



ASP ASSESSMENT AND
STRENGTHENING PROGRAM



**Government of Khyber Pakhtunkhwa
Finance Department**

INTERNAL AUDIT TOOLKIT

Energy and Power Department

Government of Khyber Pakhtunkhwa

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I. Abbreviations & Acronyms

1	ADP	Annual Development Programme
2	AG	Accountant General
3	APPM	Accounting policies and procedures manual
4	AS	Additional Secretary
5	ASP	Assessment & Strengthening Program
6	B&A	Budget and Accounts
7	BM	Budget Management
8	BS	Basic Scale
9	CNIC	Computerised National Identity Card
10	CPO	Chief Planning Officer
11	DD	Deputy Director
12	DDO	Drawing and Disbursing Officer
13	DS	Deputy Secretary
14	FD	Finance Department
15	GFR	General Financial Rules
16	GoKP	Government of Khyber Pakhtunkhwa
17	GP Fund	General Provident Fund
18	E&PD	Energy and Power Department
19	HR	Human Resources
20	HRD	Human Resources Department
21	HRM	Human Resources Management
22	ICQs	Internal Control Questionnaires
23	IT	Information Technology
24	LPC	Last Pay Certificate
25	MPNR	Ministry of Petroleum and Natural Resources
26	MBBTU	Million Metric British Thermal Unit
27	PA	Personal Assistant
28	PAO	Principal Accounting Officer
29	P&D	Planning and Development
30	PEDO	Pakhtunkhwa Energy Development Organization
31	PEEF	Punjab Educational Endowment Fund
32	POL	Petrol, Oil and Lubricants
33	RFP	Request for Proposal
34	SO (B &A)	Section Officer Budget & Accounts
35	SO (L)	Section Officer Litigation
36	SO (G)	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 for 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 Energy & Power Department. 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 audit activities 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 Department. 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 team included 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, NOVEMBER 2014

2. A bird eye view 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.

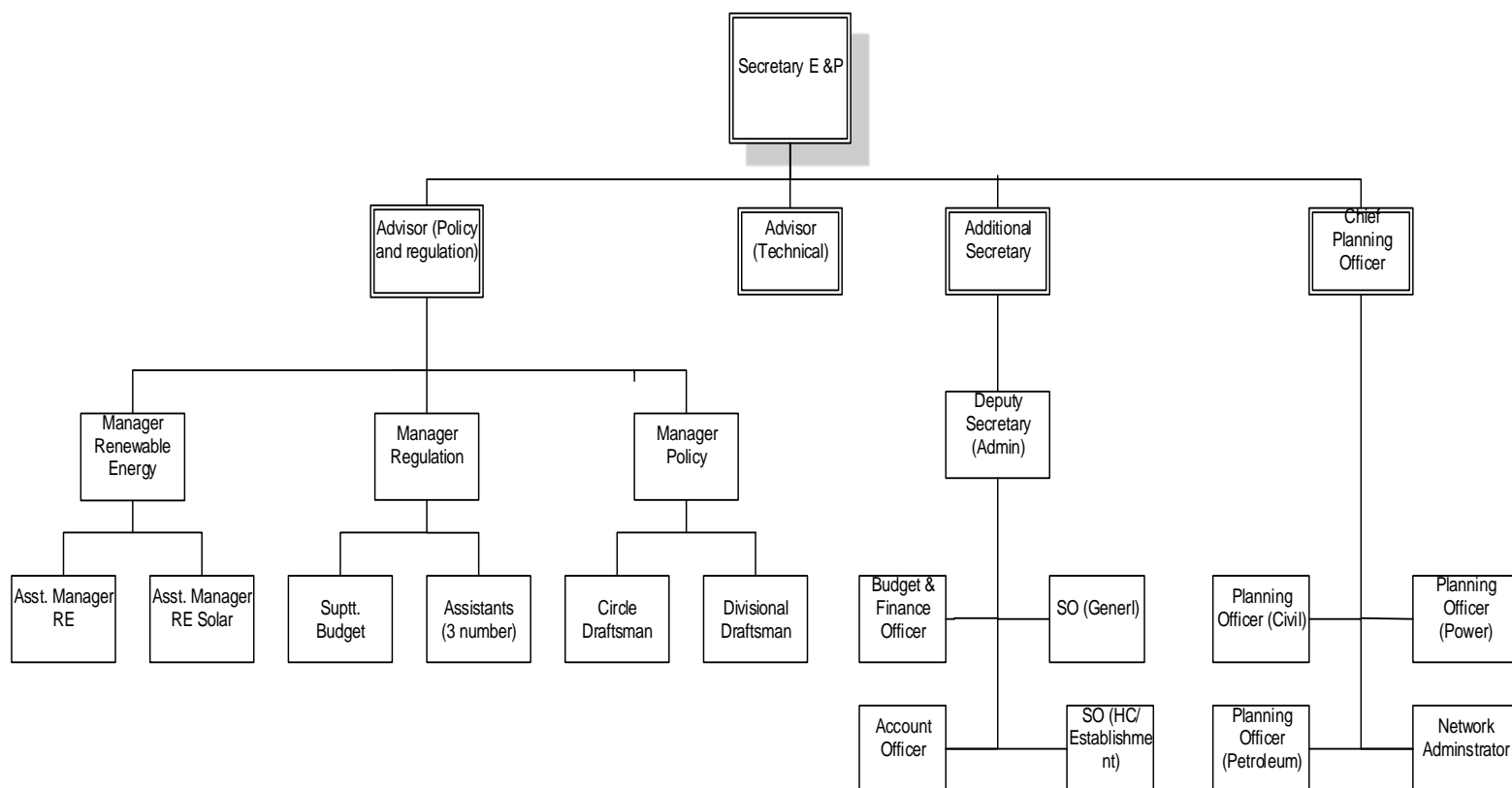
For ready reference the templates, forms and certain rules being used/refereed to in this document are available in a bound volume by the name of “ **IA Toolkit – Forms, templates and rules**”. Auditors while performing the audit should refer to the said volume on a need basis.

3. Introduction – Energy and Power Department

The Department of Energy and Power (E&P) was established in November 2008. It looks after exploiting two abundantly available natural resources i.e. Hydro Power and Oil and Gas (Hydro Carbons). Efforts are underway to maximize the generation of energy and revenue from these two sectors. It is Government's top priority to resolve current energy crises by ensuring adequate supply of energy for commercial as well as domestic purposes.

Energy and Power Department is only six years old. Prior to it, this function was the domain of Energy and Power Department now redesigned as Energy & Power Department. Cognizant of acute shortage of power coupled with the discovery and vast potential of new oil fields and huge gas reserves in the province, the then Govt of KP had rightly felt the need of setting up a separate Energy and Power Department having two attached Department of Electric Engineer and Pakhtunkhwa Energy Development Organization (PEDO). These two attached Departments are endeavouring to better the energy needs of the province besides generating handsome revenue.

Organogram of Energy & Power Department:



4. SECTION I

Planning-Permanent File - Template

INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING–PERMANENT FILE

Index/Checklist

Main Reference	Supporting Schedules		Done by:	Date:
PF		Update Control Sheet	KS	22/10/2014
PF-I		Status of the Entity	KS	22/10/2014
PF-II		Background Information	KS	22/10/2014
PF-III		Internal and External Factors	KS	22/10/2014
PF-IV		Process Identification	KS	22/10/2014
PF-V		Risk assessment	KS	22/10/2014
PF-VI		Inherent Risk Assessment	KS	22/10/2014
PF-VII		Control Risk Assessment	KS	22/10/2014
PF-VIII		Significant Audit Areas	KS	22/10/2014
PF-IX		Significant Issues	KS	22/10/2014
_____	_____	_____	_____	_____

**INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING–PERMANENT FILE**

Update Control Sheet

Name of Entity/Organisation: Energy and Power Department

Original file prepared by: Kamran Shahzad

Date: 22/10/2014

File updated by: _____ Date: _____

File updated by: _____ Date: _____

File updated by: _____ Date: _____

File updated by: _____ Date: _____

File updated by: _____ Date: _____

File updated by: _____ Date: _____

File updated by: _____ Date: _____

File updated by: _____ Date: _____

**INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING–PRMANENT FILE**

Understanding of Entity's Business – Status of Entity

Name of Entity/Organisation: Energy and Power Department

Principal Address:

Secretary to the Government of Khyber Pakhtunkhwa,
Energy and Power Department,
Block A, Wali Khan Multiplex,
Civil Secretariat, Peshawar.

Status of the Entity:

Government (Provincial department)

Inter–Governmental Relationship:

Department

GUIDANCE

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, ENERGY DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING–PERMANENT FILE

Understanding of Entity's Activities – Background Information

Name of Entity/Organisation: Energy and Power Department

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

Size of Entity:

Total revised expenditures budget and actual for 2013-14 and 2014-15 are as below (For E&PD); Amount in Rupee

Code	Heads	Budget 2013/14	Actual 2013/14	(Surrender)/ Supplementary Grants	Budget 2014/15	Progressive till Sep.
A01	Total employee related expenses	23,135,000	23,897,500	762,500	26,439,000	5,374,348
A03	Total operating expenses	9,873,000	10,831,000	958,000	10,022,000	710,490
A04	Total employees retirement benefits	-	-	-	-	-
A05	Total grants subsidies & write offs	1,000	1,000	-	1,000	-
A06	Total transfer	150,000	150,000	-	150,000	11,675
A09	Total physical assets	3,000	3,000	-	3,000	-
A13	Total repair and maintenance	268,000	360,000	92,000	270,000	-
PS12100346	Dev. Budget-PMC	3,930,000	5,913,000	1,983,000	5,518,000	981,515
PS09100141	Dev. Budget-Operationalization of Redesigned E&P Deptt.	29,000,000	11,990,000	(17,010,000)	20,000,000	1,540,491
Total		66,360,000	53,145,500	(13,214,500)	62,403,000	8,618,519

TOTAL SANCTIONED POST

S.No	Name of Post	BS	Vacant post 2014-15	Total Budgeted Post for 2013- 14	Total Budgeted post for 2014-15
1	Secretary	20	-	1	1
2	Additional Secretary	19	-	1	1
3	Deputy Secretary	18	Vacant	1	1
4	Private Secretary	17	-	1	1
5	Section Officer	17	1 vacant	5	5
6	Superintendent *	17	1 Vacant		3
7	Assistant **	16	1 vacant since inception of E&P D	-	4
8	Senior Scale Stenographer	16	-	1	1
9	Superintendant *	16	1 Vacant	3	
10	Assistant **	14	1 vacant since inception of E&P	4	-
11	Senior Clerk ***	14	-		2
12	Stenographer	14	2 vacant since inception of E&P	5	5
13	Senior Clerk ***	09	-	2	
14	Junior Clerk ****	11	-		6
15	Junior Clerk ****	07	-	6	
16	Drivers	4	-	3	3
17	Daftari	02	-	1	1
18	Chowkidar	01	-	2	2

19	Naib Qasid	01	-	18	18
20	Sweeper	01	-	1	1
	Total Post			55	55

* Upgraded recently from BS 16 to 17

** Upgraded recently from BS 14 to 16

*** Upgraded recently from BS 09 to 14

**** Upgraded recently from BS 07 to 11

Core Operational Activity/Corporate Plan:

The core operational activity of Department of Energy and Power is to explore and utilize energy and power resources, and to ensure that the country is not deficient of energy. Besides earning substantial amount of revenue from energy resources, it contributes towards overall development of the province.

Major Services:

- Technical assistance to attached departments in development projects.
- Initiating development projects.
- Monitoring and evaluation of Projects.
- Establishments of oil and gas companies in KP .
- Preparation of draft Acts/Ordinances as per need and seeks approval of Provincial Assembly.
- Financial Management of Recurring and Non-Recurring Budget and Auditing of the Provincial Level releases to Department through Departmental Accounts Committee.
- Processing of Pension, GP Fund and promotion cases of employees
- Monitoring and review of Annual Developmental Plan.
- Coordination with the Federal Government, other Provincial Departments and concerned Attached Department.
- Looking after litigation cases in courts in regard to any functions falling in its domain.

Major Beneficiaries:

Major beneficiaries of E&P Department are Federal Government and Govt of KP

Major Cost Centres:

The major cost centres in Energy & Power Department are:

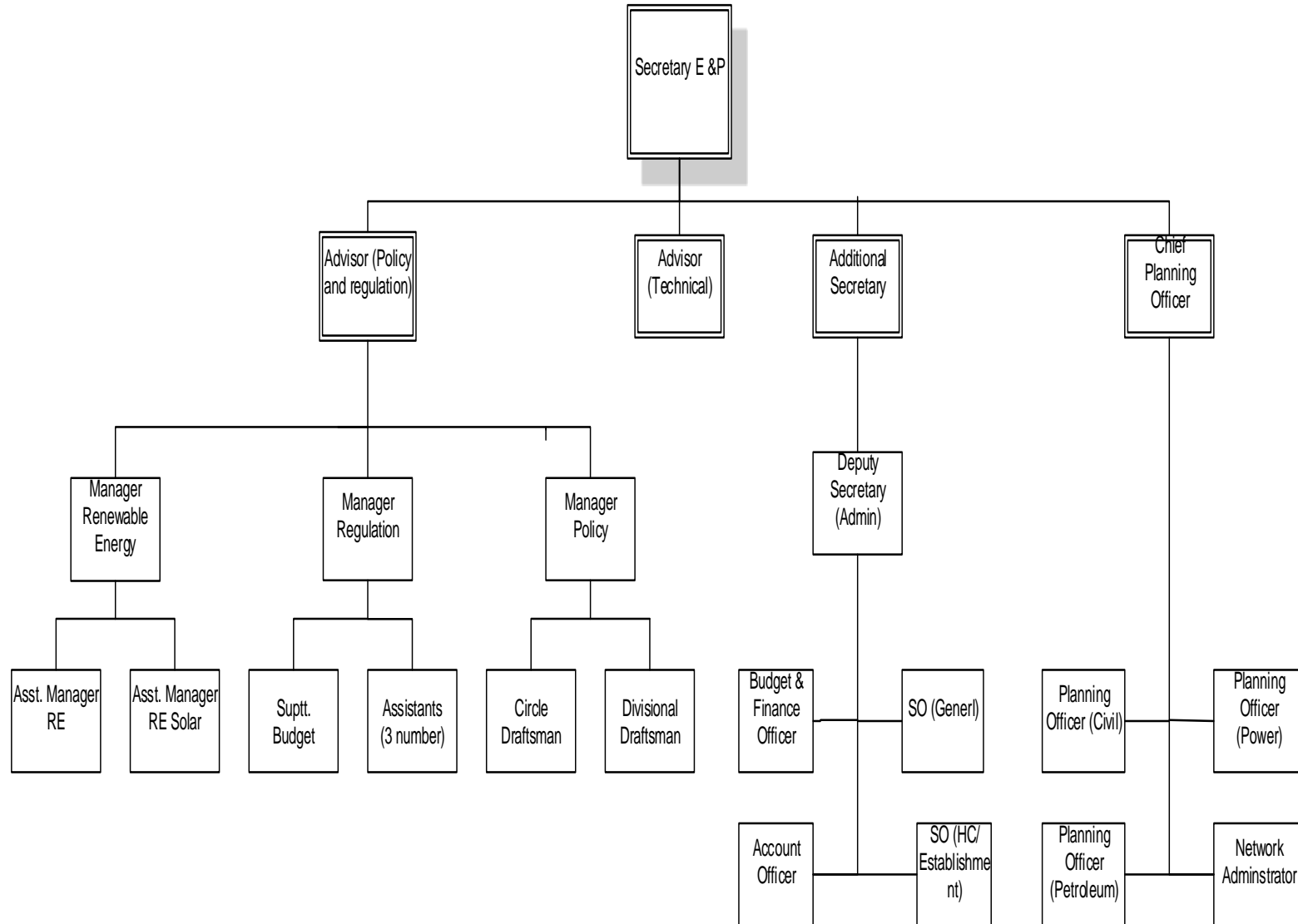
A011	Total Pay
A012	Total Allowances
A01	Total Employees related expenses
A03	Total Operating Expenses
A05	Total Grants subsidies & write off
A13	Total Repairs and Maintenance
PS12100346	Projects-1 PMC
PS09100141	Dev. Budget- Operationalization of Redesigned E&P Deptt.

Reporting Authority:

According to Rules of Business, the Secretary Energy & Power Department administratively reports to Chief Secretary and works under the immediate guidance of Minister Energy & Power of the province. In all cases processed vertically or horizontally, the Minister Energy and Power is invariably kept in loop.

Important information and statistics:

Organogram of Energy & Power Department:



Introduction – Energy and Power Department

Exploration of Oil and Gas in all the Provinces is a Federal Subject under Article 157 & 161 of the Constitution which is being managed by the Ministry of Petroleum and Natural Resources (MPNR). The MPNR administers it under Petroleum Exploration and Production Policy 2012. Under this policy exploration rights are assigned both to local and foreign companies. The shares of provinces are calculated and provided according to Petroleum Exploration and Production Policy 2012. The interest of the KP is well guarded by its Finance Department as far as collection of royalties and other receipts arising out from hydel power, oil and gas resourced in KP are concerned

The Energy and Power Department at the Department level performs the following functions:

- All matters pertaining to hydro electric power, natural gas and their sale proceeds involving the interest of KP as enshrined under Articles 154,157,158,161 & 172 (3) of the Constitution and framing policies relating to them in the interest of the Province.
- Grant and revocation of licenses to the private electric enterprises, certificates of competency to electrical supervisors and licenses to electric contractors under the Electricity Act, 1910.
- Levy and collection of electricity duty under West Pakistan Finance Act, 1964.
- Monitoring of tariff of PECSO vis-à-vis other DISCOs for regulation of tariff.
- Administration of Pakhtunkhwa Energy Development Organization Act,1993
- All matters pertaining and auxiliary to Hydel power station of WAPDA or any other public/private sector agency located in Khyber Pakhtunkhwa.
- Advising the provincial Government on thermal, solar, wind, coal, nuclear, solar and any other kind of energy and power generation.
- Close coordination with the Federal Govt. in respect of grant of licenses for oil and gas exploration in Khyber Pakhtunkhwa and cooperation with such companies and organizations in their undertakings'
- Matters relating to extension of gas by SNGPL in Khyber Pakhtunkhwa.
- Matters relating to tariff on Gas/CNG/petroleum products, royalty on gas and oil and Gas Development Surcharge.
- Planning, designing and installation of power generation units and looking after the supply of electricity to the province as per its requirement.
- Representation of the Province on the Board of Directors of PESCO and other DISCOs in view of Hydro electricity as major contributor to, and source of, energy for the Province.
- Formulates, regulates and reviews the Provincial Power Policy.
- Investigation into fatal and non-fatal accidents due to electrocution.

HYDRO ELECTRIC POWER

Energy and Power Department through its attached wing Pakhtunkhwa Energy Development Organization (PEDO previously PHYDO) is operating four Hydropower Projects in Malakand, Swabi, and District Chitral. The total installed capacity of these hydropower projects is 105 MWs.

S.No	Name of Scheme	Location	Capacity in MV
1	Malakand-III HPP	Malakand	81
2	Pehur HPP	Swabi	18
3	Shishi HPP	Chitral	1.8
4	Reshun HPP	Chitral	4.2
Total Capacity			105

These projects not only contribute to reduction in load shedding but also generate a considerable amount of revenue i.e., Rs. 2.5 billion per annum for the province.

Government of KP has signed a loan agreement with Asian Development Bank (ADP) for the development of Hydro Projects in KP. PEDO is currently constructing two projects with total installed capacity of 20 MWs in Districts Kohistan and Mardan.

In Annual Development Program 2014-15, targets are set for further production of 694 MWs in Districts of Manshara, Shangla, Battagram and Chitral.

NET HYDEL PROFIT

The rights to claim royalty and amount of Net Profit on account of Hydel Power Generation were enshrined in the 1973 Constitution.

Article 161 (2) reads;

"The net profits earned by the Federal Government, or any undertaking established or administered by the Federal Government from the bulk generation of power at a hydro electric station, shall be paid to the Province in which the hydro-electric station is situated."

For the first time, a sum of Rs. 6 billion Net Hydel Profits was paid during 1991-92 which was calculated on total provisional profits of WAPDA for that year. The amount has since been capped despite the fact that Federal Revenue has grown manifold due in part to increase in power tariff. . The NFC recommended an increase on this amount i.e. Rs. 6 billion @ 10 % with each passing year but WAPDA did not oblige with acceptance.

Owing to the difference of opinion on the computation of Net Hydel Profits between the Government of Khyber Pakhtunkhwa and WAPDA, an Arbitration Tribunal was constituted by the Federal Government on October 31, 2005 to resolve the dispute. Known as Kazi Commission, the Tribunal announced its award on October 09, 2006 according to which the Federal Government was to pay Rs. 110.101 billion to the Government of KP in instalments till July 2014. The amount has since been paid but the Federal Government has again reverted to Net Hydel Profit @ Rs.06 billion per annum since 2014.

The Provincial Government utilises 10% share from the Net Hydel Profits receivable from WAPDA/ Federal Government (FG) on developing those districts where the dams/ power houses are located.

OIL AND GAS

The Government of KP receives revenue under following heads;

- Royalty on Oil
- Royalty on Gas
- Gas Development Surcharge
- Excise Duty on Gas

Royalty on Oil is payable by the exploration and production companies to the Government of KP @ 12.5% of the wellhead value.

Payment of net proceeds of royalty on crude oil: - According to the 7th NFC Award, “each of the Provinces shall be paid in each financial year as a share in the net proceeds of the total royalties on crude oil an amount which bears to the total net proceeds in the same proportion as the production of crude oil in the Provinces in that year bears to the total production of crude oil”.

Gas Development Surcharge, levied under the Natural Gas (Dev: Surcharge) Ordinance, 1967 is the difference between the prescribed price and consumer’s price (price is determined by OGRA)

Payment of net proceeds of development surcharge on Natural Gas to the Provinces: - “Each of the Provinces shall be paid in each financial year as a share in the net proceeds to be worked out based on average rate per MMBTU of the respective province. The average rate per MMBTU shall be derived by notionally clubbing both the royalty on Natural Gas and development surcharge on Gas. Royalty on Natural Gas shall be distributed in accordance with clause (1) of Article 161 of the Constitution whereas the development surcharge on Natural Gas would be distributed by making adjustment based on this average rate”.

Targets set in receipts and actuals for the year 2013-14 and 2014-15 are as below;

(Rs. in Millions)

Heads	2013-14 (Budget)	2013-14 (Revised)	2014-15 (Budget)
Royalty on Crude Oil	16,103.850	18,791.804	16,357.690
Royalty on Gas	5,071.637	4,452.696	4,234.362

Excise Duty on Gas	1,192.764	1,582.700	2,443.140
Gas Dev: Surcharge	5,127.490	4,485.140	6,228.259
Total	27,495.741	29,312.340	29,263.451

OIL AND GAS RESERVES IN KHYBER PAKHTUNKHAW

According to the Directorate of Petroleum Concessions, Ministry of Petroleum and Natural Resources operationalized oil/gas fields discovered till December 31, 2013 in KP province are as under:

OIL RESERVE (MILLION US BARRELS)

Operator	Field	District	Year of Discovery	Original Recoverable	Cumulative Production	Balance Recoverable
MOL	Makori		2005	11.00	3.70	7.3
	Manzali		2002	8.00	6.00	2.00
	MamiKhel		2008	3.00	1.700	1.300
	Makori East		2011	43.00	3.00	40.00
	Maramzai		2009	10.00	2.100	7.900
OGDCL	Chanda		1999	34.567	14.318	20.249
	Mela		2006	22.440	11.292	11.148
	Nashpa		2009	57.610	13.458	44.152
	Shekhan		2010	0.058	0.008	0.051
Sub Total				189.675	55.575	134.100

GAS RESERVES (BILLION CUBIC FEET)

Operator	Field	District	Year of Discovery	Original Recoverable	Cumulative Production	Balance Recoverable
MOL	Makori		2005	221.000	51.000	170.000
	Manzali		2002	570.000	382.000	188.000
	MamiKhel		2008	80.000	39.000	41.000
	Makori East		2011	278.000	11.000	267.000
	Maramzai		2009	363.000	54.000	309.000
OGDCL	Chanda		1999	68.879	30.253	38.626
	Mela		2006	185.000	37.077	147.923
	Nashpa		2009	277.470	47.992	229.478
	Shekhan		2010	11.680	1.680	10.000
Sub Total				2,055.029	654.002	1,401.027

GUIDANCE

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.

INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING–PERAMNENT FILE

Understanding of Entity's Business – Internal and External Factors

Name of Entity/Organisation: Energy & Power Department

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 objectives efficiently and effectively).

Trainings (relevant trainings can have positive effect 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's 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, its stability is contingent upon the stability of sitting government: if the government is stable, the output of the department would be significant).

Relevant laws and regulations (must be adhered)

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

Curriculum changes (in order to remain reliable and relevant to public needs, the entity must adapt itself according to the latest curriculum changes)

General environmental changes (the entity must be responsive to general environmental changes)

Law and order situation leaves its positive or negative imprints on the entity.

GUIDANCE

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/forward into subsequent financial years.*
- *Local interventions or events that might have an impact on project progress.*
- *General financial indicators and trends*

INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING–PERMANENT FILE

Understanding of Entity's Business – Process Identification

Name of Entity/Organisation: Energy & Power Department

The auditor should list all the critical processes of the client

Critical processes of the client are:

A - Budget Management - Consolidation & Preparation

- A1 - Developmental Budget
- A2 – Non-Developmental Budget
- A3 – Revenue Estimates
- A4 - Re-appropriation/Surrender

B - Human Resources Management

- B1 – Hiring Process– Gazetted/Non-Gazetted Employees
- B2 - Posting and Transfer – Gazetted/Non Gazetted Employees
- B3 – Promotion – Gazetted/Non Gazetted Employees
- B4 – Training & Development Foreign – All Employees
- B5 – Leave Encashment – Gazetted Employees
- B6 - Leave Encashment – Non-Gazetted Employees
- B7 - Pension and GP Fund – Gazetted Employees
- B8 – Pension and GP Fund – Non-Gazetted Employees

C – Procurement

- C1 – Tendering
- C2 - Fixed assets/goods

D – Fixed Assets Management

E - Stores Management

F - Operating Expenses

G – Accounting Process

H – Project – Planning

- H1 – Project Budget
- H2 – Hiring Process - Project Staff
- H3 – Hiring of Consultant
- H4 – Administrative Approvals of PMC Schemes
- H5 – Monitoring -Progress Review

I - Litigation

- I1 – Litigation Process - Services matters
- I2 – Litigation Process- Civil matters

INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING–PERMANENT FILE

Understanding of Entity’s Business – Risk Assessment – Financial, compliance and operational Risks
Name of Entity/Organisation: Energy & Power Department

Risk Assessment:

The financial, compliance and operational risks assessed are as follows:

Risk	High	Medium	Low
Financial		✓	
Compliance		✓	
Operational		✓	
Overall		✓	

GUIDANCE

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;

<i>High</i>	<i>Medium</i>	<i>Low</i>
<i>3</i>	<i>2</i>	<i>1</i>

INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING FILE

INHERENT RISK ASSESSMENT FORM

NAME OF AUDIT ENTITY: Energy & Power Department

AUDIT COMPONENT: Entity Level

Factor	High	Mod.	Low
<p>1. The nature of the component, e.g.</p> <ul style="list-style-type: none"> • Susceptibility to loss. • Susceptibility to fraud. 			✓
<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"> • Consider: More homogeneous the component, the lower the risk. 		✓	
<p>3. The volume of activity.</p> <ul style="list-style-type: none"> • 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. 		✓	
<p>4. Capability of the staff processing the transactions.</p> <p>Consider:</p> <ul style="list-style-type: none"> • If the staff is experienced and takes their jobs seriously, there is probably a lower inherent risk than if the staff's is inexperienced or careless. 			✓
<p>5. The number of locations.</p> <ul style="list-style-type: none"> • 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. 		✓	
<p>6. The accounting policies being used.</p> <ul style="list-style-type: none"> • 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. 		✓	

Overall Inherent risk assessment for the entity is Moderate.

GUIDANCE

Inherent risk should be assessed for the entity as a 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 a 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.

INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING FILE

CONTROL RISK ASSESSMENT

ENVIRONMENTAL INTERNAL CONTROL QUESTIONNAIRE

NAME OF AUDIT ENTITY: Energy & Power Department

AUDIT COMPONENT: Entity Level

AUDIT PERIOD:

Check in box: Yes: ☒ No: ☒ NA: ☒

Q.	Controls	Yes/ No/ NA	Do ne By :	WP Ref.
A	<p><i>Control consciousness</i></p> <p>1. Is there clear management accountability for the establishment, and maintenance of appropriate and sufficient internal controls?</p> <p>2. Do employees have a clear understanding of their responsibilities and authorities?</p> <p>3. Is there an atmosphere of commitment and responsibility (ensuring that tasks are completed on time, low levels of errors and mistakes, flexible allocation of tasks, low absenteeism)?</p> <p>4. Are the controls being applied at all times (throughout the year, during staff shortages, for all situations / transactions)?</p> <p>5. Are here clear procedures and directives and are there management procedures to ensure they are complied with such as:</p> <p>a) Communication of what is acceptable / unacceptable behaviour;</p> <p>b) Employee evaluations that provide feedback on their performance; and</p> <p>c) Promotions and other rewards consistent with employee performance?</p> <p><i>By verbal enquiry and observation conclude on breadth and depth of the controls in place and evaluate the overall level of control consciousness</i></p>	<p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>Job-descriptions are not communicated to the employees</p> <p>Manual of Secretariat Instruction/Efficiency and Discipline Rules are applied PERs are written and safeguarded</p> <p>Provincial Selection Board makes promotions of officers in BS-16 and above officers and Departmental Promotion Committee makes promotions of employees below BS-16.</p>

B	<p>Organisation</p> <ol style="list-style-type: none"> Is the organisation of the entity clearly defined in terms of: <ol style="list-style-type: none"> Functions and delegated authority? Responsibility for decision making? Responsibility for establishing responsibilities? Segregation of duties? Rotation of officers in key control positions? Limitations on authority? In particular, are the following operating functions performed independently of one another within the entity: <ol style="list-style-type: none"> Accounts Recording of receipts and collection of money Approval/authorisation and issue of payment Recording of expenditure and issue of payment Recording of assets and safeguarding of assets Are segregation of duties maintained during staff absence <p><i>By verbal enquiry and observation check that the above functions are actually performed independently.</i></p> <ol style="list-style-type: none"> Does the entity have a current organisation chart? Does the entity maintain current job descriptions? <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>Yes Yes Yes Yes Yes Yes</p> <p>Yes NA Yes Yes Yes No</p> <p>Yes Yes</p>		<p>Manual of Secretariat Instruction and delegation of powers under the Financial Rules & Power of re appropriation Rule 2001 defines the entity <u>and</u> its various responsibilities and functions</p> <p>There is no collection of revenue done by the Department itself. Issue of cheques to discharge liabilities or any other payment is made by the AG's office which signifies separation of critical financial functions.</p> <p>Stock register is maintained</p> <p>As Above Job descriptions are available but not formally intimated to employees.</p>
C	<p>Competence of personnel</p> <ol style="list-style-type: none"> Do the procedures for selecting staff ensure that the staff selected for positions in the following key control areas are competent: <ol style="list-style-type: none"> Accounting; IT systems; Other areas responsible for internal controls; and Management Planning and Evaluation? Does staff in the following areas get adequate training? <ol style="list-style-type: none"> Accounting; IT systems; 	<p>Yes Yes Yes No Yes</p> <p>Yes Yes</p>		<p>Training letters available on</p>

	<p>c) Other areas responsible for internal controls; and</p> <p>d) Management</p> <p>e) Planning and Evaluation</p> <p>3. Does staff in the following areas have a clear understanding of the work and their responsibilities?</p> <p>a) Accounting;</p> <p>b) IT systems;</p> <p>c) Other areas responsible for internal controls; and</p> <p>d) Management</p> <p>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</p> <p>b) IT systems</p> <p>c) Other areas responsible for internal controls and</p> <p>d) Management</p> <p>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</p> <p>b) IT systems</p> <p>c) Other areas responsible for internal controls</p> <p>d) Management and</p> <p>e) Planning and Evaluation</p>	<p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>record. Mostly the staff gets training at STI.</p> <p>Job descriptions is prepared as contained in Manual of Secretariat Instruction</p> <p>Please refer to G3 in Section 2.</p> <p>PERs are maintained which give considerable leverage to DPC and PSB in making promotion of officials.</p>
D	<p>Management policy and operating style</p> <p>1. Are policies and procedures clearly written and 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. Does the Head of Entity meet frequently to?</p> <p>a) Update control policies & procedures</p> <p>b) Review entity's performance</p> <p>c) Take appropriate action on performance reviews</p>	<p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>No</p> <p>Yes</p> <p>Yes</p>		<p>Manual of Secretariat Instruction and all notification are disseminated formally.</p> <p>There is no computer based information and computerised processes. Individuals do use computer as a simple facilitating tool and know how to protect their data through passwords. Computer literate staff is not employed to its full potential .</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 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 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 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 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 performance on a timely basis</p> <p>b) Adequately communicate breaches from and weaknesses in the control system to the Head of 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>Yes</p> <p>Yes</p> <p>No</p> <p>No</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>Informal and formal Regular meetings are conducted.</p> <p>Minutes are prepared but circulated with delay which seems intrinsic to all departments.</p> <p>Secretary monitors the annual calendar through the DDO and asks the FD for adjustments in the budget both periodically and in exigencies.</p> <p>Planning cell exists which comprehensively reports on the development schemes of the department and suggests redress of issues on time.</p>
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	<p>9. Does the Head of 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 powers under the Financial Rules & Power of re appropriation Rule 2001, and update the information base in the permanent file.</i></p>	<p>Yes</p> <p>Yes</p> <p>NA</p>		
E	<p>Management override</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>Reporting</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>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p> <p>Yes</p>		<p>The reports of the meetings of various management committees such as DPC, Service structure committee and those relating to Policy Matters and budget process are held and their minutes are invariably prepared and circulated. There is done monthly /annual reconciliation of records pertaining to budget between the Administrative Department, AG's office and the Finance Department.</p>
G	<p>Protection of assets and records</p> <p>1. Is there adequate physical security over?</p> <p>a) Cash</p> <p>b) Valuable documents (cheques / securities / contracts)</p>	<p>Yes</p> <p>Yes</p>		

	<p>and</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>		<p>There is a need of computer back up records</p>
H	<p>Internal audit function</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 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</i></p>	<p>No</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p> <p>NA</p>		

	<i>and experience.</i>	NA		
	6. Do the internal auditors review and document the internal control structure and perform tests of controls?	NA		
	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.	NA		
	8. Do the internal auditors perform substantive tests of the transactions and account balances?			
	<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>	NA		
	9. Do the internal auditors render written reports on their findings and conclusions?	NA		
	10. If yes, are the reports submitted to the Head of Entity?			
	<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>	NA		
	11. Does Head of Entity take adequate and timely actions to correct conditions reported by the internal audit function?			
	<i>Review management’s response to the recommendations made by the internal auditors and the actions taken.</i>	NA		
	12. Does the internal audit function follow up on corrective actions taken by management?			
	<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>			

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, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING FILE

CONTROL RISK ASSESSMENT FORM

NAME OF AUDIT ENTITY: Energy & Power Department

AUDIT COMPONENT: Entity Level

AUDIT PERIOD:

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)			

Control risk assessment for the entity as whole is Low.	
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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.	
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GUIDANCE

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 is necessarily an average of the assessments 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, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING–PERMANENT FILE

Understanding of Entity's Business – Significant Audit Areas

Name of Entity/Organisation: Energy & Power Department

Significant Financial Statement Components	Critical Audit Area Yes/No
Pay	Yes
Allowances	Yes
Operating Exp	Yes
Total Physical Assets	Yes
Repair & Maintenance	Yes
Budget	Yes
Planning and Monitoring Cell Project- 1	Yes
Operationalization Re design of Energy and Power Deptt. Project - II	Yes

GUIDANCE

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.

INTERNAL AUDIT CELL, ENERGY & POWER DEPARTMENT, GOVERNMENT OF KP
AUDIT PLANNING-PERMANENT FILE

Significant Issues

Name of Entity/Organisation: Energy & Power Department

- Attached Departments' functions are being performed by E&PD.
- Most of the sections have no information about their functions.
- Fixed Assets are not properly tagged

GUIDANCE

These include issues that have come to the attention of the auditor while gaining the understanding of the entity and documentation of the processes.

5. Section II

Detailed Processes (Narratives and Flowcharts)

5.1 A - Budget Management – Consolidation & Preparation

Process Narrative Including Risk and Control Matrix	A1
5.1.1 Budget Management – Developmental Budget	Process ID: ID/E&PD/BM/Consolidation/Dev-01

Background Information

Planning & Monitoring Cell (PMC) in E&PD not only assists the attached departments by reviewing and forwarding their projects for approval to Planning & Development Department but also initiate the feasibility project at their own level by preparing PC-I or by hiring a consultant when a complex feasibility report is required. In this section only the development schemes initiated by the attached departments are being discussed. The projects initiated by PMC will be discussed in Section II (H1 to H 6).

It was noticed that there are both ADP and Non ADP schemes being executed by the Department of Energy and Power and its attached Departments. The responsibility of Chief Planning Officer in E&PD is to consolidate development budget/schemes of all the attached departments as well as those of its own and send them to P&D Department in time. P & D Department holds ADP meetings in January and February each year, which are duly represented by the administrative department. These meetings consider ADP and tentatively make allocations for each of them. While doing so, the regards is to be had to size of the scheme and priority accorded to the same.

