

OFFICIAL MAGAZINE OF PAKISTAN INSTITUTE OF PUBLIC FINANCE ACCOUNTANTS

# PIPFA JOURNAL

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## PERFORMANCE MANAGEMENT OF PUBLIC SECTOR & CLOUD BASED ACCOUNTING



**Pakistan Institute of Public Finance Accountants**

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Integrity  
Good Governance  
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Innovation  
Objectivity

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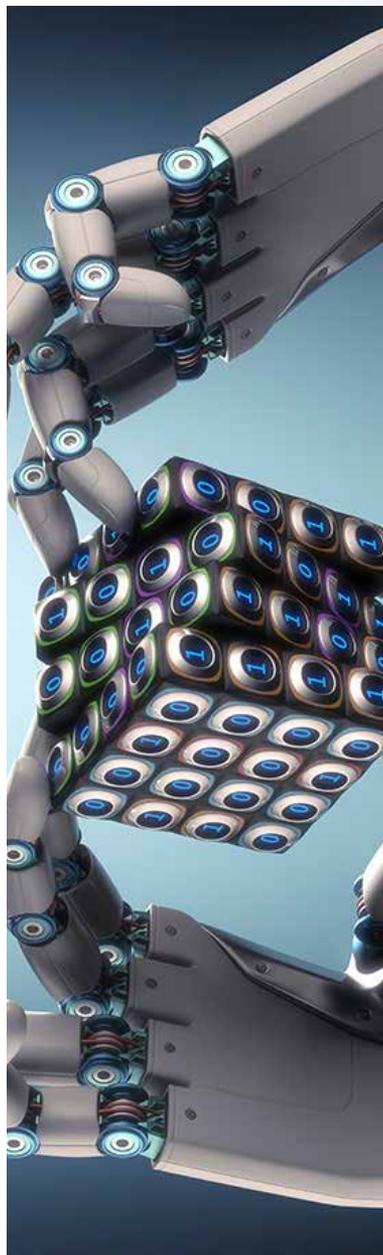
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# Message of the President

I, on behalf of the Board of Governors of PIPFA, am delighted to present the 23rd Volume of PIPFA Journal covering the theme “Cloud Based Accounting and Performance Management of Public Sector”.

Cloud computing is on everybody’s mind as all the major technology companies are now offering some form of cloud storage and computing for consumers and businesses. Cloud computing has created a revolution in the way information technology is being used by organizations and individuals.

During the ongoing decade, E-Government has emerged as dominating feature of provision of e-services to the public as well as the other stakeholders. These services include online registration and filing of statutory returns by Federal Board of Revenue (FBR), Securities & Exchange Commission of Pakistan (SECP), NADRA and many other public sector organizations. The other functions such as e-learning, online payment of utility bills, healthcare, banking, salary disbursement, information sharing and many others, have also added to online services.

Cloud computing promises a cost-effective realization of the utility computing principle, allowing users and providers easy access to resources in a self-service, pay-as-you-go style, thus decreasing cost for system administration and improving resource utilization. Over the last few years, the Cloud computing has generated a major impact on the global IT ecosystem, giving rise to new markets and new user communities. This initiative of government’s broader public services has been revolutionized by cloud computing, which has resulted in reduction of costs, convenience to the public and increased compliance.

Public Finance Management (PFM) is an indispensable fragment of the development process in any country. The cumulative control, accountability and efficiency in the management of public resources and prioritization of policies are essential for the attainment of public policy goals as backed by a comprehensive Public Finance Management Systems & Controls. The Resources and provision of information to stakeholders will lead to transparency and timely decision-making.

The main challenge for E-Governance in Pakistan is the low literary rate, resistance to change to electronic mode, issues in management and deployment of huge ICT in infrastructure, internet connectivity and less collaboration between different organizations.

Your Institute is playing its effective role to support Public Financial Management in the country through quality education and training to various supreme public offices to create tactical and practical knowledge base in public and corporate sectors to ensure reforms in the fields of Accounting, Public Finance and Audit.

The articles in 23rd Issue of PIPFA Journal are aimed to provide knowledge on improvements that can be made in Public Financial Management through integration of Cloud Based Accounting.

