



"Quality Review Newsletter" April-December 2013 6th Issue

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Message from Mohammad Ishaq Dar Finance Minister



Message from Dr. Waqar Masood Khan Finance Secretary



It is a matter of enormous pleasure for me that Finance Division enjoys local and global credibility due to the fact that it is effectively implementing the ISO 9001-2008 Standards and Quality Assurance Program. I am proud to learn that Finance Division is pursuing the goal to become a role model for the Federal Ministries/Divisions and other organizations by way of monitoring, controlling and continuously improving the quality of service. The ISO Certification is beneficial to an organization as it results into increased customer satisfaction, interdepartmental communications, etc.

I hope the publication of current **Quality Review Newsletter** will provide an opportunity to all and sundry of having information and know-how about the Quality Assurance System and approaches being followed in Finance Division. I congratulate the Quality Assurance team for their efforts.

It is an absolute pride of Finance Division to be compliant to **ISO 9001-2008 Standards**. Being an ISO Certified Organization, Finance Division is pursuing a Quality Assurance Program for the last seven years as per the guidelines of Quality Assurance Procedures (QAPs). At the moment, thirteen (13) Wings of Finance Division are enjoying ISO Certification and each Wing has its separate QAPs. The QAPs are very comprehensive and guiding documents, which provide quality framework, quality assurance structure, code of ethics, training and development of human resources, customer management techniques, quality policy, quality objectives, etc. As per QAPs, each Wing of Finance Division has its Quality Assurance Review Committee (DQRC) and Departmental Quality Assurance Coordinator (DQAC). The DQRCs regularly measure the performance level, holds the officers concerned accountable for any non-conformity occurred and monitor the corrective actions taken, which is the spirit of Quality Assurance Program.

The publication of instant Quality Review Newsletter is a means of sharing information with both internal and external customers. I congratulate Quality Assurance Program team and laud their efforts in compiling this Newsletter and sincerely hope it will go a long way in achieving our overall

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An Overview of the Investment Wing



Mr. M. Aslam,
Deputy Secretary

Investment Wing of the Finance Division plays a pivotal role **with reference to policy matters of various Joint Investment Ventures with foreign partner** Development Financial Institutions, the Infrastructure Project Development Facility (IPDF); undertaking various Public Private Partnerships, the National Investment Trust Limited (NITL); an Asset Management Company the Securities and Exchange Commission of Pakistan (SECP) which is the financial regulatory agency overseeing the corporate and capital markets of the country and Competition Commission of Pakistan (CCP).

Joint Investment companies

Pakistan has a rich experience of setting up Joint Investment Ventures with other friendly countries. This started with Pak-Kuwait Investment Company in 1979 followed by Pak-Libya Holding Company (PLHC), Saudi-Pak Industrial & Agricultural Investment Company (SPIAICO), Pak-Oman Investment Company (POIC), Pak-Brunei Investment Company (PBIC), PAIR Investment Company Limited (PICL) and Pak-China Investment Company (PICI). These investment companies were set up on the basis of equal shareholding by the two governments towards paid up capital contribution. JICs are playing pivotal role in the economic up lift of the country and are facilitating two way business particularly with partner countries and other regions.

Infrastructure Project Development Facility (IPDF)

Infrastructure Project Development Facility (IPDF) is a key vehicle of the Government mandated to create enabling environment for the private investor to participate and invest in commercially viable transactions through long term contractual arrangements under the Public Private Partnership modality.

Competition Commission of Pakistan (CCP)

The Competition Commission of Pakistan (CCP) promotes healthy competition among economic agents. The Commission is a quasi-judicial, quasi-regulatory and an independent law enforcement agency. Significant functions of the Commission include; protection of competition rather than competitors; facilitation of business growth to achieve coordination with other agencies and the public; maintenance of integrity in applying the law; advocacy through various means in order to create awareness of competition issues and to promote healthy competition culture.

