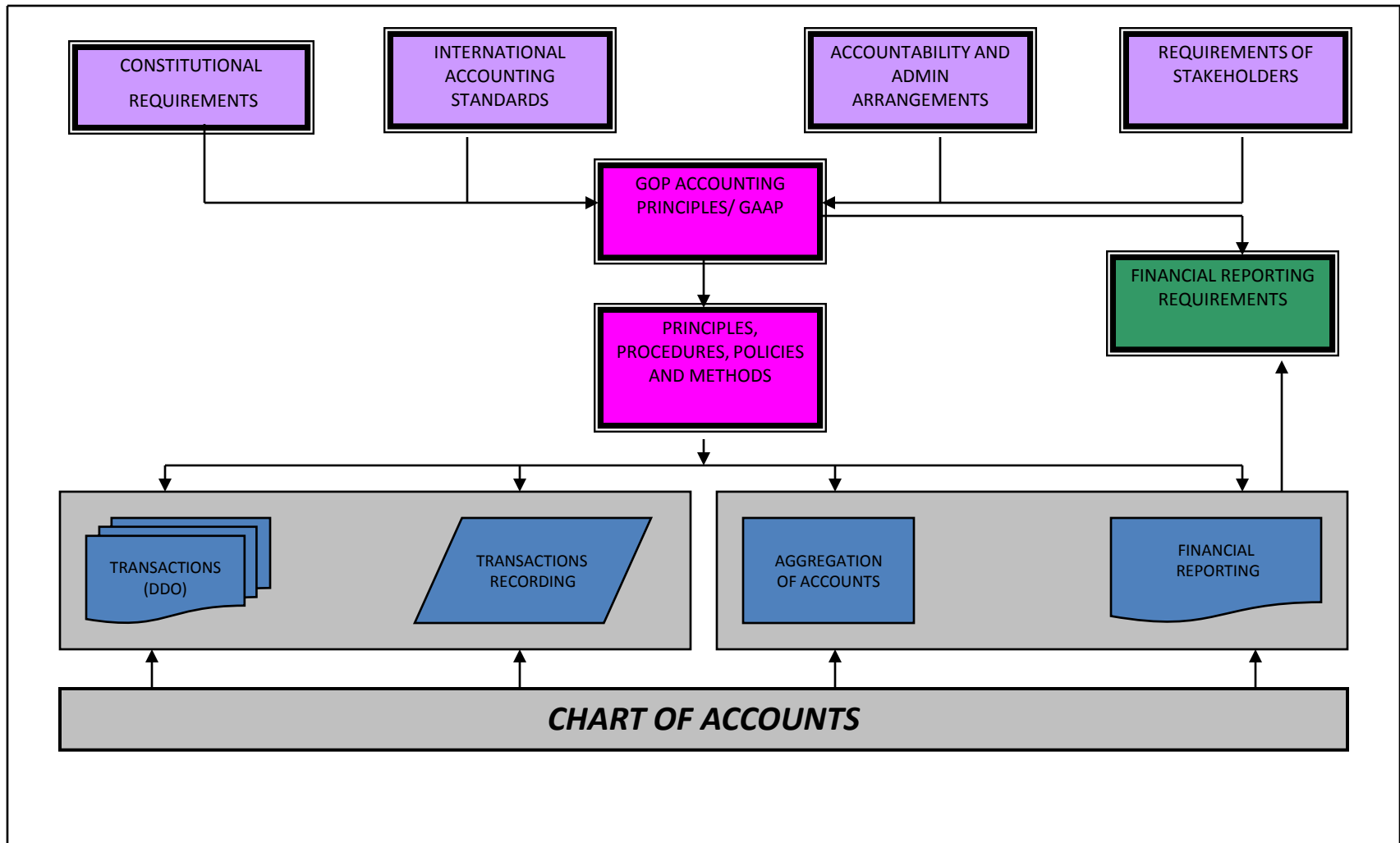


Government Perspective: Effective Partnerships Catering to Existing Payment Infrastructure

CONSTITUTIONAL REQUIREMENTS

- The *Constitution of Pakistan* demands the accounting of Public Money into two main Accounts i.e. Consolidated Fund and Public Account
- *CGA Ordinance 2001* requires to perform the functions of preparation and maintenance of accounts of the Federation, authorization and withdrawals from Consolidated Fund and the Public Accounts and to render advice on accounting procedures

PUBLIC SECTOR ACCOUNTING FRAMEWORK



INADEQUACIES OF THE LEGACY SYSTEM

- Delays in compilation and aggregation of govt. accounts
- More dependence on field offices for multipurpose analytical reports
- Non availability of sufficient and appropriate audit evidence for Certification Audit
- Non existence of efficient monitoring system for transparency and accuracy
- Delays in payments of GPF and Pension Cases of Govt. Servants
- Non availability of financial information at District Level
- Budget Expenditure reports were not available instantly
- Ministry-wise expenditure reports were not available
- Analytical reports were not available to decision makers
- Lack of conformity with International standards