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 includes monitoring of schemes by P&D Department and Monitoring Cell of Energy & Power Department?
- **Completion Process:** Which includes sanction of posts of employees, PC-4, BM16 handing and taking over assets build/ documents 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 other than E&P shall be documented at the respective departments/entities. Only risks and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
P&D Department*	P1 – Issues a circular containing instructions and guidelines at the start of each year in January to departments for planning new and already running schemes.	Risk sits in the P&D Department	Control for the risk sits in the P&D Department
Energy & Power Department – CPO & SO (B&A)	<p>P2 – Secretary E&PD issues instruction to CPO for preparing Department's own budget and to SO (B&A) for directing the Attached Departments to start compiling their data.</p> <p>SO (B&A) & CPO receive the letters here through proper route and initiate the process on behalf of E&P Department.</p>	Risk that E&PD may not receive circular and instructions.	If the circular and instructions are not received in time they can write to the P&D Department as well as follow up with it by phone calls.
			<p>Suggested Mitigating Controls:</p> <ol style="list-style-type: none"> 1. An annual planning calendar should be maintained by each section which should include all the important tasks falling on such and such dates. 2. This annual planning calendar should be approved by the head of the section and head of planning cell at the beginning of the year 3. At the end of each month this should be reviewed by the head of the planning cell to ensure that no important task is

			missed or delayed.
		Risk that instructions and guidelines are not issued to Attached Departments on time.	Letters are issued through dispatch and diary section which keeps record of all dispatches on daily basis.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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).
Attached Departments *	P3 – Compile data of all schemes and send to SO (B&A)	Risk sits in the respective entity.	Control for the risk sits in the respective entity.
Energy & Power Department – PMC	P4 - SO (B&A) receives the data and put on file to Chief Planning Officer(CPO) who sends it	Risk that during consolidation clerical mistake may occur such as a particular	After consolidation of data, it is reviewed by the CPO that mitigates the risk. The completion of

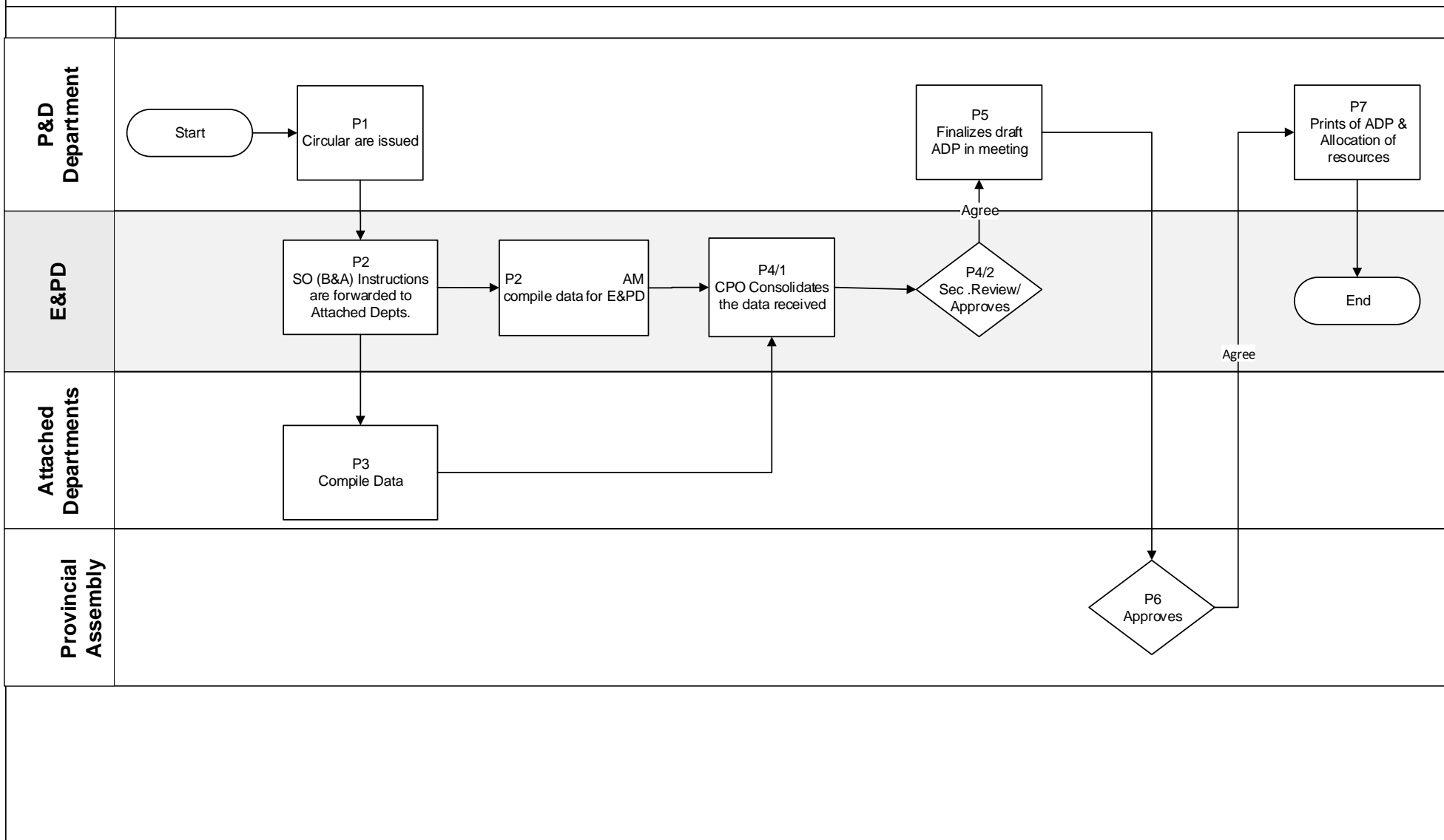
	<p>to Assistant Manager (AM).</p> <p>P4/1 – AM Consolidates the whole data received from all Attached Departments and adds to it its 'own data' from file “Demand for ADP” of the E&PD at this step. Internal meeting is held in this regard to present the ADP to Secretary. If he suggests any changes, it is recorded in minutes of meeting and changes are later effected by CPO.</p> <p>“Demand for ADP file” is a file maintained containing demands / directives made by MPAs, CM, other authorities and Public”.</p> <p>P4/2 – After consolidation it is finally reviewed by Secretary, Energy & Power and if he/she agrees, it is forwarded to P&D D</p> <p>In case of disagreement it is returned with comments for changes.</p>	developmental head is left out	the data is also ensured during the review.
			<p>Suggested Mitigating Control:</p> <p>Data should be reviewed by AS against the guidelines issued by P&DD to ensure compliance.</p>
		Risk that there is no segregation of duties in this process.	In the process AM consolidates the data and both Secretary and CPO review the consolidation file.

		Risk that data disagreed is not returned to relevant Attached Department.	Normally the concerned Attached Department is informed in time and letter is issued and dispatched through diary and dispatch section.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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 ADP prepared is not reflecting the priority areas identified in the strategic plan or fails to reflect public aspirations.	The review and approval of the budget file by CPO and finally by Secretary will ensure to mitigate the risk.
P&D Department*	P5 – Holds meetings--one or more than one-- some or all of which are chaired by CM in which ADP of Energy & Power Department/ and its Attached Departments is finalized. It is followed by approval by the Cabinet. The approved draft ADP is	Risk sits in the P&D Department.	Control for the risk sits in the P&D Department.

	then put up before the Provincial Assembly for approval.		
Provincial Assembly*	P6– Discusses the final draft and approves.	Risk sits in the Provincial Assembly.	Control for the risk sits in the Provincial Assembly.
P&D Department*	P7 – Prints ADP Book after approval by the Assembly incorporating the changes approved by the Assembly.	Risk sits in the P&D Department	Control for the risk sits in the P&D Department.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments*



Process Narrative Including Risk and Control Matrix	A2
5.1.2 Budget Management –Consolidation – Non-Developmental Budget (Demands for grants)	Process ID: ID/E&PD/BM/Consolidati on/Non Dev-01

Background Information

In order to prepare non–development budget, the Finance Department issues a Budget Call Circular (**BCC**) in October to all the Administrative Secretaries including E&PD to submit their estimates for the forthcoming year. In compliance, the Energy & Power Department pass these instructions on to its Attached Departments. The budget data received from all the attached departments is forwarded to the Energy & Power Department. The Department's own budget is added to it and after Secretary's approval it is further forwarded through its SO (G) to the Finance Department for further codel formalities. A rigorous and concerted effort is made by the Department before finalizing the budget. FD either straight away accords approval or does so after necessary changes. It is placed before the Cabinet as a part of 'Master Budget' of the Province which approves and places it before the Assembly for debate and approval. Thereafter it is printed by the departments and releases follow accordingly.

Minister Energy & Power is kept in loop in the whole process for information.

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 other than Energy & Power shall be documented at the respective departments/entities. Only risks and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Finance Department*	P1 – Issues Budget Call Circular (BCC) to each department in October for forthcoming financial year.	Risk sits in Finance Department	Control against risk sits in Finance Department
Energy & Power Department – SO (G) & SO (B&A)	P2 – Secretary, E&PD issues instruction to SO (G) for preparing Department's own budget and SO (B&A) does the same with respect to attached departments/ entities.	Risk that Department of Energy & Power Department may not timely receive ceiling budget or/and BCC.	If the Circular / ceiling budget is not received in time, budget section in the Department writes to the Finance Department as well as follow up with it by phone calls.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. An annual planning calendar should be maintained by each section which should include all the important tasks and the dates on which they fall. 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 AS to ensure that no important task is missed or delayed.
		Risk that Circular and instructions are not timely issued to all Attached Departments in time.	The Assistant keeps complete list of Attached Departments. Letters are issued through dispatch and diary department which maintain track of all dispatches on daily basis.

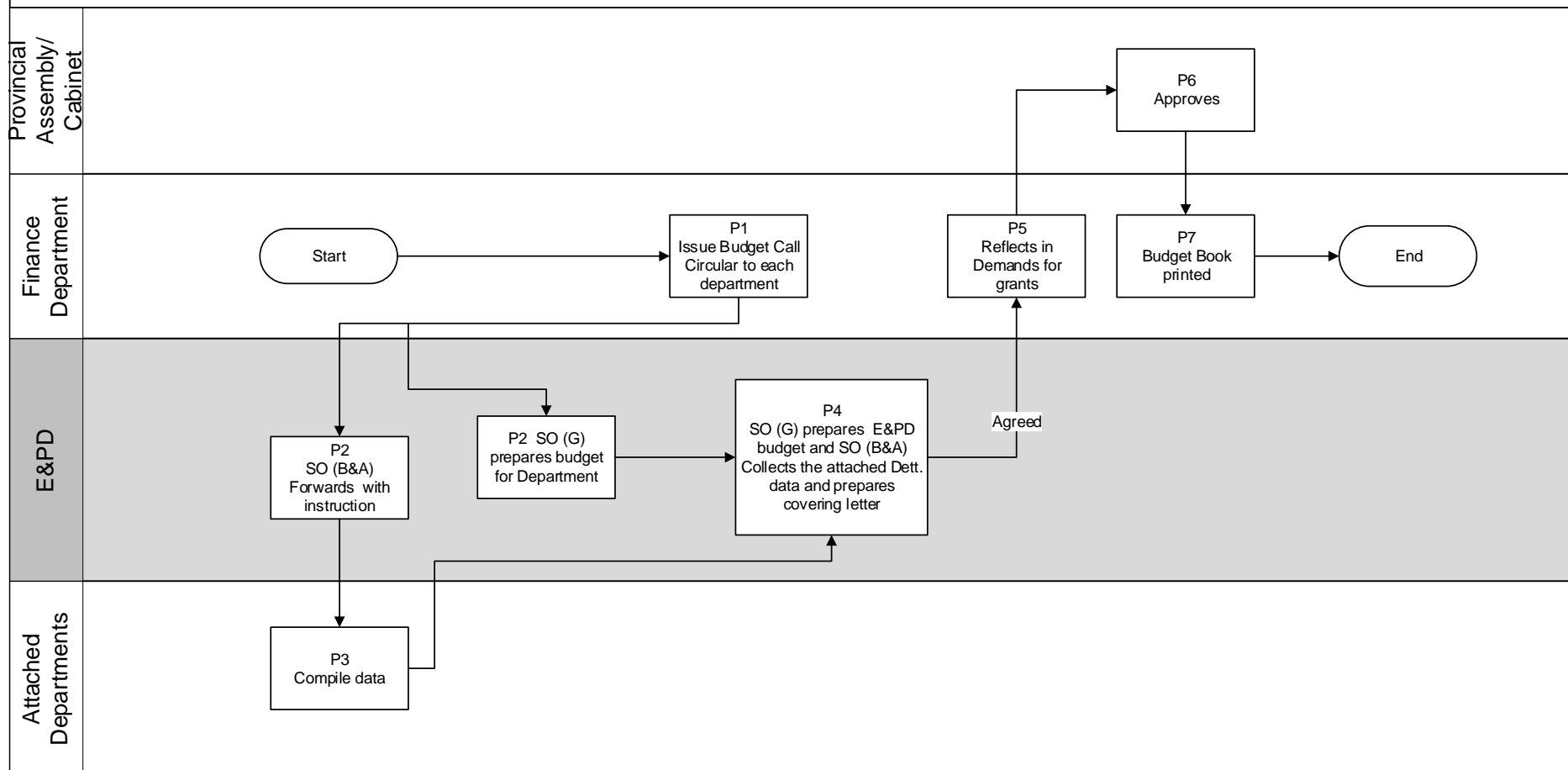
			<p>Suggested Mitigating Controls:</p> <p>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instruction should be followed.</p> <p>1. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly basis to identify cases outstanding for 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 & signature(where appropriate).</p>
Attached Departments Office*	P3 – Compile data, scrutinize and forward to E&P Department	Risk sits in Attached Departments.	Control for the risk sits in Attached Departments.
Energy & Power Department – SO (G) & SO (B&A)	<p>P4 – SO (G) prepares the Department budget and SO (B&A) collects the Attached Department Budget and after Secretary’s approval both send the respective budgets to Finance Department.</p> <p>In case of any disagreement, it is returned to relevant Attached Department for correction.</p>	Risk that during the collection of data budget documents pertaining to a particular entity may be missed due to enormous work.	<p>Suggested Mitigating Controls:</p> <p>Data received should be consolidated by Assistant Level person in standard format and reviewed by Senior Clerk and SO, (B&A).</p> <p>It should be reviewed against.</p> <ul style="list-style-type: none"> • Ceiling budget. • Previous year budget to highlight any variation in data by the controlling officer. A signature of the concerned official on the consolidation sheet should manifest the control.

			After review by the Budget controlling officer, the budget file including consolidation sheet should be reviewed and approved by Additional Secretary and finally by Secretary of the department.
		Risk that Consolidated data is not received from all the Attached Departments.	Suggested Mitigating Controls: 1. A control sheet should be maintained by the Assistant level person who should list all the Attached Departments and Entities under them. If the data is not received from a particular Attached Department, it should be followed up by several reminders and phone calls. 2. Consolidation sheet should be reviewed by Senior Clerk and SO (B&A).
		Risk of not framing of chart of duties to ensure collection of data from the attached departments; its scrutinizing and compiling.	Suggested Mitigating Controls: A computer operator or Assistant level person should consolidate the data and Senior Clerk should review the consolidation sheet. The sheet should be finally reviewed and approved by an Additional Secretary
		Risk that rejected data is not sent back to relevant Attached department (Electric Inspector Office or any Entity).	Normally the concerned Attached Department is informed during a joint scrutiny and a letter is also issued and dispatched through diary and dispatch section.
			Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P3
		Risk that budget prepared is not reflecting the	Suggested Mitigating Control: The review and approval of the

		priority areas identified in the strategic plan.	budget file by Additional Secretary and finally by the Secretary should include this perspective.
Finance Department*	P5 – Receives the budget data which is then reflected in ‘Demands for Grants’ after a series of meetings with representative of E&P Department and sends it to Cabinet for approval.	Risk sits in Finance Department.	Control for the risk sits in Finance Department.
Cabinet/Provincial Assembly*	P6 – Cabinet reviews the ‘Demands for Grants’ which are then forwarded to the Assembly for discussion, changes & final approval.	Risk sits in the Cabinet/Provincial Assembly.	Control for the risk sits in the Cabinet/Provincial Assembly.
Finance Department*	P7 - Prints the budget book and uploaded in SAP system.	Risk sits in Finance Department.	Control for the risk sits in Finance Department.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities / departments*



Process Narrative Including Risk and Control Matrix	A3
5.1.3 Budget Management –Revenue Estimates	Process ID: ID/E&PD/BM/Consolidation/Rev– 01

Background Information

Department of Energy & Power is responsible for consolidating and forwarding revenue estimates received from all the Attached Departments to the Finance Department. Instructions from the Secretary go each year down to all entities in the month of October to send revenue estimates. Attached Departments after compiling data forward it to the Energy & Power Department. Responsibility of sending it further to FD rests with the Secretary, Energy & Power for further processing.

Major receipts of Energy & Power Department are as follows:

- Electric Hydro Power receipts
- Fee payable under Electricity rules
- Fee payable under Cinematograph Act
- Fee payable for the grant of certificate of companies
- Electricity duty current receipts (WAPDA)
- Miscellaneous receipts fee

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 other than Energy & Power shall be documented at the respective departments/entities. Only risks and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Finance Department*	P1 – Issues letter regarding intimation of “Own Receipts” to the departments.	Risk sits in the Finance Department.	Control for the risk sits in the Finance Department
Energy & Power Department- SO (B&A)	P2 – Receives and forwards this letter to the Attached Departments with instructions.	Risk that the letter is not received.	Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. An annual planning calendar should be maintained by each section which should include all the important dates with dos. 2. This annual planning calendar should be approved by the head of the section. 3. At the end of each month this should be reviewed by AS to ensure that no important task is missed or delayed.
		Risk that Letter is not forwarded to the Attached Departments in time.	The Budget section keeps a complete list of Attached Departments. Letters are issued through dispatch and diary section which keeps record of all dispatches on daily basis.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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

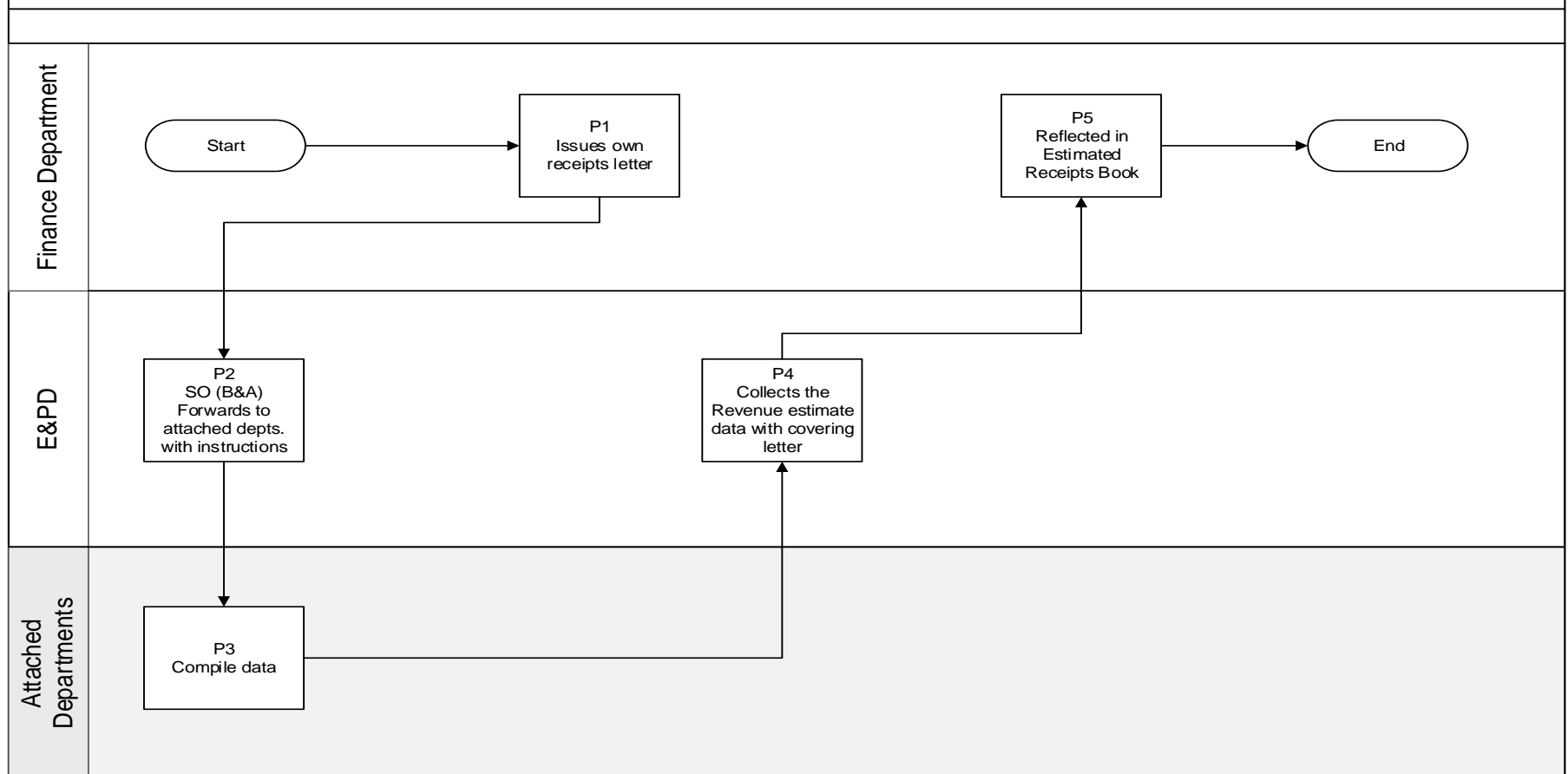
			<p>monthly basis to identify cases outstanding for more than the prescribed time standards.</p> <p>3.The reconciliation report should then be forwarded to the next higher authority for his/her review & signature.(where appropriate)</p>
Attached Departments *	P3 –Compile data, scrutinize and forward to E&P Department.	Risk sits in the Attached Departments.	Control for the risk sits in the Attached Departments.
Energy & Power Department - SO (B&A)	<p>P4 – Collects the whole data, and after Secretary's approval sends it under a covering letter to the Finance Department.</p> <p>In case of any disagreement, it is returned to relevant Attached Department for correction/changes.</p>	Risk that during the collection of information omission may happen due to enormous size of data.	<p>Suggested Mitigating Controls:</p> <p>Data received should be consolidated by Assistant Level person and reviewed by Senior Clerk and SO (B&A).</p> <p>The control should be evidenced by the signature of Senior Clerk on the consolidation sheet.</p> <p>After review from Senior Clerk, the budget file including consolidation sheet should be reviewed and approved by SO (B&A), Additional Secretary and finally by the Secretary of the department.</p>
		Risk that there is no segregation of duties.	<p>Suggested Mitigating Controls:</p> <p>The estimates/data should be received by</p>

			Assistant level person and he/she should enter the data in excel consolidation sheet. The consolidated sheet should be finally reviewed by the Senior Clerk and SO (B&A) before sending it for further approval.
		Risk that Consolidated data is not received from all the Entities.	Suggested Mitigating Controls: 1. A control sheet should be maintained by the computer operator or Assistant level person that should list all the Attached Departments and Sub Entities. If the data is not received from a particular Entity then it should be followed up by reminders and phone calls. 2. Consolidation sheet should be reviewed by Senior Clerk and SO (B&A) who will ensure that all Entities are included.
		Risk that rejected data is not returned to relevant Attached Departments.	Normally the Entity concerned is informed in time followed by a letter is through diary and dispatch section.
			Suggested Mitigating Controls: 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,

			<p>Diary in and Diary out must be reconciled on 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 & signature(where appropriate).</p>
Finance Department*	P5 – Receives departmental Revenue Estimates, which are reflected in the Estimated Receipt books and these books constitute an important component of budget.	Risk sits in Finance Department.	Control for the risk sits in Finance Department

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities / departments*



Process Narrative Including Risk and Control Matrix	A4
5.1.4 Budget Management –Re-Appropriation/Surrender of savings	Process ID: ID/E&PD/BM/Re-appropriation–01

Background Information

Finance Department releases budget to different departments at the start of financial year and uses different tools to evaluate and monitor the expenditure. One way is to examine the trends from the monthly reconciled statements of the departments. In the last quarter of financial year, the departments review expenditures vis a vis appropriations to assess any shortfall or savings. The savings are either re-appropriated or surrendered. Re-appropriation may be approved by the Secretary to the limits explicitly allowed to him under the Delegation of Powers under the Financial Rules and Powers of Re-appropriation Rules. The re-appropriations beyond his powers are referred to Finance Department which is vested with wide powers in this regard.

There are two key dates by which each department needs to do their budget re-appropriation.

- Up to end of April.
- Up to 25th of June.

Please note that during this activity it was established that the Finance Department normally doesn't issue letter to initiate this process but it's done by the department on its own when need arises

. In E&PD Surrender of savings is done through the following arrangements.

- a. Surrenders from Non Development budget of the E&PD are processed by SO (G).
- b. Surrenders intimated by Attached Department are processed by SO (B&A).
- c. Surrenders accruing from ADP schemes/project are dealt by the account section of the CPO.

Re-appropriation in budget of E&PD is done by SO (G) and that of Attached Department is managed by SO (B&A). As regards re appropriation in Project's Budget, Secretary of E&PD is empowered within the budgetary limits specified in the PC-1.

The procedures and risks associated with them are same for all the processes as above in a, b and c; only the work is divided amongst three different sections. Our focus here will be on E&PD re-appropriation/surrender of savings where as procedure relating to Attached Departments has been documented in detail in respective IA toolkits.

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 other than Energy & Power shall be documented at the respective departments/entities. Only risks and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Finance Department*	P1 – Gives adequate latitude to the department(s) to re-appropriate funds if it foresees savings in any head preferably after passage of 1 st quarter of the Financial year. Surrenders are made at the end of the FY.	Risk sits in Finance Department	Control for the risk sits in the Finance Department
Energy & Power Department – SO (G) & SO (B&A)	P2 – Receives letter from Finance Department through proper route. SO (B&A) issues instructions to Attached Departments.	The letter is not received from Finance Department.	Suggested Mitigating Controls: The SO (B&A) should follow up with Finance Department when letter is not received within the specified dates.
			Suggested Mitigating Controls: 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.

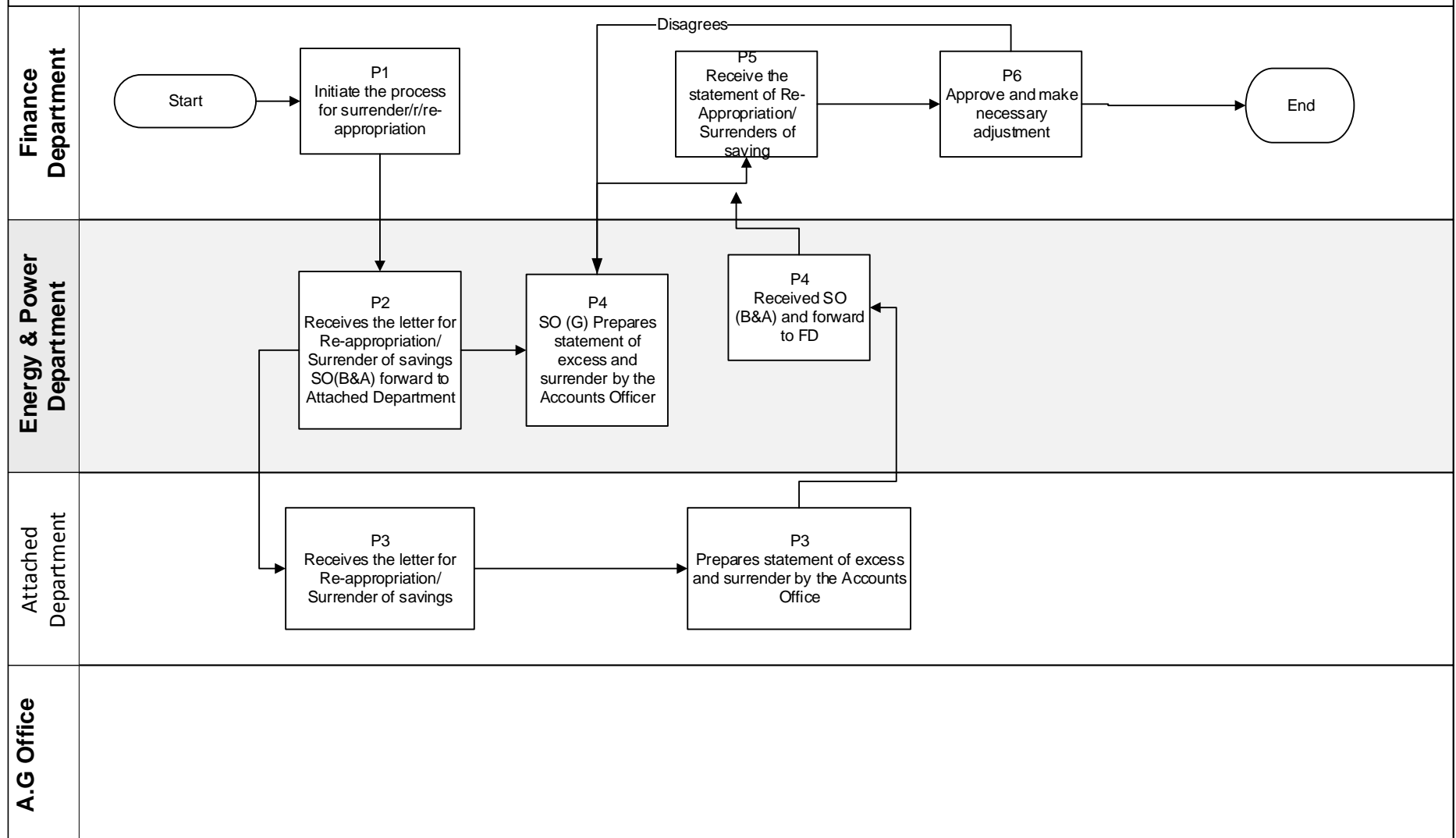
Attached Departments	P3 – Prepares the statement of Re-appropriation /Surrenders of savings and after approval of competent authority sends it to SO (B&A).	Risk sits in the respective entity.	Control for the risk sits in the respective entity.
Energy & Power Department – SO (G) & SO (B&A)	P4 – SO (G) prepares the statements of re-appropriation /surrenders of savings pertaining to E&PD while SO (B&A) collects the same from Attached Departments and after Secretary's approval both send them to the Finance Department. In case of any disagreement, it is returned to relevant Attached Department for correction and processing as above in P-3	A clerical mistake may occur in the budget statement.	Suggested Mitigating Control: Assistant level person needs to prepare the statement Senior Clerk and SO, (B&A) will check it while the Additional Secretary (Administration) will finally approve it.
		The savings are surrendered almost at the end of the FY and as a result are not put to good use.	Suggested Mitigating Control: Following the end of 1 st month of FY, the department 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 enable the concerned officials of the department to ascertain the exact position of savings/excess even earlier in a financial year. This report must be

			reviewed and signed by the Secretary, Energy & Power.
		Approved statement is not forwarded to Finance Department in time	Senior Clerk will make sure that letter is forwarded to Finance Department in time.
			<p>Suggested Mitigating Controls:</p> <p>1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat Instruction should be followed.</p> <p>2. To ensure adherence to above referred rules Diary in and Diary out must be reconciled on 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 & signature (where appropriate).</p>
Finance Department*	P5 – Receives the statements of re-appropriation/surrender of savings from Energy & Power department.	Risk sits in Finance Department	Control for the risk sits in the Finance Department

Finance Department*	<p>P6 – Checks and makes necessary adjustments in statements of re-appropriation/surrender of savings.</p> <p>If FD makes any changes/disagrees, the statements are sent back to the Department for changes accordingly.</p> <p>In light of changes, the budget is revised and all stakeholders are informed accordingly.</p>	Risk sits in the Finance Department	Control for the risk sits in the Finance Department.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities / departments*



5.2 B – Human Resource Management

Process Narrative Including Risk and Control Matrix	B1
5.2.1 Hiring process – Gazetted / Non-Gazetted Employees	Process ID: ID/E&PD/HRM/Hiring Process-01

Background Information:

Any entity in the Energy & Power Department or the Department itself may develop a proposal for creation of a post or move a requisition for filling a post fallen vacant upon retirement etc of an official. Finance Department is the ultimate authority to sanction the creation of a post and allotment of covering budget as a new expenditure. In case of filling a vacant position already sanctioned, approval of the Finance Department is not required.

In E&PD, HRM is divided into two major sections. Any kind of HRM issue related to Attached Departments is dealt by Establishment Section while matters related to Department own staff and Project Staff are dealt by SO (G) and Account Section of PMC. Here, our focus is on Department's Staff as procedures concerning Attached Departments will be documented in detail in their respective IA toolkits. The risks and controls are same in all cases submitted to E&PD by Attached Departments.

Staff of Projects is appointed under the “Policy Governing the Appointment against Project Posts”

In E&PD, all employees are hired through Establishment Department. Establishment Department, in turn, acquires the services of Public Service Commission to recruit officials on regular basis against the vacant posts which the government notifies falling within the purview of Commission for the purpose of recruitment. Establishment and Administrations Departments hire the officials up to BS-10 (Administration Department hires drivers and bearers while Establishment Deptt. hires the remaining staff i.e. naib-qasids). The staff above BS-10 is hired through Public Service Commission.

Director General Health conducts medical check-up of the employees before joining.

AG’s Office is the competent authority to start a payroll. The service record of the officials is maintained by the relevant appointing authority. However, such copies of service records as have bearings on payments of salaries are invariably sent to AG’s Office.

An important difference between hiring process of gazetted and non-gazetted employees at Department level is that Chief Secretary gives the final approval for hiring of Gazetted Employees while in case of the non-gazetted employees no such approval is not required.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – General Section – SO (G)	P1 – Initiates a proposal for creation of a new post in the office and a formal request is sent to Establishment Department. If latter agrees, it sends the proposal to FD for sanction of post and allotment of budget.	Risk that an unreasonable requisition is forwarded to the Finance Department for approval.	Request for creation is sent to Finance Department after the approval of Additional Secretary and Secretary, E&PD. The above channels ensure that there is valid justification for the new position.
			The requisition for creation of a position or post must be accompanied by a valid justification. If this is not the case, the FD will reject the proposal.
			Suggested Mitigating Control – Workload assessment, of the section demanding the new posts, should be carried out by additional secretary and comments be recorded on the file so that extra staff is not hired without any proper justification.
Finance Department*	P2 – Informs the Department about its decision regarding creation of a post or otherwise.If FD agrees, we proceed as per P3.	Risk sits in the Finance Department	Control sits in the Finance Department.
Energy & Power Department – SO (G)	P3 – Prepares requisition and sends, with the approval of Secretary, to the Establishment department for hiring.	Risk that number of posts against which hiring will be done is more/less than the number of posts sanctioned by the Finance Department.	Review by the Additional Secretary and Secretary will mitigate the risk.
			Establishment Department will return

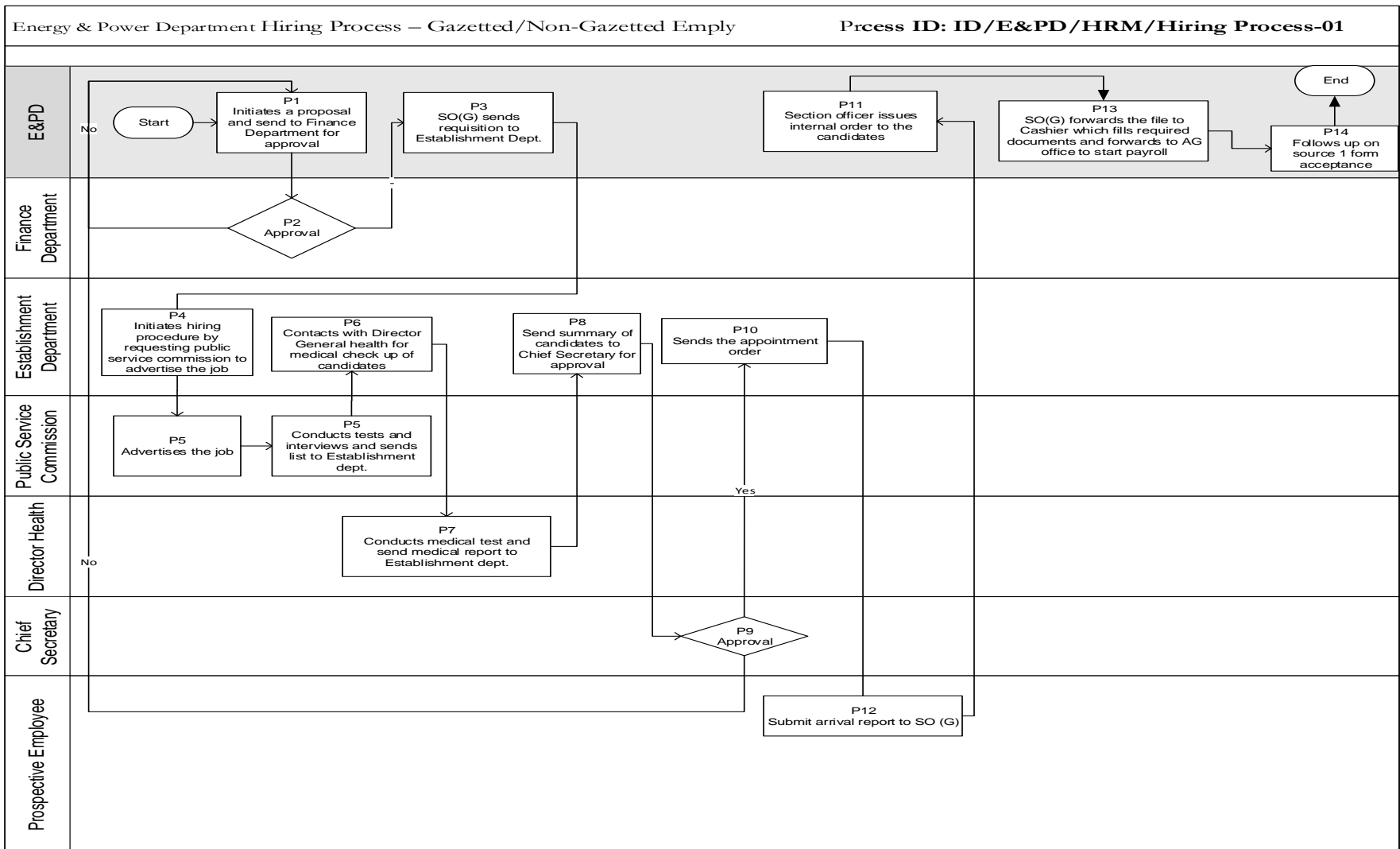
			the case in case posts requisitioned are more than the posts sanctioned by the Finance Department.
Establishment Department*	P4 – Arranges the personnel for Energy & Power Department either by posting/transfer from (as explained in B-2) or hiring new employee as per Government Policy in force. In case of hiring, request for hiring is forwarded to Public Service Commission.	Risk sits in the respective department	Control sits in the respective department.
Public Service Commission*	P5 – Conducts test and interview of the candidates and sends the final list of successful candidates to the Establishment Department.	Risk sits in the respective department.	Control sits in the respective department.
Establishment Department*	P6 - issues letter to Director General, Health for medical check-up of the candidates soon after receiving the list of successful candidates from the Public Service Commission	Risk sits in the respective department.	Control sits in the respective department.
Director Health*	P7 – Sends medical fitness report to the Establishment Department.	Risk sits with the Director General, Health	Control sits with Director General, Health.
Establishment Department*	P8 – Finalizes the list of candidates found medically fit and sends summary of all selected candidates to the Chief Secretary for final	Risk sits in the respective department.	Control sits in the respective department.

	approval.		
Chief Secretary*	P9 – Sends back summary duly approved to the Establishment dept. for further procedure.	Risk sits with the Chief Secretary	Control sits with the Chief Secretary.
Establishment Department*	P10 – Sends the Appointment order to a selected candidate.	Risk sits in the respective department.	Control sits in the respective department.
Prospective Employee*	P11 – Selected employees submit their arrival report to SO(G) in E&PD.	Risk that the some of the candidates may have forged certificates.	Department seeks verification of documents from the relevant institutions.
		Risk that the selected employee is unwilling to join and as such the post continues to remain vacant.	SO (G) will follow up with the candidate.
Energy & Power Department– SO (G)	P12 – SO (G) with the approval of Secretary issues placement orders.	Risk that the employee submits incomplete documents.	The Cashier ensures that complete documents are submitted.
Energy & Power Department– Senior Clerk/Cashier	P13 – Fills the Source-1 form of an employee and forwards it to the AG's office with supporting documents (CNIC and notification) to start his/her salary process.	Risk that the form is not filled properly or ncomplete supporting documents are attached such as an expired CNIC is attached.	AG's office returns the case to the Cashier.
			Documents are checked /scrutinized and Source-1 form is signed by SO (G) before forwarding to AG's office.
			Suggested Mitigating Control: Document Control sheet listing all the documents required to be attached

			should be signed by the preparer and reviewer both.
		Risk that the bill/form is not sent to AG's office.	Suggested Mitigating Controls: 1. DDO/SO(G) office must maintain a list of approved bills/forms forwarded to Cashier 2. The DDO/SO (G) office must compare the list with bill dispatch 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/SO(G) before sending it to AG's office.
Energy & Power Department – Senior Clerk/Cashier	P14 – Follows up with AG's office for clearance of source-1 form at AG's office level.	Risk that cashier has not followed up on source-1 form and it was rejected.	AG's office will intimate the department about the outcome.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments*



Process Narrative Including Risk and Control Matrix	B2
5.2.2 Posting and Transfer – Gazetted/Non Gazetted Employees	Process ID: ID/ E&PD/HRM/Posting- Transfer 01

Background Information:

This process explains how officers/employees are either transferred to another department or posted in a different role in the same department. A notification is issued to notify the transfer of a gazetted officers/employees i.e. BS - 17 and above, while an office order is issued for the the same purpose in respect of non-gazetted officers/employees i.e. BS - 16 and below. After the transfer of officer/employee by the Establishment Department, the Secretary of the Department can post that officer/employee in any relevant section to get him fully employed.