Microfinance Sector

The microfinance sector is an important part of the overall financial sector development strategy. As a result of strategic and regulatory initiatives, microfinance is now gradually main streaming into the formal banking system of Pakistan. The policy and regulatory environment is recognized as well as developed. Most importantly, the sector's visibility has increased globally due to the launch of transformational branchless banking initiatives. Nonetheless, the industry is yet to make major breakthroughs to become a dynamic participant within the overall financial sector and to reach millions of underserved people. At present, there are ten(10) microfinance banks in the country which cater to credit needs of the deserving sections of the society, which in turn lead to creation of employment opportunities and alleviation of poverty.

Securities and Exchange Commission of Pakistan (SECP)

The Securities and Exchange Commission of Pakistan (SECP) is a statutory body mandated to develop and regulate corporate sector and non-bank financial markets including the stock exchanges, mutual funds, modarbas, non-banking finance companies (NBFC's) insurance sector and Private Pensions. In order to maintain market confidence, promote good governance and secure protection for



investors. SECP is also assigned to administer laws and suggest reforms in the legal framework relating to the said sectors.

National Investment Trust Limited (NITL) is the first and largest limited liability asset management company of Pakistan established in 1962, later on, incorporated under Companies Ordinance, 1984, and got license to operate as Asset Management Company from SECP as required under Non-Banking Finance Companies Rules, 2003. NIT manages five Collective Investment Schemes including three Equity [NI(U)T] Fund, NIT State Enterprise Fund [NIT-SEF], NIT Equity Market Opportunity Fund [NIT-EMOF] and two Fixed Income Schemes [NIT Government Bond Fund (NIT-GBF), NIT Income Fund (NIT-IF)].



Mr. M. Afzaal Ajiz
Deputy Secretary(HR)

HRM Wing

Human Resource Management(HRM) Wing of Finance Division is working under the supervision of Joint Secretary (HRM) consisting of 06 Deputy Secretaries i.e. (Deputy Secretary (HR), (Services), (Council),(Coord), (QA) and (B&A) and Sections Officer i.e. HR-I, HR-II, HR-III, HR-IV, Confidential, Services-I & II, Council, Coord-I & II, QA-I, QA-II, QA-III, B & A and Accounts Section in line with the policies of the Government and under its charter, as prescribed by the rules of Business - 1973, has taken special care for an effective control on improved lines on matters relating to Human Resource Development. Joint Secretary (HRM) looks after/monitors the entire work and facilitates all the Officers/Wings of this Division with utmost efforts to take care of all the officers/officials of different Wings so that they may excel in their respective wings. The HRM Wing is performing independently from the influence of any other Wing/Department.

Further the Deputy Secretary (HR) is appointed/working as Departmental Quality Assurance Coordinator (DQAC) of HRM Wing in addition to his own duties as Deputy Secretary (HR). He leads the quality assurance efforts, guides to all subordinate team members to a long term quality assurance vision, formalizing quality policies & procedures and establishing performance metrics for the Department.

In any Ministry/Division/Department, the major function of HRM Wing is to manage official business of an organization smoothly and efficiently by providing effective human resource and logistic support to other units of the Organization. Similarly, HRM Wing of Finance Division performs a variety of administrative and managerial functions to achieve the goals and objectives.



Mr. Qamar-uz-
Zaman Farooqi
Deputy Secretary

Fiscal Transparency

Fiscal transparency is highly debated now-a-days. The term “transparency” is the opposite of opaqueness, privacy or confidentiality, while the term “fiscal” refers to both the micro and macro dimensions of the expenditure and revenue sides of the government budget. Kopits and Craig(1998) defined fiscal transparency as “Openness toward the public at large about government structure and functions, fiscal policy intentions, public sector accounts, and projections.

Fiscal transparency, involves ready access to reliable, comprehensive, timely, understandable, and internationally comparable information on government activities – whether undertaken inside or outside the government sector – so that the electorate and financial markets can accurately assess the government’s financial position and the true economic and social implication.



Transparency has received a considerable attention by the policy makers and researchers. Transparency requires the availability of information on the past, current and projected fiscal activities of government. For this purpose, the central government should regularly publish information regarding the debt and financial assets, while the fiscal reporting to the public should also be announced timely.

Fiscal transparency requires that budget preparation, execution and reporting should be undertaken openly, and the budget documentation should specify fiscal policy objectives, the macroeconomic framework, the policy basis for the budget and indefinable major fiscal risks.