NAM-GAAP

1

- CHART OF ACCOUNTS

2

- HANDBOOK FOR ACCOUNTING POLICIES

3

- MANUAL OF ACCOUNTING PRINCIPLES

4

- ACCOUNTING POLICIES AND PROCEDURES MANUAL

5

- MANUAL FOR SELF ACCOUNTING ENTITIES

6

- FINANCIAL REPORTING MANUAL

7

- MANUAL FOR EXTERNAL REPORTING REQUIREMENTS

8

- BOOK OF FORMS

WHAT NAM ENVISAGES

- A paradigm shift to International Best Practices
- Development of Dynamic Chart of Accounts
- First –ever definition of National Accounting Framework (GAAP)
- Increased focus on Budgetary and Accounting Controls at the time of disbursement
- Increased efficiency through SAP-ERP implementation
- Availability of Multiple Decision Supportive and Analytical reports
- Re-engineering of Budgeting and Accounting Procedures
- ***Real time reporting on Economic and Functional Classifications***
- Recording of Commitments for effective Budgetary Controls
- ***Real time Accounting for Receipts***
- ***Real time Aggregation and Reporting of Government transactions***
- Accounting for Fixed assets
- Cash Management through Cash forecasting
- Accounting for Development projects
- Electronic Transfers of Payroll and General Provident Fund and Pension of 2.2 million employees and vendors
- Effective Monitoring of DAO/TO/AG offices

MAIN SYSTEM FUNCTIONARIES (ACCOUNTING CIRCLES)

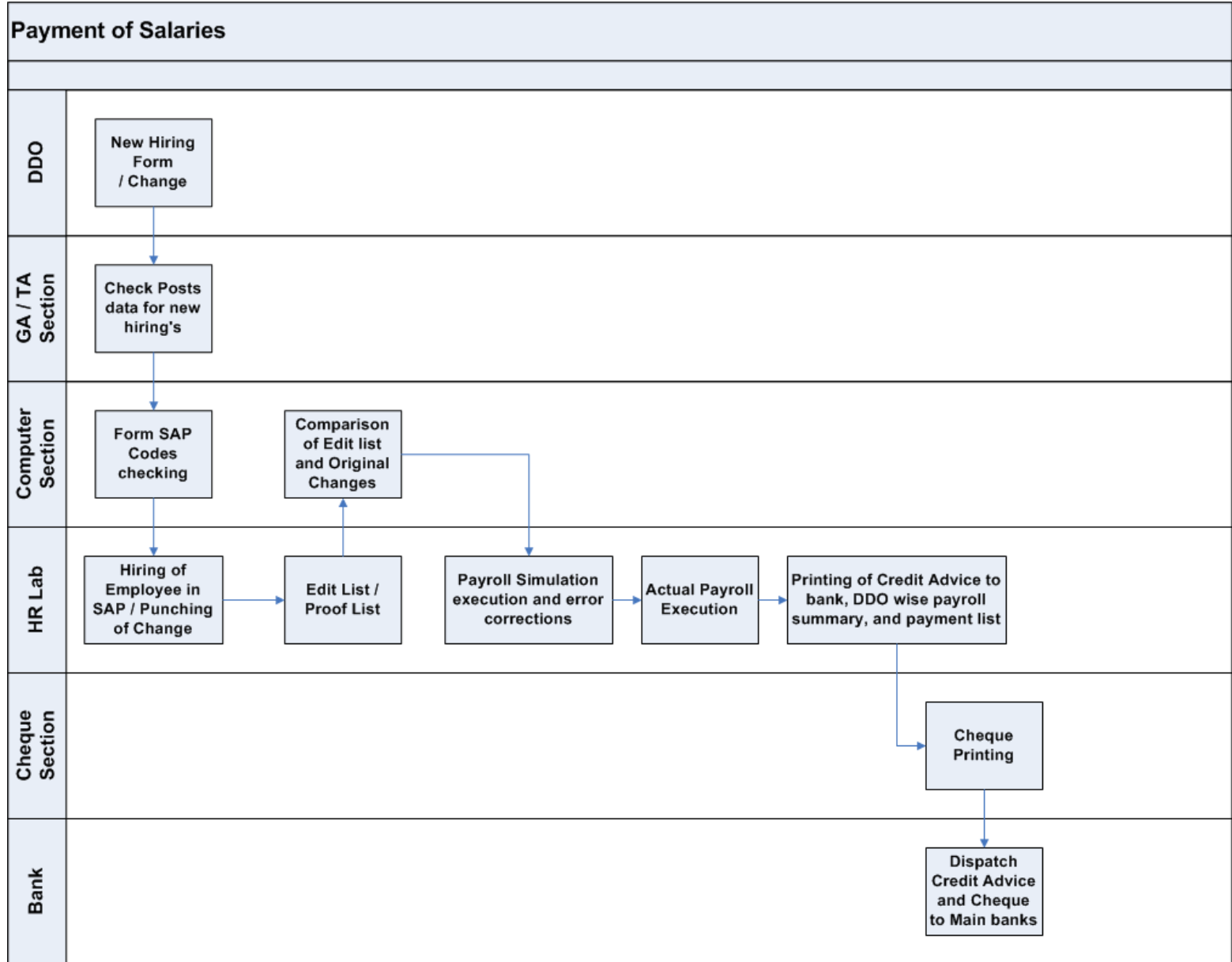
(Federal Government Accounts)