In Energy & Power Department, HRM is divided into two major sections. Any kind of HRM issue related to Attached Departments is dealt by Establishment Section while issues relating to Department own staff and that of Project's staff are dealt by General Section. Here, our focus will be on Department's own staff because procedures relating to Attached Department will be documented in their respective IA toolkits. The risks and controls are same for all cases submitted to E&PD by the Attached Departments.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Establishment Department*	P1 – Issues notification/orders to the Energy & Power Department that the employee has been transferred.	Risk sits with the Establishment Department.	Control sits with the Establishment Department.
Energy & Power Department – SO (G)	P2 – Secretary marks the order to SO (G) who then forwards the order to Additional Secretary and finally to Secretary for approval. In case of Non-Gazetted employees, the final approval is given by AS.	Risk that the order is not forwarded in time.	A transferred employee will contact the Secretary, E&PD/ DDO/SO(G) in case of delay.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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 a transfer of an efficient employee is ordered in violation of a tenure policy and without	Secretary keenly looks after HRM aspect of the matter before initiating transfer of an employee to ED or

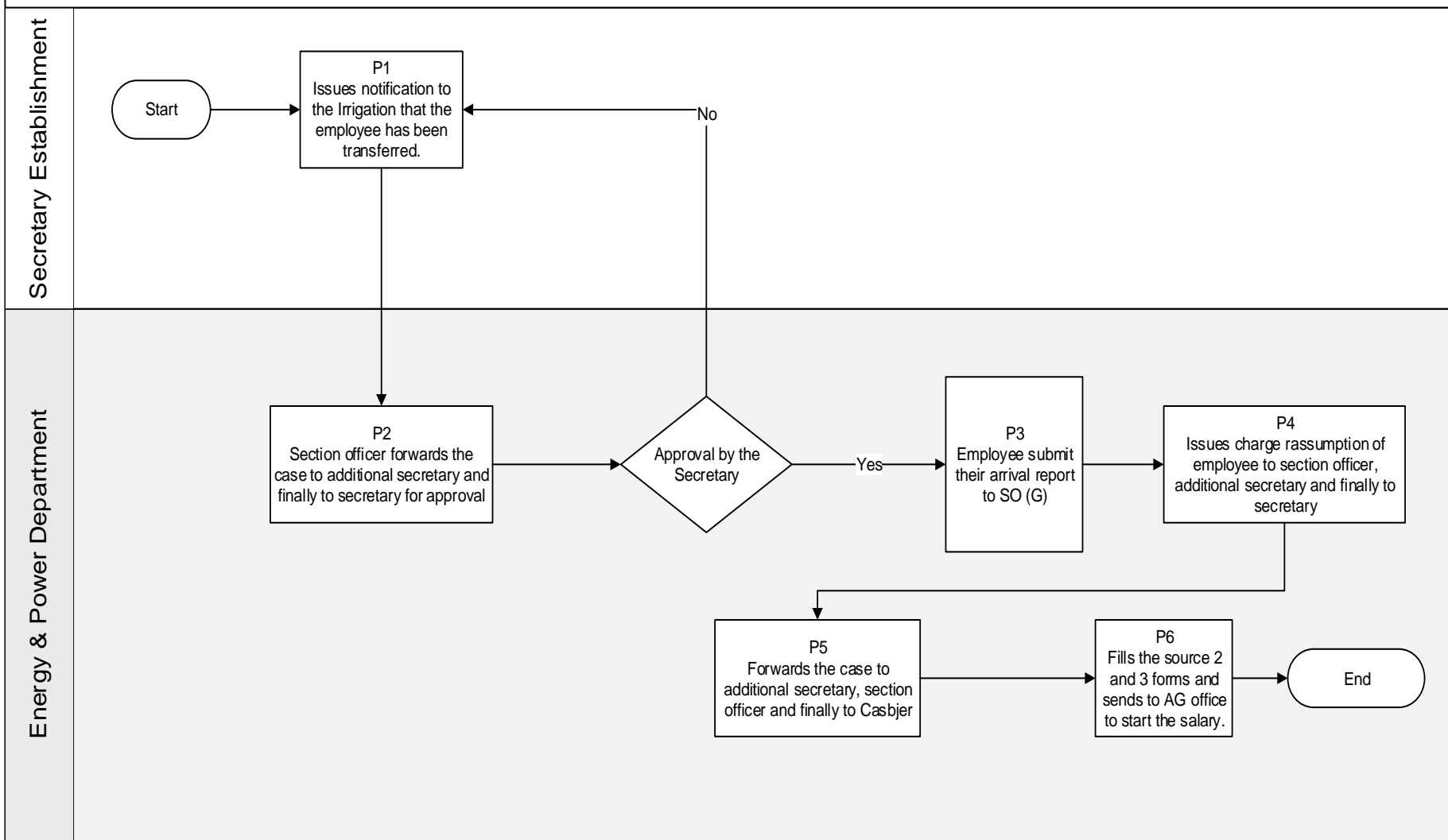
		any valid reason.	implementing an order made by the latter.
Employees	P3 – Submits their arrival reports	Risk that arrival be delayed by an employee transferred.	Time period asking to report for duty is mentioned in office order.
Energy & Power Department – Senior Clerk/Cashier	P4 – Sends the charge assumption of an employee to SO (G). Charge assumption of non-gazetted employees is approved by SO(G) while that of gazetted is put up to Secretary Energy & Power Department.	Risk that the authorization is not granted in time.	Employee will contact the Secretary, E&PD in case of delay.
			Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P2
Energy & Power Department – Secretary	P5 – Returns the case to the Additional Secretary, SO (G) and finally to Senior Clerk.	Risk that the case is not returned in time.	A transferred employee will contact with Secretary, E&PD for delay. SO(G) will also complain to the Secretary about the delay.
			Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P2
Energy & Power Department – Senior	P6 – Fills the source- 2 and source-3 form including relevant documents (notification/office order,	Risk that the incomplete forms are sent to AG's office.	AG's office returns the incomplete forms.

Clerk/Cashier	charge assumption report, house rent certificate, vehicle allotment certificate, relevant service record) and sends it to AG's office requesting to start the salary.		
			Forms and documents are checked and reviewed by the DDO/SO(G) before sending to AG's office.
		Risk that the bill/form is not sent to AG's office.	Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. DDO / office must maintain a list of approved bills/forms forwarded to Accountant. 2. The DDO/SO(G) office must compare the list with bill dispatch register on monthly basis. <p>The bill dispatch register containing the list of bills along with their approval dates must be maintained/ reviewed by the DDO/SO(G) before sending it to AG's office.</p>

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments*

Energy & Power Department Posting and Transfer -Gazetted/Non Gazetted Employee Process ID: ID/E&PD/HRM/Posting-Transfer
Process 01



Process Narrative Including Risk and Control Matrix	B3
5.2.3 Promotion –Gazetted / Non Gazetted Employees	Process ID: ID/ E&PD/HRM/Promotion-01

Background Information:

In Energy & Power Department, HRM is divided into two major sections. Any kind of HRM issue related to Attached Departments is dealt by Establishment Section while issues related to Department own staff are dealt by General Section. Here, our focus will be on E&PD Staff, because procedures relating to Attached Department will be documented in detail in their respective IA toolkits. The risks and controls are same for all cases submitted to E&PD by Attached Departments.

The promotion of the Energy & Power Department's employees is processed by Establishment Department. Department of E&P only initiates and facilitates the Establishment Department. The promotion process of non-gazetted employees (less than BS -16) is done By Departmental Promotion Committee headed by Secretary Establishment. The promotions of servants recruited under Civil Servant Act, 1973 in attached departments, who are in basic scale less than 16, is done by the Departmental Promotion Committee (DPC) headed by the Administrative Secretary.

The promotion process of BS-16 and above in the Department is the mandate of the Provincial Selection Board headed by the Chief Secretary subject to availability of vacant posts. The promotion process of employees in BS-17 ends in approval of Chief Secretary while CM is the competent authority to accord approval of promotions of employees above BS-17.

Please note that after CS/CM's approval, the services of some employees, especially belonging to FATA are placed at the disposal of FATA Secretariat which is looked after by the Governor. Such employees could be posted anywhere in FATA.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

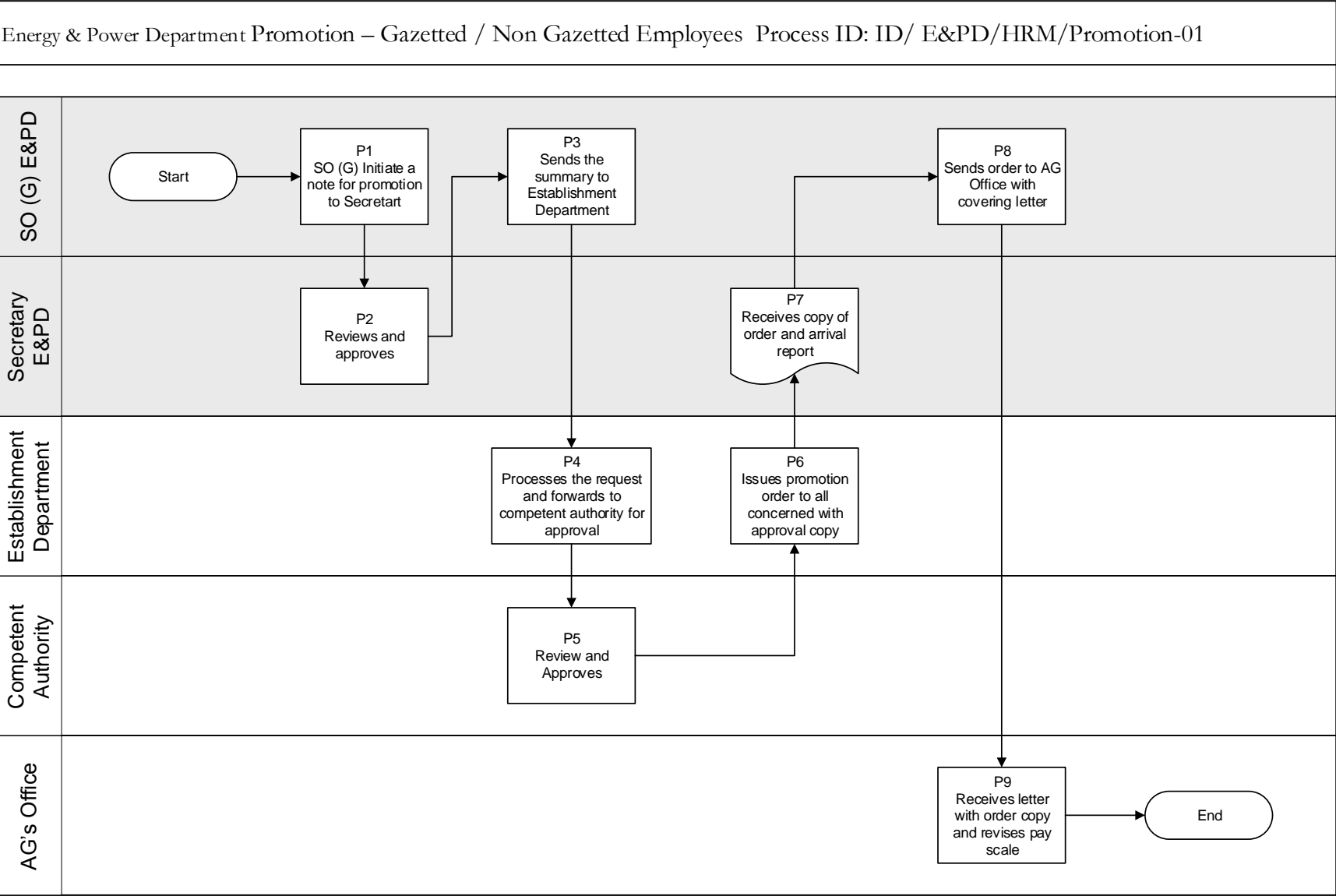
Section/ Entity	Process Step	Risk	Control
Energy & Power Department – SO (G)	P1 – Initiates a note for promotion to Secretary, Energy & Power in case of vacant posts in Energy & Power Department.	The number of vacant posts may wrongly be assumed and mentioned in the note.	The list of vacant posts may be cross checked by Secretary from the payroll of employees and through written or personal enquiries.
		Risk of non-compliance with Rules on promotion of employees.	Suggested Mitigating Control: SO(G), AS and Secretary must do 100%, 50%, 25% and 5% checking of service record of promotion cases and to further ensure that proposal for promotions synchronizes with relevant Rules.
Or			
Energy & Power Department – Secretary	P2 -- Approves the note to be sent to the Chief Secretary/ ED for DPC or PSB meetings as the case may be. PSB headed by CS promotes employees in BS-16 and above. DPC chaired by Secretary EB promotes employees up to BS-16	Risk that the file is not forwarded in time	Suggested Mitigating Controls: 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 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).

Energy & Power Department – SO(G)	P3 - Sends the summary to Establishment Department.	Risk that a promotion is requested against a post which does not exist or is not vacant in the department.	Additional Secretary & Secretary E&PD to review the legitimacy of case. Establishment Department will not entertain an incomplete case.
Establishment Department*	P4 – Processes the request and arranges the meeting of the competent Board/Committee for consideration of promotion cases. Minutes of the meeting are issued, duly signed by each member of the Board/Committee and sent to the Competent Authority for approval. Before a relevant meeting, EB issues requisition for a complete set of PERs from SO (Secret) of EB in case of PMS officers or from respective Administrative Secretaries in other cases.	Risk sits in respective entity.	Control against risk sits in respective entity.
Competent Authority*	P5 – Reviews and approves the minutes and returns the case to EB.	Risk sits in respective entity.	Control against risk sits in respective entity.
Establishment Department*	P6 – Issues promotion orders of all concerned	Risk sits in respective entity.	Control against risk sits in respective entity.
Energy & Power Department – Secretary	P7 – Receives a copy of orders & arrival report (in cases of promotions followed by placements).	Risk that order or arrival is not reported in time.	SO(G)/applicant will follow up.

	Please note that arrival reports of Gazetted Employees are delivered to Secretary while that of non-gazetted employees are delivered to DDO/SO(G).		
Energy & Power Department – SO(G)	P8 – Sends orders of promotions to AG’s Office under a covering letter.	Risk that order is not sent to AG’s Office in time.	Applicant will follow up with DDO/SO(G).
		Risk of mistakes in order .	Dictation of covering letter is given by SO(G) to Computer Operator of General Section. Then it is reviewed by Superintendent and SO(G) which mitigates the risk.
AG’s Office*	P9 – Receives order and starts pay.	Risk sits in respective entity.	Control against risk sits in respective entity.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/ department*



Process Narrative Including Risk and Control Matrix	B4
5.2.4 Training and Development - Foreign – All Employees	Process /E&PD/HR/Training & Development - 01

Background Information

Each organization conducts training and development activities to improve skills of their employees. The E&PD department provides training and development to its employees at different level and stages. There are two types of training; one is given within the country & the other abroad, being called foreign training. A Services Training Institute has been working to train the employees in the province. Senior staff is trained in ‘School of Public Policy’. A certain type of training is mandatory for some posts to seek career progression. Some private institutions also provide training courses on charging fee. Foreign trainings are processed through P&D Department with Economic Affairs Division.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Federal Govt: Division of Economic Affairs*	P1 – Issues a letter to Provinces for training and development abroad. Inside the country it is issued by the concerned Training Institute through proper route. P&D receives letter for training abroad while for training inside the country, EB is the focal entity.	Risk sits in Federal Govt: Division of Economic Affairs/ relevant institute	Controls for the risk sit in Federal Govt: Division of Economic Affairs / concerned Training Institute.
Planning and Development Department	P2 –P&DD forwards the letter along with instructions to all Departments	Risk sits in Planning and Development Department	Controls for the risk sit in Planning and Development Department.
Energy & Power Department - SO Training	P3 – Issues instructions to Attached Departments for nomination.	Risk that letter is not forwarded to Departments in time.	Letters are dispatched through dispatch and diary section which keep complete record making it easier to fix responsibility for delay.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 monthly basis to identify cases outstanding for more than the prescribed time standards.

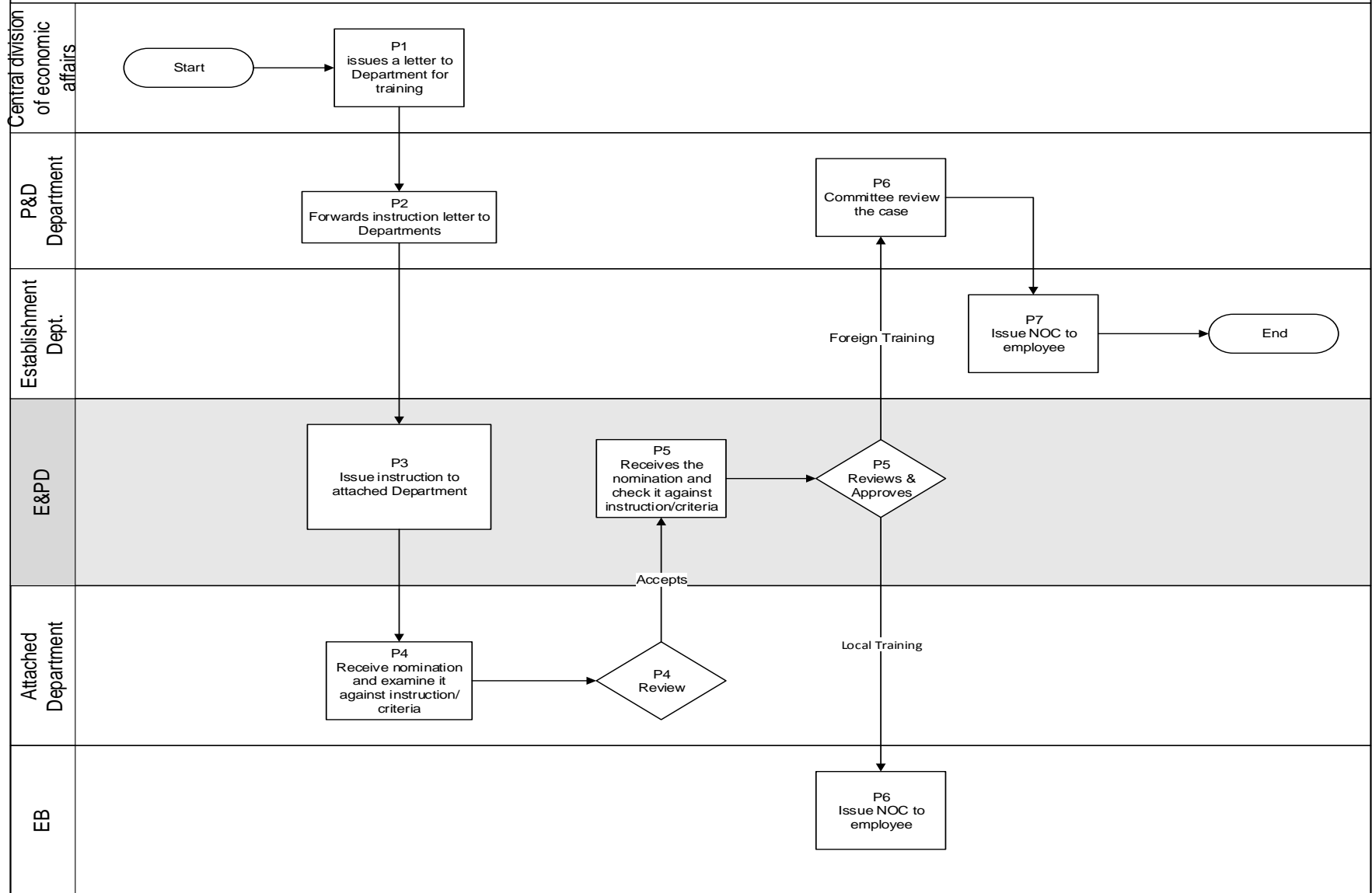
			3.The reconciliation report should then be forwarded to the next higher authority for his/her review & signature.(where appropriate)
Attached Departments*	P4 – Receives nominations and examines to ascertain that these are according to laid-down criteria. Valid nominations are sent to E&P D	Risk sits in Attached Departments.	Control sits in Attached Departments.
Energy & Power Department – SO Training	P5 -Receives nomination and reviews them against the laid-down criteria and instructions and with the approval of Secretary submits to P&D D in case of foreign training. For in-land training either send to EB or directly to the institute offering training courses subject to KP Govt; policy governing such trainings.	Risk that ineligible and unsuitable candidate is selected for the training.	Control sits as below; Letter received from Economic Affairs Department/P&DD clearly states the eligibility criteria and documents required. The application is reviewed and signed by SO (Training) and forwarded to Deputy Secretary, Special Secretary and finally to the Secretary for review and approval.
		Risk that training is imparted in an area where there is already abundance of expertise and other critical areas are ignored.	Suggested Mitigating Control: The department should carry out Training Needs Assessment at each level every year. This will identify institutional strengths and weakness and shape it into a standing document.

		Risk that an employee is selected for training in an area where he/she already has the expertise	Suggested Mitigating Control: 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 thoroughly consulted.
P&D Department*	P6 – A committee in the P&DD considers nominations and recommends suitable official to Economic Affairs Division in the Federal Govt. for indicated training.	Risk sits in P&D Department	Control sits in P&D Department.
Establishment Dept.*	P7 – Issues NOC permitting official to go abroad if finally nominated by Federal Govt:	Risk sits in Establishment Dept.	Control sits in Establishment Dept.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/department*

Energy & Power Department-Training and Development - All Employees Process ID: ID/E&PD/HRM/Training & Develop - 01



Process Narrative Including Risk and Control Matrix	B5
5.2.5 Leave encashment – Gazetted Employees	Process ID: ID/ E&PD/HRM/Leave encashment-01

Background Information:

At the time of retirement an employee can claim up to one year full salary from the department depending on the availability of leave in his/her leave account. Leave encashment cases for the gazetted employees (BS – 17 and above) are approved by the Chief Secretary or the Secretary Establishment Department on behalf of CS when authorised by the latter. AG's office is competent to pass the bill of leave encashment.

In Department of Energy & Power, the HRM is divided into two major sections. Any kind of HRM issue related to Attached Departments is dealt by Establishment Section while issues related to Department's own staff are dealt by General Section. Here, our focus will be on Department's own Staff since procedures related to Attached Department will be documented in detail in their respective IA toolkits. The risks and controls are same for all cases submitted to E&PD by Attached Departments.

Important Note:

End to end process has been documented for the sake of understanding only. The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risks and controls relating to E&PD have been documented here.

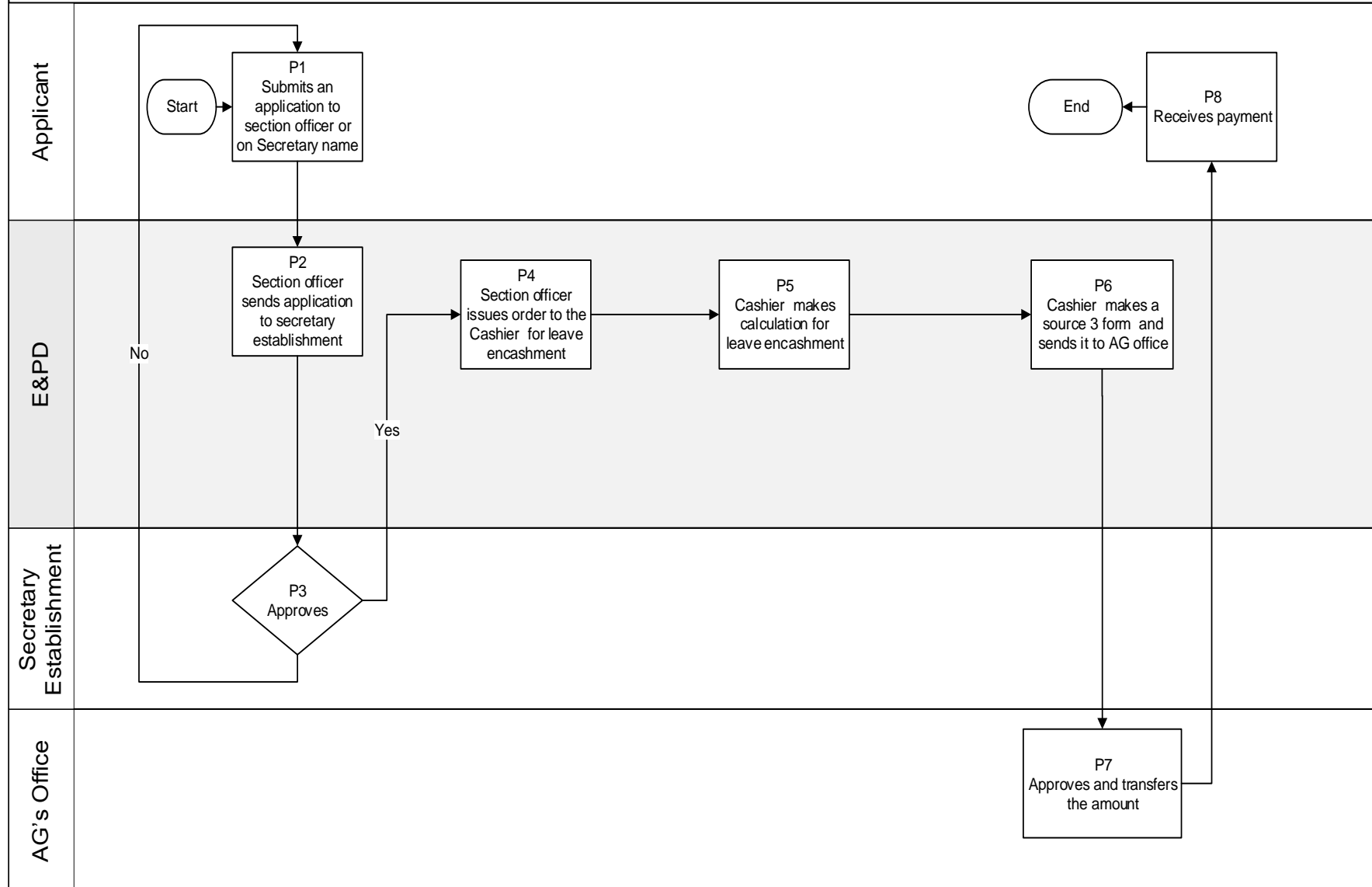
Section/ Entity	Process Step	Risk	Control
Applicant*	P1 – Will obtain leave entitlement certificate from AG's office and submits it along with application to SO (G) or to Secretary Energy & Power for leave encashment. If application is submitted to Secretary Energy & Power it is marked to SO (G) for process.	Risk that the employee is ineligible for leave encashment.	Secretary Establishment reviews the case in detail and if found eligible, approves the application.
Energy & Power Department - SO (G)	P2 – Sends application to the Secretary Establishment for approval.	Risk that he may not forward the application in time.	Applicant will contact the Secretary in case of delay.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 once a month 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).

Secretary Establishment*	P3 – Issues sanction order and sends to the Secretary, E&PD who marks it to AS en- route to SO (G) Energy & Power Department.	Risk sits with Secretary Establishment	Control sits with Secretary Establishment
Energy & Power Department - SO (G)	P4- Receives files and marks it to Cashier for preparing leave encashment bill.	Risk that the case is not forwarded in time.	Applicant will contact the SO(G)/AS/Secretary in case of delay.
			Suggested Mitigating Controls: Please see time service standards control suggested under Step – P2 above.
Energy & Power Department – Senior Clerk/Cashier	P5 – Cashier marks the file to Senior Clerk who calculates the leave encashment amount and submits to him. He asks the SC to ascertain the availability of budget. If available, it is processed otherwise budget is demanded from FD.	Risk that calculations are wrong.	Control sits in the fact that SC calculates the amount of encashment and Cashier checks it.
Energy & Power Department– Senior Clerk/Cashier	P6 – Prepares the bill of leave encashment on source-3 form to be signed by DDO and sends it to AG's office .If budget is available, it is processed otherwise letter is addressed to FD for budget release.	Risk that the details on the bill are recorded incorrectly.	AG's office returns the case with observations.

			Documents are checked / scrutinized and signed by DDO/SO(G) before forwarding these to AG's office.
		Risk that the bill is not sent to AG's office.	Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. DDO office must maintain a list of approved bills forwarded to Cashier. 2. The DDO/SO(G) office must compare the list with bill dispatch 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/SO(G) before sending it to AG's office.
AG's Office*	P7 – Approves the bill and issues cheque in favour of employee concerned.	Risk sits in the AG's Office	Control sits in the AG's Office.
Applicant*	P8 – Receives Payment	Risk that the cheque is received by the applicant but later on the receipt is denied.	Bank through which the amount is encashed provides evidence that the amount was transferred.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments*



Process Narrative Including Risk and Control Matrix	B6
5.2.6 Leave encashment – Non-Gazetted Employees	Process ID: ID/ E&PD/HRM/Leave encashment-02

Background Information:

At the time of retirement, an employee can claim up to one year's full salary from the Department depending on the availability of leave in its account.. Leave encashment cases for non-gazetted employees (BS – 16 and below) are approved by the Secretary, Energy & Power. AG's office is competent to pass the bill and issue cheques for leave encashment.

In Department of Energy & Power, the HRM is divided into two major sections. Any kind of HRM issue related to Attached Departments is dealt by its Establishment Section while issues related to Department's own staff are dealt by General Section. Here, our focus will be on Department's own Staff since procedures related to Attached Department will be documented in detail in their respective IA toolkits.

General Recommendation: It is recommended that an overall Time Service Standard (TSS) must be prescribed for the whole leave encashment process which then be further broken down into time standard for each individual process owner as well.

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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 other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Applicant*	P1 – Submits application to DDO/SO(G) for leave encashment or to Secretary Energy & Power who marks it to SO(G).	Risk that the employee is ineligible for leave encashment.	Control of Risk sits in proper processing of file in subsequent steps.
Energy & Power Department – SO (G)	P2 – Puts the file to AS for onward submission to Secretary, Energy & Power for approval.	Risk that incomplete or incorrect application is forwarded for approval.	Review of the application in detail against the personal file/service book/leave account by Additional Secretary and Secretary mitigates the risk.
Energy & Power Department – Secretary	P3 – Approves and returns the case to Additional Secretary and finally to DDO/SO(G) after approval.	Risk that the Case is delayed	The applicant pursues the case with SO(G)/Secretary
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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)

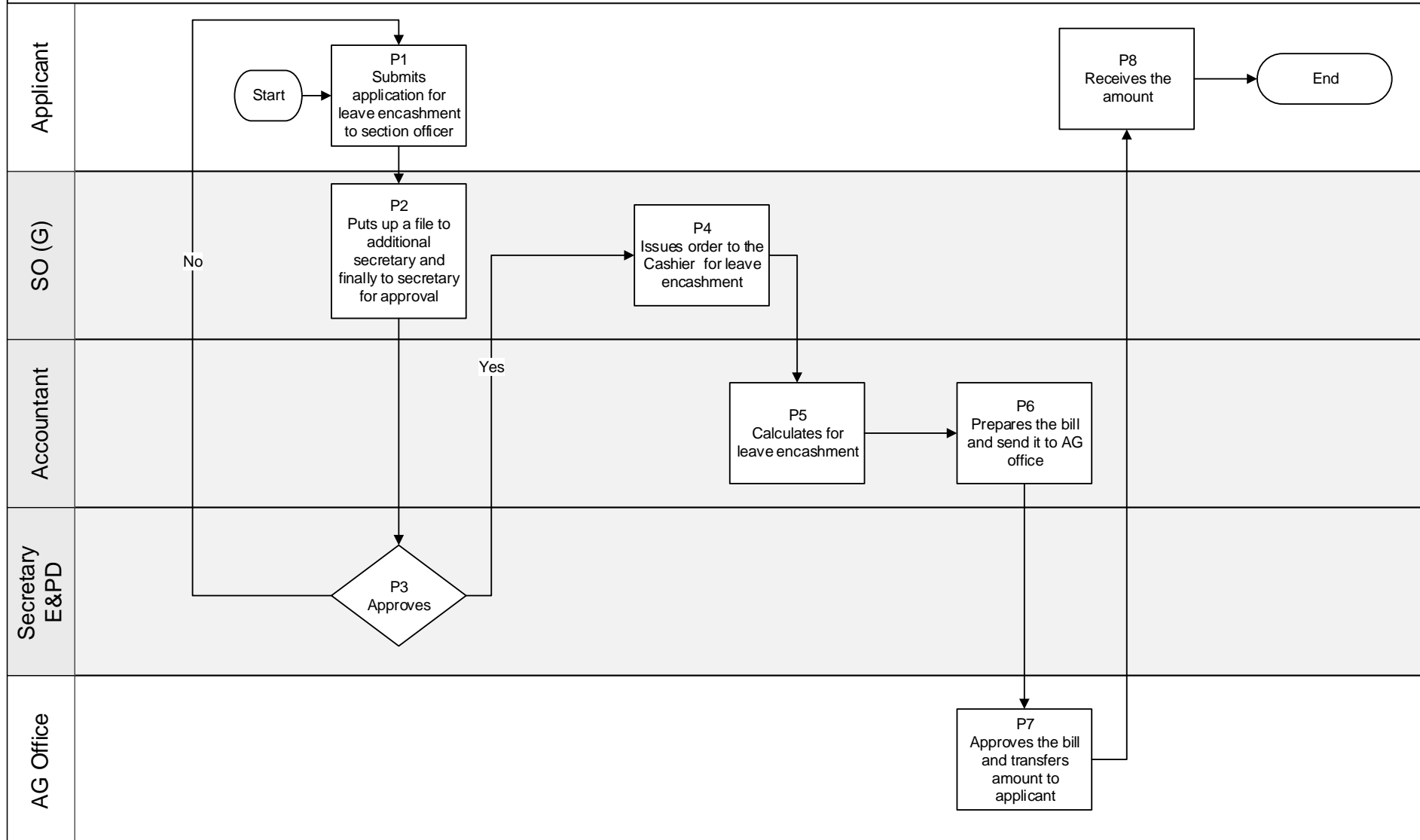
Energy & Power Department – SO (G)	P4 – Issues sanction/office order conveying approval of competent authority to the Cashier.	Risk that the DDO/SO(G) does not convey the orders in time	Applicant will follow up with DDO/SO(G) in case of any delay.
			Suggested Mitigating Controls: 1. A copy of sanction/office order should be sent to the concerned employee for his/her information. 2. Please refer to time service standards control suggested under process step – P2
Energy & Power Department - Senior Clerk/Cashier & SO(G)	P5 – Cashier calculates leave encashment amount and prepares bill for the review and signature of SO(G). SO(G) signs the bills and returns it back to Cashier.	Risk that the bill is not prepared/calculated correctly.	Control sits in; i. SC preparing the bill and DDO counterchecking ii. AG's office will return the bill with observations.
Energy & Power Department - Senior Clerk/Cashier	P6 – Sends the approved bill to AG's office provided the budget is available otherwise returns the bill to the Department.	Risk that the bill is not sent to AG's office.	Suggested Mitigating Controls: 1. DDO office must maintain a list of approved bills forwarded to Cashier. 2. The DDO/SO(G) office must compare the list with bill dispatch 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/SO(G) before sending it to AG's office.

AG's Office*	P7 – Approves the bill and the sanctioned amount is transferred to the bank account of the applicant	Risk sits in the AG's Office	Control sits in the AG's Office.
Applicant*	P8 – Receives Payment	Risk that the cheque is received by the applicant but later on the receipt is denied.	Transfer record evidence is available with the bank that amount was transferred.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments*

Energy & Power Department Leave encashment - Non-Gazetted Employee process ID: ID/E&PD/HRM/Leave encashment-02



Process Narrative Including Risk and Control Matrix	B7
5.2.7 Pension and GP Fund - Gazetted Employees	Process ID: ID/ E&PD/HRM/Retirement Process-01

Background Information:

Officers/Employees in Government retire at 60 years of age. After retirement an employee is entitled to pension, G.P and Benevolent fund. Legal heirs of an employee who dies during service can claim pension and other emoluments if the employee has rendered minimum qualifying service. An employee is also entitled to pension if he opts for voluntary retirement or becomes incapacitated for further service provided he/she has served the minimum required years as stipulated in the law. Officers of Government in BS – 17 and above are categorized as gazetted. The term has, however, lost its significance after services reforms of 1973.

In Energy & Power Department, the HRM is divided into two major sections. Any kind of HRM issue related to Attached Departments is dealt by its Establishment Section while issues related to Department's own staff are dealt by its General Section. Here, our focus will be on Department's own Staff since procedures related to Attached Department will be documented in detail in respective IA toolkits. The risks and controls are same for all cases submitted to E&PD by Attached Departments.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Applicant*	<p>P1 – Submits an application to the SO (G) through Secretary of Department for grant of pension by attaching following documents</p> <ol style="list-style-type: none"> 1.A copy each of CNIC, Two attested latest Photographs 2. Declarations regarding; <ol style="list-style-type: none"> i. Re Employment certificate in a Government organization. ii. Any liability of Government against him iii. Neither applied nor received pension/gratuity so far 3.List of family members 4. bank details 5. Last Pay Certificate 6. Specimen signature and thumb impression on specified Pro forma 	Risk that the application is not entertained in due time.	Applicant will contact the Secretary Energy & Power in case of delay.
			<p>Suggested Mitigating Controls:</p> <ol style="list-style-type: none"> 1. Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat should be followed. 2. To ensure adherence to above referred Rules, Diary in and Diary out must be reconciled on a monthly

			<p>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 & signature.(where appropriate)</p>
Energy & Power Department – SO (G)	<p>P2 – Forwards the duly completed file to the Establishment Department.</p> <p>(The application for grant of pension is moved along with an application for Leave Encashment, if entitled.).</p>	Risk that an incomplete file is forwarded.	Establishment Department will return the file.
Establishment Department – Secretary*	P3 – Approves the case and issue an order of retirement. Return the file to Secretary E&PD.	Risk sits with the Establishment Department.	Control sits with the Establishment Department.
Energy & Power Department – SO(G)	P4 – File reaches the desk of SO(G), which is forwarded to Cashier.	Risk that the case is not returned on time.	Applicant will contact Secretary, Energy & Power in case of delay.
			<p>Suggested Mitigating Controls:</p> <p>Please refer to time service standards control suggested under process step – P1</p>
Energy & Power Department – Senior Clerk/Cashier	<p>P5 – Sends the case to the for the following</p> <p>i. Sends pro forma to Benevolent Fund Cell including supporting</p>	Risk that incorrect information is entered in the Pro forma	The concerned department will return the documents to the Cashier.

