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Message from Dr. Waqar Masood Khan Finance Secretary



Finance Division being an ISO 9001:2008 Certified Ministry is constantly meeting the international standards of performance in pursuance of the goals and targets set by the program and fulfilling its promise of improvement in performance and creating conducive environment by developing a strong relationship between the quality service delivery and the functioning of the Division. Regular issuance of Newsletter would act a conduit between the division and the customer by providing two way flows of information and

quality feed back.

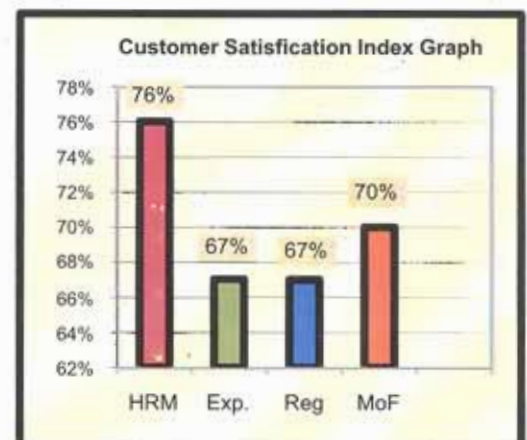
I appreciate the effort of publishing the quarterly newsletter relating to the Quality Assurance Program (QAP) and achievements of Quality Management System (QMS) in Finance Division. I would also like to communicate my sincere appreciation to our Quality Assurance Program team, Senior Management and staff of Finance Division for the hard work and effort in making the program a success.

Customer Satisfaction Index of Finance Division

A customer is the most important visitor on our premises. He is not dependent on us. We are dependent on him. He is not an interruption in our work. He is the purpose of it. He is not an outsider in our business. He is part of it. We are not doing him a favor by serving him. He is doing us a favor by giving us an opportunity to do so; Finance Division has always realized the importance of customer, customer satisfaction and expectations of the customers.

To identify, define and to reduce dissatisfaction of their customer and to meet their wants, needs and expectations, Finance Division is conducting regularly Bi-annual customer satisfaction survey to measure and analyze their dissatisfaction level and satisfaction index.

The survey for the 2nd half of 2010 is in process. The customer satisfaction index resulted in the customer satisfaction survey for the first half of 2010 for the Human Resource Management Wing, Expenditure Wing and Regulations Wing and over all Customer Satisfaction Index (CSI) of Finance Division is shown in the graph.





IMPORTANCE OF MANAGEMENT COMMITMENT IN QUALITY MANAGEMENT SYSTEM

Mian Muhammad Younis
AFS (HRM)

ISO 9001 says in sub-clause 5.1, "Executive management shall provide evidence of its commitment to the development and implementation of the Quality Management System (QMS) and continually improving its effectiveness by:

- Communicating to the organization the importance of meeting customer as well as statutory and regulatory requirements.
- Establishing the Quality Policy.
- Ensuring that quality objectives are established.
- Conducting management reviews.
- Ensuring the availability of resources"

The standard also says in sub-clause 5.5.2, "Executive management shall appoint a member of management who, irrespective of other responsibilities, shall have responsibility and authority that includes:

- Ensuring that process needed for the QMS are established, implemented and maintained, b) Reporting to executive management on the performance of the QMS and any need for improvement and c) Ensuring the promotion of awareness of customer requirements throughout the organization".

The above section of the standard is where executive management often gets confused and is under the perception that the extent of their participation is to pick a person to be a management representative for their ISO system. Every paragraph in section ISO 9001 clause 5 of the standard begins with, "Executive management" and not with "the management representative".

Management commitment refers to all of the executive management (management team) and not to an individual or department.

There are many reasons why executive management needs to be continually committed and involved in implementation and maintenance of the Quality management system besides it being a requirement of clause 5 of ISO 9001. The main reason is that if commitment isn't evident to the employees then the system will never truly be implemented throughout the organization. Employees at all levels of an organization won't be committed to a system that's not driven, supported, and believed-in by upper management.

Telling the organization that you're going to be registered to a standard and expecting to them to do what they perceive is required is very different than executive management driving, participating, and flowing the QMS down their employees through their actions and not just their words. When an employee submits a suggestion for improvement to management, management reviews the suggestion and chooses to take action or not. Either way, communicating to the employee the decision that was made and providing them with a clear explanation is how to illustrate commitment. By providing continuous feedback to employees, management will ensure that suggestions will continue, even if a few aren't accepted. Without clear communication from management, employees will eventually become discouraged and employee's suggestion for improvement will decrease dramatically.

Seven Deadly Waste

Tasnim Bajwa
SO (QA-I)

What is waste?