- ❖ AGPR (Headquarter at Islamabad and 5 sub offices in Provincial Headquarters and Gilgit)
- ❖ Four Provincial Accountant Generals (AGs), AG-GB and AG AJK
- ❖ District Accounts Offices/Treasury Offices/Agency Accounts Offices
- ❖ State Bank of Pakistan/National Bank of Pakistan
- ❖ Federal Treasuries
- ❖ Central Directorate of National Savings
- ❖ FBR Treasuries
- ❖ Chief Accounts Officer, Ministry of Foreign Affairs
- ❖ Geological Survey of Pakistan
- ❖ Forest Department
- ❖ Military Accountant General
- ❖ Director General Accounts Works Lahore
- ❖ Director Accounts Pak Post offices
- ❖ FA & CAO Pak Railways
- ❖ DBA Pak PWD
- ❖ Pakistan Mint, Lahore

MODES OF PAYMENT FROM ACCOUNTING OFFICES

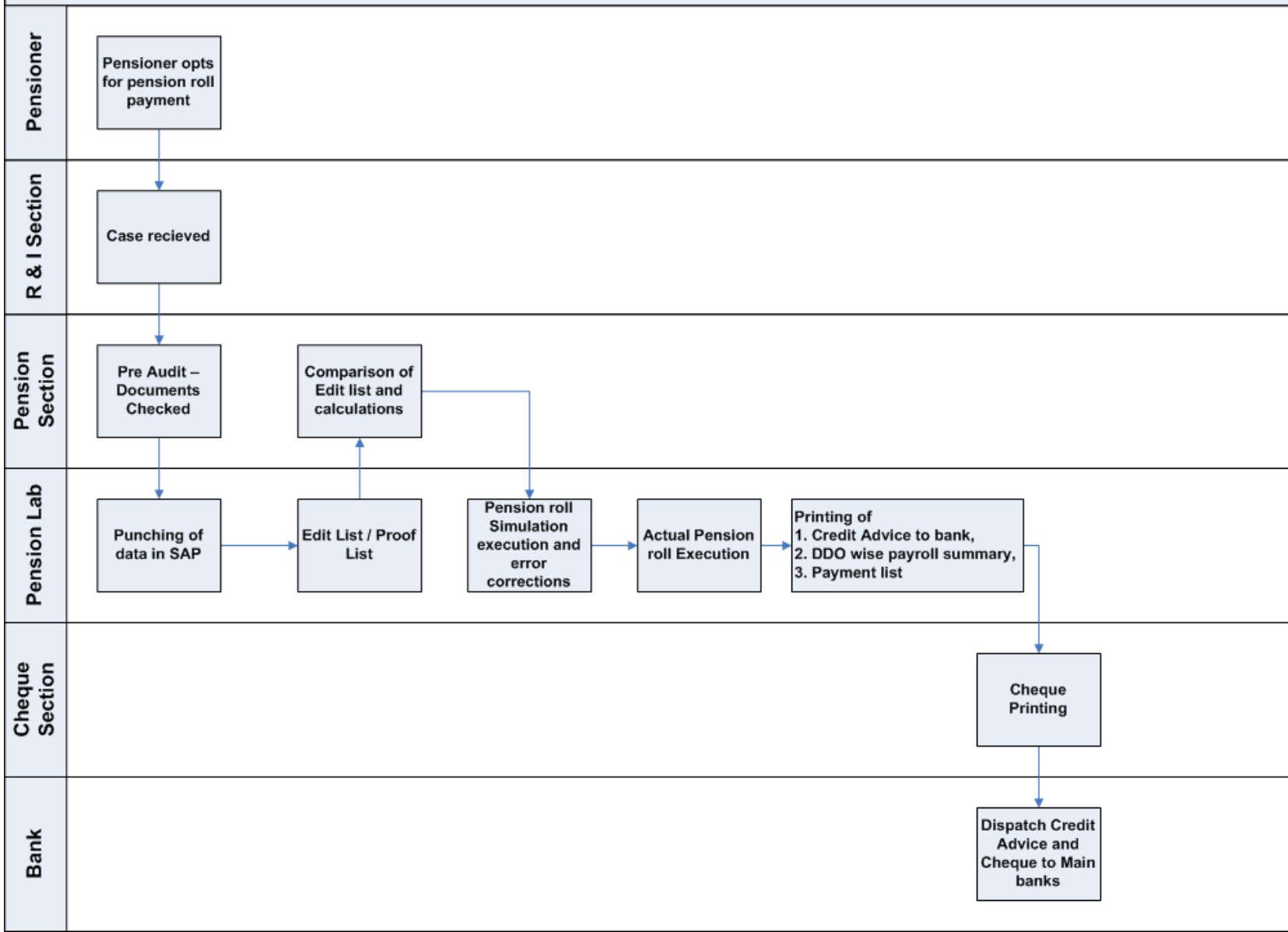
- Payments from SAP (ERP) workflow through System Generated Cheques or through Manual Cheques endorsed by Accounting Office (Works, Forest, etc)
- Direct Payment Advices to SBP pertaining to inter-government adjustments.
- Payment through Special Drawing Account and Assignment Account through treasury office.
- Payment Orders (Pension, Refund Vouchers etc.) sent by treasury offices