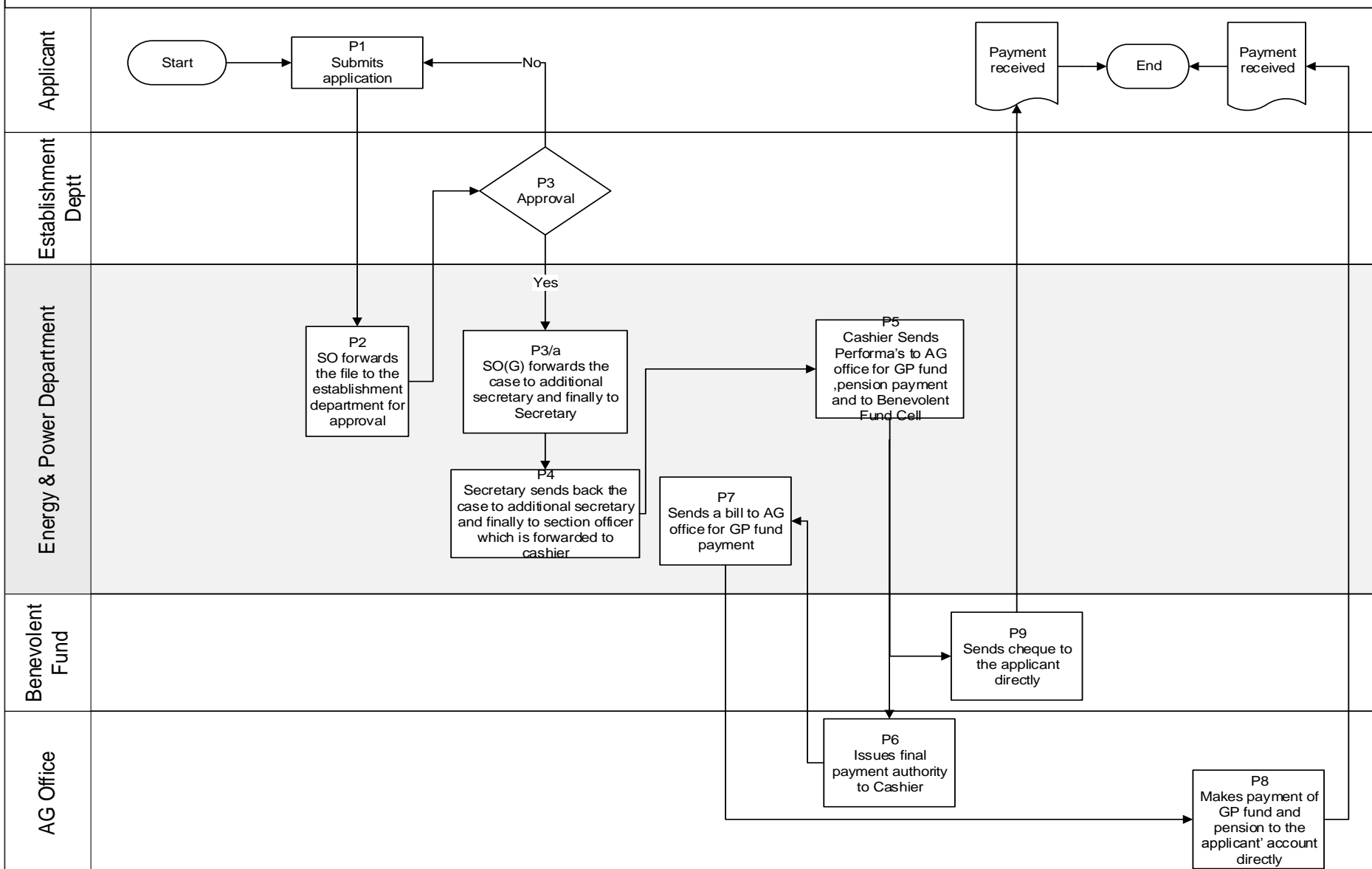
	<p>documents (CNIC, payroll, LPC, death certificate, covering letter).</p> <p>ii. Sends Pro forma to AG's office for GP Fund including supporting documents (Pro forma, CNIC, balance sheet, final payment authority, payroll, and retirement order, source 2 Form to stop salary)</p> <p>iii. Sends Pro forma to AG's office for checking and finalizing the entitlement and amount of pension including the documents such as Utility bills, NOC from Estate office, LPC, CNIC, list of family members.</p>		
		Risk that incorrect calculation is done on the pro formas	<p>Suggested Mitigating Control:</p> <p>All the calculations on the pro formas should be reviewed and signed by a second person i.e. by a person other than who prepared it.</p>
		Risk that all the pro formas are not filled and forwarded.	<p>Suggested Mitigating Control:</p> <p>A control sheet of all the pro formas to be filled shall be signed both by the one who filled it and the one who reviewed.</p>
		Risk that the bill/form is not sent to the relevant department	<p>Suggested Mitigating Controls:</p> <p>1. DDO office must maintain a list of approved bills/forms forwarded to Cashier.</p>

			2. The DDO /SO(G) office must compare the list with Bill Dispatch 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/ SO(G) before sending it to AG's office/BF Cell.
AG's Office*	P6 – Issues final payment authority to the Energy & Power Department to prepare a bill of GP fund.	Risk sits in AG's Office	Control sits in AG's Office.
Energy & Power Department – Senior Clerk/Cashier	P7 – Sends the bill to AG's office for GP Fund payment.	Risk that the case is not forwarded on time.	Applicant will contact the Secretary, Energy & Power in case of delay.
			Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P1
AG's Office*	P8 – Makes the payment of GP fund and Pension to the applicant directly.	Risk sits in AG's Office	Control sits in AG's Office.
Benevolent Fund*	P9 – Sends cheque to the applicant directly.	Risk sits with Benevolent Fund.	Control sits with Benevolent Fund.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments*

Energy & Power Department Retirement – Gazetted Employees process ID: ID/E&PD/HRM/Retirement Process-01



Process Narrative Including Risk and Control Matrix	B8
5.2.8 Pension & G P Fund Non-Gazetted Employees	Process ID: ID/ E&PD/HRM/Retirement Process-02

Background Information:

Officers/Employees in Government retire at 60 years of age. After retirement, an employee is entitled to pension, G.P and Benevolent fund . In case of death of an employee after rendering minimum qualifying service for pension, it's legal heirs can lay claim to pension etc. Employee may also be entitled to pension on voluntary retirement or having become incapacitated for further service provided he/she has served the minimum required years as stipulated in the law. Officials in BS – 16 and below are categorized as non-gazetted in government departments.

In Energy & Power Department HRM is divided into two major sections. Any kind of HRM issue related to Attached Departments is dealt by Establishment Section while issues related to Department's own staff are dealt by General Section. Here, our focus will be on Department's own Staff since procedures related to Attached Department will be documented in detail in respective IA toolkits.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

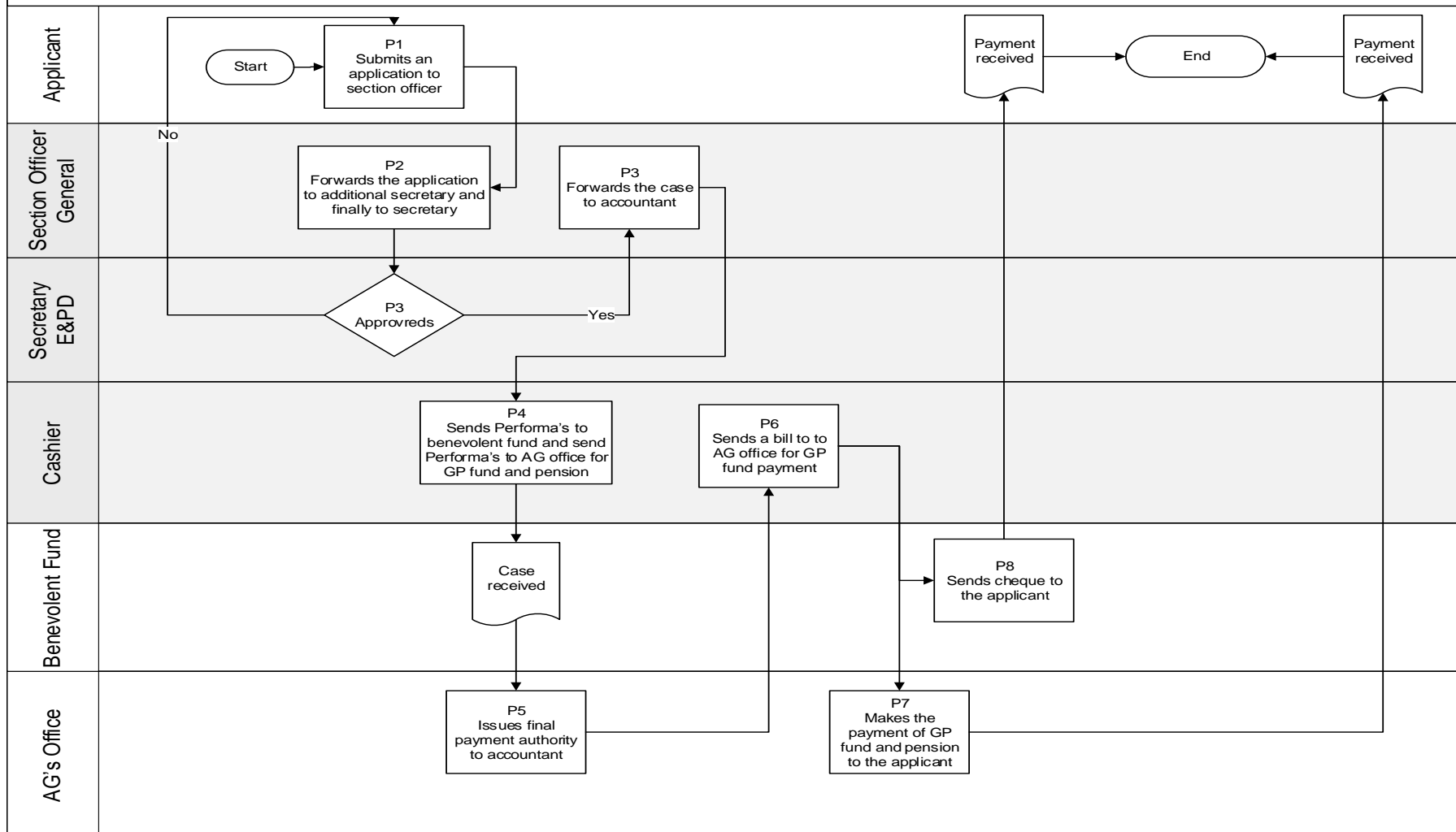
Section/ Entity	Process Step	Risk	Control
Applicant*	P1 – Submits an application to the SO (G).	Risk that the application is not processed in due time.	Applicant will contact the Secretary Energy & Power in case of delay.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. Time service 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 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)
Energy & Power Department –SO (G)	P2 – Forwards the application to the Additional Secretary and finally to the Secretary for approval.	Risk that an incomplete or deficient case is forwarded.	Review and approval by Additional Secretary and finally by the Secretary mitigates the risk.
Energy & Power Department – Secretary	P3 – Approves the case and returns it to Additional Secretary and finally to SO (G) for further procedures.	Risk that the SO (G) does not receive the file and the case is delayed.	Applicant will contact the Secretary of Energy & Power in case of delay.
			Suggested Mitigating Controls: <p>Please refer to time service</p>

			standards control suggested under process step – P1
Energy & Power Department – Senior Clerk/Cashier	<p>P4 – 1.Sends pro forma to Benevolent Fund Cell including supporting documents (CNIC, payroll, LPC, death certificate, covering letter, first two pages of the service book)</p> <p>2.Sends pro forma to AG's office for GP fund including supporting documents (Pro forma, CNIC, balance sheet, final payment authority, payroll, and retirement order, source -2 Form to stop salary)</p> <p>.Sends pro forma to AG's office for pension Paper including supporting documents (Utility bills, NOC from estate office, LPC, CNIC, a list of family members).</p>	Risk that incorrect information is entered in the pro forma.	Concerned department will return the documents to the Cashier.
		Risk that incorrect calculation is done in the pro forma.	<p>Suggested Mitigating Control:</p> <p>All the calculations on the pro formas should be checked and signed by another person who is well-conversant with the retirement rules and procedure.</p>
		Risk that the pro formas deficient in information are filled and forwarded.	<p>Suggested Mitigating Control:</p> <p>A control sheet of all the pro formas to be filled shall be signed both by the preparing and the reviewing officials.</p>

		Risk that the bill/pro forma is not sent to the relevant department.	Suggested Mitigating Controls: 1. DDO office must maintain a list of approved bills/forms forwarded to Cashier. 2. The DDO/SO(G) office must compare the list with Bill Dispatch 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/SO(G) before sending it to AG's office/BF cell.
AG's Office*	P5 – Issues final payment authority to prepare a bill of GP fund.	Risk sits in AG's Office	Control sits in AG's Office
Energy & Power Department –Senior Clerk/Cashier	P6 – Sends the bill to AG's office for GP fund.	Risk that the case is not forwarded on time.	Applicant will contact the Secretary Energy & Power in case of delay.
			Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P1
AG's Office*	P7 – Makes the payment for GP fund and pension to the applicant directly.	Risk sits in AG's Office.	Control sits in AG's Office
Benevolent Fund Cell*	P8 – Sends cheque to the applicant directly.	Risk sits in Benevolent Fund Cell	Control sits in Benevolent Fund Cell

Note

*These process steps have been included just for the sake of understanding and will be audited in the respective entities/department



5.3 C – Procurement

Process Narrative Including Risk and Control Matrix	C1
5.3.1 Procurement – Tendering Process	Process ID: ID/E&PD/Procurement/ Tendering process-01

Background Information

Procurement includes acquisition of goods, works and services. The relevant law which govern the procurement procedure in KP is “The Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014”.

Procurement Process

After fulfilment of the initial requirements for procurement, the Purchase Committee established by the head of the Department sends request to Information Department for issuance of tender in the newspapers. Bids are received from suppliers/ contractors and are opened by Tender Evaluation Committee. Comparative statement is prepared and supplier/ contract with the lowest evaluated bid is accepted. The purchase committee cancels a bid if it is found that the information provided by the contractor is false.

Tender Inviting Authority gives a minimum of 30 days to bidders for filing bids from the date of publication of the notice in newspapers inviting bids.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – User Section	P1 – Forwards the Purchase Requisition to the SO (G).	Risk that an incorrect demand is submitted.	Head of the section or the PA/PS authorizes the demand before forwarding it to the SO (G).
		Risk that an item demanded is available with the section or the utilization rate is very high.	Suggested Mitigating Control: 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. Based on average utilisation rate, quantity of each item can be fixed on monthly or any other appropriate basis.
Energy & Power Department –SO (G)	P2 – Marks the requisition to the accounts section	The requisition is not forwarded to accounts section in time	The user section will follow up with the SO(G) in case of delay.
			Suggested Mitigating Controls: 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 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).
Energy & Power Department– Account Section	P3 – Checks the availability of budget and forwards it to SO(G).	Risk that availability of budget is not checked.	Approval by DDO/SO(G), Additional Secretary and the Secretary will ensure that budget is available and is to be utilised according to KP Province Delegation of powers under the Financial Rules & Power of re appropriation Rule 2001.
Energy & Power Department– SO(G)	P4 – Reviews the file and forwards it to the competent authority.	Risk that requisition is not forwarded to competent authority in time.	Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P2
Energy & Power Department – Competent Authority	P4a – Approves the file and returns to SO(G).	Risk that approval is given by an authority beyond its powers.	The file is routed through / SO(G) who will make sure that it is forwarded to the appropriate competent authority in line with KP Delegation of powers under the Financial Rules & Power of re appropriation Rule 2001.
Energy & Power Department – SO(G)	P4b – Forwards the file to accounts section through proper route.	Risk that approved file is not forwarded to Accounts Section in time.	Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P2

Energy & Power Department – Account Section	P5 – Reviews the file. For purchases less than Rs.100,000 collects quotations from local market and suppliers. For purchases above Rs.100,000, Step- P6 is followed.	Risk that for purchases above Rs.100, 000, the tendering process is not followed.	Approval by DDO/SO(G), Additional Secretary and the Secretary 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 is done to determine varieties and quality as well as comparison of prices has been conducted before collecting quotations.	Approval by DDO/SO(G), Additional Secretary and the Secretary will ensure that survey of the market is done In light of guidance under KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001.
Directorate of Information*	P6 – Advertises the tender in 02 daily newspapers (One each in English and Urdu) according to the “The Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014”) according to the “The Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014”) according to the “The Khyber Pakhtunkhwa Public Procurement of Goods, Works and Services Rules, 2014”)	Risk sits in the Directorate of Information	Control for the risk sits in Directorate of information.
Suppliers*	P7 – Checks advertisement in the newspapers and send their respective quotations to the accounts section or the	Risk sits in the respective supplier.	Control for the risk sits in the respective supplier.

	addressee mentioned in the advertisement.		
Energy & Power Department – Account Section	P8 – Receives quotations/tenders for both types of purchases i.e. (i) collection of tenders by hand and (ii) open advertisement for purchases above Rs. 100,000. A comparative statement is prepared.	Risk that the supplier does not meet the criteria specified in the tender.	When quotations are received, they are reviewed and signed by DDO/SO(G) and purchase committee members ensuring that they conform to specimens given in the advertisement.
		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 if purchases cost above Rs. 100,000. For purchases below Rs. 100,000, the comparative statement is reviewed and signed by the DDO/SO(G) only.
		Risk that no single quotation/or less than three quotations are received.	Re- advertises the tender. If again less than three quotations are received, the approval of the competent authority and reasons for going ahead with the purchases are documented.
Energy & Power Departmental – Purchase Committee	P9 – Meets with the prospective suppliers to clarification, if any, regarding any information in a bid and select the lowest/ suitable bid. Minutes are recorded in regard to above proceedings of Purchase Committee and are issued. Purchase Committee is headed by Chairman and	Risk that Specialist staff is not present in the purchasing committee.	Purchase Committee is headed by Chairman and includes Additional Secretary and four other members comprising DDO/SO(G), user section SO, Admin, SO budget. If necessary, an expert, for example an IT expert in purchases of IT equipment etc. is included in the Purchase Committee.

	four other members; i Secretary (chairman). ii AS iii CPO iv SO G v A Technical expert		
		Risk that quality is impaired if supplier is selected on the basis of the lowest evaluated bid.	In the purchase committee meeting, price and quality both are discussed with selected supplier and it is also specifically mentioned in supply order. In case where it is considered that a supplier with a higher bid will provide an item of the quality, as specified in the tender, and the said supplier is selected then reasons for selection of higher bid in preference to the lowest bid are recorded in the minutes.
Energy & Power Department – Account Section	P10 – Receives minutes of the meeting and Supply order is issued to successful supplier.	Risk that the price and specification of an item is different in the invoice than what was negotiated by the purchase committee in a meeting with supplier.	A copy of supply order is also forwarded to the Secretary and to AS, and signed by DDO/SO(G) who is normally member of the Committee and is aware of or privy to negotiations carried out by the Purchase Committee. A copy is also forwarded to the Chairman of the Purchase Committee if he is other than the Secretary .
Supplier*	P11 – Signs contract Agreement and receives supply order. Supplies items to the addressee mentioned in the	Risk sits with the supplier	Control for the risk sits with the supplier.

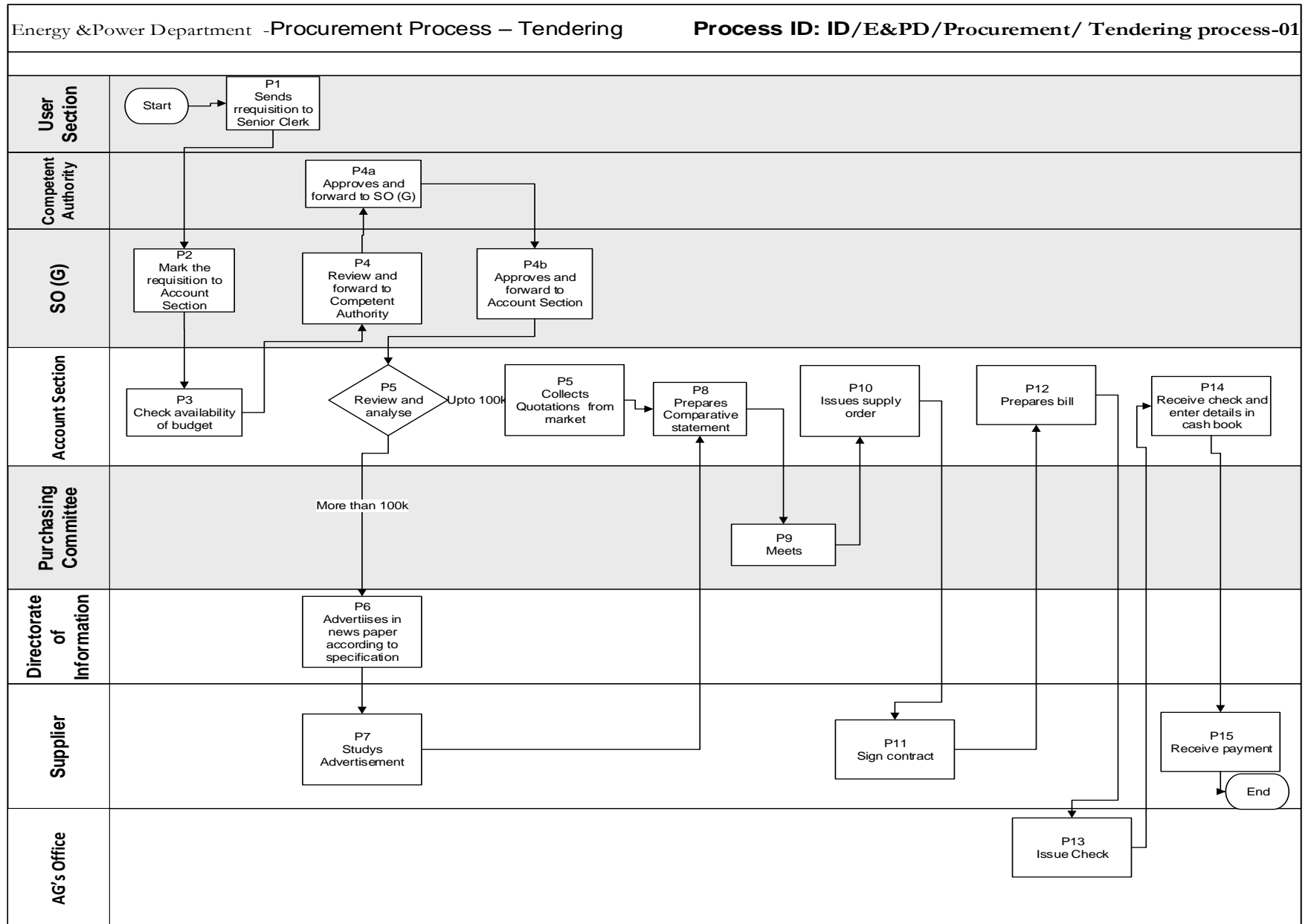
	newspapers and at venue mentioned in the newspaper and agreed in the contract.		
Energy & Power Department – Account Section	P12 – Prepares bill on the basis of the price quoted, and forwards the same along with requisite documents to AG's Office for authorization of payment.	Risk that clerical mistake may occur in the preparation of the bill.	Once the bill is prepared, it is checked and signed by DDO/SO(G) and returned back to the accounts sections which deposits it in AG's Office for scrutiny and authentication. It provides an inbuilt control against the risk.
		Risk that the bill is not sent to the AG's office.	Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. Account section should maintain a list of approved bills/forms 2. The DDO/SO(G) should compare the list with bill dispatch register on a monthly basis. The bill dispatch register containing the list of bills along with their approval dates must be maintained, reviewed by the Account Officer before sending it to the AG's office
AG's Office*	P13 – Checks the bill with reference to supporting documents duly attached. If valid, passes the bill and prepares cheque which is collected by the accounts section	Risk sits in AG's Office	Regular reconciliation is prepared with AG's office on a monthly basis.

Energy & Power Department – Account Section	<p>P14 – Receives the cheque, enters in cash book and hands over it to supplier and against acknowledgement receipt.</p> <p>The current practice is that the small amounts are paid by the accounts officer from his own pocket which is paid to him after cheque issued by AG's office in favour of DDO's name is encashed.</p>	<p>Risk that cheque is not forwarded to the supplier.</p>	<p>The supplier will follow up for payment.</p>
		<p>Risk that a cheque is not prepared against a bill at all.</p>	<p>Suggested Mitigating Controls:</p> <ol style="list-style-type: none"> 1. The Cashier must enter all the cheques received from the AG's office against each bill in the bill dispatch 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 the DDO/SO(G). 3. An aging report of all outstanding bills must be prepared on a monthly basis; any unpaid bills for more than 30 days must be followed up with AG's office. 4. Aging report must be sent to the DDO/SO(G)

			for his review and signatures.
Vender/Supplier*	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 to the supplier is delayed.	Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. An intimation letter to the supplier must be issued within 03 days from the date of receipt of cheque issued by AG's Office. 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. 3. The list shall be prepared on a fortnightly basis. 4. The list should then be forwarded to DDO/SO(G) for his review and signatures.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments*



Process Narrative Including Risk and Control Matrix	C2
5.3.2 Procurement – Fixed Assets/Goods/Services	Process ID: ID/E&PD/Procurement/Fixed Assets/Goods-01

Background Information

Department purchases only those fixed assets which are used in the Department itself. These include Computers, Photocopier machine etc. Goods and services are also included here.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – User Section	P1 – Sends purchase requisition to SO(G).	Risk that incorrect demand is submitted.	Head of the section or an official authorized by him signs the demand before forwarding it to the SO (G).
		Risk that a demand is made for an item already available in the section or the utilization rate seems abnormally high	Suggested Mitigating Control – A utilization rate should be determined for major items such as paper reams and toners and each demand should be checked against this prescribed rate of utilization by the DDO.
Energy & Power Department – SO (G)	P1/1 – Marks the requisition to the accounts section	The requisition is not forwarded to accounts section.	The user section will follow up with the SO(G) in case of delay.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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).

Energy & Power Department – Account Section	<p>P2 – Receives the purchase requisition and analyses it.</p> <p>P2/1 – 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 the Finance Department.</p> <p>P2/2 – 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 or the PA/PS authorizes the demand before forwarding it to the SO (G).
		Risk that requisition is approved for further action without checking the availability of the budget.	Approval of DDO/SO(G), DS, AS and Secretary is accorded in consonance with KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001.
Finance Department*	P3 – Negotiates and issues budget in revised or next year budget. If amount is provided in the revised budget then the process proceeds to step 4 otherwise the department has to wait for the approval in the next year budget.	Risk sits in Finance Department	Control sits in the Finance Department
Energy & Power Department – Account Section	P4 – Calls quotations through Newspapers in case local purchase amounting to less than Rs.100,000 is not involved	Risks are documented in tendering process. (Kindly refer to Process ID: ID/E&PD/Procurement/Tendering process-01)	Controls are documented in tendering process. (Kindly refer to Process ID: ID/E&PD/Procurement/Tendering process-01)
Energy & Power Department	P4/a- Meets and bids are opened in presence of all stake holders. Members of	Risk that a bid is not included either erroneously or deliberately	In the advertisement venue and time of opening of the bids are mentioned and

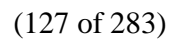
nt Purchase Committee /Bid Evaluation Committee	Purchase Committee include: -Secretary/AS/SS -DS -SOG -Accountant -And a Technical expert		bidders are requested to attend personally or through their representative. If a bid is found missing from consideration, the bidder can complain and the issue would be resolved instantly.
Energy & Power Account Section	P5 – Prepares Comparative statement	Risk are already documented in tendering process(Kindly refer to Process ID: ID/E&PD/Procurement/Tendering process-01)	Controls are already documented in tendering process. (Kindly refer to Process ID: ID/E&PD/Procurement/Tendering process-01)
Energy & Power Accounts Section	P6 – Purchases the goods and receives in premises. Updates the stock register. /Receive the services.	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 inspects the asset, checks entry in stock register including its specification and then signs it.
Energy & Power Accounts Section	P7 – Prepares bill on the basis of price quoted, enters bill in memorandum register and then forwards it along with documents to AG's Office for authorisation of payments.	Risk that clerical mistake may occur in preparation of bill.	Once the bill is prepared, it is checked and signed by DDO/SO(G) and returned back to the accounts sections. It is then forwarded to AG's Office for scrutiny and payment. It controls the risk.
		Risk that the bill is not sent to AG's office.	Suggested Mitigating Controls: 1. SO (G) section must maintain a list of approved bills forwarded to Accountant. 2. The SO (G) section must compare the list with bill dispatch register on monthly basis. 3.The bill dispatch register

			containing the list of bills along with their approval dates must be maintained/ reviewed by the SO(G) before sending it to AG's office.
A.G Office*	P8 – Checks the bill along with the supporting documents and once satisfied approves the bill and cheque is prepared which is received by the accounts section	Risk sits in AG's Office	Regular reconciliation is prepared with AG's office on monthly basis.
Energy & Power – Accounts Section	P9 – Receives the cheque, enters in cash book, forwards it to supplier and acknowledgement is received. This is the practice in case of big purchases. (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 favour of DDO who after encasing the amount reimburses it to the accounts officer)	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.	Suggested Mitigating Controls:: 1. The Accountant must enter all the cheques received from AG's office against each bill in the bill dispatch register. 2. A monthly reconciliation of bills sent and cheques received must be prepared. A reconciliation report identifying outstanding bills

			<p>must be generated and reviewed by SO(G).</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 Additional Secretary for his review and signatures.</p>
Vender/Supplier*	P10 – 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 to the supplier is delayed.	<p>Suggested Mitigating Controls:</p> <p>1. An intimation letter to the supplier must be issued within 03 days from the date of receipt of cheque issued by AG's office.</p> <p>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.</p> <p>3. The list shall be prepared on fortnightly basis.</p> <p>4. The list should then be forwarded to Additional Secretary for his review and signatures.</p>

Note

*These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments



5.4 D – Fixed Assets Management

Process Narrative Including Risk and Control Matrix	D1
5.4 Fixed Assets Management – Fixed Assets	Process ID: ID/E&PD/FAM/Asset management-01

Background Information

Fixed assets management includes how an organization manages and utilizes their fixed assets? What are their current policies regarding fixed assets? What precautions have been adopted to safeguard their assets?

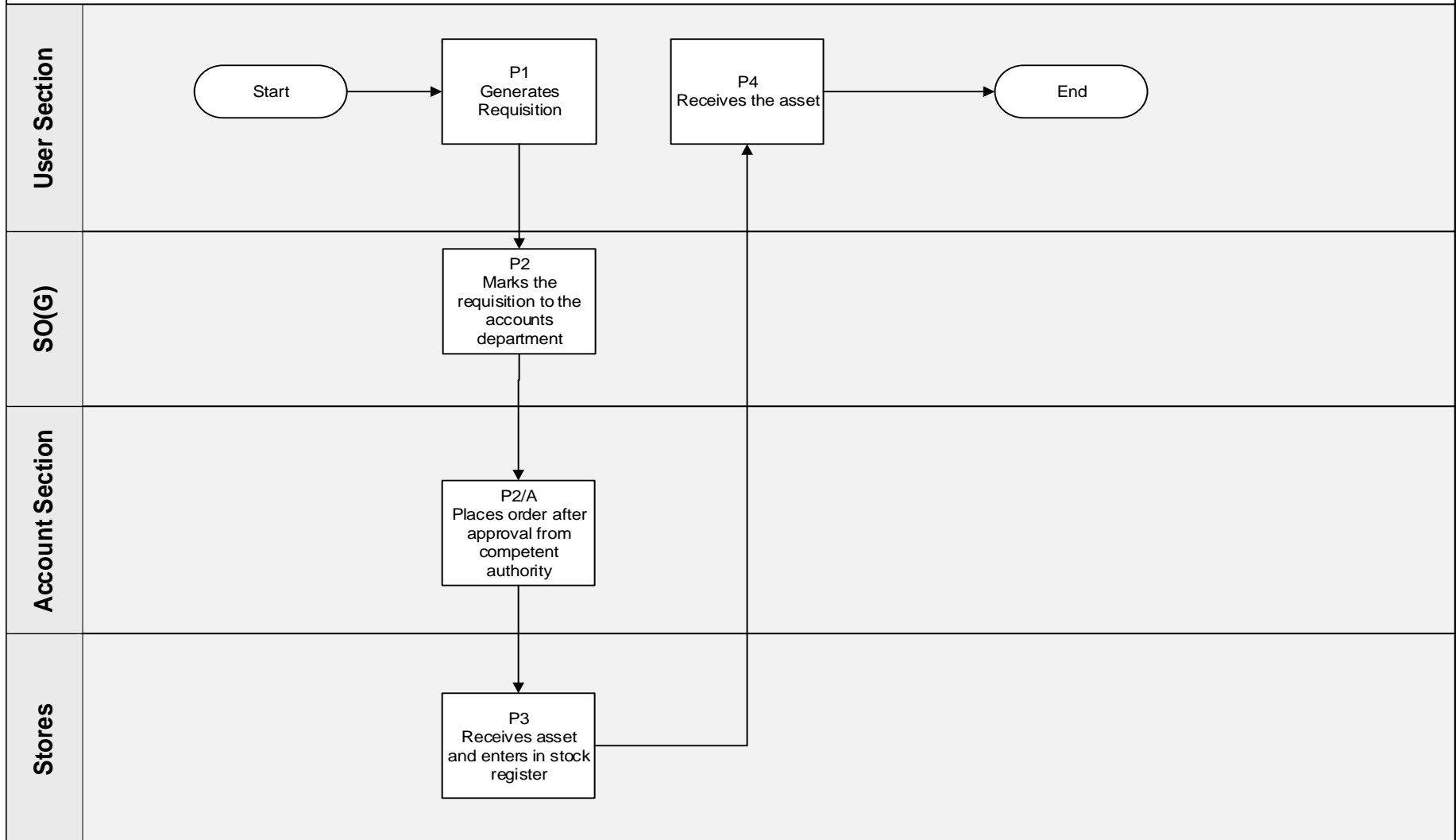
Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – User Section	P1 – requests for purchase/demand requisition to SO(G).	Risk that the incorrect demand is submitted.	Head of the section or the PA/PS authorizes the demand before forwarding it to the SO (G).
Energy & Power Department – SO (G)	P2 – Marks the requisition to the accounts department	The requisition is not forwarded to accounts section on time	The user section will follow up with the SO(G) in case of delay.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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)

Energy & Power Department – Accounts Section	P2/A– Receives the requisition and checks the availability of budget. If budget is already available then after approval from the competent authority, quotations are called. If budget is not available in respective head then Finance Department is requested for budget. The purchase procedure is the same as have been explained in 5.3.2	Risk that incorrect requisition is received	Head of the section or any official authorised by him reviews the demand before forwarding to the SO (G).
Energy & Power Department – Stores-Care taker	P3 – Records entry in the stock register upon delivery of the asset. The asset is directly delivered to user section. Stock register is signed by the DDO/SO(G)/Purchase Committee and In charge of user department.	Risk that asset is not properly checked at the time of delivery.	At time of delivery all the members of purchase committee/DDO (depending on volume of Purchase i.e. below Rs. 100,000 or above Rs. 100,000 inspect the asset and sign each entry in stock register. The in-charge of the user section will also make sure that the asset delivered is according to the specifications.
		Risk that no entry is made in stock register at the time of delivery.	At time of delivery all members of purchase committee/DDO (depending on the type of Purchase i.e. below 100,000 or above Rs.100,000) inspect the asset and then sign each entry in stock register.
		Risk that end-user has not recorded any note as to demand or specification of asset delivered.	In charge of end-user section signs the stock register after verifying demand and specification of an item.

		Risk that the asset is later stolen/replaced/ misplaced from the user department	Suggested Mitigating Control: A periodic physical verification of fixed assets should be carried out
			Suggested Mitigating Control: When asset is received at premises, caretaker needs to put an item code on it. The item code entry is then made in the fixed asset register.
			Suggested Mitigating Control: Management of Department needs to maintain a fixed asset register.
Energy & Power Department – User Section	P4 – Receives the asset as per their required demand.	Risk that asset received is not according to their demand	The In-charge of the user section will also make sure that the asset delivered is according to the specifications. Then he/she will sign the Stock register.



5. 5 E – Stores Management

Process Narrative Including Risk and Control Matrix	E
Stores Management – Stores Process	Process ID: ID/ E&PD/Stores Management/Stores Process-01

Background Information:

Store of Energy & Power Department is managed by a Junior Clerk (BS-11) and overall incharge of store is SO (G) for issuance of items required in department.

1st Scenario:

As the demand reaches the caretaker, he/she issues the items to the user section subject to availability in store and updates the record in the stock register with respect to the issue of the items.

2nd Scenario:

If regularly used items are not available in stores, the caretaker prepares a file with respect to demand and forwards it to the competent authority as defined in KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001 for sanctioning the amount so that the item can be purchased from the market as per prevailing Procurement Rules.

After approval, he/she places an order with the supplier and receives items from the supplier. The items are then issued to the user section as per their demand and record in the stock register is updated accordingly.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – User Section	P1 – Forwards the demand to the SO (G).	Risk that an incorrect or unreasonable demand is submitted.	Head of the section or an official authorized by him reviews the demand before forwarding it to the SO (G).
		Risk that a demand is created for items already in stock or the utilization rate seems very high and suggests wastage.	Suggested Mitigating Control – A utilization rate should be determined for consumable items and each demand must be checked against this pre-determined utilization rate by the DDO.
Energy & Power Department – SO (G)	P2 – Forwards the demand file to the caretaker for issuance of items required.	Risk that the demand is not forwarded promptly.	The user section will follow up with the DDO/SO(G).
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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).

