office for payments authorization.</p>	<p>Non availability of reconciliation</p>	<p>Forms may not be forwarded to AG’s office at all</p>	<p>1. DDO office must maintain a list of approved bills/forms forwarded to bill assistant.</p> <p>2. The DDO (DD F&amp;A) 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 (DD F&amp;A) before sending it to AG’s office.</p>	<p>Director E&amp;SE</p>
34	<p><b>C-2</b> Process ID: E&amp;SE/Direc torate/Procu rement/Fixe d Assets- Goods-01</p>	<p>P14 - Collects the cheque enters in cash book forwards it to supplier and acknowledgement is received.</p> <p>( The current practice is that the</p>	<p>Aging report not prepared</p>	<p>Payment will be delayed</p>	<p>The cashier must enter all the cheques received from AG’s office against each bill in the bill dispatched register.</p> <p>2. A monthly</p>	<p>Director E&amp;SE</p>

		petty expenses are paid by the accounts officer from his own pocket and the cheque from AG's office is prepared in DDO (DD F&A) name and the amount will be paid to the accounts officer)			reconciliation of bills sent and cheques received must be prepared. A reconciliation report identifying outstanding bills must be generated and reviewed by DDO (DD F&A).  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.  4. Aging report must be sent to the Additional Director for his review and signatures.	
35	<b>C-2</b> Process ID: E&SE/Direc torate/Procu	P15 - Receives the payment/Cheque.	Reconciliation not carried out.	Payment will be delayed.	1. An intimation letter to the applicant must be issued within 3 days	Director E&SE

	rement/Fixed Assets-Goods-02				<p>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 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 Additional Director for his review and signatures.</p>	
36	<b>D</b> Process ID: E&SE/Directorate/FAM /Asset management -01	P4 – Records entry in the stock register upon delivery of the asset. The asset is directly delivered to user section. It is entered in the Stock	The asset is not checked by In-charge of user section	A different item may be purchased and delivered	The In-charge of the user section should also make sure that the asset delivered is according to the specifications.	Director E&SE

		register which is signed by the Deputy Director, F&A.			He/She should then sign in the stock register	
37	<b>D</b> Process ID: E&SE/Direc torate/FAM /Asset management -01	P4 – Records entry in the stock register upon delivery of the asset. The asset is directly delivered to user section. It is entered in the Stock register which is signed by the Deputy Director, F&A.	No physical verification of assets is being carried out	Asset may be lost, stolen or replaced	1.A periodic physical verification of fixed assets should be carried out  2. When asset is received in premises caretaker needs to put an item code on it. The item code entry is then made in the fixed asset register.	Director E&SE
38	<b>E</b> Process id: E&SE/ Directorate/ Stores Management /Stores Process-01	P8 – Records the items in the stock register and keep the items in the stores.	1. Not enough accommodation in the store.	Items may 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.	Director E&SE

39	<p><b>H</b> Process id: E&amp;SE/ Directorate/ Project/Cent re of Excellence</p>	<p>P1 – Forwards the file to the Superintendent, AD, DD, AD and finally to Director for the approval to conduct test of the students.</p>	<p>Procedure is not followed on time.</p>	<p>Effectiveness of the project will be impaired.</p>	<p>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.</p>	<p>Director E&amp;SE</p>
40	<p><b>H</b> Process id: E&amp;SE/ Directorate/ Project/Cent re of Excellence</p>	<p>P7 – Prepares the merit list and writes a letter to all DEOs to conduct interviews of the successful candidates.</p>	<p>Review by second person not available.</p>	<p>Chances of mistakes in the merit list.</p>	<p>The merit list prepared by the Additional Director and should be reviewed by the Director by comparing with the results sent by</p>	<p>Director E&amp;SE</p>

					ETEA. Both preparer and reviewer .	
41	<b>H</b> Process id: E&SE/ Directorate/ Project/Centre of Excellence	P7 – Prepares the merit list and writes a letter to all DEOs to conduct interviews of the successful candidates.	Control sheet is not available	A DEO may be missed out to intimate	- A control sheet should be maintained which should include the names of all DEOs. Once letter is issued to a DEO then it should be indicated on the sheet	Director E&SE
42	<b>H</b> Process id: E&SE/ Directorate/ Project/Centre of Excellence	P9 – Consolidates the final merit lists, prepares working papers and meets with Secretary E&SE. The members of the meeting includes Secretary as a chairman, Additional Director E&SE, Member Finance Department, Additional Director P&D, Director ESRU, Principle from UPS	Review by second person not available	Chances of a merit list being missed out during consolidation	An independent official other than that who consolidated all the merit lists received from the DEOs should review the consolidated final merit list to ensure that final merit list is sum total of all the merit lists received from all the DEOs.	Director E&SE

		(University Public School Peshawar) etc.				
43	<b>H</b> Process id: E&SE/ Directorate/ Project/ Centre of Excellence	P9 – Consolidates the final merit lists, prepares working papers and meets with Secretary E&SE. The members of the meeting includes Secretary as a chairman, Additional Director E&SE, Member Finance Department, Additional Director P&D, Director ESRU, Principle from UPS (University Public School Peshawar) etc.	Review by second person not available	Chances of clerical mistake in the consolidated merit list	The consolidated sheet should be checked by an independent official against the final lists sent by all DEOs. Such review should be evidenced by a signature on the consolidated sheet	Director E&SE
44	<b>H</b> Process id: E&SE/ Directorate/ Project/ Centre of Excellence	P13 – Prepares the bill against the expenditure statement and sends it to the AG's office for clearance.	Review of expenditure statements not available	Payment may be made on incorrect expenditure statement	1. The expenditure statement should be verified by the DD F&A against the supporting documents provided by the	Director E&SE

					<p>schools. These documents should include student admission details, fee structure etc. All the amounts disbursed by the School should be directly to the Bank account of the student or his/her Guardian.</p> <p>2. The reasonableness of the claim should be verified by calculating the number of students who have been awarded the scholarship multiplied by average amount of scholarship per student.</p> <p>3. A control sheet should be prepared for each school which should include all the students receiving</p>	
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					the scholarship. Other important information such as what grade they are studying at, what is their fee structure and when did they receive the last payment etc should also be included	
45	<b>I</b> Process id: E&SE/ Directorate/ Litigation Process -01	P18 – 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	Appeal may not be filed on a timely basis	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 AD Establishment and finally by the Deputy Director Establishment.	Director E&SE
46	All processes		Outstanding items are not properly followed	Timeliness of the process may be impaired	1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instructions should be followed.	Director E&SE

					<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>	

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*Annexure*

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### Annual Planning Process (Proposed Process)