Payment of Salaries

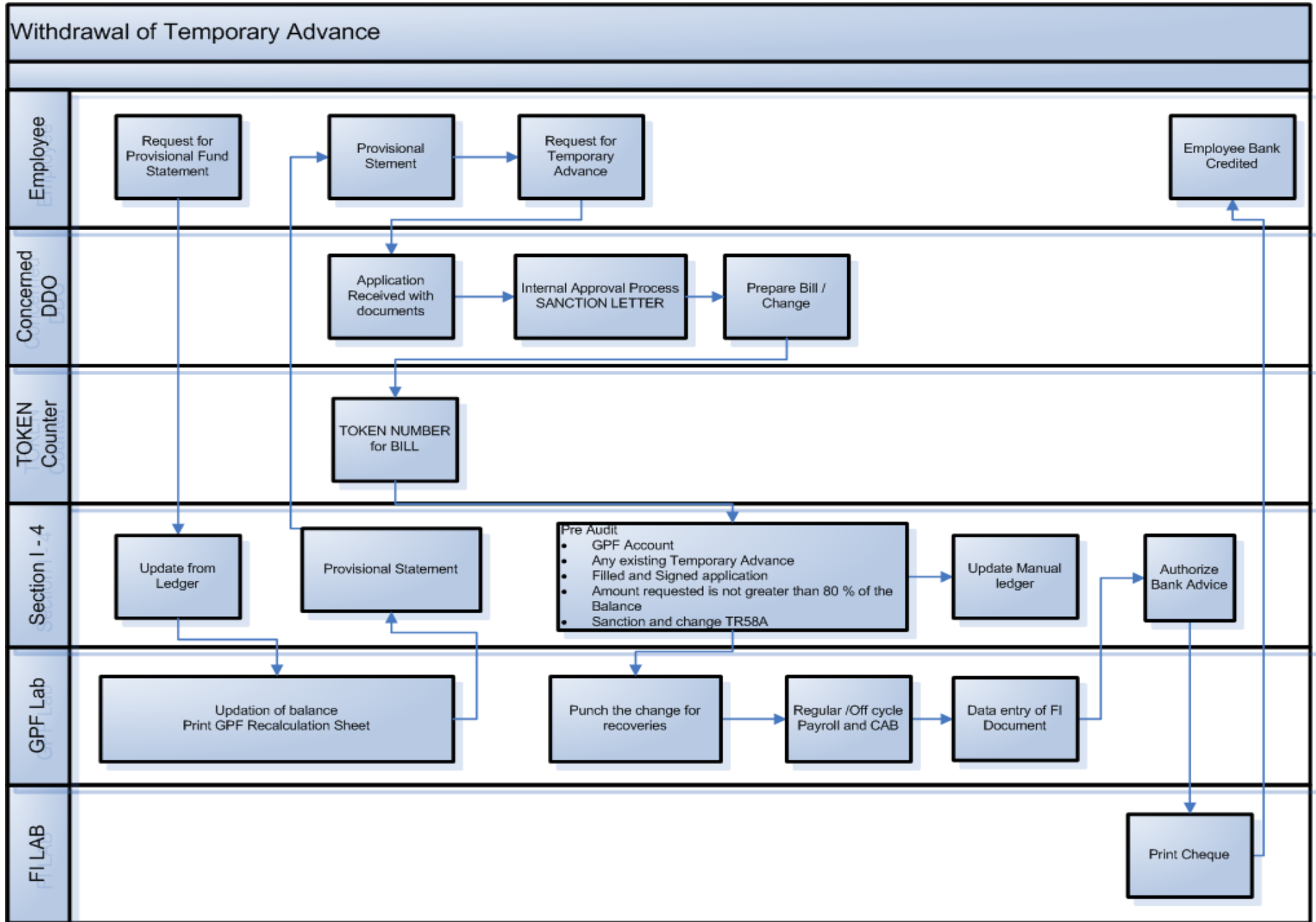


Payment of Pension

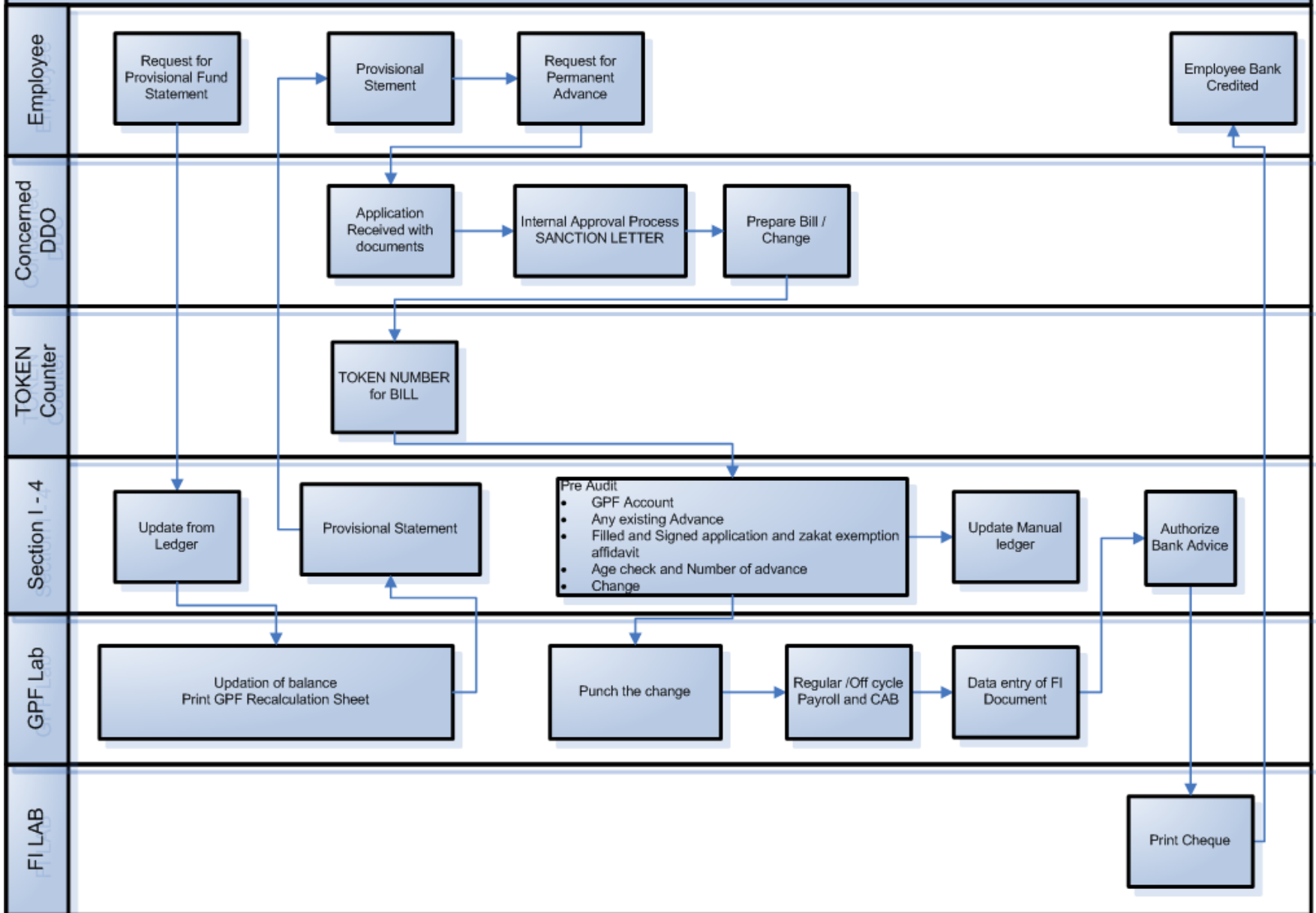
Payment of pension roll



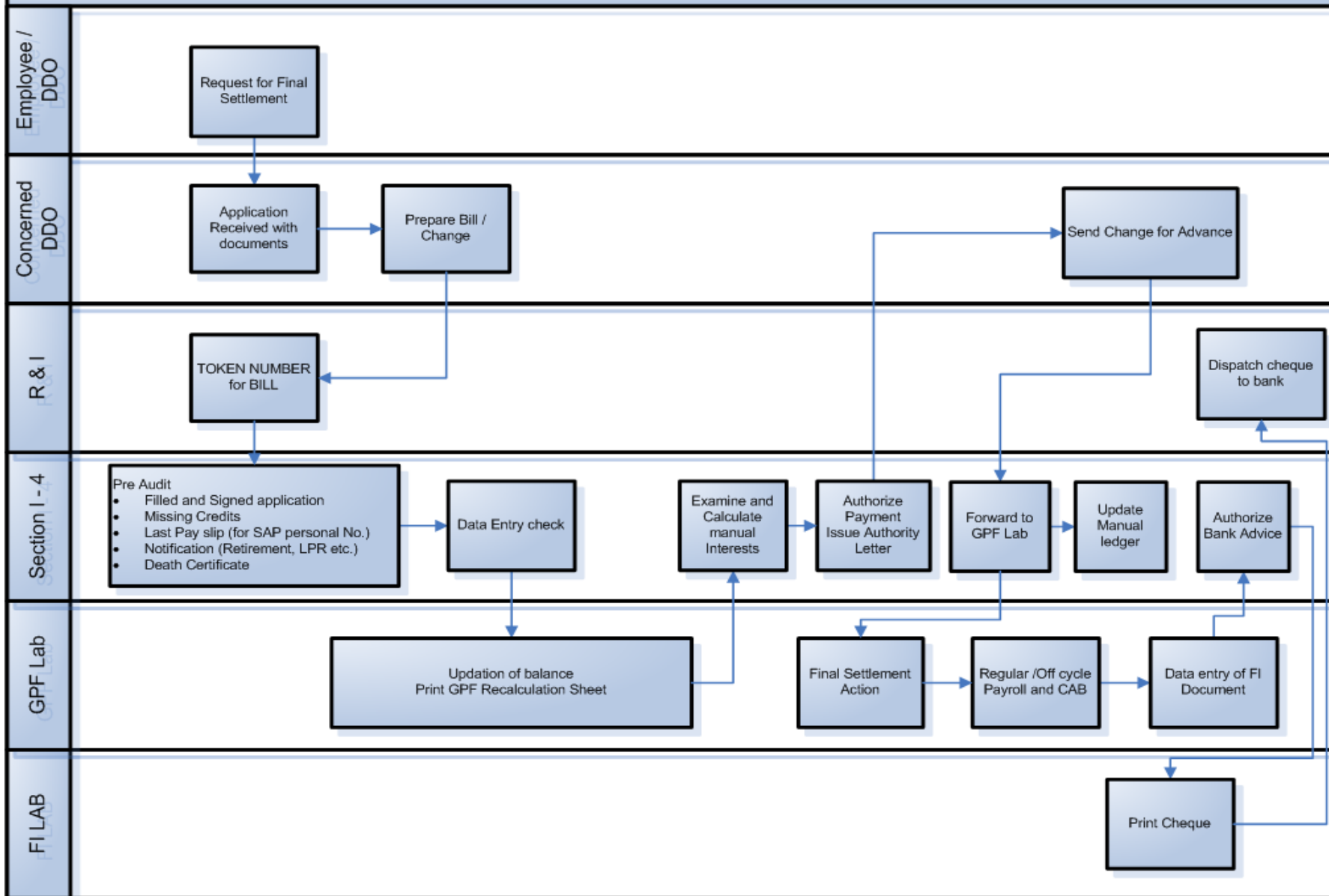
Payment of General Provident Fund



Withdrawal of Permanent Advance



Final Settlement



SCREEN SHOTS

Credit Advice to bank

- Individual Employee wise details containing
 - Employee ID
 - Name
 - Designation
 - DDO
 - Account Number
 - Amount transferred

For the month of April ,2011
Federal Government

