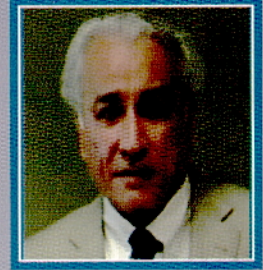




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Message from Mr. Arif Ahmed Khan Finance Secretary

It is my distinct pleasure to note that Quality Assurance Programme (QAP) has successfully completed its twelve years of implementation. During these years, Finance Division has continuously strived to improve its functioning to the best satisfaction of all the stakeholders. The quality benchmarking for each Wing, regular quality reviews and feedback from other line Ministries are important tools which have helped us to achieve and maintain ISO Certification.

As we are living in a dynamic world and are experiencing a major economic transformation, we should persistently adopt and equip ourselves to face the emerging challenges. I am confident that Quality Assurance Framework of Finance Division shall remain an important benchmark in our future endeavors. Let me add that Finance Division was the first Federal Government Organization at Secretariat level in Pakistan to achieve ISO Certification during the year 2006 and successfully initiated Quality Assurance Programme.

Finance Division has been continuously striving to enhance the level of customer satisfaction by improving its performance and systems at various levels under this programme. The professionalism adopted by the Finance Division regarding Quality Management is commendable. I hope that the current issue of this newsletter would be a valuable source of information relating to service delivery by Finance Division.

I would also like to express my appreciation to our QAP team, senior management and staff of Finance Division for their dedication and efforts in making the programme a success.

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**IMPLEMENTATION OF NEW QUALITY MANAGEMENT
SYSTEM: ISO 9001: 2015 IN FINANCE DIVISION**

Ministry of Finance is the flagship Ministry fully compliant with ISO 9001:2008 Quality Management System. The existing Standards are going to expire in September, 2018 and a new version of the Management Standard **ISO 9001:2015** is going to replace the existing version (ISO 9001:2008) from September, 2018. Transition to new Standard 2015 is mandatory to continue ISO Certification and this process entails some additions to the ongoing Quality Assurance System of Finance Division to fit the new version. Consequently, some key changes are required to be incorporated in the Quality Assurance Procedures (QAPs) of all Wings in line with the new **Clauses 4.1, 4.2 and 6.1** of ISO 9001:2015 Standards.

During the course of 3rd Surveillance/External Quality Audit conducted by M/s Lloyd's Register Quality Assurance(LRQA), the Auditor highlighted compulsory and immediate changes particularly "Risk Management Mechanism" for switching over to the new Standards. In order to achieve this target, a training session was also arranged in collaboration with the Certification Agency in April, 2018 at Islamabad for Departmental Quality Assurance Coordinators (DQACs) of all Wings. Key objective of this session was to disseminate knowledge, enhance awareness and sensitize the DQACs to the intended changes for shifting to the new Standard.

Risk assessment is the most notable feature of ISO 9001:2015 as everyone will be responsible for managing risk and ensuring Quality concerning his/her job functions. The first and foremost action would be to devise "**Risk Management Mechanism**" of each Wing enabling smooth transition to the new Standard 2015. In this regard, an additional booklet in respect of each Wing would be formulated on priority basis containing detailed features of Risk Management that will surely address changed requirements of new Standard.

A template of Risk Management has been developed in consultation with the Certification Agency that would facilitate the DQACs to formulate their own Risk Assessment Procedure in order to fulfill the obligatory requirement of new Standards 2015. During the current Certification cycle (2016-2019), a new ISO Certificate in terms of **ISO 9001:2015** Standards will subsequently be issued by the Certification Agency in **September, 2018** for the remaining Certification period of about one (01) year from 15th September, 2018 to 14th August, 2019. It is most important to strictly adhere to the timeline as sufficient time would be required for seeking approval of the competent authority and thereafter printing the requisite copies of the aforesaid Booklet.