Fiscal operations require clear facts and figures about the economy so, transparency requires that the data should be obtained from the authentic sources and it should be reliable, presenting the clear picture of the economy. Budget data should also be classified and presented in such a way that clearly distinguish the government revenue, expenditure financing and extra budgetary activities so that data may be feasible for international comparisons and promote the accountability. It requires that comprehensive integrated accounting system should be established, to provide a reliable basis for assessing payment arrears. Transparency is the single most important prerequisite for the government to provide effective governance.

Fiscal transparency entails several benefits. To begin with fiscal transparency is beneficial in terms of providing fiscal discipline and accountability. It contributes in the attainment of better-informed decisions in and outside the government. It also helps to access the capital markets. A more transparent government gets easier access to the international capital markets and in turn, cost related to debt servicing becomes lower (Petrie, 2003). The political economy literature suggests that fiscal transparency makes fiscal policy more accountable (Hemming and Kell, 2001).

Fiscal transparency standards along with banking supervision and monetary and financial policies are those with greatest potential to influence sovereign ratings. It improves internal decision-making by identifying weakness in information flows and provides better, more comprehensive information about the better policies.

Its most common feature is the increased accountability of public officials and easier detection, if corruption. The transparency improves the accountability and credibility of policies and reduces the vulnerability to crises. It results in the reduction of uncertainty over fiscal policy as well as earlier and smoother fiscal policy responses to any shock that may hit economics (Petrie, 2003). More fiscally transparent countries have better credit ratings, better fiscal discipline, and lower corruption (Hameed, 2005).

IMF reports titled "Observation of Standards and Codes (COSC's)" (including fiscal transparency), and participation in Special Data Dissemination Standard (SDDS) is associated with lower sovereign spreads in emerging markets (Glennerster and Yongseok, 2003).

The IMF Manual on Fiscal Transparency stresses the central importance of good governance on achieving high-quality growth providing a link between fiscal transparency and good governance. In terms of the Manual "fiscal transparency should make those responsible for the design and implementation of fiscal policy more accountable. The stronger, more credible fiscal policies that follow should attract the support of well – informed public, result in more favorable access to capital markets, and reduce the incidence and severity of crises" (IMF, 2007).

Finance Division has taken remarkable steps to implement the Transparency in Public Sectors. Some of these measures are summarized below:-

Dissemination of data on the website of Finance Division in respect of:

- | | |
|------------------------------|---|
| a. Fiscal operations | i. Stock of Guarantees |
| b. Budget documents. | j. Debt Policy Statement |
| c. Medium Term Budgetary | k. Fiscal Policy Statement. |
| d. Framework. | l. Details of Poverty Reduction |
| e. Important Memorandum & | Support Program. |
| f. Circulars. | m. Manual of each Wing explicitly enumerates |
| g. Tender documents. | the duties/ responsibilities of each section. |
| h. Pakistan Economic Survey. | |



August Engagements of Finance Minister during Apr. – Dec. 2013 in Pictures



Federal Minister for Finance, Senator Mohammad Ishaq Dar addressing a ceremony for launching of Pakistan Economic Survey in Islamabad on June 11, 2013.



Federal Minister for Finance, Senator Mohammad Ishaq Dar presiding over the meeting of Price Monitoring Committee in Islamabad on June 11, 2013.



Federal Minister for Finance, Senator Mohammad Ishaq Dar presenting Annual Budget for 2013-14 in National Assembly, Islamabad on June 12, 2013.



Federal Minister for Finance, Senator Mohammad Ishaq Dar addressing Post Budget Press Conference at Islamabad on June 13, 2013.



Federal Minister for Finance, Senator Mohammad Ishaq Dar chairing meeting of Advisory Committee for auction of spectrum for next generation of mobile services in Pakistan in Islamabad on October 3, 2013.



Federal Minister for Finance, Senator Mohammad Ishaq Dar chairing a meeting to review the state of economy in Islamabad on December 28, 2013.