Bank name : BANK OF PUNJAB

Branch Code : 070014 Bank of Punjab Murree Road Rwp
Bank of Punjab Murree Road Rwp

Per. No.	Name	Designation	Cost Center	Account Number	Amount
50052266	SYED JAWAD HUSSAIN	INSPECTOR	ID5230	0084580003	28,059.00
50053305	MUKHTAR AHMED	GATE KEEPER	ID1390	2648-8	12,066.00
50056953	TANSEEL AHMED KHAN QADRI	ASSISTANT SUB INSPECTOR	ID0001	7270000	11,901.00
50061393	GHULAM ALI	CHOWKIDAR	ID1664	PLS-2248-000	9,889.00

Employee at branch: 4
Branch Total for: 070014 BANK OF PUNJAB
IN WORDS: SIXTY-ONE THOUSAND NINE HUNDRED FIFTEEN RUPEES

Page Total 61,915.00

























Bank of Punjab Murree Road RwpAmount: 61,915.00

N.B

1. THE CREDIT IN THIS BANK ADVICE BEING GOVERNMENT FUNDS IS SUBJECT TO WITH DRAWL AT ANY TIME.
2. WHILE GIVING TO AN ACCOUNT, CHECK FOR THE FOLLOWING

- A. DOUBLE PAYMENT
- B. DOUBTFUL CASES
- C. DEAD/ CLOSED ACCOUNTS.
- D. ACCOUNT NUMBER MISSING
- E. WRONG ACCOUNT NUMBER

Branch wise summary

IN ANY OF THE ABOVE CASES INFORM ACOOUNTS OFFICER DATA PROCESSING UNIT.