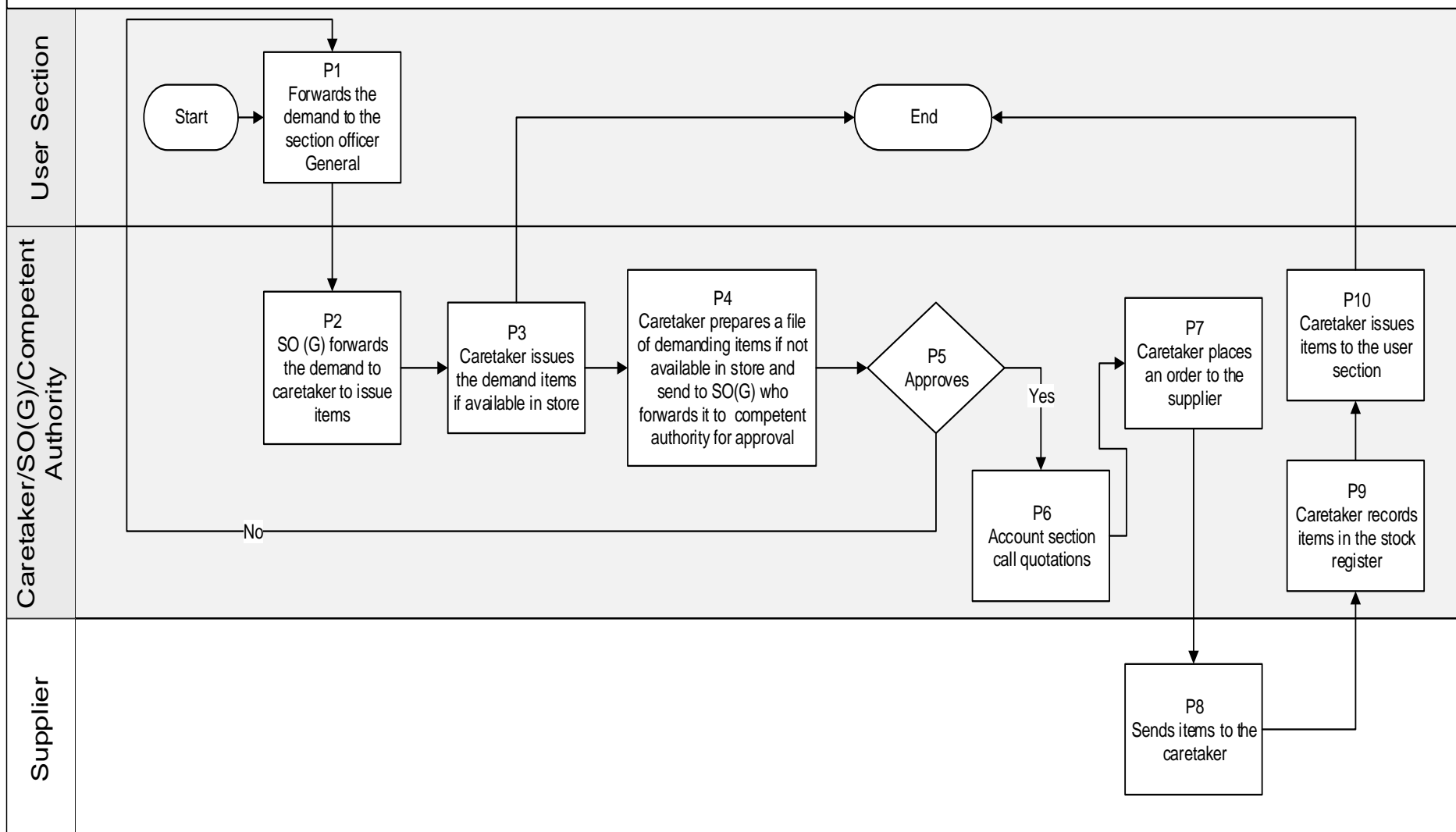
Energy & Power Department – Caretaker	P3 – Issues the items as per demand and updates the stock register (in case of items already available in the stores)	Risk that an improper item or an item in excess of demand is issued.	DDO/SO(G) will verify the items issued in the stock register.
			The section demanding the items will return an inappropriate item handed over to him.
Energy & Power Department – Caretaker	P4 – Prepares the file of demanding items with total cost estimates and forwards to the DDO/SO(G) who forwards it to the competent authority having power to sanction the amount for purchase (in case of items not available in stores).	Risk that the incorrect estimates are incorporated intentionally or accidentally.	The quality and quantity of items in the stock is physically verified by DDO/SO(G) with the stock register and then decision to purchase the item is taken.
			Prices are compared with those quoted and their reasonability is checked by DDO/SO(G).
Energy & Power Department – Competent Authority	P5 – Sanctions the amount and items is purchased.	Risk that the officer may sanction the amount that does not fall under his authority.	The file is routed through DDO/SO(G) who will make sure that it is forwarded to the appropriate authority as provided under KP Delegation of Financial Powers under the Financial Rules and the powers of Re-Appropriation Rules, 2001.
Energy & Power Department – Account Section	P6 – Calls quotations through Information Department for purchases worth more than Rs.100,000 . (Kindly refer to Process 4 to 9 ID: ID/E&PD/Procurement/Tendering process-01)	Risks are documented in the tendering process. (Kindly refer to Process ID: ID/E&PD/Procurement/Tendering process-01).	The Controls are documented in the tendering process. (Kindly refer to Process ID: ID/E&PD/Procurement/Tendering process-01)

Energy & Power Department – Caretaker	P7 – Places an order to the supplier for the items to be purchased.	Risk that the order is given to a supplier to give him an undue favour.	Three quotations are received from different suppliers. When quotations are received, they are reviewed and signed by SO(G) and all members of Purchase Committee.
Supplier*	P8 – Sends items to the caretaker.	Risk that the quantity received is less than the quantity ordered. Same risk with regard to quality also.	An independently working DDO/SO(G) checks the quantity and quality with the Purchase Order and signature of DDO/SO(G) in the stock register is the evidence of the control. For purchases above Rs. 100,000, the Purchase Committee checks the quantity and signs in the stock register and put its signature.
Energy & Power Department – Caretaker	P9 – Records the items in the stock register and keep the items in the stores.	Risk that the some items may wrongly be recorded in different item head.	Review by DDO/SO(G) and signature in the stock register.
		Risk that a store item is stolen.	The care taker keeps the store locked and no one except him is allowed to access the store.
		Risk that the items become damaged and/or useless.	The items are placed in the stores, cupboards and shelves as a safety measure.
			Suggested Mitigating Control – 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 store item physically available does	Suggested Mitigating Control – A periodic

		not correspond with the records in the books	stock taking exercise should mitigate the risk
		Risk that damaged goods remains un-noticed .	Suggested Mitigating Control – A periodic stock taking exercise should mitigate the risk
Energy & Power Department – Caretaker	P10 – Issues items to the user section.	Risk that the wrong items or items in excess of demand are issued.	The section demanding the items will reject them if not found according to the specifications/quantity ordered.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/department*



5.6 F – Operating Expenses

Process Narrative Including Risk and Control Matrix	F
Operating Expense Process	Process ID: ID/ E&PD/Operating Expense Process-01

Background Information:

Non Development Budget is comprised of Employee related expenses and other than employees related expenses, Operating expenses fall under the 'other than employees related expenses head of account'. Operating expenses are incurred by the Energy & Power Department and are claimed through Accountant General's Office. Energy & Power Department has to submit the bill to the AG's office under the signature of DDO. Operating expenses include all the expenditure incurred by the organisation in running its day to day business. DDO/SO (G) and Accountant play a major role in the process.

There is a detailed list of expenses being paid through this process; some of the important heads are mentioned below:

- POL charges
- Utility bills
- Repair & Maintenance
- Purchase of goods

Normally, the cheque costing less than Rs. 100,000 is issued by the AG's office in favour of DDO and above Rs. 10,000 in the name of the vendor.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than ENERGY & POWER shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – User Section	P1 – Forwards the utility invoices/POL invoices and other needs to SO(G).	Risk that the demand is incorrect/bogus/forged.	The demand or expenditures have to be signed by the head of the section or an officer availing the facility/utility.
Energy & Power Department – SO(G)	P2 – receives the invoices as in preceding step and sends to the accounts section.	Risk that the demand is not forwarded in time.	Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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)
Energy & Power Department – Account Section	P3 – Checks the availability of the budget and marks the invoices to caretaker.	Risk that the budget is not available but the accountant initiates the bill.	SO checks/ascertains the bill before forwarding to the competent authority.
			The AG’s office will reject the bill for want of budget because SAP R3 system working in AG’s office will not allow the payment.
Energy & Power Department – Caretaker	P3/a –Scrutinizes the invoices to remove errors and evaluates utilization rate chart, if any, and recommends the invoices to the accountant.	Risk that an invoice is not evaluated / checked properly.	Invoice is verified by the SO (G).

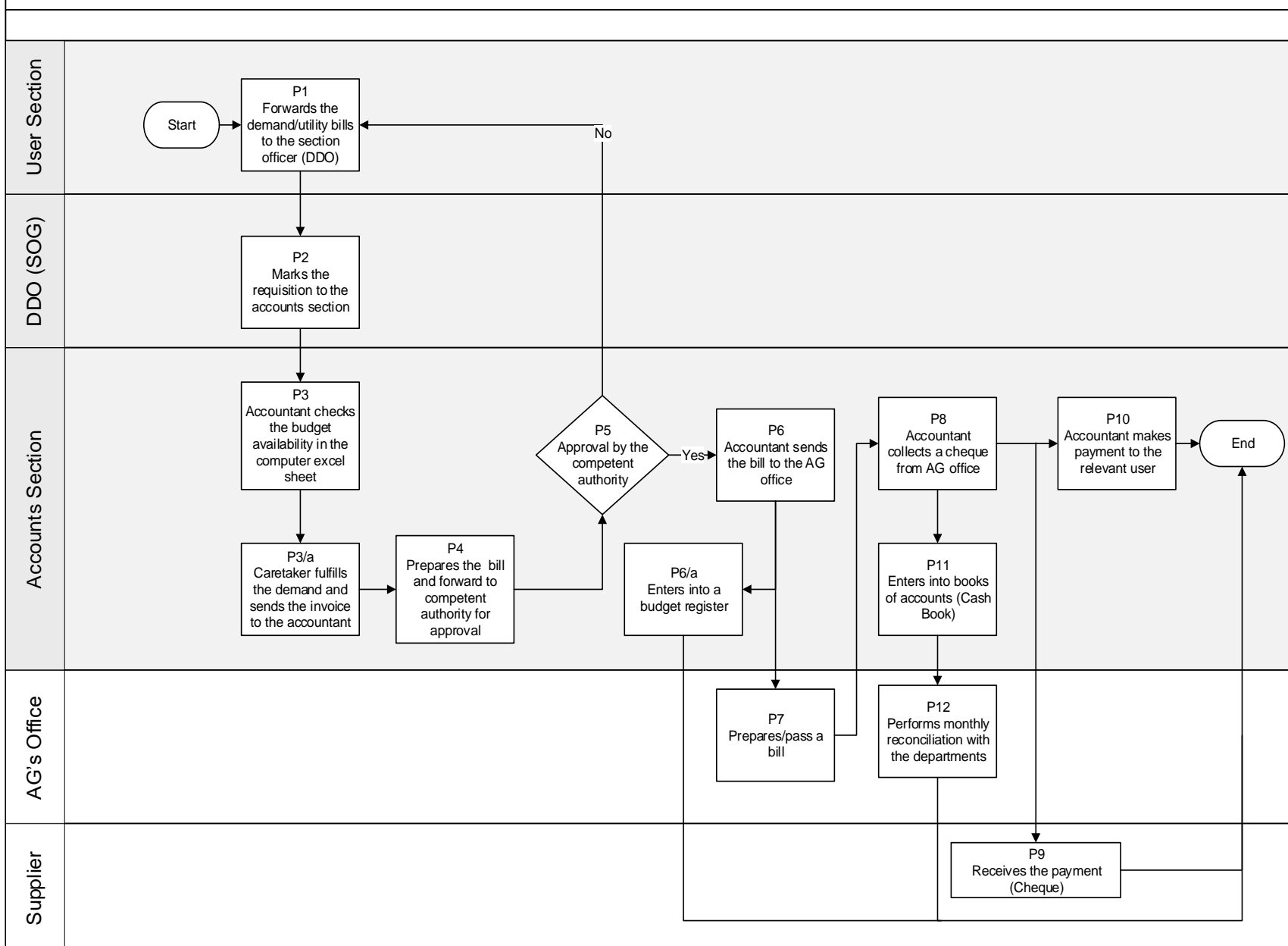
Energy & Power Department – Account Section	P4 – Prepares the bill and forwards to the competent authority for approval. Competent Authority is either the Secretary or any officer down the line in terms of financial powers.	Risk that an incorrect bill is prepared.	Bill is prepared by the accountant and cross checked by SO (G) who stamps it indicating sufficient internal control against the questioned risk.
Energy & Power Department – Competent Authority	P5 – Issues sanction and returns the case to the accountant.	Risk that the officer may sanction the amount that does not fall under his authority.	The file is routed through SO (G) who will make sure that it is forwarded to the competent authority as defined under Delegation of powers under the Financial Rules & Power of re appropriation Rule 2001
Energy & Power Department – Account Section	P6 – Enters the details of bills in the budget register.	Risk that the bill may not be entered,	Control sits in the office of SO (G).
	P6/a – Sends the approved bill to the AG's office for clearance.	Risk that the bill is not sent to AG's office.	Control sits in the office of SO (G).
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. Office must maintain a list of approved bills forwarded to Accountant. 2. The SO(G) office must compare the list with bill dispatch register on monthly basis. The bill dispatch register containing the list of bills along with their approval dates must be maintained reviewed by the SO(G) before sending it to AG's office.
AG's office*	P7 – Issues token number and okays payment.	Risk sits in AG's Office	Control sits in AG's Office.
Energy &	P8 – Collects the	Risk that AG's	The Accountant must obtain a token

Power Department – Account Section	cheque from AG's office.	office did not issue any cheque though a certain bill was deposited with them.	<p>of each bill deposited in AG's office which is a proof that a cheque against token in hand is outstanding against AG's office.</p> <p>Suggested Mitigating Controls::</p> <ol style="list-style-type: none"> 1. The Accountant must enter all the cheques received from AG's office against each bill in the bill dispatch 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 SO(G). 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 Secretary for his review and signatures.
Supplier*	P9 – 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 in time	<p>Suggested Mitigating Controls:</p> <ol style="list-style-type: none"> 1. An intimation letter to the supplier must be issued within 03 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 supplier 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 Secretary for his review and signatures.
Energy & Power Department – Account Section	P10 – Makes payment to the relevant user. (This is the case where an employee of a section pays for some minor expenditure from his own pocket. AG's office prepares the cheque in the name of DDO who after encashment makes payment to the employee concerned.	Risk that the relevant user may claim that he did not receive any payment.	Acknowledgement of payment is taken.
Energy Power Department – Account Section	P11 – Enters the amount in the books of accounts (Cash Book)	Risk that an incorrect amount is entered in the cash book.	The monthly reconciliation of accounts with AG's office will rectify both these errors.
			The SO(G) checks all the entries in the Cash book and signs against each payment. Every page of the Cash book is also stamped by SO(G).
AG's office*	P12 – Performs monthly reconciliation with the Department.	Risk sits in AG's Office.	Control sits in AG's Office.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments*



5.7 G–Accounting Process

Process Narrative Including Risk and Control Matrix	G
Accounting Process	Process ID: ID/ E&PD/Accounting-01

Background Information

General Section's Cashier and SO (G) are the owners of this process. The accounting record maintained by Energy & Power Department includes copies of bills sent to AG's Office, Bill Registers and cashbook. No proper reconciliation is prepared in this process. The project documents are processed by PMC's account officer deputed from AG's Office to work under the supervision of CPO. The processes are same except that DDO in PMC is an Account Officer.

Important Note:

End to end process has been documented for the sake of understanding only. The relevant risk and controls that sit in departments/entities other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – Cashier / Competent Authority	<p>P1 – Prepares & approves bill for depositing in AG's Office.</p> <p>Bill is prepared by Assistant. Signed by DDO/SO(G) and approved by competent authority.</p>	In order to find risks relating to preparation and approval of bill and operating expenses, please refer to respective process.	Controls against risk relating to preparation, approval of bill and in incurring expenditure is explained in the respective process. Separation of functions, in general, controls the risks.
Energy & Power Department – Cashier	P2 – After entering the bill's details in token register, it is submitted to the AG's office which allots it a token number.	Risk that details regarding bill and token no are not entered in the bill register.	<p>Suggested Mitigating Controls: Token register should be reviewed on weekly basis by Account Officer.</p>
			<p>Suggested Mitigating Controls:</p> <p>1. Account section should maintain a list of approved bills/forms.</p> <p>2. The SO (G) should 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 Senior Clerk before sending it to the AG's office</p>
AG's Office*	P3 –Clears the bill & issues cheque.	Risk sits in respective entity.	Control against risk sits in respective entity.
Energy Power Department – Cashier	P4 – Receives cheques & hands over to vendors/suppliers and enters in cashbook.	Risk of misplacement of cheques.	Cashier is responsible for safeguarding the cheques and its documentation.
		Risk that disbursement of cheques is not done timely by the Cashier.	Vendor / Supplier will follow up with the Cashier.
		Risk that cheque is not entered in	A cashbook is prepared by the Cashier having all details of

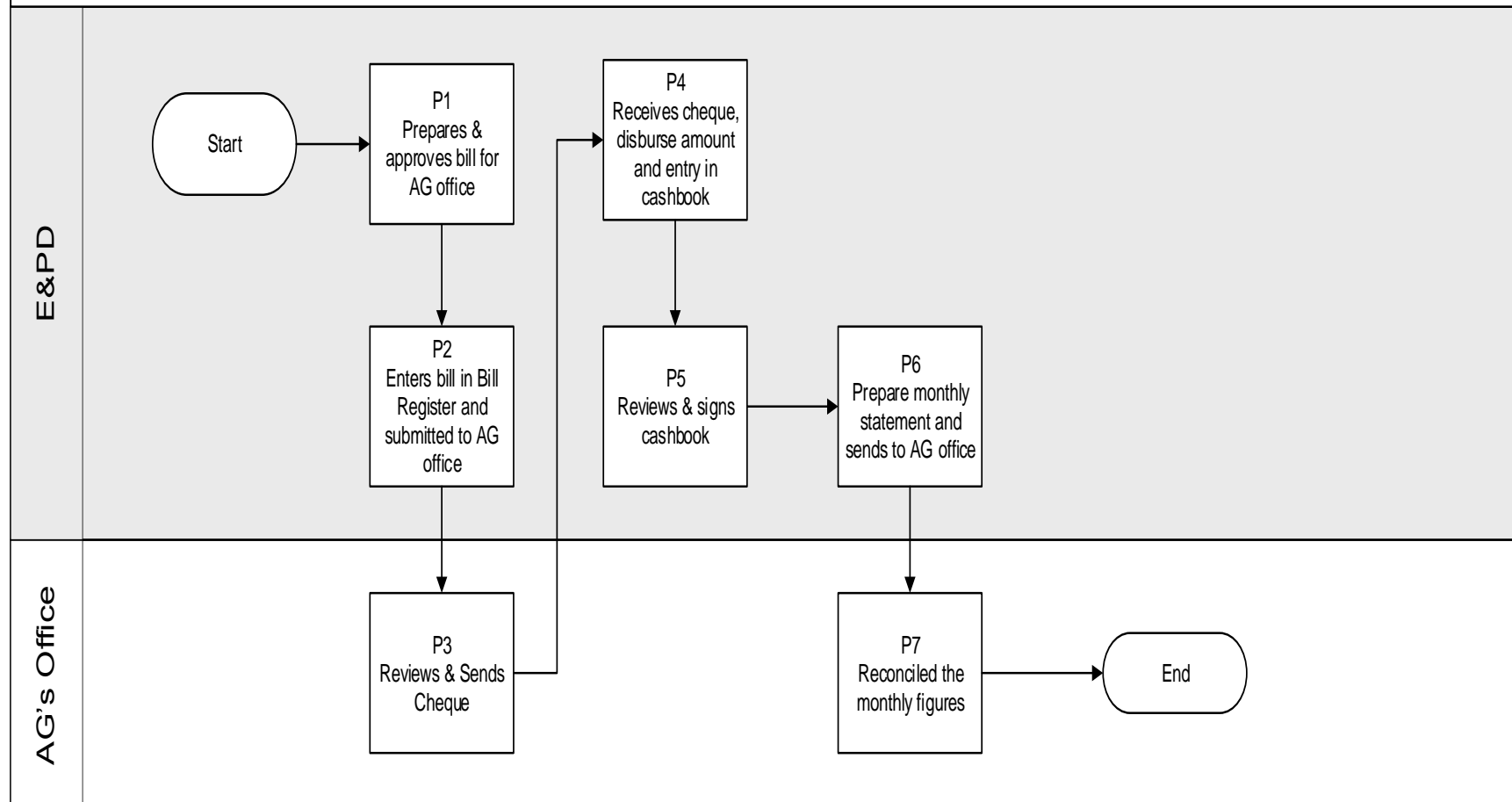
		cashbook.	transactions, description and cheque no. etc. This is signed by SO(G).
Energy Power Department – SO(G)	P5 – Reviews & signs cashbook.	Risk that approval is given on incorrect entry in cashbook.	Only cheques received from AG's Office are entered in cashbook with all details of transaction.
Energy Power Department – Cashier	P6 –Prepares monthly reconciliation statement and under signature of the DDO sends to AG's Office.	Risk that expenditure statement is not prepared on time.	Suggested Mitigating Controls: <ol style="list-style-type: none"> 1. An annual planning calendar should be maintained by each section which should include all the important tasks falling on such and such dates. 2. This annual planning calendar should be approved by the head of the section and head of planning cell at the beginning of the year 3. At the end of each month this should be reviewed by the head of the planning cell to ensure that no important task is missed or delayed.
AG's Office*	P7 –__Superintendent of the concerned section signs the reconciliation statement. If there is any error. it asks the Department to resubmit the statement after rectification.	Risk that proper reconciliation is not prepared.	Suggested Mitigating Controls: <p>A proper reconciliation should be prepared by the Cashier which should be reviewed and approved by SO(G) and Additional Secretary.</p> <p>Reconciliation figures should be taken from bill register / cash register and that should be reconciled with AG's office record on expenditures.</p>

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/department*

Energy & Power Department - Accounting Process

Process ID: ID/ E&PD/Accounting-01



5.8 H-Project – Planning & Monitoring Cell

Process Narrative Including Risk and Control Matrix	H1
5.8.1 Project Budget	Process ID: ID/ E&PD/PMC/Budget-01

Background Information

Planning & Monitoring Cell (PMC) was established in October 2009 initially for a period of two years. It is housed in the Energy & Power Department. The cell now has been notified to continue till June 30, 2016. The Planning & Monitoring Cell (PMC) looks after the function of ADP relating to Department of E&P and its attached entities. These functions include preparation and appraisal of feasibility reports, monitoring and evaluation of schemes. A Project namely “Operationalization of Re-Designed Energy & Power Department” has also been working side by side with PMC.

The Account Officer-- usually but not always deputed from AG’s office-- maintains annual budget for all projects as per respective PC-Is which also includes salaries and operating expenses of the staff initially recruited or posted on deputation from other departments. All functions of the project e-g Procurements, Operating expenses, fixed assets management and maintenance of Store are the same except the budgeting process and hiring of project staff under a notified Govt. policy:

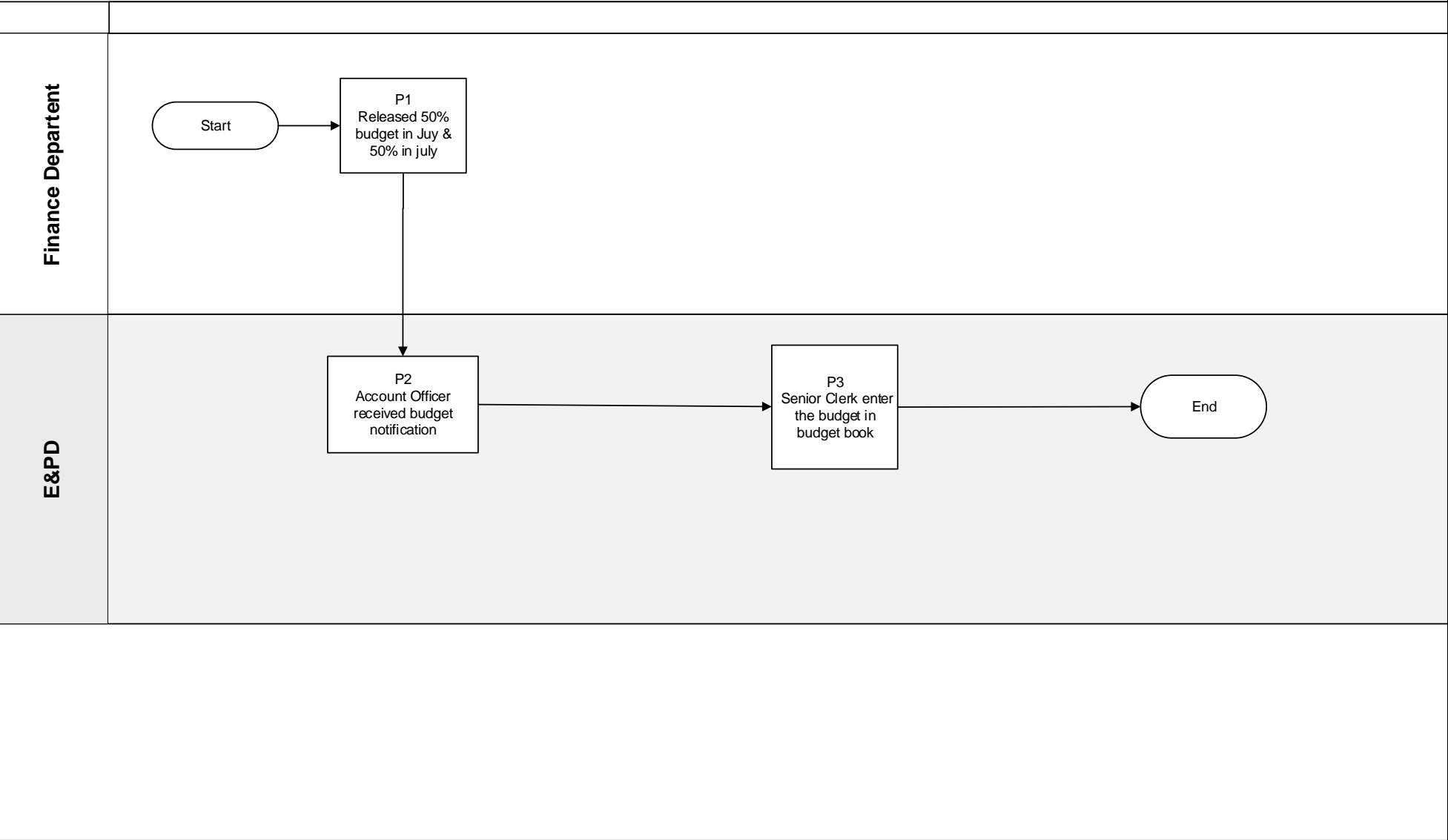
Important Note:

End to end process has been documented for the sake of understanding only. The relevant risk and controls that sit in departments other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Finance Department*	P1 – Lump sum 50% releases in July and remaining 50% in January as per budget reflected in PC-1 meant for E&PD projects.	Risk sits in the P&D Department	Control for the risk sits in the P&D department
Energy Power Department - PMC	P2 _ Account Officer of PMC receives the release orders from Secretary through proper route.	Risk that Department may not receive circular and instructions.	If the circular and instructions are not received on time, they can write to the P&D Department as well as follow up by phone calls.
			Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 and head of planning cell at the beginning of the year. 3. At the end of each month, this should be reviewed by the head of the planning cell to ensure that no important task is missed or delayed.
Energy Power Department – PMC	P3 – Senior Clerk maintained its budget register as per budget reflected in the PC-I	Risk that budget may not be recorded correctly in budget register.	The register is reviewed by Account Officer at the time of preparation and also on monthly basis.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective*



Process Narrative Including Risk and Control Matrix	H2
5.8.2 Project Hiring of Staff	Process ID: ID/ E&PD/PMC/Staff-01

Background Information

Staff for project is hired under KP Government policy governing the appointments of persons against the project posts. Under this policy fixed pay package to officials working in projects is allowed. The policy also specifies the procedures how the staff against projects post is appointed. It also specifies the composition of selection committee as well as a committee(s) for short listing of candidates separately.

The pay structure of the project's staff is as under:

AMOUNT IN Rs.

Serial No.	BS	Pay
1	22	150,000 to 200,000
2	21	125,000 to 150,000
3	20	100,000 to 118,000
4	19	75,000 to 90,000
5	18	60,000 to 75,000
6	17	45,000 to 50,000
7	16	30,000 to 35,000
8	11-15	15,000 to 25,000
9	5-10	10,000 to 15,000
10	1-4	7,000 to 10,000

Short listing Committee

To facilitate the Selection Committees, a Short-Listing Committee with the following composition will shortlist the candidates on the basis of their academic qualification, past experience, age limits and other conditions advertised for the post:-

For the post of Project Director

1	Administrative Secretary concerned	Chairman
2	AS/DS of Concerned Department	Member
3	Representative of Establishment Department not below the rank of DS	Member
4	Representative of Finance Department not below the rank of DS	Member
5	Representative of P&D Department not below the rank of DS	Member

For other post

1	Project Director	Chairman
2	AS/DS of Concerned Department	Member
3	Representative of Establishment Department not below the rank of DS	Member
4	Representative of Finance Department not below the rank of DS	Member
5	Representative of P&D Department not below the rank of DS	Member

Composition of Selection Committee:

Recruitment to the project posts shall be made on the recommendations of Selection Committees. Composition of Selection Committee for appointment to posts in different pay scales or equivalent posts will be as under:-

For BS 17 & Above

1	Additional Chief Secretary	Chairman
2	Secretary Establishment	Member
3	Secretary Finance	Member
4	Secretary P&D	Member
5	Secretary of E&P	Member

For BS 16 & Below

1	Secretary of E&PD	Chairman
2	Representative of Establishment	Member
3	Representative of Finance	Member
4	Representative of P&D	Member

The civil servants on deputation to projects, on full time basis, will get pay in their own pay scales and allowances plus deputation allowance at the rate of 20% of the basic pay subject to maximum Rs. 6,000 per month, and the following project allowance:

AMOUNT IN Rs		
Serial No.	BS	Pay
1	20-22	60,000
2	19	40,000
3	17-18	30,000
4	16	15,000
5	11-15	8,000
6	5-10	4,000
7	1-4	2,000

Important Note:

End to end process has been documented for the sake of understanding only. The relevant risk and controls that sit in departments other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to ENERGY & POWER'S DEPARTMENT have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – PMC	P1 –Assistant Manager (AM), PMC with the approval of the Secretary, forwards the advertisement to the Information Department.	Risk that the case is not forwarded in time.	Suggested Mitigating Controls: <ol style="list-style-type: none"> 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 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).
Information Department*	P2 – Advertisises the job as per advertisement policy of Govt. Of KP.	Risk sits in Information Department.	Control sits with Information Department.
Energy & Power Department – PMC	P3 – Account Officer (AO) receives applications and prepares a list of applicants and put up to the Secretary for perusal / checking.	Risk that some applications are missed out.	CPO counter checks the list of candidates.
			Suggested Mitigating Control: <p>The Account Officer should ensure that all the applications received are entered in the list. On a test basis a sample of</p>

			application must be selected to trace them in the list.
Energy & Power Department – Secretary	P4 – Secretary returns the list and directs the CPO to shortlist the candidates through the committee constituted for short listing.	Risk that letter may not be sent or if sent may not be received by any member of the committee to attend the meeting.	The secretary or his nominee in the meeting should ensure that members of the committee are present for short listing the candidates.
Energy & Power Department – Short Listing Committee	P5 – Short listing committee short lists the candidates for the interview; minutes of meeting are recorded.	Risk that the list is changed intentionally to favour a candidate.	Every member of committee signs the final list of successful candidates.
Energy & Power Department – PMC	P6 – AM with the approval of Secretary arranges meetings of the Provincial/Departmental Project Selection Committee for interviewing the candidates. the Committee selects appropriate candidates	Risk that letters may not be sent to all members of the committee.	The members of the nominated committee are mentioned in each letter.
			Suggested Mitigating Control: CPO may ensure that each member of the committee is intimated about the interviewing dates.
Energy & Power Department -PMC	P7 – Accounts Officer sends appointment letters to candidates recommended by the Committee and asks them to produce their respective certificate of medical fitness.	Risk that some of the candidates may not received offer in time.	CPO signs such an important letter himself which ensures that it is timely dispatched.
			Suggested Mitigating Control:

			The names of the recommended candidates may also be displayed on the official website of the Departments.
Prospective Employee*	P8 – Appears for medical check-up before the Standing Medical Board or the Civil Surgeon as the case may be and submits Medical fitness certificate to Account Officer along with his/her arrival report.	Risk that the medical report is not submitted.	The candidate is not allowed to assume the charge of the post without a medical certificate.
		Risk that the report is changed or a bogus report is submitted.	Suggested Mitigating Control: The medical reports should be directly and confidentially received from the medical board/civil surgeon and got verified from them subsequently.
Energy & Power Department – PMC	P9 – CPO with approval of Secretary places the services of newly appointed officials against the vacant post.	Risk that file may not be put up on time.	Suggested Mitigating Controls: “Please refer to the time service standards control suggested under Process P-1
Energy & Power Department– PMC	P10 – Accounts Officer fills the Source 1 form of an employee and forwards it to the AG’s office with following documents. 1. Notification/Order of appointment 2. Medical fitness certificate. 3. CNIC 4. Terms and conditions	Risks that the form is either incomplete or incomplete documents are sent to AG’s office.	AG’s office returns the case to the Accounts Officer.

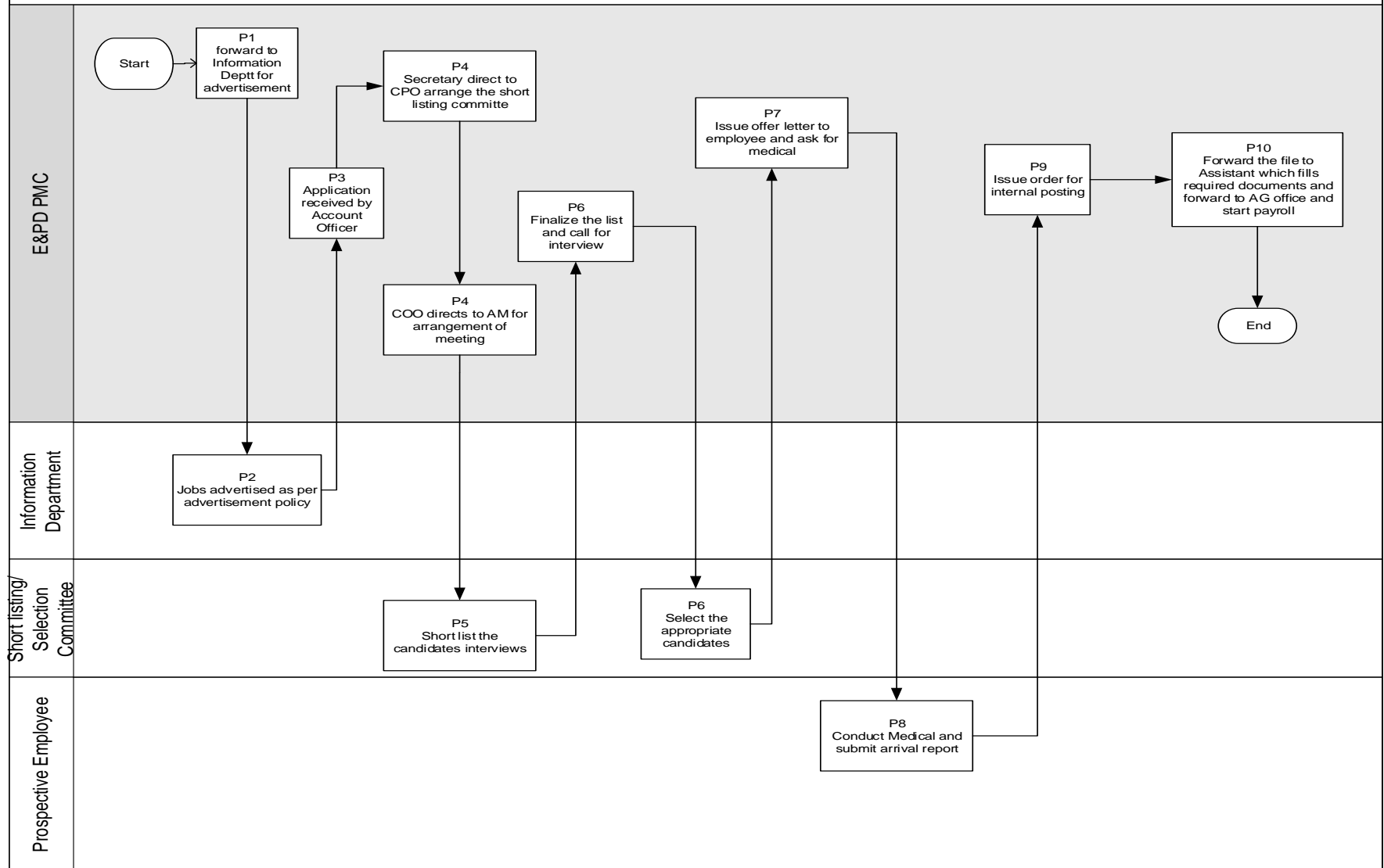
	of services if any.		
			Suggested Mitigating Control: Document Control sheet listing all the documents required to be attached should be signed by both the preparer and reviewer.
		Risk that the bill/form is not sent to AG's office in time.	Suggested Mitigating Controls: 1. Account Officer must maintain a list of approved bills/forms. 2. The Account Officer office must compare the list with bill dispatch register on monthly basis. The bill dispatch register containing the list of bills along with their approval dates must be maintained reviewed by the Account Officer before sending it to AG's office.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/ departments*

Energy &Power Department Project Hiring of Staff

Process ID: ID/E&PD/PMC/Staff -01



Process Narrative Including Risk and Control Matrix	H3
5.8.3 Administrative Approval of PMC Schemes	Process ID: ID/ E&PD/PMC/Admin Approval-02

Background Information

Annual Development Plan (ADP) includes new and ongoing projects /schemes and repair of buildings, roads and bridges etc. A scheme may either be identified by a Department or an MNA and MPA. Its feasibility is determined either by the department itself or by a consultant hired for this purpose. The scheme is discussed in a series of meetings in the P&DD, some of them also chaired by CM, for giving it a final shape and approval. This draft ADP is finally placed before the Provincial Assembly for approval and then published by P&DD.

Next starts its implementation involving processes ranging from preparation of PC-1, its approval either by DDWP or PDWP as the case may be, administrative and technical approval by the competent authority to tendering of scheme, monitoring and execution.

Planning and Management Cell (PMC) not only accomplishes completion of schemes conceived by it but also provides technical assistance to the attached department in the identification and implementation of developmental project which are mostly Hydel projects. It also works on other energy project.

The following are the committees that accord approval of development schemes whereas Administrative Approval is accorded by respective administrative secretaries.