Waste is anything that don't add value to existing process. We should avoid waste not only to reduce cost but also it increases long term performance of a process by increasing the focus of workers and management from non value added activities to value added activities.

Types of wastes (TIMWOOD)

• I suggest that you keep in mind TIM WOOD (acronym for the 7 types of wastes) every time you do process analysis and we are trying to eliminate these from our work process/work place to enhance the performance. These are;

- TRANSPORT Waste** using mail where email could be used; we need to minimize the amount of movements (movement of paperwork is a type of transport waste).
- INVENTORY Waste** forms waiting to be worked on, cash not used to generate income, office space not completely utilized, storing of un-necessary documents/obsolete forms.

- MOTION Waste** walking to deliver paperwork, non-ergonomic office layout (excess motion/non-value added activities).
- WAITING Waste** waiting for information from another person, waiting for approval, system downtime, waiting for shared equipment.
- OVER PRODUCTION Waste** unnecessary paperwork, producing too much or too soon, more copies produced than needed, more data than needed on reports, extra "Just in case" steps.
- OVER PROCESSING Waste** occurs when we do something unnecessary; Redundant process; Manual processes were still retained after automation.
- DEFECT Waste** missing information, errors, and client complaints; by reducing the number of errors, we reduce the amount of re-work which in turn reduces costs and turn around time.

The eighth type of waste:

Unused Creativity People knowledge and skills that neither is nor utilized by the organization.



DRIVERS OF PERFORMANCE IMPROVEMENT

M. Liaquat Munir Rao
JS (HRM)

The Ministry of Finance (MoF) within the Govt. of Pakistan is charged with the formulation and execution of financial policies that improve the quality of life of the citizen of Pakistan. A need to improve the Quality of Govt. Services is felt by Finance Division and implemented QMS in MoF to strive towards improvement.

Process improvement is occurring in every organization throughout the world, yet people constantly ask about how to get started improvement?

How do get organization moving to a direction of continuous improvement, same asked to a QA Section in Finance Division and it is considered that only QA Section is responsible for improvement. Let me tell that in the organization every one is involved in this process of improvement, yes to answer above questions, we can find drivers of performance improvement. For that, in the beginning, we have to have management commitment? The obvious question then, how does top management show commitment to change and improvement? The Answer is about inspirational leadership and to be inspirational leadership, one needs to be a great communicator, because management commitment takes both leadership and communication. At 2nd improvement takes SMART objectives, planning by management must result in clearly defined objectives that the organization can work towards.

After that, in order to achieve the SMART objectives, the organization will require operational action plan with accountability and responsibility for each action. This means the **who-what-when** is spelled out for proper execution. Subsequently for improvement, we will need a user focus, defined customer requirements, an understanding of the voice of the customer. Our customer and a method of constantly integrating customer's requirement into processes. At that time there has to be profound knowledge which results in ability to anticipate results.

Sixth we will need to learn and implement "Management by facts", which will lead us to profound knowledge, collect facts from data, use the data to derive, information and obtain, knowledge about customers, their needs and processes. In order to manage by facts in the form of real time data, our processes will require increased visibility and transparency, with so much going on, we will need a good change management system that can document and control all of these changes. This will build on our system of management by fact and lead to greater profound knowledge. At ninth execution Surveillance Audits, Internal Audit, we will require a system of monitoring to ensure that the system is working, that change management system is effective and we are in-fact achieving progress towards SMART objectives.

For a while stop reading and think what exists and what are missing in your organization?

At last still unsure of where to start? Then continuous learning is needed to build on knowledge management. No improvement will take place unless knowledge is identified, acquired, shared and used. **Training, learning and practice** are crucial to build competence. Now again come to the question asked by every one generally in all organizations and answer is that following are the 10 drivers of the performance improvement:-

1. Management Commitment
2. SMART objectives (Goals)
3. Action Plans (Accountability-who-what-why)
4. User focus
5. Profound knowledge
6. Management by fact (Data information knowledge)
7. Real-Time Data (Visibility)
8. Change Management System (Documentation & Control)
9. Execution Audits (Monitoring)
10. Continuous learning (Improvement)

We conclude with the words of W. Edwards Deming: Everybody doing his best is not the Answer; it is first necessary that people know what to do.

What is Quality?

What is Quality?

The challenge in defining quality is that it is a subjective concept, like beauty. Everyone has a different definition based on their personal experiences.

Definitions:

- The totality of characteristics of an entity that bear on its ability to satisfy stated and implied need.
- Quality is the ongoing process of building and sustaining relationships by assessing, anticipating, and fulfilling stated and implied need.
- The degree to which a set of inherent characteristics fulfills requirements.
- Conformance to requirements.
- Fitness for use.