Khurshid Anwar, Deputy Secretary (QA)



AN OVERVIEW/ ACTIVITIES OF EXTERNAL FINANCE (POLICY) WING DURING JANUARY – June, 2018

External Finance Policy (EFP) Wing deals with multilateral institutions like the World Bank (IDA, IBRD, IFC and MIGA), International Fund for Agricultural Development (IFAD), SAARC Development Fund (SDF) and ECO Trade and Development Bank. Moreover, it is the focal point for Pakistan Poverty Alleviation Fund (PPAF), Institutional Strengthening of Finance Division Project (ISFDP), Joint Ministerial/Economic Commissions. Major Activities of the Wing during January 01 to June 30, 2018 are highlighted as under:

Amendments in Protection of Economic Reform Act(PERA), 1992

To strengthen the foreign exchange regime in Pakistan, Finance Division, on the recommendations of the State Bank of Pakistan(SBP), has made some amendments in Protection of Economic Reform Act, 1992 through Finance Bill, 2018.

- ✓ A person carrying foreign currency notes exceeding US\$ 10,000 or equivalent within Pakistan will have to prove the legitimacy of acquisition of these currency notes. Further, the freedom for cross-border movement of cash foreign currencies available to persons under PERA has also been curtailed.
- ✓ In pursuance of requirements of Financial Action Task Force Recommendations and other international best practices, the incoming and outgoing persons shall be required to declare cash foreign currencies etc. to designated agencies. The declaration regime has been strengthened in line with international requirements by omitting words "*in any form and shall not be required to make a foreign currency declaration at any stage nor shall any one be questioned in regard to the same*".
- ✓ Before recent amendments in PERA, commercial banks were under obligation to observe complete secrecy related to foreign currency accounts. However, the current domestic and international anti money laundering regime requires disclosure of such information. The recent amendment has allowed access to such information to SBP and FBR.
- ✓ After current amendments in PERA, no cash can be deposited in a foreign currency account of a citizen of Pakistan resident in Pakistan, unless the account holder is a filer as defined in the Income Tax Ordinance, 2001.
- ✓ Now Federal Government may make rules governing deposits in and withdrawals from the foreign currency accounts.

Implementation of a Project titled "Institutional Strengthening of Finance Division"

The above Project was approved by the CDWP on 03.11.2010 at a capital cost of Rs 171.076 million for a period of 3 years. **Main objectives** of the Project were; (i) to bridge the skill gap by provision of experts/consultants for strengthening fiscal and economic policy formulation; (ii) Conduct research on economic & financial management issues; and (iii) Provide on-the-job and function-based local trainings for overall professional development. EFP Wing of Finance Division was the focal point for implementation of this Project. **Major achievements** of the Project, includes; (a) 09 Experts/Consultants and 12 Research Associates(RAs) were hired under the Project; (b) 14 Research Studies on various topics have been completed by the RAs under the Project; (c) 88 training courses on various topics (42 trainings for Officers and 46 for staff of Finance Division) have been conducted under the Project; and (d) Economic Surveys of Pakistan have been digitalized. After awarding 4 time extensions, the Project was finally closed on June 30, 2018.

Syed Ahmad Raza Asif, Deputy Secretary(EFP-I)

Capacity Building of Human Resource – Highlights

A) Training Record of Officers/Officials of Finance Division (January-June, 2018)

Sr.#	Type of Training	Nominations Processed	Nominated	Availed
1.	Local/Inland (Officers/Officials)	94	80	80
2.	Foreign (Officers)	38	35	20
Total		132	115	100

B) Officers of Finance Division in a training session at a Hotel in Islamabad- Pictures





TRAINING SESSION ON "AWARENESS & INTERPRETATION, ESTABLISHMENT & IMPLEMENTATION ISO 9001:2015

Introduction

A one day Training Session on "Awareness and Interpretation, Establishment & Implementation ISO 9001:2015" was held at Tabaq Restaurant, Blue Aea, Islamabad by the Quality Assurance(QA) side of HRM Wing, Finance Division on 2nd April, 2018. Seventeen (17) Officers of Finance Division, including all Departmental Quality Assurance Coordinators (DQACs) and QA team, were detailed to attend the Training Session. Mr. Raheel Ehsan, Senior Lead Assessor, M/s Lloyd's Register Quality Assurance (LRQA), Karachi, was the resource person for one day session with detailed discussion on different aspects of Quality Management System and new version of ISO 9001:2015 Standard.