- | | |
|--|-------------------------------|
| 1. DDWP (Departmental Developmental Working Party) | Less than Rs. 60m |
| <ul style="list-style-type: none"> • Secretary Energy & Power • Finance Department Representatives • P&D Department Representatives | |
| 2. PDWP (Provincial Developmental Working Party) | Rs. 60m to 10b |
| <ul style="list-style-type: none"> • Additional Chief Secretary • Secretary C&W • Secretary Finance • Secretary Environmental Protection • Secretary Local Government | |
| 3. CDWP Central Developmental Working Party | Rs.10b and above |
| <ul style="list-style-type: none"> • Deputy Chairman Planning Commission • Secretaries of the Federal Ministers concerned • Head of Planning Departments of the Provincial Governments. | |
| 4. ECNEC Executive Committee of National Economic Council | <Depend on nature of project> |
| <ul style="list-style-type: none"> • Federal Minister of Finance /Advisor to PM for Finance, Economic and Planning. | |

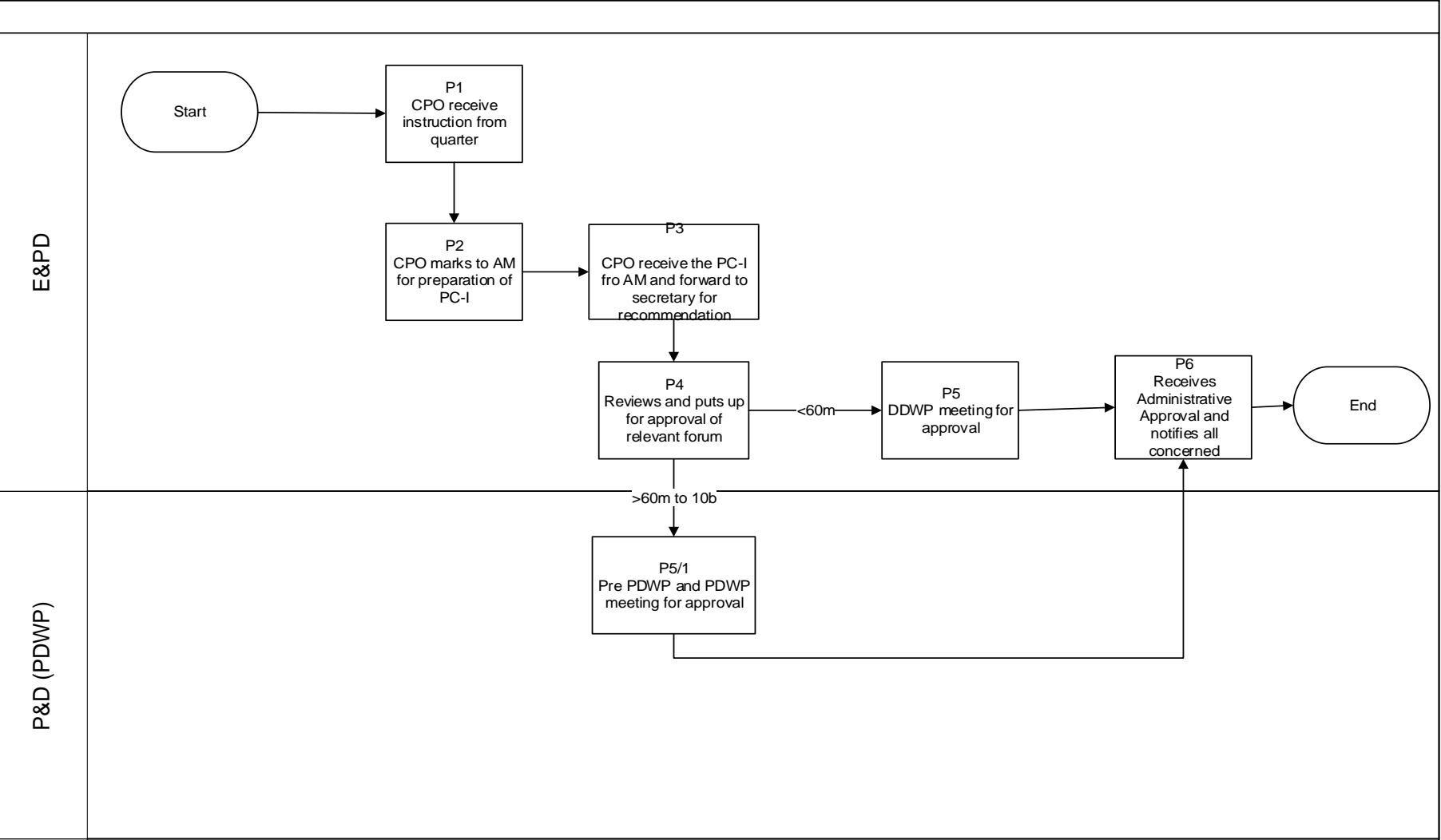
- Federal Ministers of economic ministries.
 - Provincial Governors/ Chief Ministers.
 - Provincial Ministers concerned.
5. Economic Coordination Committee of the Cabinet <Depend on nature of project>
- Federal Minister for Finance
 - Federal Ministers of economic ministries
6. National Economic Council <Depend on nature of project>
- Chief Executive of Pakistan
 - Federal Ministers in-charge of Economic Ministries
 - Deputy Chairman of Planning Commission
 - Governors / Chief Ministers of the Provinces

Section/ Entity	Process Step	Risk	Control
Energy & Power Department - PMC	PI – CPO conceived the project or receives direction to initiate a project from any quarter.	Risk that instruction may not be received on time	Suggested Mitigating Controls: 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 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).
Energy & Power Department - PMC	P2 – CPO issues instructions to AM for preparation of PC-I.	Risk that PC-I may not be accurate	The PC-1 is prepared by Assistant Manager and after extensive review is submitted to CPO for further scrutiny to ensure its accuracy.
		Risk that PC-I may not be submitted on time	Suggested Mitigating Controls: “Please refer to the time service standards control suggested under Process P-1
Energy & Power Department - PMC	P3 – The CPO after review of PC-1 forwards it to Secretary of E&PD for review and submission to competent forum for approval.	Risk that PC-I may not be submitted on time	Suggested Mitigating Controls: “Please refer to the time service standards control suggested under Process P-1
Energy & Power Department – PMC	P4 – CPO after Secretary’s review of PC-I arranges DDWP meeting in the E&PD if the cost of PC-1 less than Rs. 60 million. PC-I costing more than	The meeting may not be held on timely basis.	CPO ensures timely arrangement of meeting of DDWP. Minutes to be recorded and disseminated on timely basis.

	Rs.60 M goes to PDWP as indicated in step P5/1		
		Meeting may not be attended by all the members.	CPO ensures attendance of all members.
		The PC-1 may be referred to a wrong forum.	CPO ensures that PC-1 is referred to the relevant forum.
Energy & Power Department – DDWP	P5 – Approves PC-1 in meeting.	Risk that the mistakes in estimates or information are not highlighted and approval is given on unreasonable PC-1.	DDWP includes several senior officials that mitigates this risk.
			PC-1 is discussed in DDWP after approval of several offices. The risk is minimal at this point.
P & D Department*	P5/1 – Receives PC-1 through proper route, Pre- PDWP meeting is held with economist in P&DD and after adjustments places it before PDWP for approval.	Risk sits in respective entity.	Control against risk sits in respective entity.
Energy & Power Department –	P6 – Receives administrative approval on PC-1 from relevant forum and notifies all concerned.	Risk that, minutes of meeting of approval is not received on time.	CPO will follow up on case.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/department*



Process Narrative Including Risk and Control Matrix	H4
5.8.4 Hiring of Consultants	Process ID: ID/ E&PD/PMC/Hiring of Consultant -01

Background Information

Hiring of consultants is a critical function in cases where the departmental officials lack skill and capacity to contribute. These consultants are hired mainly for the purpose of designing complex / mega projects. He/ She reviews PC-I and prepares all related documents including terms and conditions of the contract on how the schemes will be executed and supervised. He is involved from beginning of the project till its completion.

The overall processes for the selection of consultants and contractors are same except in the evaluation of technical proposals. In selecting a consultant, 80 % marks are awarded to technical qualification and 20% marks to its financial strength. Contractors are to be selected only on the basis of competitive financial bids. Procurement rules 2014 are followed in selection of the consultants. The step by step procedure along with relevant risk and mitigating control is described in below table;

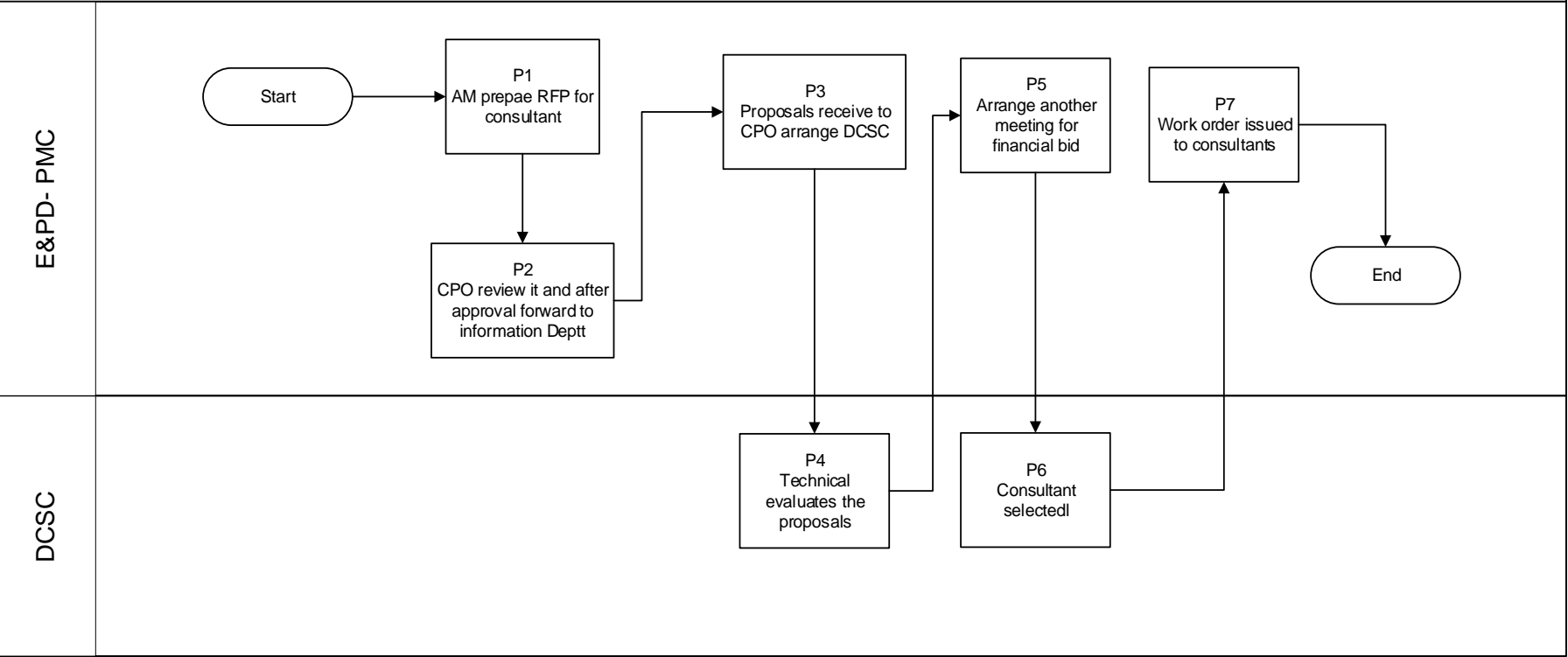
Important Note:

End to end process has been documented for the sake of understanding .The relevant risk and controls that sit in departments/ entities other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department - PMC	P1 - Assistant Manager prepares the detailed RFP including technical and financial proposals and forwards to CPO for review.	Risk that RFP does not reflect all the detailed information	Assistant Manager prepares it and CPO reviews it.
Energy Power Department - PMC	P2 - After CPO, reviews AM and advertises the RFP through Information Department.	Risk that RFP may not be advertised in time	Suggested Mitigating Controls: 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 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)
Energy & Power Department - PMC	P3 -CPO receives Proposals/Bids from consultants and arranges meeting of DCSC (Departmental Committee for Selection of Consultant) for opening of technical bids Meeting Members 1. Secretary E&P 2.C&W Department representative 3. P&D department 4. Finance department 5. Representative of Attached Department. 6. Concerned staff from PMC 7. Consultant himself or	Meeting of DCSC may be delayed. The proceedings of meeting may not be fair or smooth	CPO ensures timely arrangement of DCSC meeting and also secures presence of all members. Minutes of the proceedings are recorded and disseminated to relevant personnel. The members sign the sealed envelopes and bids.

	<p>his/her representative.</p> <p>Opening of Technical proposals by DCSC & each member signs the envelope and other documents.</p>		
Energy & Power Department - PMC	P4- Technical proposals are evaluated and minutes to this effect are recorded and signed by each member of the Committee. Documents are kept in safe custody of AM	The meeting may not be arranged timely.	CPO ensures timely arrangement of meetings and presence of all members.
Energy & Power Department - PMC	P5- CPO arranges another meeting of DCSC for opening of Financial bids. The members of Committee signs the documents. Financial bids are evaluated. Minutes are recorded to this effect and record is kept safe.	CPO may not arrange holding of timely meetings.	Social pressure of public and their representative prevails in gearing efficiency. Minutes of the proceedings are recorded and disseminated to relevant personnel
		The proceedings of the meeting may not be fair or smooth	Marks are awarded according to the pre determined criteria that ensure fairness and transparency.
		The bidder may not receive suitable marks	Marks awarded to each bidder are according to the pre determined criteria.
Energy & Power Department - PMC	P6- Selection is made on Comparative statement (Technical + Financial) marks. CPO compiles the results.	The cumulative marks may wrongly be calculated.	Segregation of duties is followed in such a way that the comparative statement is prepared by AM and reviewed by CPO and then sent Secretary.

Energy &Power Department - PMC	P7 -agreement is signed with an individual consultant or a consulting firm.	Risk that the agreement may be signed with delay as a result of which the cost of project is pushed up.	Suggested Mitigating Controls: “Please refer to the time service standards control suggested under Process Step-2
		The agreement may be faulty and to the disadvantage of either government or the consultant	Suggested Mitigating Control: Agreement may be got vetted from Law Department.



Process Narrative Including Risk and Control Matrix	H5
5.8.5 Monitoring – Progress Review	Process ID: ID/ E&PD/PMC/Progress Review-01

Background Information

One of the functions of Planning & Monitoring Cell of Department of Energy & Power is to review progress of all the attached departments and entities under him on monthly or quarterly basis. The process is initiated on a letter from the Chief Planning Officer addressed to all the attached departments for a progress review meeting. Monitoring Cell prepares working paper and provides essential technical inputs. The working paper is discussed in monthly meeting at Attached Department and quarterly meeting at Energy and Power Department.

Important Note:

End to end process has been documented for the sake of understanding only. The relevant risk and controls that sit in departments/entities other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

Section/ Entity	Process Step	Risk	Control
Energy & Power Department – PMC	P1 – Prepares & sends letter asking for a progress report to all attached departments.	Risk that a letter may not be sent to an attached department or may be sent with delay.	CPO to ensure that progress report is obtained from all the departments.
			Suggested Mitigating Controls: 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 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)
Attached Departments/ *	P2 – Prepare detail progress reports as required and arrange monthly in-house meetings to discuss the progress report.	Risks sit in respective entity.	Controls against risk sit in respective entity.
Attached Departments/ *	P3 – After discussion in meeting send their respective progress reports to E&PD.	Risks sit in respective entity.	Controls against risk sit in respective entity.
Energy & Power Department – PMC	P4 – Reviews and consolidates the data received from all the attached departments and prepares a	Risk that progress is not received in time.	Economist will follow up with attached departments.

	consolidated paper for discussion in the progress review meeting. Any clarification, if required, is sought instantly.		
		Risk that during consolidation a mistake was made either erroneously or deliberately.	A meeting chaired by Secretary Energy & Power reviews the consolidated data and other details that mitigates the risk.
			Suggested Mitigating Controls: The data should be approved by CPO before putting it in agenda of monthly progress meeting.
		Risk that problems are not highlighted at this stage.	A meeting chaired by Secretary, Energy & Power reviews the consolidated data and details that mitigates the risk.
			Suggested Mitigating Controls: The data should be approved by CPO before putting it in agenda of monthly progress meeting.
		Data might not include all entities under Energy & Power Department.	Suggested Mitigating Controls: The consolidation sheet used by the attached departments should be sent to the E&PD. CPO should then check for missing entities to ensure completeness of data.
Energy & Power Department – PMC	P5 – AM prepares summaries / abstracts / working paper as required for quarterly progress meetings.	Risk of mistake in the summaries / abstracts / working papers prepared.	Suggested Mitigating Controls: The summaries / abstracts / working papers data should be reviewed and verified by another person in the Department to mitigate this risk.
Energy & Power Department –	P6 – Discusses progress in	Risk of important aspects / issued not	Suggested Mitigating Controls:

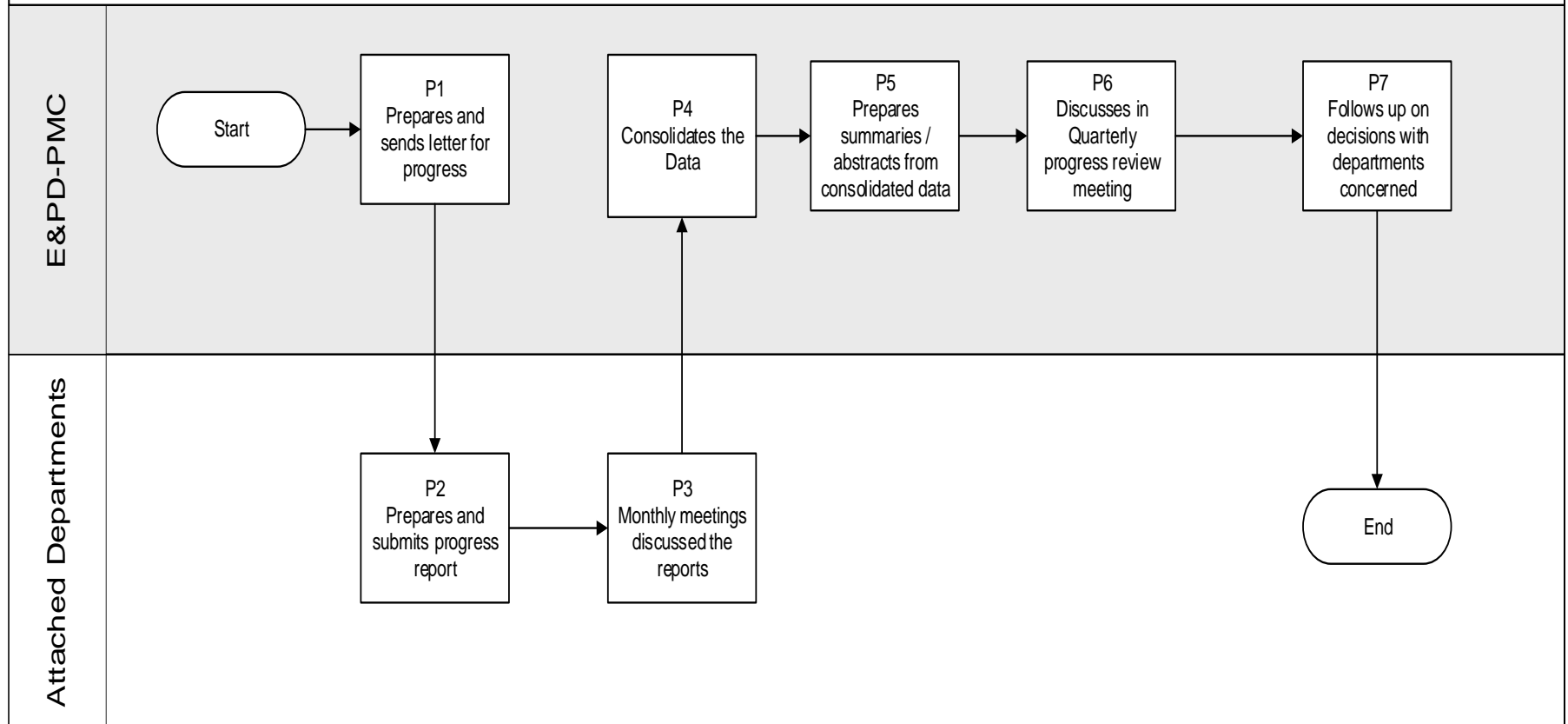
PMC	Quarterly progress review meeting whereby directions are given to complete the schemes according to schedule; the meeting also resolves the issues that affects the pace of development. Minutes are accordingly issued	included in the meeting.	The summaries / abstracts / working papers data should be reviewed and verified by another person in Department since all issues on these documents are discussed.
		Risk of delay in meeting.	This meeting takes place at Energy & Power Department headed by Secretary Energy & Power at least once a month to review progress.
Energy & Power Department – PMC	P7 – Follows up accordingly as per minutes of progress review meeting.	Risk that no action was taken to follow up on decisions.	The minutes of previous meeting are discussed in the next meeting. Alongside, the Economist is asked for a follow up on previous decisions/minutes.

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/department*

Energy & Power Department – Progress Review

Process ID: ID/ E&PD/PMC/Progress Review-01



5.9 I– Litigation

Process Narrative Including Risk and Control Matrix	I1
5.9.1 Litigation Process – Services Matters	Process ID: ID/ E&PD/Litigation Process -01

Background Information:

An aggrieved official can file a case in Service Tribunal or in any other competent forum having jurisdiction in a matter and the Defendant party of the case may be any officer including Secretary Energy & Power or the Chief Secretary. During the litigation process, the E&PD interacts with different organisations including Service tribunal, government pleader, and Law Department or may be the Supreme Court in case an appeal by any party is preferred against a decision by a lower forum.

If a case is under adjudication in the Service Tribunal, vetting of government defence is done by a government pleader at the Service Tribunal and in cases before the High and Supreme Courts, the para- wise comments are vetted by Advocate General's Office to ensure accuracy of facts and their stance of reasonableness before the law and regulations before filing in the Service Tribunal or High Court or Supreme Court as the case may be.

After an adverse judgement by the Service Tribunal, E&PD consults Law Department for the final review of the judgment and the Law Department advises whether to fight the case in the Supreme Court or otherwise?

Important Note:

End to end process has been documented for the sake of understanding only. The relevant risk and controls that sit in departments/entities other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

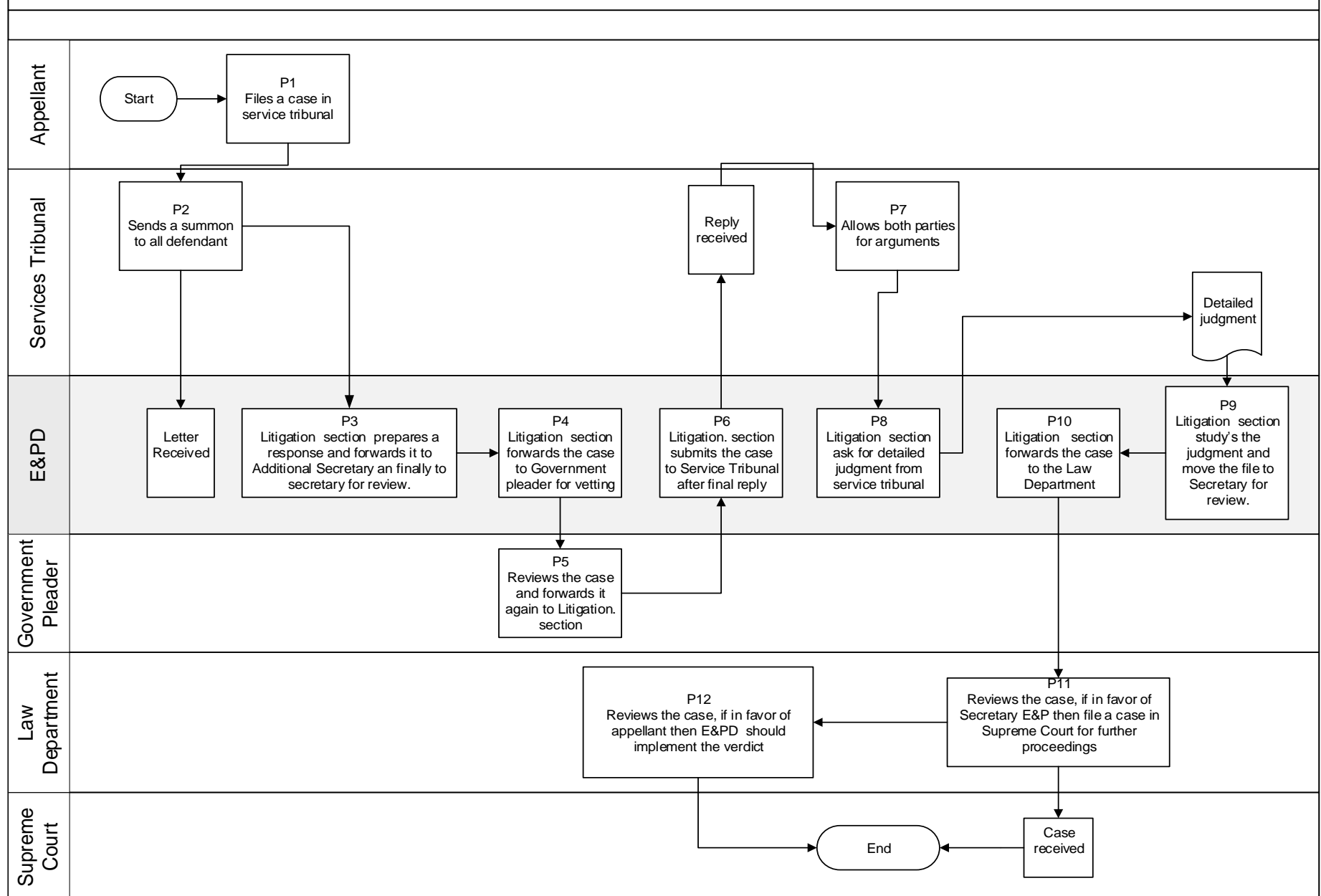
Section/ Entity	Process Step	Risk	Control
Aggrieved Official *	P1 – Files a case in Services Tribunal.	No appropriate risk.	No appropriate control
Services Tribunal*	P2 – Sends a summon to all defendants to attend and defend.	Risk sits with Services Tribunal	Control sits with Services Tribunal
Energy & Power Department — SO Litigation	P3 – Prepares para wise reply in consultation with concerned section and forwards the case to Additional Secretary r route to the Secretary for his vetting. Secretary returns the file through the same channel after vetting.	Risk that the file will not be forwarded on time for further processing.	Secretary/Additional Secretary will inquire about it.
			Suggested Mitigating Control A complete list of all the cases and their current status should be prepared by the computer operator in the SO(L) section on fortnightly basis. This list should be reviewed by SO(L) and finally by the Additional Secretary.
			Suggested Mitigating Controls: 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 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)
Energy & Power Department – SO Litigation	P4 – Forwards the comments for vetting to a government pleader through his channel of command.	Risk that SO (L) will not follow up with government pleader.	AS is assigned to follow up the case on daily basis.
Government Pleader*	P5 – Vets and sends the case back through the same channel.	Risk sits with Government Pleader	Risk sits with Government Pleader
Energy & Power Department – SO Litigation	P6 –Files the Defence (Written statement) in the Services Tribunal.	Risk that the filing of case may be delayed to the disadvantage of government interest.	Secretary follow ups the case on regular basis.
			Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P3
Services Tribunal*	P7 – Allows parties to produce evidence and argue the case and then decides it on merit.	Risk sits with the party failing to argue the case properly.	Control sits with government pleader and the Department.
Energy & Power Department – Litigation Section – Dealing Assistant	P8 –Files application before the Services Tribunal for a copy of the detailed judgment.	Risk that a copy of the judgment is not requested at all	Secretary asks for a copy of the the detailed judgment.
		Risk that the certified	Suggested Mitigating Control – A complete list of all the cases and

		copy of the decision is not obtained on time and as a result the time for appeal lapses.	their current status should be prepared by SO(L) on fortnightly basis to be reviewed by AS for positive and timely intervention
Energy & Power Department – SO Litigation	P9 – Examines the detailed judgment and puts the file to Additional Secretary and finally to Secretary with his comments suggesting way forward.	Risk that the file is not forwarded on time.	Secretary will ask for the verdict given by the Service Tribunal.
			Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P3
Energy & Power Department – SO Litigation	P10 – Submits the case to the Law Department for opinion.	Risk that the case is not submitted on time.	SO (L) follows up with the Law Department.
			Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P3
Law Department*	P11 – Receives case from Litigation Section for opinion and advises as deemed fit in public interest and in interest of justice.	Risk sits with Law Department.	Control sits with Law Department.
Law Department*	P12 –If advises that the judgment by the Services Tribunal in the favour of appellant/aggrieved official cannot be challenged, the verdict is	Risk sits with Law department.	Control sits with Law Department.

	implemented by the Department. If Law Department advises otherwise, the appeal is filed in SC.		
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Note
**These process steps have been included just for the sake of understanding and will be audited in the respective entities/departments*



Process Narrative Including Risk and Control Matrix	I2
5.9.2 Litigation Process – Civil Matters	Process ID: ID/ E&PD/Litigation Process – 02

Background Information:

An aggrieved party can file a case in District/High/Supreme Court and the Defendant party of the case may be the Secretary E&PD or the Chief Secretary. During the litigation process the E&PD interacts with different organizations including District/High/Supreme Court, government pleader, and law department. parawise comments involves vetting (by the advocate general for high court and above) is a process through which the contents of the department's reply are examined for reasonableness against the relevant laws and regulations before forwarding to the District/High/Supreme Court. In case of lower courts, the vetting is done by a Government Pleader. After judgment by the District/High/Supreme Court, E&PD consults Law Department for determining the way forward.

Important Note:

End to end process has been documented for the sake of understanding only .The relevant risk and controls that sit in departments/entities other than Energy & Power shall be documented at the respective departments/entities. Only risk and controls relating to E&PD have been documented here.

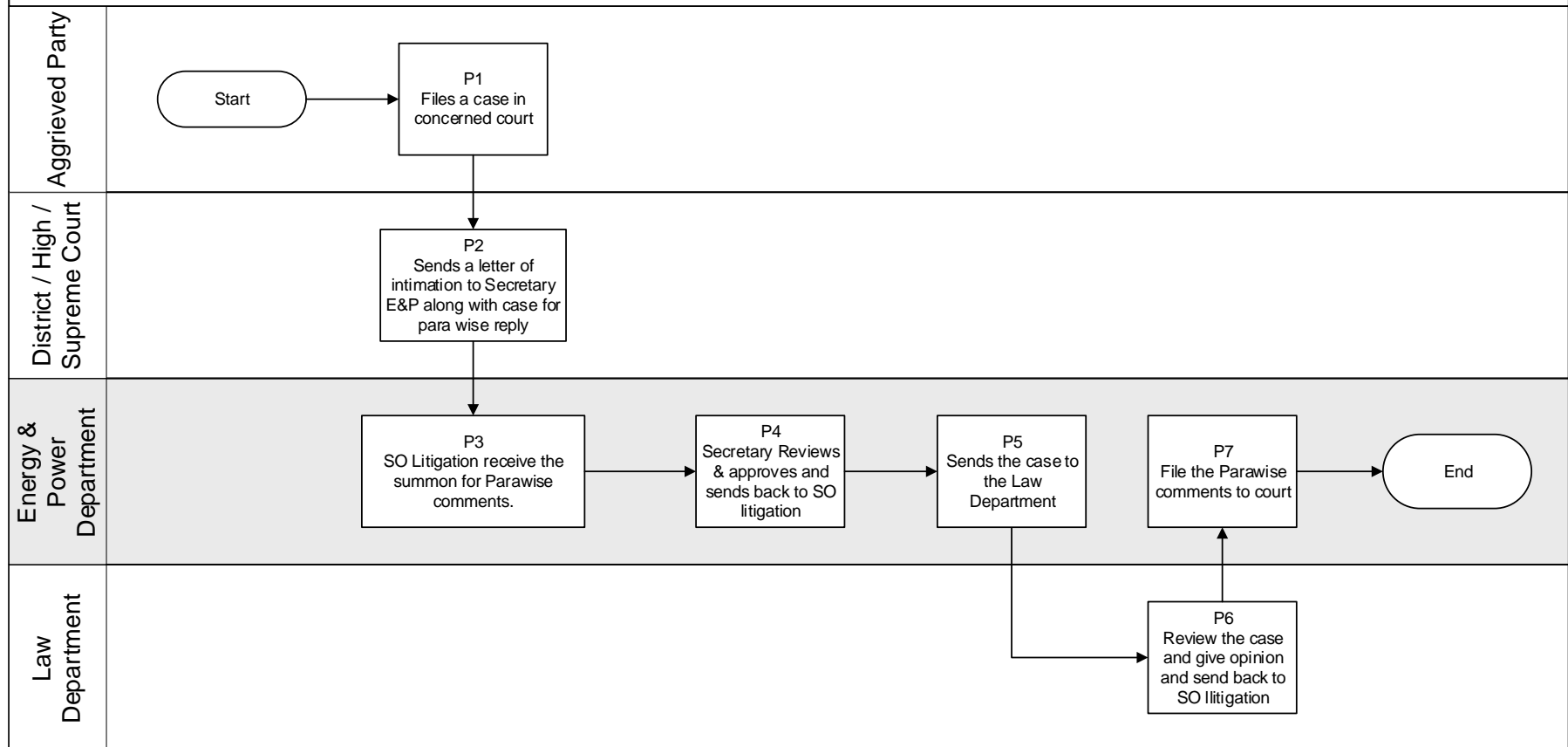
Section/Entity	Process Step	Risk	Control
Aggrieved Party*	P1 – Files a case in District/High/Supreme Court As the case may be.	No appropriate risk.	No appropriate control.
District/High/Supreme Court*	P2 – Sends a summon to the Secretary intimating to defend the case if desired.	Risk sits with District/High/Supreme Court.	Control sits with District/High/Supreme Court.
Energy & Power Department – SO Litigation	P3 – Receives the summon, through proper channel for Para wise comments on the appeal and submits the file to the Secretary.	Risk of mistake in information prepared by SO (L).	All record is reviewed and approved by Secretary routed through Additional Secretary.
			Suggested Mitigating Control – A complete list of all the cases and their current status should be prepared by the superintendent on fortnightly basis. This list should be reviewed by SO(L) and finally by the Additional Secretary.
		Risk of delay in forwarding file to Secretary for approval.	The Court Concerned will follow up with the E&PD for replies. Moreover, when the E&PD is intimated about the date of hearing by the District/High/Supreme Court, they will automatically forward the case to concerned attached department.
Energy & Power Department – Secretary	P4 – Reviews and approves Para wise comments and signs the power of attorney delegated to SO (L) for	Risk of approval on incorrect information by Secretary Energy & Power.	The record is normally processed through proper route (i.e. through Additional Secretary that reviews

	defending the case and returning to SO (L) for filing it in the court after taking legal opinion from the Law Department		the case) which mitigates the risk.
		Risk that approval is not given on time.	SO (L) will follow up the case.
Energy & Power Department –Litigation Section– SO Litigation	P5 – Sends the case to Law Department for legal opinion/review of Para wise comments	Risk of delays in sending the case to Law Department.	Control sits both in the Energy & Power Department and Law Department.
		.	Secretary will inquire about it
			Suggested Mitigating Controls: 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 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)
Law Department*	P6 – Reviews the Para wise comments and after giving its legal opinion (if any) returns the file to Secretary	Risk sits with Law department.	Control sits with Law Department.

	E&PD who sends it down the line to SO litigation.		
Energy & Power Department – SO litigation	P7 – Files the Para wise comments in the concerned court and informs the Government Pleader etc. Regularly pursues the case	Risk that comments may not be filed on time.	Suggested Mitigating Controls: Please refer to time service standards control suggested under process step – P5

Note

**These process steps have been included just for the sake of understanding and will be audited in the respective entities/department*



6. Section III

Audit Programs

6.1 A - Budget Management –Consolidation & Preparation

AUDIT PROGRAM	A1
6.1.1 Budget Management – Developmental Budget	Process ID: ID/E&PD/BM/Consolidation/Dev-01

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:

- Budgets are properly reviewed and consolidated
- Budget process is timely and responsive.

	Audit Procedure	Done By:	WP Ref.
	<p>Budgets – Timely communication and proper consolidation</p> <p>For Energy & Power Department's Projects</p> <ul style="list-style-type: none"> ▪ Does the instructions from P&D are received in time by the entity? (this should be in August or September) ▪ Is there a central coordination team within the E&PD to ensure that the overall entity's budget is aggregated and includes the highest priority items within the government's priorities? ▪ Are the Instructions from P& communicated to all the relevant personnel on time? ▪ Is there a central policy and coordination function to provide Government with a budget that is consistent with, and further, the government's set of priorities? ▪ Does Chief Planning Officers include the all relevant data about new schemes on ADP pro-forma? ▪ Is the minutes of meeting of preparation of budget is recorded and kept safe? ▪ If yes, please check minutes of such meetings for last 3 years. ▪ Is there a demand file that is prepared and reviewed by different 		

	<p>people for demands over the year?</p> <ul style="list-style-type: none"> ▪ Is the statistical data available within PMC up-to-date? ▪ Is the ADP pro-forma copy for last three years available in PMC? ▪ For rejected items in proposed ADP, is there written justification provided to PMC? If not, then note it as observation. ▪ For the current year budget, check that any budget preparation sheet is prepared and signed by the controlling officer. ▪ Demand for budget preparation sheet. If not available make a note. ▪ Check the casting and cross casting of the budget preparation sheet (if available). ▪ Check the approval of the budget data by the CPO and Secretary E&PD. <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 Instruction are followed</p> <p>For Attached Department’s Projects (If any)</p> <ul style="list-style-type: none"> ▪ <i>Does the instructions from P&D are received in time by the entity? (this should be in August or September)</i> ▪ Is there a central coordination team within the Department to ensure that the overall Attached Department budget is aggregated and includes the highest priority items within the government’s priorities? 		
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	<ul style="list-style-type: none"> ▪ <i>Is there a process in place to provide clear instructions to each Attached Departments for the preparation of the budget each year?</i> ▪ <i>Are the Instructions from the PC&D Department communicated to all the Attached Departments on time? (Enough time should be given so that budget is prepared at the Attached Department)</i> ▪ <i>Is the data collection pro-forma / forms available online to all Attached Departments?</i> ▪ Is there a central policy and coordination function to aggregate the budgets from every Attached Department and provide Government with a budget that is consistent with, and further, the government's set of priorities? ▪ For the current year budget kindly check that any consolidation sheet is prepared and signed by the controlling officer. ▪ Kindly demand for consolidation sheet. If not available make a note. ▪ Is there any check on ensuring all Attached Departments are notified to submit their data? ▪ Does concern SO ensure that forms are received from all Attached Departments? ▪ Kindly check the casting and cross casting of the consolidation sheet (if available). <p>If consolidation sheet is available then perform the following;</p> <ol style="list-style-type: none"> 1. For a sample of Attached Departments from the consolidation sheet compare the figures to the compiled budget data sent by the Attached Departments (where applicable) 2. Trace some of the compiled data sent by Attached Departments to the consolidation sheet (if applicable). <ul style="list-style-type: none"> • Check the variation in the Attached Departments budget against the previous year and enquire about significant changes 	
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	<ul style="list-style-type: none"> • Use analytical procedure to find the variation in budgeted data. • Enquire from management about high variation in budget data and note the management comments. ▪ Check the approval of the budget data by the Additional Secretary and Secretary of the department. ▪ Review that the budget data is sent to the P&D Department within the time specified in the guidance issued by the Department. <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 Instruction are followed</p>		
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AUDIT PROGRAM	A2
6.1.2 Budget Management – Consolidation – Non-Developmental Budget (Demands for grants)	Process ID: ID/E&PD/BM/Consolidation/Non Dev–01

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.

	Audit Procedure	Done By:	WP Ref.
	<p>Attached Department's Budgets – Timely communication and preparation</p> <ul style="list-style-type: none"> ▪ Does the budget circular and ceiling budget is received in time by the entity? (this should be in August or September) ▪ Is there a central coordination team within the Department to ensure that the overall entity's budget is aggregated and includes the highest priority items within the government's priorities? ▪ Is there a process in place to provide clear instructions to each Attached Department? ▪ Are the Instructions from the Finance Department including Budget Call Circular and ceiling budget communicated to concern section at E&PD and all the Attached Departments in time? (Enough time should be given so that budget is prepared at the Attached Department level) ▪ Is there a central policy and coordination function to prepare E&PD budgets and to aggregate the budgets from every Attached Department and provide Government with a budget that is consistent with, and furthers, the government's set of priorities? 		