Service Quality Dimensions:

Dr. Akhtar Ali Hakro
SO (HR-I)

1. Timeliness
2. Courtesy
3. Consistency
4. Convenience
5. Completeness
6. Accuracy.

Three key elements of quality which influence a product or service's ability to satisfy customer needs:

- **Quality of Design:** A product needs to be designed to satisfy customer needs.
- **Quality of Conformance:** Closeness with which the finished product or supplied service matches the specifications of the original design.
- **Quality of Reliability:** Ability of the finished product to provide trouble free performance in the field, over an acceptable time period.



International Women's day centenary 1911-2011

Tasnim Bajwa
SO (QA-I)

The first international women's day was celebrated in Austria, Denmark, Germany and Switzerland in 1911 and attended by over one million people. They demanded that women be given the right to vote and to hold public office and protested against employment on the basis of sex discrimination. 100 years on, International Women's Day (IWD) has become a global mainstream phenomena celebrated across many countries and is an official holiday in approximately 25 countries including Afghanistan, Russia, Ukraine, Vietnam and Zambia.

International Women's Day (IWD), originally called International Working Women's Day is marked on 8th March every year. This is a major day of global celebration of economic political and social achievements of women past, present and future. "Year 2010 has given a gift of "protection against harassment of women at the work place Act 2010" by government, and till the Women's Day 2011 it was observed that all Government and other organizations are following this Act.

In order to probe the complaints received under this Act, three member inquiry committee has been constituted in Finance Division, which comprises Ms. Nuzrat Bashir AFS (Inv/IF), Mr. Amjad Mahmood JS (EF-P), Mr. Afzaal Ajiz, DS (HR).

On 8th March, 2011, women working in Finance Division have organized a program to celebrate International Women's Day. This small get-together was honored by Ms. Nuzrat Bashir, AFS (IF/Inv), as chief guest and hosted by Ms. Sumeria K. Aslam, Joint Secretary (Inv) and accompanied by Ms. Naheed Ishaq, DS, Asma Malik, Ambreena Bakhtiar, Tahira Mobeen, Saima, all female Officers & Staff of "Q" Block, Finance Division. Ms. Nuzrat Bashir has also listened problems faced by female staff regarding transportation and decided that request will be sent to JS (HRM) to solve the issue. Chief Guest also appreciated the efforts of Fouzia Hyder and Aysha for arranging such a nice gathering of females at their workplace.



Ms. Nuzrat Bashir AFS, Chairman, inquiry committee on protection against Harassment at workplace Act 2010, & Ms. Sumeria K. Aslam, JS (Inv) on International Women's Day.



On 8th March, 2011, Women working in Finance Division have organized a program to celebrate International Women's Day.

Benefits of ISO 9001 Certification

What are the benefits of ISO 9001 Certification?

Quality Management has been achieved in many organizations due to the emergence of quality standard bodies of which the ISO 9001 series is one of them. There is no doubt that its creation is among the positive impacts that have happened to the area of quality in most organizations.

Benefits of organization:

- Makes it easier to satisfy customer needs
- Better management control and reporting
- Requiring organizations to continuous improvement
- Fewer problems with failures in services or product quality
- Better management control and reporting
- Greater employee awareness about quality
- Increased credibility
- Reduced environmental impact

Benefit to customer:

- It assures the consumers that they provide quality products and services; it makes organizations stand out from their competitors.
- Reassurance to customers that their organization considers to the needs and expectations of customers and follows complaints and satisfaction of customer as a requirement.

Conclusion:

To conclude, ISO Certification is still a good reference to begin the process of quality improvement no wonder ISO certified service organizations place much emphasis on quality measurement than do non-certified service firms. Therefore, ISO Certification can deliver business benefits but ISO Certification should be seen as part of an overall continuous improvement process, rather than an end in itself.



RESTRUCTURING OF PUBLIC SECTOR ENTERPRISES

Mr. M. Naveed Iftikhar.

In the changed global competitive scenario of the world, countries, specially the developing countries have changed their policies and succeeded in achieving economic efficiency and thereby boosted economic growth. Economic Reforms Unit (ERU) of the Finance Division has initiated required measures to improve investment climate, reduce cost of doing business and raise its world ranking through good and efficient effective governance. Simultaneously, factors contributing negative to our economic growth have been analyzed, especially large Public Sector Enterprises and measures for their effective and efficient working have been initiated through their restructuring.