Core Objective

Finance Division is an ISO 9001:2008 certified organization and shifting to ISO 9001:2015 standards in September, 2018. As such, the training session was scheduled to familiarize the officers of the Finance Division especially the Departmental Quality Assurance Coordinators (DQACs) with the new International Quality Management System Standard.

Key Features of the Discussion

The resource person gave an in-depth analysis of different provisions of Quality Management System. He described different stipulations of ISO 9001:2015 viz-a-viz ISO 9001:2008. It was highlighted that ISO (the International Organization for Standardization) is a worldwide federation of national standards bodies and the work of preparing International Standards is normally carried out through ISO technical committees.

The clause structure and some of the terminology of ISO 9001:2015, in comparison with the previous edition (ISO 9001:2008) have been changed to improve alignment with other management systems standards. It was informed that ISO 9001:2008 has eight clauses; first three clauses are not part of ISO 9001:2015 whereas remaining five clauses are part of ISO 9001:2008. Two additional clauses have been added in ISO 9001:2015. Key features of the discussion are as follows:-

- ISO 9001:2008 used the term "product" to include all output categories. ISO 9001:2015 uses "products and services".
- The structure of clauses is intended to provide a coherent presentation of requirements, rather than a model for documenting an organization's policies, objectives and processes.
- Sub-clause 4.2 of ISO 9001:2015 specifies requirements for the organization to determine the interested parties that are relevant to the quality management system and the requirements of those interested parties. It is for the organization to decide if a particular requirement of an interested party is relevant to its quality management system.
- One of the key purposes of a quality management system is to act as a preventive tool. ISO 9001:2015 does not have separate clause or sub-clause on preventive actions. The concept of preventive action is expressed through the use of risk-based thinking in formulating quality management system requirements.
- There are three forms of Risks; high, medium and low level risks. We need to focus on high level risks and try to minimize its impact.
- If there is a risk involved, we need to avoid (eliminate) it in the first instance, however if it is not possible then 'substitute' it and if it is also not possible then 'transfer' it.



- ISO 9001:2008 used the term “records” to denote documents needed to provide evidence of conformity with requirements; this is now expressed as a requirement to “retain documented information”. The organization is responsible for determining what documented information needs to be retained, the period of time for which it is to be retained and the medium to be used for its retention.
- ISO 9001:2015 addresses the need to determine and manage the knowledge maintained by the organization, to ensure the operation of its processes and that it can achieve conformity of products and services.

Benefits/Usage of the Training

This training session was very much beneficial for all the participants. It was quite helpful in understanding and meeting the requirements of new standard i.e. ISO 9001:2015. In this way, the very objective of shifting of Quality Management System of Finance Division to new standard will be achieved.

Ishtiaq Ahmad, Section Officer (QA-I)



WORK EFFICIENCY / PERFORMANCE BASED SURVEY

The 17th Bi-annual Work Efficiency Survey for the period **July – December, 2017** was conducted to measure performance of all Wings against the following metrics of quality objective:-

- Average duration of days taken by SOs for submission of cases = 1.02 days
- Average duration of delays of files by SOs and equivalent = 0.00 days
- Average days taken for final disposal of cases = 2.10 days
- Percentage of cases disposed off at each level as follows:-

Percentage of Cases Disposed off at each level				
SO	DS	JS	AFS	FS
0.8%	9.4%	33.6%	28.3%	27.9%

Comparison of Work Efficiency/Performance Based Survey (Jul-Dec, 2017) with previous Two Surveys

Activities	15th Survey	16th Survey	17th Survey
	Jul-Dec, 2016	Jan-June, 2017	Jul-Dec, 2017
Average number of days taken by SOs/ equivalent for submission of cases	1.42	1.30	1.02
Average duration of delays of cases by SOs/equivalent	1.85	0.23	0.00
Average duration of disposal of cases	2.53	2.40	2.10
Percentage of cases disposed off at SO level	1.98%	1.98%	0.80%
Percentage of cases disposed off at DS level	3.17%	7.14%	9.40%
Percentage of cases disposed off at JS level	33.33%	28.57%	33.60%
Percentage of cases disposed off at AFS level	29.37%	25.80%	28.30%
Percentage of cases disposed off at FS level	32.14%	36.51%	27.90%