Customer Satisfaction Index (CSI) of Finance Division

Finance Division is exclusively an ISO Certified Division in the Federal set-up, therefore, Customer Satisfaction Survey is conducted bi- annually to measure the quality of service and to find out the nature and trend of customer dissatisfaction. Thus, Customer Satisfaction Survey for the period Jan - Jun, 2013 was carried out, according to the nature of customers of Finance Division, in respect of Human Resource Management (HRM), Budget, Expenditure, Regulations and Provincial Finance Wings, to meet the objective of measuring the Customer Satisfaction Index (CSI) of Finance Division,

2. CSI of the above-said Wings has been consolidated and comparison is given below with the previous survey

Sl.No	Name of Wings	CSI for the Period of July – Dec, 2012 (%age)	CSI for the Period of Jan – Jun, 2013 (%age)
1	HRM	61.2	70.59
2	Regulations	63.04	58.06
3	Expenditure	67.17	68.55
4	Budget	71.34	72.31
5	Provincial Finance	95.83	78.13
6	CSI of Finance Division	71.71	69.53*
CSI of Finance Division		*70.59+58.06+68.55+72.31+78.13=347.64/5=69.53%	

Work Efficiency/Performance Based Surveys

A Bi-annual 8th Survey for the period January – June 2013 was conducted to measure performance of all Wings against the following metrics of quality objective:-

- Average duration of days taken by SO for submission of cases = 6 days
- Average duration of delays of files by SOs and equivalent = 3 days
- Average days taken for final disposal of cases = 6 days
- Percentage of cases disposed of at each level as follows:-

Percentage of Cases Disposed off at each Level				
SO	DS	JS	AFS	FS
6%	11%	38%	28%	17%

Comparative Analysis of Surveys

Activities	1 st	2 nd	3 rd	4 th	5 th	6 th	7 th	8 th
	Survey Mar-07	Survey Feb-08	Survey Jun-08	Survey Feb-09	Survey Jun-11	Survey Jan-12	Survey Jul-Dec, 12	Survey Jan-Jun, 13
Average number of days taken by S.O for equivalent for submission of cases	7 days	4 days	3 days	2.94 days	4.5 days	8.1 days	4.1 days	6 days
Average duration of delays of cases by SOs and equivalent	4 days	1 days	0	0	2.5 days	5.1 days	1.1 days	3days
Average duration of disposal of cases	11 days	6 days	5.23 days	5.47 days	5.6 days	14 days	10.9 days	6days
Percentage of cases disposed off at SO level	8%	10%	10%	11%	2%	10.00%	11.39%	6%
Percentage of cases disposed off at DS level	7%	11%	17%	11%	18%	23.00%	15.18%	11%
Percentage of cases disposed off at JS level	46%	43%	43%	35%	45%	22.00%	13.92%	38%
Percentage of cases disposed off at AFS level	19%	20%	12%	24%	20%	24.00%	34.17%	28%
Percentage of cases disposed off at FS level	20%	16%	18%	19%	15%	21.00%	22.78%	17%

Departmental Quality Assurance Coordinators

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. Suhbat Ali Talpur
Dy. Seretary (Bkg)



Syed Pervaiz Abbas
Naqvi,
Director (BC)



Mr. Qamar-uz-Zaman
Farooqi
Dy. Secretary (BR-II)



Syed Ahmad Raza Asif
Dy. Secretary (EFP-I)



Mr. Abdul Malik
Balghari
Dy. Secretary (PF)



Mr. M. Aslam
Dy. Secretary (Inv)



Mr. Shahid Ahmad Ch.
Dy. Secretary (R-III)



Mr. M. Afzaal Ajiz
Dy. Secretary (HR)



Mr. Tassadaq Hussain
Dy. Secretary (CF-II)



Mr. Absar Hasan
Siddiqui,
Dy. Eco. Advisor



Mr. Liaquat Ali
Accounts Officer (PAC)



Syed M. Idrees Naqvi
Section Officer (Dev-II)



Mr. Shahzad Ahmad
Dy. Secretary (Exp)



Mr. Muhammad Sarfraz
Butt,
Asstt. Eco. Advisor

Quotes about Quality

"Quality means doing it right when no one is looking."
(Henry Ford)

"Love is a quality, not a quantity."
(Vanna Bonta)

"People forget how fast you did a job – but they remember how well you did it"
(Howard Newton)

"It is quality rather than quantity that matters."
(Seneca)

Quality means building the customer's point of view into every aspect of a product/service from design to final recycling.



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