PSEs came into existence to cater strategic sectors of the economy not captured through private sector investment. Their performance deteriorated due to multiplicity of factors over the time and became uncompetitive. Over time PSEs created market distortions, suppressed entrepreneurship, innovation culture and exerted fiscal pressure on public exchequer. The PSEs failed in updating their technologies, systems, management and could not following best practices of good governance in meeting growing demands of the country. In fact, PSEs have contributed negatively in growth of GDP and distorted competitiveness in the country, specially the service sector.

PSEs are facing a unique challenge of good governance which is the major hurdle in their reforms. Their objectives are both commercial and non commercial and are being managed by non-professionals the politicians or bureaucrats. Hence, operations of several PSEs are in losses, inefficiencies and have resultantly become a burden to the national exchequer.

The economy cannot afford in wasteful spending continuously to bail out PSEs specially, at the time of ballooning fiscal deficit. Government has realized the necessity to reform PSEs and an overall framework for restructuring of eight PSEs namely Pakistan International Airlines (PIA), Pakistan Steel Mills, Pakistan Electric Power Company (PEPCO), Pakistan Railway (PR), National Highway Authority (NHA), Pakistan Agricultural Storage and Services Corporation (PASSCO), Trading Corporation of Pakistan (TCP) and Utility Stores Corporation (USC) has been formulated. PSEs through professional governance and curtail their fiscal burden on the exchequer.

Next, move a structural plan to convert loss making PSEs into profit making units. A restructuring model based on timeline targets has been worked out.

Boards of Directors (BODs) of 8 PSEs (National Transmission and Dispatch Company (NTDC), Pakistan Steel Mills (PSM), and Pakistan Railway have been restructured and their corporatization is in process. Professional CEOs and CFOs are being engaged in the development and implementation of their turn around plans. An institutional framework has also been put in place to implement restructuring efforts. The Boards for Power Generation Companies (GENCOs) CPPA, USC and TCP are being finalized.

Best practices of Corporate Governance are being formulated in coordination with SECP so as to provide and institutionalize framework for the operation of PSEs. The strategy is to ensure functioning of Boards of PSEs within the institutionalized framework. The framework will envisage i) a transparent process of Board nomination ii) capacity building of BODs iii) clarifying role of BODs and iv) monitoring performance of BODs through targeted key performance indicators. The restructuring plans for the Power Sector Companies, TCP, PIA, PASSCO, USC and PSM has been framed and their implementation restructuring plans is underway.

PSEs reform strategy will not only contribute to GDP but will also provide effective and efficient services to the people with socio economic benefits at large. Restructuring of power sector, communication (Rail, Road and Air), commodity sector (USC, TCP and PASSCO) and steel sector will create new avenues for investment through competitive environment.

PSEs restructuring will provide value addition to economy and thus public sector savings instead of loss. A reasonable proportion of federal budget is allocated to subsidies. Untargeted subsidy regime poses serious challenges to fiscal sustainability and economic efficiency.

Government of Pakistan supports PSEs explicitly and implicitly through subsidies, grants loans, investments, guarantees and market interventions. The government exchequer is strained and resultantly budget deficit exacerbated.

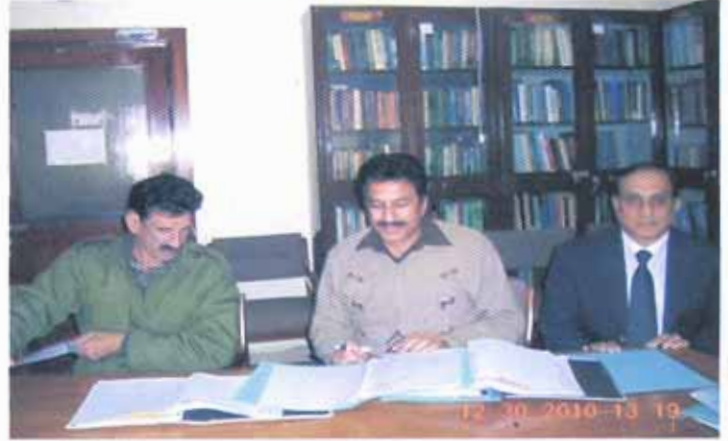
The above mentioned structural reforms will focus on improvement of financial viability of PSEs which will help to achieve goals of economic efficiency and self reliance. The government strategy is to gradually withdraw from a general subsidy regime to a targeted subsidy regime for the vulnerable segments of the society.



Quality Assurance Training Courses



Mr. Mir Afzaal Khan, Mr. Shoukat Ali Khan, Mr. Ali Asghar during Kaizen training course at Planning Commission "P" Block.



Mr. Abdur Razzaq Bangash, Mr. Liaquat Ali and Mr. Arshad Khan Lodhi, during Kaizen training course.