	<p><i>E&PD's Budget</i></p> <ul style="list-style-type: none"> ▪ compare the figures to the budget data with; <ul style="list-style-type: none"> • Form BM-1&2 (Estimates of current expenditure such as salary and non-salary). • Form BM-6/9 (Schedule for new expenditure such as new Vehicle purchase). ▪ Check the casting and cross casting of the budget and basis used for the calculation. ▪ Review the budget file and ensure that changes if any recommended by Secretary are properly incorporated. ▪ Check the variation in the budget against the previous year and enquire about significant variations. ▪ Use analytical procedure to find the variation in budgeted data. ▪ Enquire from management about high variation in budget data and note the management comments. ▪ Check the approval of the budget data by the Additional Secretary and Secretary of the department. ▪ Ensure that the limit of ceiling budget is not exceeded. ▪ Review that the budget data is sent to the Finance Department within the time specified in the guidance issued by the Department. (01 January for Permanent estimates and 01 February for Temporary estimates). ▪ 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 Instruction are followed. 		
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	<p><i>Attached Department's Budget</i></p> <ul style="list-style-type: none"> ▪ Demand for the complete list of Attached Departments and use this list to ensure that all the Attached Departments are included. ▪ Ensure that demands received from all Attached Departments within the stipulated time. ▪ Ensure the approval of budget data by the head of the Attached Department. ▪ Check the casting and cross casting of the budget and basis used for the calculation. ▪ For a sample of Attached Department from the list compare the figures to the budget data sent by the Attached Department with; <ul style="list-style-type: none"> 1. Form BM-1&2 (Estimates of current expenditure such as salary and non-salary). 2. Form BM-6/9 (Schedule for new expenditure such as new Vehicle purchase). ▪ Check the variation in the budget against the previous year and enquire about significant variations ▪ Use analytical procedure to find the variation in budgeted data. ▪ Enquire from management about high variation in budget data and note the management comments. ▪ Ensure that the limit of ceiling budget is not exceeded. ▪ Select a sample of Attached Department and Check current year original budget against allocated Budget Ceiling. ▪ Check the approval of the budget data by the Additional Secretary and Secretary of the department. ▪ Review that the budget data is sent to the Finance Department within the time specified in the guidance issued by the Department. (01 January for Permanent estimates and 01 February for Temporary estimates) 		
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	<ul style="list-style-type: none"> ▪ 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 Instruction are followed. 		
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AUDIT PROGRAM	A3
6.1.3 Budget Management – Revenue Estimates	Process ID: ID/E&PD/BM/Consolidation/Rev-01

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.

	Audit Procedure	Done By:	WP Ref.
	<p>Revenue Estimates – Timely communication and proper consolidation</p> <ul style="list-style-type: none"> ▪ <i>Does the “own receipt letter “is received in time by the entity? (This should be in January each year.)</i> ▪ Is there a central coordination team within the Department to ensure that the overall entity’s revenue estimates is aggregated and includes the highest priority items within the government’s priorities? ▪ <i>Is there a process in place to provide clear instructions to each Attached Departments / Entities under Attached Departments for the preparation of the revenue estimates each year?</i> ▪ <i>Are the Instructions from the Finance Department communicated to all the Attached Departments on time? (Enough time should be given so that revenue estimates is prepared.)</i> ▪ Is there a central policy and coordination function to aggregate the revenue estimates from every Attached Department and provide Government with a data that is consistent with, and furthers, the Government’s set of priorities? ▪ For the current year revenue estimates kindly check that the consolidation sheet (if available) prepared is signed by the controlling officer SO(B&A). 		

	<ul style="list-style-type: none"> ▪ Demand for the complete list of Attached Departments and use this list to ensure that all the Attached Departments are included. ▪ Kindly demand for consolidation sheet. If not available make a note. ▪ Check the casting and cross casting of the budget and basis used for the calculation. ▪ Check the variation in the revenue estimates against the previous year and enquire about significant changes <ul style="list-style-type: none"> • Use analytical procedure to find the variation in revenue estimated data. • Enquire from management about high variation in data and note the management comments. ▪ Check the approval of the revenue estimate data by the Budget officer, Additional Secretary and Secretary of the department. ▪ Review that the revenue estimate data is sent to the Finance Department within the time specified in the guidance issued by the department. ▪ 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 Instruction are followed. 		
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AUDIT PROGRAM	A4
6.1.4 Budget Management–Re–Appropriation/Surrender of savings	Process ID: ID/E&PD/BM/Re– appropriation–01

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.

	Audit Procedure	Done By:	WP Ref.
	<p>Statement of Re–appropriation/Surrenders – Timely communication and proper consolidation</p> <ul style="list-style-type: none"> ▪ Does the instruction about Re–appropriation/Surrenders of savings is received in time by the entity? ▪ Is there a central coordination team within the Department to ensure that the overall entity’s Re–appropriation/Surrenders of savings is aggregated? ▪ Is there a process in place to provide clear instructions to each Attached Departments for the preparation of the statement of Re–appropriation/Surrenders of savings each year? ▪ Are the Instructions from the Finance Department communicated to all the Attached Departments on time? ▪ Is there a central policy and coordination function to aggregate the statement of re–appropriation/surrenders from every Attached Department? <p><i>E&PD’s Surrenders/Re appropriation</i></p> <ul style="list-style-type: none"> ▪ Check the variation in the statement of re–appropriation/surrenders of savings against the previous year and enquire about significant changes • Use analytical procedure to find the variation in statement of re–appropriation. 		

	<ul style="list-style-type: none"> • Enquire from management about high variation in data and note the management comments. • Check the segregation of duty. <ol style="list-style-type: none"> 1. Statement is prepared by. 2. Checked by. 3. Approved by. ▪ Check the approval of the statement of re-appropriation/surrenders of savings by the DDO/ SO(G). ▪ Review that the statement of re-appropriation/surrenders of savings is sent to the Finance Department within the time specified in the guidance issued by the department. ▪ Check that audit copy is prepared and duly signed by DDO/ SO(G) and concerned officer of Finance Department. ▪ Is a rolling budget forecast made by the Department to ascertain the position of excess/surrender early in the Financial Year? ▪ 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 Instruction are followed <p><i>Attached Departments’ Surrenders/Re appropriation</i></p> <ul style="list-style-type: none"> ▪ For the current year statement of re-appropriation/surrenders of savings, kindly check that the list prepared is signed by the controlling officer. ▪ Ensure that statements received within the stipulated time from Attached Department. ▪ Check the casting and cross casting of the statements. ▪ Check the variation in the statement of re-appropriation/surrenders of savings against the previous year and enquire about significant changes 		
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	<ul style="list-style-type: none"> • Use analytical procedure to find the variation in statement of re-appropriation. • Enquire from management about high variation in data and note the management comments. • Check the segregation of duty. <ul style="list-style-type: none"> 4. Statement is prepared by. 5. Checked by. 6. Approved by. <ul style="list-style-type: none"> ▪ Check the approval of the statement of re-appropriation/surrenders of savings by the SO (B&A). ▪ Review that the statement of re-appropriation/surrenders of savings is sent to the Finance Department within the time specified in the guidance issued by the department. ▪ Check that audit copy is prepared and duly signed by SO (B&A) and concerned officer of Finance Department. ▪ Is a rolling budget forecast made by the Department to ascertain the position of excess/surrender early in the Financial Year? <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 Instruction are followed</p>		
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6.2 B – Human Resources Management

AUDIT PROGRAM	B1
6.2.1 Hiring process– Gazetted / Non-Gazetted Employees	Process ID: ID/E&PD/HRM/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

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>AT E&PD</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"> ▪ The sanction letter is duly signed by the budget officer V in Finance Department and SO(G) in Energy & Power Department ▪ The requisition for recruitment is signed by the Secretary Energy & Power Department before forwarding to Establishment ▪ Notification is checked with respect to the signature of SO in Energy & Power Department ▪ The arrival report is attached and duly signed by the DDO/SO (G) Energy & Power Department and by the employee. ▪ The medical report is attached. ▪ The appointment notification from Establishment dept. is present in file and signed. ▪ Ensure the following: <ul style="list-style-type: none"> ✓ Medical report is signed by the Medical Superintendent civil hospital ✓ Finger prints of the candidate are present ✓ Medical report is signed by the DDO/SO (G) Energy & Power Department 		
	FOR AG's OFFICE DOCUMENTS		

	<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"> ▪ Check that the source 1 form is completely filled ▪ Verify the data entered on the source 1 form with the supporting documents e.g. (CNIC and notification) ▪ Check that the notification is attached and date of expiry of CNIC ▪ The copy of payslip is present in accounts section ▪ Payslip is signed by the DDO/SO(G) Energy & Power Department ▪ The following heads of source 1 form is filled correctly <ul style="list-style-type: none"> ✓ DDO CODE (COST CENTER) ✓ PERSONNEL ACTIONS – INFO TYPE 00 ✓ PERSONAL DATA – INFO TYPE 0002 ✓ ORGANISATIONAL ASSIGNMENT – INFO TYPE 0001 ✓ PRESENT ADDRESS – INFO TYPE 0006 ✓ PERMANENT ADDRESS – INFO TYPE 0006 ✓ BASIC PAY – INFO TYPE 0008 ✓ LEAVES – INFO TYPE 2001 ✓ BANK DETAIL – INFO TYPE 0009 ✓ GP FUND SUBSCRIPTION – INFO TYPE 0057 ✓ CREATE DATA SPECIFICATION – INFO TYPE ✓ INTERNAL DATA – INFO TYPE 0032 ✓ FAMILY INFORMATION – INFO TYPE 0021 ✓ RECURRING PAYMENTS (ALLOWANCES) – INFO TYPE 0014 ✓ RECURRING PAYMENTS (ALLOWANCES) – INFO TYPE 0014 ✓ RECURRING PAYMENTS (DEDUCTIONS) – INFO TYPE 0014 ✓ PAYROLL – INFO TYPE 003 ▪ The source 1 form is signed by the DDO/SO(G) Energy & Power Department ▪ 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. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		
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AUDIT PROGRAM	B2
6.2.2 Posting and Transfer – Gazetted/Non Gazetted Employees	Process ID: ID/ E&PD/HRM/Posting–Transfer 01

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's office is filled completely

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>AT E&PD</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"> ▪ Notification from Secretary Establishment is present and signed by the SO concerned. ▪ Notification from Secretary Energy & Power Department is present and signed by the DDO/SO(G) Energy & Power Department 		
	<p>FOR AG's OFFICE DOCUMENTS</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"> ▪ That the source 2 form is filled completely and accurately ▪ Source 2 form is duly signed by the DDO/SO(G) Energy & Power Department and by the one who prepared the form ▪ Notification/office order is attached ▪ That the source 3 form is filled completely and accurately ▪ Source 3 form is duly signed by the DDO/SO(G) Energy & Power Department and by the one who prepared the form ▪ Notification/office order is attached ▪ The following documents are attached with the source 2 and 3 form: 		

	<ul style="list-style-type: none"> ✓ Notification ✓ Charge assumption ✓ House rent certificate ✓ Vehicle certificate ✓ Service book <ul style="list-style-type: none"> ▪ Charge assumption certificate is duly signed by the DDO/SO(G) and accounts officer Energy & Power Department ▪ House rent and vehicle certificate is duly signed by the Secretary and DDO/SO (G) Energy & Power Department and in addition to this three specimen signatures of the employee is present <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		
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AUDIT PROGRAM	B3
6.2.3 Promotion – Gazetted / Non-gazetted Employees	Process ID: ID/ E&PD/HRM/Promotion-01

AUDIT PROGRAM

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- Timely promotion of the Employees.
- Process of promotion is smooth and transparent.
- Compliance with rules and regulation.

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls ; Obtain the documents of the promotion made in the period under review and:</p> <ul style="list-style-type: none"> ▪ Enquire from the General Section Dealing Assistant how the vacant posts are identified and obtain documentary evidence. ▪ The quota for filling the post from 18 to 19 is 100% by promotion. ▪ Ensure the seniority list is approved from CS as per section 8(5) of the KP civil servants act and an attested copy from DDO/SO(G) is attached with working paper. Verify the certificate with the Seniority list from DDO/SO(G) that it not disputed. ▪ Review the approval of Secretary. ▪ Ensure the safe and secure custody of PER, seniority list etc. ▪ Review the working papers for its authenticity and accuracy. Cross checked it with the ACR, Seniority list and personal files of the applicant. ▪ Obtain copy of the guidelines for submission of working paper to PSB and check the completeness of the working paper with the guild lines. ▪ Review that a certificate is attached and sign by an Energy & Power Officer that all the information are correct and all the formalities are fulfilled. 		

	<ul style="list-style-type: none"> ▪ Identify any objection by the SO(PSB) and timeliness of the response by DDO/SO(G) ▪ Review the minutes of the meetings of PSB and recommendations made. Identify the date issue of the minutes of the meeting. ▪ Review the Summary to CM and ensure its completeness by checking all the relevant documents. ▪ Check the date of the Summary to CM and date of dispatch. ▪ Review the date of the final notification and ensure its timeliness. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed. 		
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AUDIT PROGRAM	B4
6.2.4 Training and Development – Foreign - All Employees	Process ID: /E&PD/HR/training & Development –01

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

	Audit Procedure	Done By:	WP Ref.
	<p>Tests:</p> <ul style="list-style-type: none"> ▪ Verification of Job descriptions to check it is properly defined by the related department. ▪ Inquire from Training section either In-house or Out-side training and development was provided to employees to update their expertise. ▪ Inquire/inspection of documents if any prepared by HR (Human Resource) against the employees trainings. ▪ Discussion with employees about their knowledge and expertise in related areas. ▪ Verify if any training needs assessment (TNA) is carried out by department ▪ Enquire about any HR database being maintained at the department level. ▪ Verify the role and responsibilities of employee's and ensure that their duties are properly segregated from each other. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed. 		

AUDIT PROGRAM	B5
6.2.5 Leave encashment – Gazetted Employees	Process ID: ID/ E&PD/HRM/Leave encashment-01

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- There are controls over the leave encashment process
- There is adequate separation of duties
- Leave encashment bill is prepared correctly

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>AT E&PD</p> <p>Select a sample of leave encashment (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> ▪ Notification for leave encashment for the concerned employee is present ▪ Notification from Secretary Establishment is duly signed by the SO (ESTT-I) and SO (G) Energy & Power Department/ (DDO) ▪ Payroll of the employee is signed by the SO(G) Energy & Power Department/ (DDO) ▪ Source III form is present and signed by Cashier. ▪ If possible, verify the dispatch of documents from diary out. 		
	<p>FOR AG's OFFICE DOCUMENTS</p> <p>Select a sample of leave encashment (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> ▪ Calculation for Leave encashment bill is correct ▪ Leave encashment bill is duly signed by the Secretary Energy & Power Department and DDO/SO (G) Energy & Power Department. ▪ The notification for leave encashment is enclosed with the transfer confirmation. 		

	<ul style="list-style-type: none"> ▪ Payroll copy is enclosed with the transfer confirmation. ▪ Provincial coded classification per-forma is filled completely and accurately. ▪ Pro forma comprises on the following heads: <ul style="list-style-type: none"> ✓ Sub head ✓ Govt. code ✓ Business area ✓ Cost cent/DDO ✓ Detail function ✓ Vendor number ✓ C.L. code ✓ C.N. code ✓ Object code (Payment) ✓ Object code (Deduction) ✓ Gross payment ✓ Net payment ✓ Deductions ▪ Provincial coded classification per-forma is duly signed by the Secretary Energy & Power Department and DDO/SO(G) Energy & Power Department ▪ Demand for an Aging report of amounts outstanding for more than 30 days. Please check the report is reviewed by Additional Secretary. ▪ Enquire about any amount outstanding for more than 30 days and note down the reasons. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		
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AUDIT PROGRAM	B6
6.2.6 Leave encashment – Non–Gazetted Employees	Process ID: ID/ E&PD/HRM/Leave encashment–02

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- There are controls over the leave encashment process
- There is adequate separation of duties
- Leave encashment bill is prepared correctly

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>AT E&PD</p> <p>Select a sample of leave encashment (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> ▪ Notification for leave encashment for the concerned employee is present. ▪ Notification from Secretary Energy & Power Department is signed by the DDO/SO(G) Energy & Power Department ▪ Payroll of the employee is signed by the DDO/SO(G) Energy & Power Department 		
	<p>FOR AG's OFFICE DOCUMENTS</p> <p>Select a sample of leave encashment (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> ▪ Calculation for Leave encashment bill is correct ▪ Leave encashment bill is duly signed by the Secretary Energy & Power Department and DDO/SO (G) Energy & Power Department ▪ The notification for leave encashment is enclosed with the bill ▪ Payroll copy is enclosed with the bill ▪ Provincial coded classification per-forma is filled completely and accurately ▪ Pro forma comprises on the following heads: 		

	<ul style="list-style-type: none"> ✓ Sub head ✓ Govt. code ✓ Business area ✓ Cost cent/DDO ✓ Detail function ✓ Vendor number ✓ C.L. code ✓ C.N. code ✓ Object code (Payment) ✓ Object code (Deduction) ✓ Gross payment ✓ Net payment ✓ Deductions <ul style="list-style-type: none"> ▪ Provincial coded classification per-forma is duly signed by the Secretary and DDO/SO(G) Energy & Power Department ▪ Demand for an Aging report of bills outstanding for more than 30 days. Please check the report is reviewed by Additional Secretary. ▪ Enquire about any bill outstanding for more than 30 days and note down the reasons. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		
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AUDIT PROGRAM	B7
6.2.7 Pension and GP Fund – Gazetted Employees	Process ID: ID/ E&PD/HRM/Retirement Process–01

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- There are controls over the retirement process
- There are controls that calculation of Pension/GP Fund and Benevolent fund is properly done
- There is adequate separation of duties

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>FOR PENSION DOCUMENTS</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"> ▪ The form 3 (PEN) Part –1 is duly completed by the applicant along with the three specimen signatures and three photographs (These should be duly attested) ▪ The Pension Case is duly approved by the Secretary Establishment ▪ The following certificates are attached with the application: <ul style="list-style-type: none"> No Demand Certificate (If Applicable) No Advance Certificate (If Applicable) Stoppage of Pay Certificate Consolidated Clearance Certificate Qualifying Service Certificate List of Family Members <p>These certificates are countersigned by the DDO/SO (G) after signature from the pensioner</p> <ul style="list-style-type: none"> ▪ The form 3 (PEN) Part – II is approved by head of the department ▪ Verify the data entered on the Part –II with the supporting documents e.g. (DOB, Date of commencement, Length of service) ▪ Confirm the last pay with the salary slip 		

	<ul style="list-style-type: none"> ▪ The calculation of the pension is performed properly according to the government rules. Please re-perform. ▪ Check the casting of Part – II is correct ▪ The split between value of commutation and net pension is correct ▪ The calculation of Section 6 is performed correctly 		
	<p>FOR BENEVOLENT FUND DOCUMENTS</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"> ▪ The form Part I and Part II are duly filled. ▪ Verify the data entered on the form with the supporting documents e.g. (DOB, Date of commencement, Length of service, Details of family members, Approval of retirement by Secretary Establishment) ▪ Check whether the form is signed by the applicant ▪ The form should be counter signed by SOG and the head of the department. ▪ Check that the copy of the last pay slip is signed by the SOG ▪ Check for deduction of benevolent fund on the salary slip 		
	<p>FOR G.P FUND DOCUMENTS</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"> ▪ The General Provident Fund Claim Verification pro forma (GCVP) is attached and signed by both subscriber and a responsible officer of Energy & Power Department ▪ Verify the Cost centre, personal number, name, G.P fund number with the Salary slip ▪ Ensure that any loan against GP fund has been properly accounted for ▪ Please check the amount of the GP fund payable to the GP Fund balance Sheet of the employee ▪ The GP Fund balance sheet must have been verified by AG and countersigned by the responsible officer of Energy & Power Department. ▪ Check whether a Document Control Sheet, listing all the per-fomas (i.e. for Pension, GP Fund and Benevolent Fund) required to be sent to the relevant departments is prepared and signed by the preparer and reviewer both ▪ Demand for an Aging report of bills outstanding for more than 30 days. 		

	<p>Please check the report is reviewed by Additional Secretary.</p> <ul style="list-style-type: none"> ▪ Enquire about any bill outstanding for more than 30 days and note down the reasons. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed <p>Compliance with Authority</p> <p>Please ensure that the attached pension rules are being followed.</p>		
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AUDIT PROGRAM	B8
6.2.8 Pension and GP Fund – Non-Gazetted Employees	Process ID: ID/ E&PD/HRM/Retirement Process–02

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- There are controls over the retirement process
- There are controls that calculation of Pension/GP Fund and Benevolent fund is properly done
- There is adequate separation of duties

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>FOR PENSION DOCUMENTS</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"> ▪ The form 3 (PEN) Part –1 is duly completed by the applicant along with the three specimen signatures and three photographs (These should be duly attested) ▪ The Pension Case is duly approved by the Secretary Energy & Power Department ▪ The following certificates are attached with the application: <ul style="list-style-type: none"> No Demand Certificate (If Applicable) No Advance Certificate (If Applicable) Stoppage of Pay Certificate Consolidated Clearance Certificate Qualifying Service Certificate List of Family Members <p>These certificates are countersigned by the DDO/SO (G) after signature from the pensioner</p> <ul style="list-style-type: none"> ▪ The form 3 (PEN) Part – II is approved by the head of department ▪ Verify the data entered on the Part –II with the supporting documents e.g. (DOB, Date of commencement, Length of service, service book) 		

	<ul style="list-style-type: none"> ▪ Confirm the last pay with the salary slip ▪ The calculation of the pension is performed properly according to the government rules. Kindly re-perform. ▪ Check the casting of Part – II is correct ▪ The split between value of commutation and net pension is correct ▪ The calculation of Section 6 is performed correctly 		
	<p>FOR BENEVOLENT FUND DOCUMENTS</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"> ▪ The form Part I and Part II are duly filled. ▪ Verify the data entered on the form with the supporting documents e.g. (DOB, Date of commencement, Length of service, Details of family members, Approval of retirement by Secretary Energy & Power Department) ▪ Check that form is signed by the applicant ▪ The form should be counter signed by SOG and the Head of the Department ▪ Check that the copy of the last pay slip is signed by the SOG ▪ Check for deduction of benevolent fund on the salary slip 		
	<p>FOR G.P FUND DOCUMENTS</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"> ▪ The General Provident Fund Claim Verification pro forma (GCVP) is attached and signed by both subscriber and a responsible officer of Energy & Power Department ▪ Verify the Cost centre, personal number, name, G.P fund number with the Salary slip ▪ Ensure that any loan against GP fund has been properly accounted for ▪ Please check the amount of the GP fund payable to the GP Fund balance Sheet of the employee ▪ The GP Fund balance sheet must have been verified by AG and countersigned by the Responsible officer of Energy & Power Department. ▪ Check whether a Document Control Sheet, listing all the per-forma (i.e. for Pension, GP Fund and Benevolent Fund) required to be sent to the relevant departments is prepared and signed by the preparer and reviewer both ▪ Demand for an Aging report of bills outstanding for more than 30 days. Please check the report is reviewed by Additional Secretary. ▪ Enquire about any bill outstanding for more than 30 days and note down the reasons. 		

	<p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed <p>Compliance with Authority</p> <p>Kindly ensure that the attached pension rules (after section B6) are being followed.</p> <p>.</p>		
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AUDIT PROGRAM	B9
6.2.9 Employee Related Expenses (Allowances)	Process ID: ID/ E&PD/HRM/Allowances

Audit Period: **Date(s) Conducted:**

Audit Objectives:

To ensure that:

- All pay and allowances are paid only to eligible employees

	Audit Procedure	Done By:	WP Ref.
	<p>Tests:</p> <p>For selected employees from the payroll master sheet (computerised sheet sent from AG's office) please ensure the following;</p> <ul style="list-style-type: none"> ▪ Compare the total pay i.e. basic pay and allowances with the previous month and enquire and investigate any change ▪ See that the pay of the officer is according to his/her scale <p>Please check that the following allowances (where applicable) are paid as per the rule:</p> <p>Ad-hoc Relief (Wage Type: 1831)</p> <ul style="list-style-type: none"> • Check that employees appointed after 30.06.2005 are not admissible for such allowance • Check that employees whose date of joining was 30-6-2005 was paid ad-hoc relief allowance as per revised pay scale 2005. • Check that the ad-hoc relief allowance shall continue to be admissible at frozen level on existing conditions. • 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. • 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. <p>Special Additional Allowance (Wage type: 1623)</p>		

<ul style="list-style-type: none"> • 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). <p>23.</p> <p>Special Allowance (Wage Type: 1550)</p> <ul style="list-style-type: none"> • 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. <p>Special Relief Allowance (Wage Type: 1776)</p> <ul style="list-style-type: none"> • Check that employees appointed after 30.06.2005 are not admissible for such allowances • 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 BS-1 to 22 as per revised pay scale 2005. This allowance continues to be admissible at frozen level on existing conditions. • 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. • 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. <p>Superannuation age</p> <ul style="list-style-type: none"> • 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. <p>Dearness Allowance (Wage type: 1864)</p> <ul style="list-style-type: none"> • 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. <p>Entertainment Allowance (Wage type: 1518)</p> <ul style="list-style-type: none"> • Check that this allowance is admissible to the Grade 19 and above officers only. <p>Senior Post Allowance (Wage type: 1549)</p>		
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<ul style="list-style-type: none"> • Check that Senior Post allowance is admissible only to BS 20,21,22 <p>Performance Evaluation Allowance (Wage type: 1615)</p> <ul style="list-style-type: none"> • Check that Performance Evaluation Allowance is allowed to Audit Officer working in Performance Evaluation Cell BS 17 and above <p>Diet Allowance (Wage type: 1817)</p> <ul style="list-style-type: none"> • Diet allowance is only allowed to nursing below cadre 16 <p>Integrated Allowance (Wage Type: 1833)</p> <ul style="list-style-type: none"> • Check that Integrated allowance is admissible only to Qasid, NaibQasid and Daftari <p>Orderly Allowance (Wage Type :1540)</p> <ul style="list-style-type: none"> • Check that orderly allowance is only allowed to Grade 20 and above or opt for the provision of residence orderly (only one is allowed) <p>Instructional Allowance (Wage type: 1594)</p> <ul style="list-style-type: none"> • Check that Instructional allowance is only allowed to officer/staff deployed on instructional duties in training institutes <p>Warden Allowance (Wage Type: 1618)</p> <ul style="list-style-type: none"> • Check that Warden allowance is only allowed to teachers who are assigned the duties of Hostel Warden in colleges and polytechnics <p>Medical Allowance (Wage Type: 1300)</p> <ul style="list-style-type: none"> • Check that Medical allowance is only allowed to Non Gazetted employees <p>Following allowances are abolished, Check that no employee is taking these allowances</p> <ul style="list-style-type: none"> • Cash Handling (Wage Type 1587) • Outfit (Wage Type 1638) • Furniture Cloth (Wage Type 1524) • Telecom (Wage Type 1562) • Good Conduct (Wage Type) • Copier/Photo state (Wage Type 1512) • Telephone (Wage Type 1563) • Statistics (Wage Type 1569) • Gilgit (Wage Type 1526) <p>Appointment</p> <ul style="list-style-type: none"> • Check that Naib Qasids are appointed after the up gradation of existing 		
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	<p>employee on or after 01.07.2008 at Grade 1</p> <ul style="list-style-type: none"> • Check that Drivers are appointed after the up gradation of existing employee or after 01.07.2008 at Grade 4 <p>Over Time Allowance Check that allowance to Garage Superintendent of Provincial Assembly at the rate of Rs.1500 P.M</p> <p>Adhoc Allowances: Check that suce allowances are paid to employees from the Month of July</p> <p>2010 @ 50% on Pay Scale 2008 2011 @ 15% on Pay Scale 2008 2012 @20% on Pay Scale 2011 2013@15% on Pay Scale 2011 2014@ 10% on Pay Scale 2011</p>		
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6.3 C – Procurement

AUDIT PROGRAM	C1
6.3.1 Procurement–Tendering process	Process ID: ID/E&PD/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;

	Audit Procedure	Done By:	WP Ref.
	<p>Test of Controls and Regularity:</p> <p>From the Cash book select a sample of purchases above Rs.100,000 and examine the contract file to perform the following:</p> <ul style="list-style-type: none"> ▪ Please check that appropriate requisition is available for the goods to be purchased raised from user department. ▪ Please check that the requisition is both approved by head of department and the DDO. ▪ Check for appropriate sanction from the competent authority as Delegation of powers under the Financial Rules & Power of re appropriation Rule 2001. ▪ A departmental purchasing committee has been established by the head of the department. ▪ For each contract, review the advertising process and determine whether information about the RFP was widely distributed (at least 1 English and 1 Urdu leading newspaper), ▪ A procuring entity utilizing electronic media shall ensure that the information posted on the website is complete for the purposes for which it has been posted, and such information shall remain available on that website until the closing date for the submission of bids. Also ensure 		

	<p>that the tenders above 2.5 million rupees are advertised on entity website or PPRA website or both.</p> <ul style="list-style-type: none"> ▪ Sufficient time provided to respond (A minimum of thirty days shall be allowed between date of publication of the notice Inviting Tenders and submission of tenders) ▪ Kindly check that “terms and conditions” of the tender notice are in accordance with the rules set out by KP (KP) procurement rules 2014. ▪ Examine that at least 3 bids have been received that was done when less than 3 bids were submitted. (Was special authority obtained to precede when fewer than 3 bids received and justification given (such as only 2 suppliers of product/service available)? ▪ 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 		
	<ul style="list-style-type: none"> ▪ 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) 		
	<p>Please ensure that the following procedure has been followed during the tender opening process:</p> <ul style="list-style-type: none"> ▪ All envelopes received containing tenders shall be counted and initialled by the Tender Inviting Authority. ▪ The name of contractors or suppliers who have withdrawn their tenders shall be announced. ▪ All the tenders received in time shall be opened. ▪ A record of the corrections noticed at the time of the bid opening shall be maintained. ▪ The name of the tenderers and the quoted prices shall be read out. The price shall be circled in ink and page initialled by the Tender Inviting Authority. ▪ The fact whether earnest money security has been deposited and other documents required have been produced shall be indicated. ▪ Minutes of the tender opening shall be recorded. 		

	<ul style="list-style-type: none"> ▪ Please ensure that that a comparative statement is prepared and duly signed by all the members of the purchase committee. ▪ Please cross check the figures on the comparative statement with individual quotations sent by the suppliers. ▪ 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. ▪ A supply order has been issued to the approved supplier within the terms and conditions agreed. ▪ Please check that tender security (in the form of call deposit) has been received from the successful bidder as per advertisement. Please note that the earnest money shall be adjusted against this tender security. ▪ Verify that the earnest money received (in the form of call deposit) from the unsuccessful bidders has been returned. ▪ 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. ▪ 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) ▪ If it's single source procurement then kindly ensure that all the requirements under KP procurement Rules 2014 have been followed. ▪ Please verify that approval from the head of the procuring department has been obtained for the single source purchase. ▪ Kindly ensure that the single source procurement meets the following three different conditions explained in the rules: <ul style="list-style-type: none"> 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 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, 		
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	<p>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</p> <p>c) In cases of emergency for very small assignments valuing up to Rs. 500,000/-; and</p> <p>d) Where only one consultant is qualified or has experience of exceptional worth.</p> <ul style="list-style-type: none"> ▪ By reviewing the cash book kindly analyze whether the purchases have been broken into smaller parts in order to avoid tendering. <p>From the Cash book select a sample of purchases below Rs.100,000 and examine the contract file to perform the following:</p> <p>(Kindly follow all the above steps. The main differences are as follows. No tendering. Local purchase No purchase committee required)</p> <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed <p>Procurement rules for 2014 are attached for ready reference</p> <p>NOTE: Same procedures shall be applied for project’s procurements</p>		
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AUDIT PROGRAM	C2
6.3.2 Procurement–Fixed Assets/Goods	Process ID: ID/E&PD/Procurement/Fixed Assets/Goods–01

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- There is adequate segregation 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).

	Audit Procedure	Done By:	WP Ref.
	<p>Test of Controls and Regularity;</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"> ▪ Please check that appropriate requisition is available for the goods to be purchased. ▪ Please check that the requisition is both approved by section in–charge and the DDO/SO(G) ▪ Check for appropriate sanction from the competent authority as Delegation of powers under the Financial Rules & Power of re appropriation Rule 2001. ▪ Please ensure that adequate budget was available for the purchase under appropriate head. ▪ Please check entry in the stock register. ▪ Please verify that the receipt (Inward registry) is signed by the SO(G)/Purchase Committee. ▪ 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.

- Kindly verify the issue with the section demand.
- Please verify the signature of the user section in-charge on the issue side of the register.
- Please check the bill prepared by the Accountant and perform the following;
 1. Check the account code on the bill and ensure that proper head of account is being debited (e.g. A03970 – other charges)
 2. Compare the items on the bills with the supplier invoices
 3. Verify that the bill is signed by the SO(G)
 4. Check casting of the bill
- Check payments for product/service entered into ledger (Cash book) for correct year.
- Check that procurement was made from person registered with Industries Department of Provincial Government.
- Check that procurement of taxable goods was made from a person duly registered under the Sales Tax Act, 1990. [Section 2(3) of Sales Tax Special Procedure (Withholding) Rules, 2007 as amended by SRO.77(I)/2008, Dated:23rdJanuary, 2008]
- Check that sales tax was withheld at 3% or 16% as amended from time to time.[Section 2(2) and (3) of Sales Tax Special Procedure (Withholding) Rules, 2007 as amended by SRO.77(I)/2008, Dated:23rdJanuary, 2008]
- Check that Income Tax was deducted as per the following schedule

Nature of Transaction	Status	Tax rate
Supply	Individual & AOP	4.5%
	Companies	4%
Services	Individual & AOP	10%
	Companies	8%
Contract	Individual & AOP	7.5%
	Companies	7%

(as amended from time to time) or as mentioned in Income Tax Ordinance. [Section 153 of Income Tax Ordinance]

- Through CAATs (Computer Assisted Audit Techniques) 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

	<p>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).</p> <ul style="list-style-type: none"> ▪ Please check that the original suppliers' invoices attached with the bill are stamped by the SO(G) as verified. This can also be seen on the photocopied invoices. ▪ 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) ▪ 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 services.[Rule–388 (i) of CTR] [Rule 290 of TR Vol–I] ▪ Ensure the following: <ol style="list-style-type: none"> 1. A monthly reconciliation of bills sent and cheques received is prepared. Any outstanding items are identified and reviewed by the DDO 2. Aging report of all outstanding bills is prepared on monthly basis. The report is reviewed and signed by Deputy Secretary 3. An intimation letter to applicant is issued within three days of receipt of cheque 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 Deputy Secretary ▪ Demand for an Aging report of bills outstanding for more than 30 days. Please check the report is reviewed by DS. ▪ Enquire about any bill outstanding for more than 30 days and note down the reasons <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed. <p>NOTE: Same procedures shall be applied for project's procurements – Fixed Assets/Goods</p>		
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6.4 D – Fixed Assets Management

AUDIT PROGRAM	D
6.4 Fixed Asset Management– Fixed assets	Process ID: ID/E&PD/FAM/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

	Audit Procedure	Done By:	WP Ref.
	<p>Test of Controls ;</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"> ▪ There is written requisition from the user Department for purchase of asset ▪ The requisition is approved from the head of the section ▪ Review that the requisition is approved by the DDO/ SO(G) ▪ Kindly check the entry of the asset in the stock register ▪ Please verify the signatures of DDO/ SO(G)purchase committee and the in–charge of the section where the asset is delivered on the stock register ▪ Please ensure that adequate budget was available for the purchase under appropriate head. ▪ For any assets not delivered, determine why payment was made before delivery ▪ 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, 		

	<p>description, classification, and other relevant information</p> <p>Policies and Procedures</p> <ul style="list-style-type: none"> ▪ 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? ▪ Is the following information contained in the Fixed Assets Register: <ul style="list-style-type: none"> • Description • Classification of asset • Date of purchase / date of completion • Original purchase cost (in rupees) • Cost in foreign currency (where applicable) • Asset identification number • Current location • Ownership of / responsibility for? ▪ Are fixed assets reports produced every quarter? (A requirement of Financial Reporting Manual) ▪ Are the policies for disposal of fixed assets (13.5) being followed? ▪ Is there proper accounting of the proceeds from disposal (13.6) being followed? ▪ Are periodic physical counts of assets made by persons independent of accounting and asset records and independent of the custodians of the assets? <p>Disposal</p> <ul style="list-style-type: none"> ▪ Take a sample of assets recently disposed of and check: <ul style="list-style-type: none"> • Whether proper authority was obtained to dispose of the asset • That an appropriate price was obtained (either by a competitive bid process or by benchmarking the value of the asset before determining the price) • Where possible, compare prices obtained for similar assets and investigate any assets apparently sold below value <p>Utilization</p> <ul style="list-style-type: none"> ▪ Are buildings used as intended? ▪ Are buildings properly utilised ▪ Are records kept on the use of equipment (logs of daily use / distances travelled / who used / fuel consumed) and is actual capacity utilisation 		
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	<p>assessed periodically</p> <p>Compliance with Authority</p> <ul style="list-style-type: none"> ▪ Check that serious loss to immovable property has been immediately reported by department officer to head of Department ▪ Check that Head of Department immediately reported the loss to Government ▪ Check that copy of completed enquiry has been simultaneously submitted for audits ▪ 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 ▪ Check that any public building has been occupied for private residence without consent of Government ▪ Check that rent of Government building let to private person has been received in advance according to the rate prevailing in locality <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed <p>NOTE: Same procedures shall be applied for project’s Fixed Assets</p>		
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6.5 E – Stores Management

AUDIT PROGRAM	E
6.5 Stores Management – Stores Process	Process ID: ID/ E&PD/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>Audit Procedure</i>	Done By:	WP Ref.
	<p>Test of Controls and Regularity;</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"> ▪ There is written requisition from the user Department for purchase of store item ▪ The requisition is approved from the head of the section ▪ Review that the requisition is approved by the DDO/ SO(G) ▪ Kindly check the entry of the store item in the stock register ▪ Please check that SO(G) has signed in the stock register ▪ 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 ▪ Kindly check for the signature of the DDO/ SO(G) on the goods inward side of stock register ▪ Through observation ensure that the store room is locked and only the caretaker can enter the store room 		