Accounts Office Islamabad			
CREDIT ADVICE TO BANK			
For the month of April ,2011			
Federal Government			

Total for: BANK OF PUNJAB			
	Branches	No. of Employees	Sub total
	070008 CIVIL SECTT LAHORE	1	87,409.00
	070014 Bank of Punjab Murree Road Rwp	4	61,915.00
	070237 BLUE AREA ISLAMABAD	11	377,738.00

Total for Bank	Branches	Employees	Total
BANK OF PUNJAB	3	16	527,062.00

IN WORDS: FIVE HUNDRED TWENTY-SEVEN THOUSAND SIXTY-TWO RUPEES

N.B

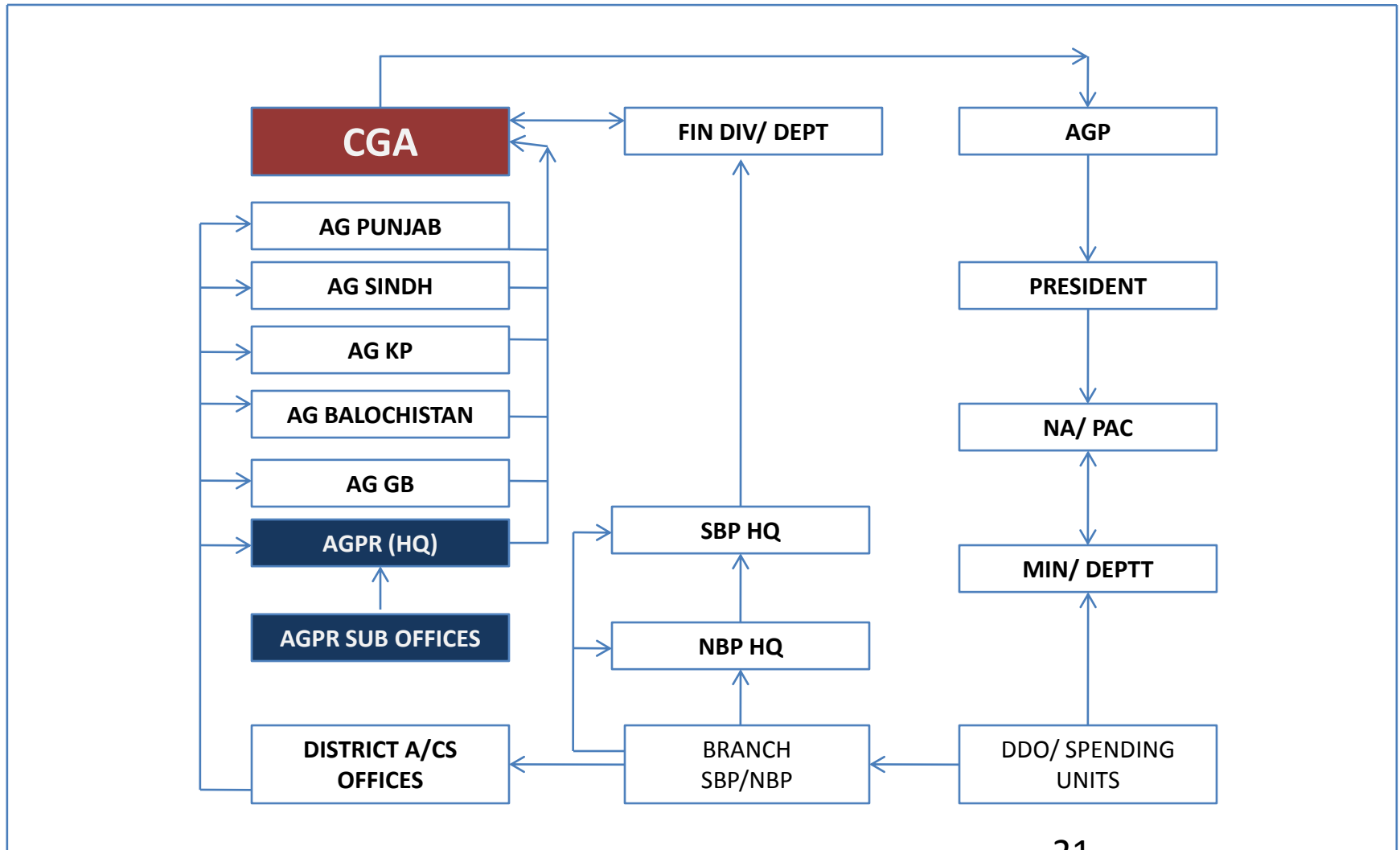
- 1.THE CREDIT IN THIS BANK ADVICE BEING GOVERNMENT FUNDS IS SUBJECT TO WITH DRAWL AT ANY TIME.
2. WHILE GIVING TO AN ACCOUNT, CHECK FOR THE FOLLOWING
 - A. DOUBLE PAYMENT
 - B. DOUBTFUL CASES
 - C. DEAD/ CLOSED ACCOUNTS.
 - D. ACCOUNT NUMBER MISSING
 - E. WRONG ACCOUNT NUMBER