Mr. Nisrullah Jan & Mr. Javed Chohan during Training course on Excel in IT-Lab at Finance Division.



Mr. Muhammad Anwer Khan, Sr. Joint Secretary receiving certificate from Mr. Aamir Gul Paracha, Resource Person at PIM, Lahore.

(Pretend To Be Happy)

Tasnim Bajwa
SO (QA-I)

One key trick to staying positive is to act positive even when you are feeling down. By acting like you are positive, you will find that you can lift your own spirits faster than anything else. Although it may seem like you are faking it, chances are no one will even know. The next time you are feeling down and not motivated, take on a positive attitude role and your motivation will come naturally with your character. As you can see, there are many things you can do in order to keep a positive attitude throughout your days. These are minor changes in your days and in your day and in your attitude that can be done daily in order to train yourself to be a more positive person. When you are a more positive person you will be a more motivated person. This will lead to a more successful life.

"The greatest wastes are unused talent, ingenuity skill and untried ideas of the peoples that are neither utilized by the organization"



Finance Minister Dr. Abdul Hafeez Sheikh in Pictures



US Ambassador to Pakistan Mr. Cameron P. Munter called on Federal Minister for Finance and Economic Affairs Dr. Abdul Hafeez Sheikh in Islamabad on March 10, 2011.



Federal Minister for Finance Dr. Abdul Hafeez Sheikh and US Senator for Massachusetts Mr. John Kerry at "Q" Block, Pak Secretariat, Islamabad.



Federal Minister for Finance Dr. Abdul Hafeez Sheikh chairing FBR's Commissioner Conference in Islamabad on 09-03-2011.



Federal Minister for Finance and Economic Affairs Dr. Abdul Hafeez Sheikh chairing the meeting of Provincial Finance Ministers regarding Bi-annual Monitoring of the Implementation of NFC Award in Ministry of Finance, Islamabad on March 7, 2011.



Federal Minister for Finance, Dr. Abdul Hafeez Sheikh speaking at International Conference on Islamic Business and Finance in Islamabad on February 08, 2011.



Federal Minister for Finance Dr. Abdul Hafeez Sheikh chairing the meeting of the cabinet committee on restructuring of public sector enterprises in Islamabad on February 15, 2011.



Measures taken on Austerity during current Financial Year, 2010-11.

Finance Division has decided that POL ceiling of entitled Officers and Expenditure on TA and Stationary will be reduced 50% during remaining period of Current Financial Year 2010-11. There will be ban on purchase of physical assets, including vehicles, recruitment and Ministries/Divisions will not be authorized to re-appropriate funds from heads of POL/TA/Stationary and Acquiring of Physical Assets.

Suggestions on Newsletter (1st Issue)

The purpose of this Newsletter is to create awareness regarding Quality Management System (QMS) among the employees and customers and to develop their involvement and ownership towards QMS to ensure the continuous improvement in performance of Finance division and customer satisfaction Index.

On 1st issue we pleased to see the response and interest of:

1. **Mr. Irfan Nadeem, Federal Secretary (S&T)** conveyed by Dr. S. Shahid Hussain Adviser (CITT);
2. **Mr. Sarshar Ahmed Khan, (ASMF) Military Finance** conveyed by Mr. Muhammad Ayaz, DFA (R&CA);
3. **Mr. Umar Hayat, SO (A&B) Ministry of Housing & Works;** and
4. **Dr. Syed Nayyar Shah, BPO, Budget Wing.**

They had gone through the Newsletter of the Finance Division and appreciated the efforts in bringing out first issue of the Newsletter and have provided valuable suggestion on Newsletter and shown keen interest in QMS Implemented in Finance Division. QA I Section welcome all the suggestions / comments which may help to improve the Quality of Newsletter as well as QMS in Finance Division.

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ACTIVITIES OF QUALITY ASSURANCE SECTION

- 250 Officers have got training under the Quality Assurance Program.
- 14 Officers have got foreign training during the year 2010.
- Quality Assurance Section conducted 03 Customer Satisfaction Feedback Surveys.
- Conducted 06 Internal and 04 External Audits to comply the requirements of ISO 9001-2008 of performance measurement.
- Quality Assurance Section established Document Control Section.
- Only Finance Division have documented SOP's for every Officer (MOS/FS/AFS/JS/DS/SO) according to their post held.
- Eleven Officers have qualified Lead Auditor course under Quality Assurance Program and are eligible to conduct Internal/External Audit in future.

In next Issue: Budget 2011-2012.
Strategic Quality Management Committee's Meeting.
Awareness session on Protection Against Harassment of Women at Work Place.
Surveillance Audit Report.