	<ul style="list-style-type: none"> ▪ 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 ▪ Observe the condition of store items and enquire about any damaged items during the physical count (as explained above) ▪ Take a sample of recent acquisitions of stores and check against stores accounts ▪ Demand for a stock take report ▪ 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 ▪ Check that shortage, damage and unserviceable stores have been reported to competent authority for write off or auction ▪ Check that any excess or surplus stock has been kept by department ▪ Check that obsolete, surplus or unserviceable stock have been disposed/write off under the sanction of competent authority ▪ Check that report of unserviceable stores has been available ▪ Check that unserviceable stores have been disposed/sold through public auction ▪ Check that disposal record is available ▪ Check that the value of imported stores have been converted to rupee account at the current prevailing exchange rate ▪ Check that any payment for stores has not been made before these are received or surveyed. <p>Kindly ensure the following requirements of GFR (General Financial Rules) are met:</p> <p>a) (Para 148) All material received should be examined, counted, measured, weighed as the case may be, when delivery is taken, and they should be taken on charge by a responsible Government Officer who should see that quantities are correct and their quality is also good, and record a certificate that he has actually received the materials and recorded them in the appropriated stock register.</p> <p>b) (Para 149) When materials are issued for departmental use, manufacture, sale etc, the officer in-charge of the store should see that an indent in prescribed</p>	<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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	<p>form has been made by a properly authorized person who examined it carefully with reference to the orders or instructions for the issue of stores and sign it after making suitable alterations under his dated initials in the description and quality of material.</p> <p>c) (Para 151) The officer interested with stores should take special care for arranging for their safe custody, for keeping them in good and efficient condition and for protecting them from loss, damage or deterioration. He should maintain suitable accounts and inventories and prepare correct returns in respect of the stores in his charge with a view to preventing losses through theft, fraud, accident or otherwise and to making it possible at any time to check the actual balances with the book balances and the payment to suppliers, etc.</p> <p>d) Para 155 A reliable list, inventory or account of all stores in the custody of Government Officer should be maintained in a form prescribed by the competent authority to enable a ready verification and check of accounts at any time.</p> <p>e) (Para 159) A physical verification of all stores should be made at least once in every year under rules prescribed by the competent authority.</p> <p>f) (Para 162) Balances of stores should not be held in excess of the requirements of a reasonable period or in excess of any prescribed maximum limit. Store remained in stock for over year should be considered surplus.</p> <p>g) (Para 167) Stores which are reported to be unserviceable may be disposed-off by sale or otherwise under the orders of the authority competent to sanction writing off a loss. Head of office should record full particulars regarding all condemned stores in suitable list from which their disposal can be watched.</p> <p>Safeguarding of stock</p>	<p>B&R – 3.11 B&R – 3.11</p> <p>B&R – 3.11</p>	
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	<ul style="list-style-type: none"> ▪ Examine the facilities for handling and storing inventory and conclude whether appropriate <ul style="list-style-type: none"> • Determine whether the amount of space is reasonable (not too crowded / not too much wasted space) • Conclude whether the storage conditions are suitable (no perishable items stored outside / the building free of wet or damp / reasonable access to stored items) • 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) • Observe whether there are adequate physical controls over the inventory to ensure they are properly safeguarded ▪ Conclude whether the maintenance of inventory records are sufficient to safeguard the inventory <ul style="list-style-type: none"> • Records are maintained up-to-date • Access to records controlled so difficult to change to cover up theft • Regular reconciliation of actual inventory with inventory records and accounting records <p>Level of Inventory and utilization rate</p> <ul style="list-style-type: none"> ▪ 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 ▪ 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) ▪ Follow up on items noted in steps 1 and 2 <p>Measures of Over-Supply</p> <ul style="list-style-type: none"> ▪ 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 ▪ For those items that have many years' worth of usage, enquire why so much is in stock and what actions are intended to be taken 		
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	<p>Measures of Under-Supply</p> <ul style="list-style-type: none"> ▪ 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) ▪ 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 ▪ 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 <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed <p>NOTE: Same procedures shall be applied for project’s Store Management</p>		
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6.6 F – Operating Expenses

AUDIT PROGRAM	F
6.6 Operating Expense Process	Process ID: ID/ E&PD/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
- Demand letter is present
- The stock register is updated

	Audit Procedure	Done By:	WP Ref.
	<p>Test of Controls:</p> <p>AT E&PD</p> <p>Select a sample of operating expense (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> ▪ Demand letter is present and duly signed by the relevant section who ordered and DDO/SO (G) ENERGY & POWER ▪ The demand letter is also signed by the person who received items ▪ Invoice/bill is present against purchases and signed by the DDO/SO (G) ENERGY & POWER ▪ Scrutinized stamp may also be present on the invoice ▪ The stock register is updated after receiving the items ▪ The signature of the employee/person is available in the stock register who receives items ▪ Requisition is approved and duly signed by the Accountant and DDO/SO (G) ENERGY & POWER ▪ Quotations are available from different suppliers and signed individually with respect to their business name ▪ Comparative statement is prepared and signed by the Accountant, DDO/SO (G) and Additional Secretary / Secretary ENERGY & POWER ▪ The lowest rate is ordered 		

	<ul style="list-style-type: none"> ▪ Purchase order is signed by the DDO/SO (G) ENERGY & POWER ▪ Contingent bill is prepared as per Rules (Financial Powers) and duly signed by the Secretary and DDO/SO (G) ENERGY & POWER ▪ The signatures have been taken in stock register by the ones who received items from caretaker ▪ Stock register is signed by the DDO/SO (G) ENERGY & POWER (DDO) ▪ Ensure the following: <ol style="list-style-type: none"> 1. A monthly reconciliation of bills sent and cheques received is prepared. Any outstanding items are identified and reviewed by the DDO 2. Aging report of all outstanding bills is prepared on monthly basis. The report is reviewed and signed by Deputy Secretary 3. An intimation letter to applicant is issued within three days of receipt of cheque 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 Deputy Secretary. 		
	<p>FOR AG's OFFICE DOCUMENTS</p> <p>Select a sample of operating expense (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> ▪ Total amount of the bill is cross verified with the invoices available ▪ The code/head on contingent bill is correct which bears the total amount of expenditure ▪ Contingent bill is signed by the DDO/SO (G) ENERGY & POWER ▪ Amount of total budget is updated on the contingent bill ▪ Amount of total expenditure is updated on contingent bill ▪ Balancing/remaining amount is also updated on the contingent bill ▪ Provincial coded classification pro forma(form PR8) is filled correctly ▪ The following heads of provincial coded classification pro forma is filled: <ul style="list-style-type: none"> ✓ Fund number ✓ Government code ✓ Business area/department ✓ Cost centre/DDO 		

	<ul style="list-style-type: none"> ✓ Detail function ✓ Vendor number ✓ C.L. Code ✓ C.N. Code ✓ Payment (debit) ✓ Deduction (credit) ✓ Object code ✓ Net payment <ul style="list-style-type: none"> ▪ Provincial coded classification pro forma is signed by the DDO/SO (G) ENERGY & POWER ▪ Check casting of the pro forma ▪ Check payments for product/service entered into ledger (Cash book) for correct year ▪ In the cash book verify the signature of the SO(G) against the cheque paid ▪ Check the acknowledgement received from the supplier. ▪ Obtain a copy of reconciliation between AG's office and department for a few months including for the month of June and December ▪ Verify that the reconciliation is signed and stamped by the responsible officers of the both departments. ▪ Demand for an Aging report of bills outstanding for more than 30 days. Please check the report is reviewed by appropriate authority. ▪ Enquire about any bill outstanding for more than 30 days and note down the reasons <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		
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6.7 G–Accounting Process

AUDIT PROGRAM	G
6.7 Accounting Process	Process ID: ID/ E&PD/Accounting-01

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- Transactions are approved by Competent Authority.
- All the transactions are accurately and timely recorded.
- Ensure completeness and existence/validity of the Transactions.
- Documents and records are kept safe and secure.
- Compliance with rules and regulations (GFR 89 and APPM 4.2.2).

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls ;</p> <p>Select a sample on statistical basis during the period under review and ensure the following;</p> <ul style="list-style-type: none"> ▪ Ensure that transactions are approved by competent Authority by reviewing the note sheets. The competent Authorities are as per Delegation of powers under the Financial Rules & Power of re appropriation Rule 2001 and as per APPM rule 4.2.2.1 ▪ Check for individual transaction that Coded classification pro forma has been properly prepared and initial by cashier in accordance with GFR 89(3). ▪ Check for individual transaction that proper amount of tax as per Income Ordinance is deducted and net amount is correctly shown in pro forma. For purchases/supplies Section 153 will be applicable and sale tax of S.R.O. 660(1)/2007, dated 30th June, 2007 (One fifth of ST shall be deducted in case of Registered Person or full amount in case of non-registered person). ▪ Review for each transaction that the pro forma is approved by the SO (G) as per GFR 89(4) (iv) is followed. ▪ Check whether the pro forma is properly numbered. ▪ Trace the transactions in the Bill register and ensure that they are recorded in relevant head of accounts and with proper details like description, pro forma number, amount etc. ▪ Ensure that for each head of Accounts proper budget is written and for each transaction the available balance of budget is 		

	<p>calculated as per rule 4.2.3 of APPM.</p> <ul style="list-style-type: none"> ▪ Ensure that Photocopies of the pro forma are kept safe and secure and review date of sending the transactions to AG's office. ▪ Ensure that for all suppliers separate cheques are issued in the name of Supplier and no transaction above Rs 10,000/- is paid in cash as per Income Tax Ordinance 2011 Section 21(l). ▪ Check the date of receipt of the cheque from AG's office. ▪ Check the date of disbursement of the amount and acknowledgment of the recipient. ▪ Ensure that proper Cash book is maintained for cheques cleared by AG's office and compare it with Bill Register. ▪ To ensure completeness of transactions select sample of any four months including June for the period and verify the following: <ul style="list-style-type: none"> ▪ For each month review the expenditure statement (if any) sent to AG's office. Ensure it is in according to the format given in GFR 89(4)(V). In case expenditure statement is not prepared, please take note. ▪ Is the statement properly signed by cashier and approved by SO(G) ▪ Identify for each month when was the expenditure statement sent to AG's office. ▪ Is there any difference in Head of accounts and what has been done for reconciliation? Check its adherence with GFR 89(4)(viii) ▪ Check whether the Statement of Reconciliation sent by AG's office is properly stamped and signed. ▪ Ensure the statements are properly documented and are safe and secure. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		
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6.8 H-Project – Planning & Monitoring Cell

AUDIT PROGRAM	H1
6.8.1 Project Budget	Process ID: ID/ E&PD/Admin Approval-01

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:

- Budgets are prepared in accordance with PC-I
- Budget process is timely and responsive.

	Audit Procedure	Done By:	WP Ref.
	<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"> ▪ Budget is released from Finance Deptt. On time ▪ Budget is received in accordance with PC-I ▪ Operational budget is prepared in accordance with PC-I by the Account Officer ▪ Budget is correctly entered in budget register ▪ Use analytical procedure to find the variation in budgeted data. ▪ Enquire from management about high variation in budget data and note the management comments. ▪ Ensure that the limit of ceiling budget is not exceeded. ▪ Check the approval of the budget data by the Additional Secretary and Secretary of the department. ▪ 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 Instruction are followed. ▪ 		

AUDIT PROGRAM	H2
6.8.2 Hiring process– Project Employee	Process ID: ID/E&PD/PMC/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

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>AT E&PD</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"> ▪ Only the sanctioned post advertised as per PC-I ▪ Selection committee comprising of member in accordance of KP “Policy Governing Appointing Against Project Posts ▪ Name of candidates appearing in the list of applicants ▪ Signature on minutes of the committee short listing the candidates ▪ Name of candidates appearing in the list of short listed candidates ▪ Signature on minutes of the committee selection of candidates ▪ Notification is checked with respect to the signature of Account Officer/CPO in Energy & Power Department ▪ The arrival report is attached and duly signed by the Account Officer/ (DDO) Energy & Power Department and by the employee. ▪ The medical report is attached. <p>▪ Ensure the following:</p> <ul style="list-style-type: none"> ✓ Medical report is signed by the Medical Superintendent civil hospital ✓ Finger prints of the candidate are present ✓ Medical report is signed by the Account Officer/ (DDO) Energy & 		

	Power Department		
	<p>FOR AG's OFFICE DOCUMENTS</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"> ▪ Check that the source 1 form is completely filled ▪ Verify the data entered on the source 1 form with the supporting documents e.g. (CNIC and notification) ▪ Check that the notification is attached and date of expiry of CNIC ▪ The copy of payslip is present in accounts section ▪ Payslip is signed by the Account Officer/ (DDO) Energy & Power Department ▪ The following heads of source 1 form is filled correctly <ul style="list-style-type: none"> ✓ DDO CODE (COST CENTER) ✓ PERSONNEL ACTIONS – INFO TYPE 00 ✓ PERSONAL DATA – INFO TYPE 0002 ✓ ORGANISATIONAL ASSIGNMENT – INFO TYPE 0001 ✓ PRESENT ADDRESS – INFO TYPE 0006 ✓ PERMANENT ADDRESS – INFO TYPE 0006 ✓ PAY – INFO TYPE 0008 ✓ LEAVES – INFO TYPE 2001 ✓ BANK DETAIL – INFO TYPE 0009 ✓ CREATE DATA SPECIFICATION – INFO TYPE ✓ INTERNAL DATA – INFO TYPE 0032 ✓ FAMILY INFORMATION – INFO TYPE 0021 ✓ PAYROLL – INFO TYPE 003 ▪ The source 1 form is signed by the Account Officer/ (DDO) Energy & Power Department ▪ 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. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		

AUDIT PROGRAM	H3
6.8.3 Administrative Approval of PMC Schemes	Process ID: ID/ E&PD/Admin Approval-02

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- Cost estimates are accurate and complete.
- Ensure the projects /schemes are approved by relevant forum.
- Timely issue of Administrative Approval.
- Compliance with rules and regulation.

	Audit Procedure	Done By:	WP Ref.
	<p>AT E&PD:</p> <p>Obtain a list of all the projects/scheme included in ADP and on sample basis select some projects and ensure the following:</p> <ul style="list-style-type: none"> ▪ That relevant expert is available at PMC ▪ PC-1/PC-II pro forma is present for projects as per GFR rule 81(3) and APPM 3.3.7.6. ▪ PC-1/PC-II prepared within the budget specify in ADP ▪ Staff cost in PC-1/PC-II included in accordance with policy governing appointment to projects posts. ▪ Review the pro forma for its accuracy by cross casting and reasonableness. ▪ These pro formas are reviewed by officer concerned for accuracy and completeness and ensure segregation of duties is followed in preparing and approving it. ▪ Ensure that these pro formas are referred to and approved from proper forum by the obtaining the meetings minutes. ▪ Ensure the attendance of all the members by reviewing the attendance sheet. ▪ Ensure timely issue of the AA by the CPO by comparing the date of approval from the forum and AA by CPO. 		

AUDIT PROGRAM	H4
6.8.4-Hiring of Consultants	Process ID:ID/E&PD/PMC/Hiring of Consultants

AUDIT PROGRAM

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- Procurements are undertaken in a manner consistent with the standards.
- Procurement process is smooth, fair and transparent and in timely manner.
- Procurement is made according to the Procurement rules, 2014.

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls ;</p> <p>Select a sample of Consultants hired during the period under review and ;</p> <ul style="list-style-type: none"> ▪ Ensure that Assistant Manager/Account Officer received timely sealed bids by putting initial on all bids/proposals received. ▪ Check the completeness of the proposal received by comparing it with original proposals. Review for any rejection of proposals and evaluate its justification. ▪ Ensure that DCSC meeting is arranged on time and all the members were present by reviewing the attendance sheet. ▪ Check the conflict of interest form is signed by all members of the committee to ensure fair and smooth procurement as per Guidelines of selection of Consultants 2014. ▪ Check that all proposals are duly signed by the committee members for its confidentiality. ▪ Obtain minutes of the meeting /detail evaluation report and ensure that during preliminary evaluation those consultants not fulfilling the below criteria were rejected: <ul style="list-style-type: none"> (a)The proposal has been submitted in the correct format; (b) The proposal has been submitted without material reservations or deviations from the 		

	<p>terms and conditions of the Request for Proposals;</p> <p>(c) The proposal has been correctly signed and authorized;</p> <p>(d) The correct number of copies of the proposal have been submitted;</p> <p>(e) A separately sealed financial proposal has been submitted,</p> <p>(f) The proposal is valid for at least the period required;</p> <p>(g) Curriculum vitae have been correctly signed, if required;</p> <p>(h) All key documents and information have been submitted; and</p> <p>(i) The proposal meets any other key requirements.</p> <ul style="list-style-type: none"> ▪ Ensure that technical bids are evaluated in accordance with the criteria and methodology as defined earlier using the issue of request for proposals by reviewing all the proposals and their comparative statements reflected in the evaluation report/minutes of the meeting. ▪ Ensure that Assistant Manager/Account Officer keeps a copy of all the records. ▪ Ensure that another meeting is arranged for opening of Financial Proposals on time and all the members duly attended and signed the bids. ▪ Check for accuracy and completeness of compilation of both the Technical and financial bids by Assistant Manager/Account Officer. ▪ Ensure that minutes/evaluation report is disseminated to Secretary timely. 		
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AUDIT PROGRAM	H5
6.8.5 Monitoring – Progress Review	Process ID: ID/ E&PD/PMC/Progress Review-01

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure:

- Smooth and transparent operations within the department.
- Meet the targets with in specified time limit.
- Timely Identification and address of issues.
- Compliance with rules and regulation.

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls ; Obtain the file/documents of PR on a sample basis for the few months for the period under review and:</p> <ul style="list-style-type: none"> ▪ Identify the date of receipt of PR to Attached Departments. ▪ Check whether the PRs are in the relevant format as required. ▪ Ensure that PR reports are properly reviewed by relevant PD/PM. ▪ Ensure that PR is received from all divisions on time. ▪ Ensure PD/PM in Attached Department for timely submission of PR. ▪ Ensure that all the PRs are reviewed by PD/PM for its accuracy and reasonableness. ▪ Check whether Segregation of duties is followed in compilation. ▪ Ensure that PD/PM reviewed it again after consolidation by Assistant. ▪ Check authorization of PD/PM on PR. ▪ Ensure that meeting is timely arranged and all the members attended the meeting. ▪ Review the minutes of the meeting for decision/recommendations and the subsequent action taken thereof. ▪ Ensure that PR is timely send to P&D. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		

6.9 I– Litigation

AUDIT PROGRAM	I1
6.9.1 Litigation Process – Services Matters	Process ID: ID/ E&PD/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.

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>Select a sample of litigation (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> ▪ The appeal is present in the litigation section. ▪ The following in the service appeal: <ul style="list-style-type: none"> ✓ Service appeal number ✓ Background of case ✓ Prayer ✓ Grounds ✓ Signature of the advocate ▪ Intimation letter is signed by the registrar, service tribunal. ▪ Reply by Energy & Power Department fulfils the following heads: <ul style="list-style-type: none"> ✓ Preliminary objections ✓ Facts ✓ On Grounds ✓ Signature of the Secretary Energy & Power ✓ Stamped by government pleader (vetted) ▪ Letter to Law Department is signed by the SO Establishment. ▪ If the case is not fit then ensure the following in the letter <ul style="list-style-type: none"> ✓ Signature of the SO concerned ✓ Stamp of the government of Khyber Pakhtunkhawa on Energy & 		

	<p>Power Department</p> <p>✓ Comments by the Additional Secretary or by Secretary Energy & Power</p> <p>▪ Ensure the following in the committee's minutes of the meeting:</p> <p>✓ Signature of all the members i.e.</p> <ol style="list-style-type: none"> 1. Secretary Law (Chairman) 2. Advocate General KP (Member) 3. Secretary Energy & Power (Member) <p>✓ Stamp of the Law Department.</p> <p>▪ Review the minutes of the meeting of committee for its timeliness and review the justification of the decision whether to go for appeal or not.</p> <p>▪ Ensure timely and clear instruction too office concerned has been issued for implement on of judgment, in case the committee decide not go for an appeal.</p> <p>▪ Ensure that appeal in the relevant forum is made within the time. The time for appeal in the Supreme Court of Pakistan is 90 days.</p> <p>▪ Kindly check some of cases for the period under review and ensure that no case has been decided on grounds of non-attendance by the department. If there is case what action has been done and the subsequent result thereof.</p> <p>TIMELINESS</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 Instruction are followed</p>		
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* The litigation process does not have any major financial implication in Cash Basis of Accounting.

AUDIT PROGRAM	I2
6.9.2 Litigation Process – Civil Matters	Process ID: ID/ E&PD/Litigation Process –02

Audit Period:

Date(s) Conducted:

Audit Objectives:

To ensure that:

- There are controls over the litigation process.
- There is adequate separation of duties.
- The appeal in the higher court is made on time.

	Audit Procedure	Done By:	WP Ref.
	<p>Test on Controls:</p> <p>Select a sample of civil cases (during the current period) and ensure the following;</p> <ul style="list-style-type: none"> ▪ The petitioner’s form is present in the case file. ▪ The following in the case file: <ul style="list-style-type: none"> ✓ Legal Case appeal number ✓ Background of case ✓ Prayer ✓ Grounds ✓ Signature of the advocate ▪ Intimation letter is signed by the Registrar, of the relevant Court. ▪ Letter along with Power of Attorney to Attached Department concerned is signed by SO Establishment and file is approved by Secretary Energy & Power. ▪ Letter to Law Department is signed by the SO Establishment. ▪ Please ensure that letter to Law Department response is directed to Attached Department concerned. ▪ Please ensure that during whole case correspondence of Attached Department with Court / Tribunal concerned, Secretary Energy & 		

	<p>Power is kept in loop.</p> <ul style="list-style-type: none"> ▪ Please ensure that where interference is required by Energy & Power Department, input is given. ▪ The correspondence received from Attached Department please check the following to ensure no interference from Energy & Power Department was required and where it was required, input was given. ▪ Review the minutes of the meeting of committee of attached department for its timeliness and review the justification of the decision whether to go for appeal or not. ▪ Ensure timely and clear instruction to sub-office concerned has been issued for implementation of judgment, in case the committee decides not to go for appeal. ▪ Ensure that appeal by attached department in the relevant forum is made within the time. The time for appeal for different forums are: <ul style="list-style-type: none"> • Civil to District court 60 days • Civil/District court to High court 90 days • High court to Supreme Court 90 days ▪ Kindly check some of the cases for the period under review and ensure that no case has been decided on grounds of non-attendance by the department. If there is a case, what action has been done and the subsequent result thereof. <p>TIMELINESS</p> <ul style="list-style-type: none"> ▪ 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 Instruction are followed 		
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7 Section IV

Internal Controls Design Deficiencies

S. No	Section Process Id	Process Step	Control Weakness	Implication	Recommendation	Implementation Responsibility
1	A1 Process ID: ID/E&PD /BM/Consolidation/ Dev-01	<p>P2 – Secretary E&PD issues instruction to CPO for preparing Departments own budget and to SO (B&A) for forwarding to Attached departments to start compiling their data.</p> <p>SO (B&A) & CPO receive the letters here through proper route and do the same duty on behalf of E&P Department.</p>	Annual Planning Calendar not being prepared	An important task may be missed out	<p>An annual planning calendar should be maintained by each section which should include all the important dates and related tasks.</p> <p>2. This annual planning calendar should be approved by the head of the section at the beginning of the year</p> <p>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>	E&PD
2	A1 Process ID: ID/E&PD /BM/Consolidation/ Dev-01	<p>P4/1 – AM Consolidates the whole data received from all Attached Departments and adds to its own data from file “Demand for ADP” of the E&PD at this step. Internal meeting is held in this regard to present the ADP to Secretary. If he suggests any changes, it is recorded in minutes of meeting and changes later made by CPO.</p> <p>“Demand for ADP file” is a file maintained containing demands / directives made by MPAs, CM, other authorities</p>	No review by second person	Compliance will not be ensured	Data should be reviewed by CPO against the guidelines issued by P&D to ensure compliance.	E&PD

		and Public.				
3	A1 Process ID: ID/E&PD /BM/Consolidation/ Dev-01	P4/2 – After consolidation it is finally reviewed by Secretary Energy & Power and if he/she agrees, it is forwarded for to P&D. In case of disagreement it is returned with comments.	Review by a higher level	Budget will not be not reflecting the priority areas identified in the strategic plan	The review and approval of the budget file by CPO and finally by Secretary will ensure to mitigate the risk.	E&PD
4	A2 Process ID: ID/E&PD /BM/Consolidation/ Non Dev-01	P2 – Secretary E&PD issues instruction to SO (G) for preparing Department's own budget and SO (B&A) does the same with respect to attached departments/ entities.	Annual Planning Calendar not being prepared	An important task may be missed out	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.	E&PD
5	A2 Process ID: ID/E&PD /BM/Consolidation/ Non Dev-01	P4 – SO (G) prepares the Department budget and SO (B&A) collects the Attached Department Budget and after Secretary's approval both send the respective budgets to Finance Department. In case of any disagreement, it is returned to relevant Attached Department for	Consolidation and review not available	Chances of mistakes going un noticed. The bigger picture is also not available	Data received should be consolidated by Assistant Level person in standard format and reviewed by Accounts Officer. It should be reviewed against. <ul style="list-style-type: none"> • Ceiling budget. • Previous year budget. 	E&PD

		correction.			to highlight any variation in data by controlling officer. The control should be evidenced by the signature of that person on the consolidation sheet. After review from Budget controlling officer the budget file including consolidation sheet should be reviewed and approved by Additional Secretary and Finally Secretary of the department.	
6	A2 Process ID: ID/E&PD /BM/Consolidation/ Non Dev-01	P4 – SO (G) prepares the Department budget and SO (B&A) collects the Attached Department Budget and after Secretary's approval both send the respective budgets to Finance Department. In case of any disagreement, it is returned to relevant Attached Department for correction.	Control sheet not available	Some entities may be missed out during collection of data	1. A control sheet should be maintained by the Assistant level person who should list all the Attached Departments and Entities under them. If the data is not received from a particular Attached Department/entity then it should be followed up by several reminders and phone calls. 2. Consolidation sheet should be reviewed by Accounts Officer.	E&PD
7	A2 Process ID: ID/E&PD /BM/Consolidation/ Non Dev-01	P4 – SO (G) prepares the Department budget and SO (B&A) collects the Attached Department Budget and after Secretary's approval both send the respective budgets to Finance Department. In case of any disagreement, it is returned to relevant Attached Department for	No segregation of duties	Chances of mistakes increases	A computer operator or Assistant level person should consolidate the data and Accounts Officer should review the consolidation sheet. The sheet should be finally reviewed and approved by the additional secretary	E&PD

		correction.				
8		<p>P4 – SO (G) prepares the Department budget and SO (B&A) collects the Attached Department Budget and after Secretary's approval both send the respective budgets to Finance Department.</p> <p>In case of any disagreement, it is returned to relevant Attached Department for correction.</p>	Review by a higher level	Budget will not be not reflecting the priority areas identified in the strategic plan	The review and approval of the budget file by Additional Secretary and finally by Secretary should include this perspective.	E&PD
9	<p>A3 Process ID: ID/E&PD /BM/Consolidation/ Rev-01</p>	<p>P2 – Receives and forwards this letter to the Attached Departments with instructions</p>	Annual Planning Calendar not being prepared	An important task may be missed out	<p>1. An annual planning calendar should be maintained by each section which should include all the important dates and related tasks.</p> <p>2. This annual planning calendar should be approved by the head of the section at the beginning of the year</p> <p>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>	E&PD
10	<p>A3 Process ID: ID/E&PD /BM/Consolidation/ Rev-01</p>	<p>P4 – Collects the whole data, and after Secretary's approval send it with a covering letter to the Finance Department.</p> <p>In case of any disagreement, it is returned to relevant Attached Department for correction/changes</p>	Consolidation and review not available	Chances of mistakes going unnoticed. The bigger picture is also not available	<p>Data received should be consolidated by Assistant Level person from Accounts Section in standard format reviewed by Accounts Officer.</p> <p>The control should be evidenced by the signature of Accounts Officer on</p>	E&PD

					the consolidation sheet. After review from Accounts Officer the budget file including consolidation sheet should be reviewed and approved by Additional Secretary and Finally Secretary of the department.	
11		P4 – Collects the whole data, and after Secretary's approval send it with a covering letter to the Finance Department. In case of any disagreement, it is returned to relevant Attached Department for correction/changes	No segregation of duties	Chances of mistakes increases	The estimates/ data should be received by Assistant level person and he should enter the data in excel consolidation sheet. The consolidated sheet should be finally reviewed by the Accounts Officer before sending it for further approval.	E&PD
12	A4 Process ID: ID/E&PD /BM/Re-appropriation-01	P2 – Receives letter from Finance Department through proper route. SO (B&A) issues instructions to Attached Departments. .	Annual Planning Calendar not being prepared	An important task may be missed out	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.	E&PD
13	A4 Process ID: ID/E&PD /BM/Re-	P4 – SO (G) prepares the statements of re-appropriation /surrenders of savings pertaining to E&PD while SO (B&A) collects the same from	No review by second person	Clerical mistake may occur in the preparation of statement	Assistant level person needs to prepare the statement Accounts Officer will check it while the Additional Secretary Administration will finally approve it.	E&PD

	appropriation-01	Attached Departments and after Secretary's approval send them to Finance Department. In case of any disagreement, it is returned to relevant Attached Department for correction and processing.				
14		P4 - SO (G) prepares the statements of re-appropriation /surrenders of savings pertaining to E&PD while SO (B&A) collects the same from Attached Departments and after Secretary's approval send them to Finance Department. In case of any disagreement, it is returned to relevant Attached Department for correction and processing.	Non preparation of variance report	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 st 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 to ascertain the exact position of savings/excess early in the financial year. This report must be reviewed and signed by the Secretary Energy & Power.	E&PD
15	B1 Process ID: ID/E&PD /HRM/Hiring Process-01	P1 – Initiates a proposal for creation of a new post in the office and a formal request is sent to Establishment Department. If latter agrees, it sends the proposal to FD for sanction of post and allotment of budget. .	Work load assessment not being carried out	Extra staff may be hired	Workload assessment, of the section demanding the new posts, should be carried out by additional secretary and comments be recorded on the file so that extra staff is not hired without any proper justification	E&PD
16	B1 Process ID: ID/E&PD /HRM/Hiring	P13 – Fills the Source 1 form of an employee and forwards it to the AG's office with supporting documents (CNIC and notification) to start his/her salary process.	Documents control listing not available	Incomplete documents may be attached with the file	Document Control sheet listing all the documents required to be attached should be signed off by the preparer and reviewer both.	E&PD

	Process-01					
17		P13 – Fills the Source 1 form of an employee and forwards it to the AG's office with supporting documents (CNIC and notification) to start his/her salary process.	Non availability of a reconciliation	Forms may not be forwarded to AG's office at all	1. DDO/ SO(G)office must maintain a list of approved bills/forms forwarded to Cashier 2. The DDO/ SO(G) office must compare the list with bill dispatch 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/ SO(G) before sending it to AG's office.	E&PD
18	B6 Process ID: ID/ E&PD/H RM/Leave encashment-02	P5 – Cashier calculates leave encashment amount and prepares bill for the review and signature of SO(G). SO(G) signs the bills and returns it back to Cashier.	Review by second person not available	Chances of mistake increases	One person should calculate and other person to check the calculation.	E&PD
19	B7 Process ID: ID/ E&PD/H RM/Retirement Process-01	P5 – Sends the case to the for the following i. Sends pro forma to Benevolent Fund Cell including supporting documents (CNIC, payroll, LPC, death certificate, covering letter). ii.Sends Pro forma to AG's office for GP fund including supporting documents (Pro forma, CNIC, balance sheet, final payment authority,	No review by second person	Chances of error increases	All the calculations on the pro formas should be reviewed and signed by a second person. A control sheet of all the pro formas to be filled shall be signed by the preparer and reviewer both.	E&PD

		payroll, and retirement order, source 2 Form to stop salary) iii. Sends Pro forma to AG's office for checking and finalizing the pension Paper including supporting documents (Utility bills, NOC from Estate office, LPC, CNIC, list of family members).				
20		<p>P5 – Sends the case to the for the following</p> <p>i. Sends pro forma to Benevolent Fund Cell including supporting documents (CNIC, payroll, LPC, death certificate, covering letter).</p> <p>ii. Sends Pro forma to AG's office for GP fund including supporting documents (Pro forma, CNIC, balance sheet, final payment authority, payroll, and retirement order, source 2 Form to stop salary)</p> <p>iii. Sends Pro forma to AG's office for checking and finalizing the pension Paper including supporting documents (Utility bills, NOC from Estate office, LPC, CNIC, list of family members).</p>	No review of the dispatch register	Delay the claims	<p>Suggested Mitigating Controls:</p> <p>1. DDO office must maintain a list of approved bills/forms forwarded to Cashier.</p> <p>2. The DDO/SO(G) office must compare the list with bill dispatch 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/SO(G) before sending it to AG's office/BF cell.</p>	E&PD
21	B8	P4 – Sends pro forma to	No review by	Chances of	All the calculations on the pro forma	E&PD

	Process ID: ID/E&PD/H RM/Retirement Process-02	<p>Benevolent Fund Cell including supporting documents (CNIC, payroll, LPC, death certificate, covering letter, first two pages of the service book)</p> <p>Sends pro forma to AG's office for GP fund including supporting documents (Pro forma, CNIC, balance sheet, final payment authority, payroll, and retirement order, source 2 Form to stop salary)</p> <p>Sends pro forma to AG's office for pension Paper including supporting documents (Utility bills, NOC from state office, LPC, CNIC, list of family members).</p>	second person	error increases	<p>should be checked and signed by another person that holds know how of Retirement Process.</p> <p>A control sheet of all the pro forma to be filled shall be signed by the preparer and reviewer both.</p>	
22	C1 Process ID: ID/E&PD /Procurement/ Tendering process-01	P1 – Forwards the Purchase Requisition to the SO (G).	Demand may be created for items already on stock or the utilization rate is very high	Items may be used inefficiently	<p>A utilization rate should be determined for major items such as paper rims and toners and each demand should be checked against this rate by the DDO.</p> <p>Based on utilisation rate, no of each item can also be fixed on monthly or any other appropriate basis.</p>	E&PD
23	C2 Process ID: ID/E&PD /Procurement	P1 – Sends purchase requisition to SO(G).	Demand may be created for items already on stock or the utilization rate is very high	Items may be used inefficiently	A utilization rate should be determined for major items such as paper rims and toners and each demand should be checked against this rate by the DDO.	E&PD

	ent/Fixed Assets/Go ods-01					
24	D Process ID: ID/E&PD /FAM/Asset management-01	P3 – Records entry in the stock register upon delivery of the asset. The asset is directly delivered to user section. Stock register is signed by the DDO/SO(G)/Purchase Committee and In charge of user department.	1) Not carrying out of physical stock take. 2) Coding of fixed assets 3)Maintenance of Fixed Asset Register	The asset may be stolen/mis placed/replaced.	A periodic physical verification of fixed assets should be carried out 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. Management of E&PD needs to maintain a fixed asset register.	E&PD
25	E Process ID: ID/E&PD/Stores Management/Stores Process-01	P9 – Records the items in the stock register and keep the items in the stores	1)Review by second person not available 2) Difference between the physical stock and accounting record 3) Damaged goods may remain unnoticed 4)Regular review of stock register by second person	Loss to the organisation	1) Review by another person should be done regularly and signature of that person should be in the stock register. 2) A periodic stock take procedure should mitigate the risk 3) The store room should have enough space to accommodate all the store items so that the fragile items are not piled on one another. 4) Review by another person should be done regularly and signature of that person should be in the stock register.	E&PD
26	G Process ID: ID/E&PD/Accounting-	P7 –_Superintendent of the concerned section signs the reconciliation statement in case of disagreement asks to Department to submit the	Proper reconciliation procedure not being followed up	Un reconciled expenditure may go unnoticed	A proper reconciliation should be prepared by Cashier which should be reviewed and approved by SO (G) and Additional Secretary.	E&PD

	01	statement with correct figures.			Reconciliation figures should be taken from bill register / cash register that should be reconciled with AG's office expenditure statement.	
27	H2 Process ID: ID/ E&PD/Pr oject/Staff -01	P7 – Account Officer offer letters to candidates recommended for appointment as asks them for certificate of medical fitness.	Review by second person not available	Risk that some of the candidates are missed out to notify	The letter should be signed by CPO and few sample should be selected from list to verify the letter correctness	
28	H5 Process ID: ID/ E&PD/P MC/Progr ess Review-01	P4 – Reviews and consolidates the data received from all the attached departments and prepare a consolidated paper for discussion in the progress review meeting. Any clarification is sought instantly.	Review by second person not available	During consolidation mistake may be made either erroneously or deliberately.	The data should be approved by CPO before putting it in agenda of monthly progress meeting.	E&PD
29	H5 Process ID: ID/ E&PD/P MC/Progr ess Review-01	P4 – Reviews and consolidates the data received from all the attached departments and prepare a consolidated paper for discussion in the progress review meeting. Any clarification is sought instantly.	Control sheet listing all the entities not available	An entity may be missed out	The consolidation sheet used by the attached departments/chief engineer office should be sent to the secretariat. Economist should then check for missing entities to ensure completeness of data.	E&PD
30	H5 Process ID: ID/ E&PD/P&	P5 – AM prepares summaries / abstracts / working paper as required for Quarterly progress meeting.	Review by second person not available	Chances of errors increases	The summaries / abstracts / working papers data should be reviewed and verified by another person in Secretariat since all issues	E&PD

	M/Progress Review-01				on these documents are discussed	
31	I1 Process ID: ID/E&PD/Litigation Process -01	P4 – Forwards the comments for vetting to a government pleader through his channel of command.	Timely preparation of list of cases and their review	Time for appeal may lapse	A complete list of all the cases and their current status should be prepared by the computer operator in the SO(L) section on fortnightly basis. This list should be reviewed by SO(L) and finally by the Additional Secretary.	E&PD
32	I1 Process ID: ID/E&PD/Litigation Process -01	P8 –Files application before the Services Tribunal for a copy of the detailed judgment.	Timely preparation of list of cases and their review	Time for appeal may lapse	A complete list of all the cases and their current status should be prepared by the computer operator in the SO(L) section on fortnightly basis. This list should be reviewed by SO(L) and finally by the Additional Secretary.	E&PD
33	I2 Process ID: ID/E&PD/Litigation Process – 02	P3 – Receives the summon, through proper channel for Para wise comments on the appeal and submits the file to the Secretary.	Timely preparation of list of cases and their review	Time for appeal may lapse	A complete list of all the cases and their current status should be prepared by the computer operator in the SO(L) section on fortnightly basis. This list should be reviewed by SO(L) and finally by the Additional Secretary.	E&PD
34	All processes		Outstanding items are not properly followed	Timeliness of the process may be impaired	: Time service standards as per “APPENDIX-III Para 7 (c)” Manual of Secretariat should be followed. To ensure adherence to above rules Diary in and Diary out must be reconciled on a weekly/monthly basis to identify cases outstanding for more than the prescribed time	E&PD

					standards. The reconciliation should then be forwarded to the next higher authority for review.(where appropriate)	
35	Most processes (where bills/form a are sent to AG's Office)		Bill is not sent to AG's Office	Timeliness of the payment will be effected	<p>1. DDO/ SO(G) office must maintain a list of approved bills/forms forwarded to Cashier</p> <p>2. The DDO/ SO(G) office must compare the list with bill dispatch 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/SO(G) before sending it to AG's office.</p>	E&PD
36	Most processes (Where bills are sent to AG's Office for preparation of cheque)		Delay in payment by the AG's office and no proper follow up by the department	Loss of good quality supplier.	<p>The Accountant must enter all the cheques received from AG's office against each bill in the bill dispatch 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/ SO(G).</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>	E&PD

					4. Aging report must be sent to the Additional Secretary for his review and signatures.	
37	Most Processes (where cheque is forwarded by department to supplier)		Payment delayed to supplier/applicant	Loss of quality supplier etc	<p>1. An intimation letter to the supplier must be issued within 3 days 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 supplier 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 Secretary for his review and signatures.</p>	E&PD