IN ANY OF THE ABOVE CASES INFORM ACOOUNTS OFFICER DATA PROCESSING UNIT.

Bank wise summary

Federal Government				Us
Grand Total for all banks	No. of branches	No. of Employees	Amount	
NIB	1	1	29,065.00	
UNION BANK	1	3	114,623.00	
BANK OF PUNJAB	3	16	527,062.00	
BANK ALFALAH LTD	1	4	134,226.00	
Khyber Bank Limited	2	13	635,515.00	
BANK ALFALAH	1	25	807,155.00	
BANK ALFALAH LTD	1	5	137,385.00	
BANK AL-FALAH	1	47	1,759,707.00	
BANK ALFALAH LIMITED	1	18	392,954.00	
BANK ALFALAH	1	3	80,708.00	
BANK ALFALAH LIMITED	1	8	407,262.00	
BANK ALFALAH	1	2	36,165.00	
BANK ALFALAH LIMITED	5	75	1,991,228.00	
BANK ALFALAH LTD	1	1	17,019.00	
ASKRI COMMERCIAL BANK LTD	1	53	2,561,258.00	

KEY STEPS IN INFORMATION FLOW



REPORTS COMPILED BY CGA

- FINANCIAL STATEMENTS OF FEDERAL AND PROVINCIAL GOVERNMENTS
 - Summary Financial Statements
 - Statement of Revenues and Expenditures by Function
 - Statement of Cash Flows
 - Analysis of Surplus/Deficit in Grants
 - Analysis of Expenditure & Revenues by Ministry/Division/Department
 - Summary of Appropriation Accounts by Grants and Appropriations
 - Appropriation Accounts by Economic Function and Department/Division
- ACCOUNTING AND FINANCIAL CONTROL REPORTS
 - Monthly Consolidated Accounts
 - Summary Schedule(Consolidated Fund)
 - Ministry/Division/Department's Budget Execution Report (BER)
 - Grant-Wise Expenditure Analysis
 - Exchange and Settlement Control Account Statement

ACHIEVEMENTS UNDER NAM

- It facilitates spending/monitoring of budget, expenditures and receipts for each of the ministries, divisions and departments of federal and provincial governments
- Largest public sector SAP payroll system involving 2.2 million employees (except a few SAEs) pension archiving and payment facilitation
- System capable of generating national accounts, besides management and exception reports
- Reliability – Government's reliable financial data is now accessible at all levels
- Automated bill tracking system to ensure speedy payments
- Federal budget of the last 10 years uploaded in the system for financial analysis and long-term decision-making
- All types of claims against the governments are being processed on workflow (SAP system)
- Monthly and Annual Financial Statements are being prepared and submitted to the President within three months
- Master record of all the vendors and government is being maintained in the system
- Extensive training to the spending units and the Decision Makers have been imparted and they are using the system
- Development Projects Financed by the World bank have started working on the SAP System
- The development of interface between CGA and FBR systems for reconciliation of tax revenue is nearing completion
- Implementation of NAM in GB & AJK has also been started

IMPEDIMENTS IN IMPLEMENTATION OF NAM

1. Development of electronic interface with:

- SBP's System
- NBP's System
- Planning Commission's System
- FBR's System



Connectivity will ensure reporting on real-time basis. Functional Specifications for electronic interface have been agreed with SBP. **Portal needs to be made available to CGA by SBP.**

2. DMFAS Software at Economic Affairs Division needs to be synchronized with SAP system

BOTTOM LINE

BY PROVIDING INTERFACES WITH THE ABOVE MENTIONED FIVE ENTITIES, CGA OFFICE WILL BE ABLE TO PROVIDE REAL-TIME, ACCURATE AND RELIABLE FINANCIAL REPORTS TO BENEFIT ALL THE STAKEHOLDERS.