Shahzad Zareef, Section Officer (QA-III)



OVERVIEW / MAJOR ACHIEVEMENTS
OF CORPORATE FINANCE WING,
JANUARY-JUNE, 2018

Corporate Finance Wing (CF-Wing) of Finance Division deals with the financial, economic and corporate affairs of various Public Sector Entities (PSEs). One of the main functions of CF-Wing is to collect non-tax revenue from these PSEs in order to reduce the fiscal deficit of Government of Pakistan (GoP). Financial Support is provided to the PSEs by CF-Wing through equity investment, loans, grants and GoP guarantees. All sections of CF-Wing performed their tasks diligently and promptly resulting in efficient and productive output. The problem solving skills of the officers yielded significant increase in achievement of targets and quality of work in FY 2017-18. Main achievements of CF-Wing are as under:-

- ✓ Last fiscal year witnessed surge in non-tax revenue collection from National Highway Authority (NHA) which was around Rs. 71.080 billion compared to Rs. 50.552 billion in F.Y. 2016-17.
- ✓ Public Sector Development Programme (PSDP) amounting to Rs. 199.130 billion was released to NHA in the form of Cash Development Loan in Financial Year 2017-18.
- ✓ Rs. 300.00 million were collected on account of interest liabilities of Pakistan Railways. Rs. 38.5 billion were also provided to Pakistan Railways as subsidy to meet its losses.
- ✓ Textile Policy Initiatives, Strategic Trade Policy Framework 2015-18 and Prime Minister's Export Package were implemented. CF-Wing held consultations with Commerce Division, Textile Division and Federal Board of Revenue to review the Prime Minister's Export Package in view of its positive impacts on the country's exports. The terms of the Package were revised for further facilitation of exporters after due consultations with all stakeholders.
- ✓ Printing Corporation of Pakistan was provided funds amounting to Rs. 864 million for procurement of new machinery for General Elections 2018 in pursuance of Economic Coordination Committee (ECC)'s approval. The funds will enable the Corporation to become a self-sustaining entity.
- ✓ Funds were given to non-operational Pakistan Steel Mills for salary payments to its employees.
- ✓ CF-Wing also provided financial support in the form of subsidy to Trading Corporation of Pakistan (TCP), Utility Stores Corporation (USC) and Pakistan Agriculture Storage & Services Corporation (PASSCO) on account of price difference due to subsidized sale of commodities as per GoP decisions. In addition to this, cash credit limits were allowed in favor of these entities to finance their procurement of different food and crop items. Total financial support amounts to Rs. 18,344,893,642.

Mr. Rameez Azam, Section Officer (CF-II)



Departmental Quality Assurance Coordinators (DQACs)

The 2nd tier of Finance Division's Quality Assurance Structure consists of Departmental Quality Assurance Coordinators (DQACs), who work within their own Wing under their respective Additional Finance Secretary/Sr. Joint Secretary and look after the implementation level of Wings' Quality Objectives. The strength of DQACs varies on the basis of quantum of tasks. Presently, following are the DQACs:-

				
Mr. Abdul Malik Balghari, Deputy Secretary(PF)	Syed Ahmad Raza Asif, Deputy Secretary (External Finance-P)	Mr. Suhbat Ali Talpur, Deputy Secretary (Banking)	Mr. Muhammad Saleem, Deputy Secretary (PAC)	Mr. Shahid Ahmad Ch. Deputy Secretary(R-III)
				
Mr. Izhar Ahmad, Deputy Secretary(HR)	Mr. Shahid Ali, Deputy Secretary (External Finance-C)	Dr. Syed Nayyar Shah, Budget Publication Officer	Mr. Farooq Ghani, Section Officer(Inv-II)	Mr. Imran Rashid, Section Officer(Exp-II)
				
Mr. Rameez Azam Section Officer (Corporate Finance-II)	Ms. Sumera Rafiq, Section Officer(BR-III)	Ms. Nargis Bano, Assistant Economic Adviser (Population)	Mr. Shahzad Rafiq, Assistant Economic Adviser (Dev-I)	Finance Division Government of Pakistan



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