We would like to hear from you about cloud based accounting and how it can impact the performance of public sector organizations. As always, the team at PIPFA Journal welcomes any feedback [member@pipfa.org.pk](mailto:member@pipfa.org.pk)



Mr. M. Ali Latif-FCA

**Mr. Mohammad Iqbal Ghori**

# Message of the Chairman-Research and Publication Committee

On behalf of the Publications & Seminar Committee of PIPFA, it is my honor to present the 23rd Edition of PIPFA Journal with the theme highlighting the “Cloud based Accounting and Performance Management of public Sector”. This Journal serves the purpose of providing key insight into accounting and audit practices and updating the knowledge of PIPFA members for their continued professional development. Public Finance Management (PFM) is a key component of any economy, developing countries need to strive for the adoption of cloud computing to improve the effectiveness of system, incorporate better policies, enhance decision making and increase accountability and transparency as cloud computing eradicates cash-based accounting. Public sector modernization and public financial management reforms should be an important area of focus for a developing country like Pakistan, particularly because of the impact that

fiscal and budget-management practices and policies have on growth. Cloud based Accounting strengthens the link between government priorities, planning, and budget contributed to efficient monitoring of public spending.

PIPFA being the supreme Accounting Body in public sector, strives to produce quality public sector professional Accountants and Public Finance Executives by providing them specialized education and training in connection with the need of their respective departments as well as international standards.

For an effective public finance management structure to work in a propitious environment for accountability, clarity of roles and responsibilities an operative, framework for audit and control of the system, accessibility to information for decision making and transparency. The complex process of public finance management needs to

be clearly defined. The role and use of cloud-based accounting in particular is to improve budgeting by linking it to government approved strategy, and to improve expenditure and revenue execution and recording to support regular reporting by government and its entities. I am hopeful that the articles in this journal will be very beneficial in highlighting these areas and elaborating the originating challenges and issues of Public Finance Management.

On behalf of the committee, I would like to extend my humble gratitude towards valued and honorable members who have contributed their valuable articles for this volume and hearten them to continue their contribution in future as well. I would also extend humble gratitude to Editorial Committee of PIPFA, Secretariat and our sponsors for their support to produce this edition.



# DETERMINANT OF EMPLOYEES' PERFORMANCE IN PUBLIC SECTOR IN PAKISTAN

BY: ALI RAZA SATTAR, ACCA, UAECA, APFA

## ABSTRACT

The public sector of any country is the backbone of any country. The employees of public sectors have to be highly motivated in order to lead the country. This study tries to find the determinants of employees' performance in public sectors of Pakistan. The Structural Equation Modeling is used to analyze the results based on 163 respondents from audit department. The results show that the enforceability of rules and regulations has positive coefficient value 0.573 and significant at 1 percent. The political influence has the magnitude 0.697, transparency, freedom of voice, availability of proper resources, have negative coefficient. It means that the enforceability of rules and regulations and political influence are the positive determinant of employees' performance whereas the transparency, freedom of voice, and availability of resources are the negative determinants of employees' performance.

## Introduction

Employees perform when they love their jobs and the environment. The set of rules and regulations are the key to run an organization. When the policies are pre-decided then every person knows his rights, duty, and responsibility. When there are no formal rules and regulations then employees are demotivated and do not work hard. They feel that the duties, rights, and responsibilities are not properly distributed. The high profile organizations motivate their employees by enforcing the rules and regula-

tions. No one is considered to be free from the framework of the regulations which are not strongly enforced by strictly regulated by the management.

The political pressures are the most demotivating factor for the employees in public sector. The political pressure creates imbalance in the system by introducing unqualified persons in the top quality position. On the other hand the deserving employees are highly demotivated and they do not work in the direction of success. When the conflicts of interests are developed then the moral of the team is highly disturbed. This disturbance will lead to failure in the system instead of consistent achievements and successes.

On the other hand the transparency is highly desirable for the system. Pakistan as a country is being suffered from poor system of transparency.

## Voice and Accountability

Account means "a report or description of an event" and ability means "possession of skill to do something" (Oxford dictionary, 2017). The understanding of accountability changes from person to person (Dierkes, 1977). "A general opinion of accountability is associated to fiscal responsibilities" (Arens, 2005) however, practically the accountability is not limited up to monetary issues.

Figure 1 Voice and Accountability in Pakistan (Stata 12), Source: World Development Indicator (WDI) (World Bank Group, 2018)

Voice and Accountability is the application of the degree of perception to which the citizens of a country are capable in selecting their government (Jacobs-Huey, 2002). The voice includes the freedom of expression a country's citizen have (Gaventa & McGee, 2013). This freedom also includes the freedom of association and a free media. The voice and accountability index is calculated after including many factors by Worldwide Governance Indicators (World Bank Group, 2018). Many researchers have considered Voice and Accountability in their studies in different ways. It has also been argued that Voice and Accountability and corruption have a huge impact on tax efforts in developing countries and developed countries (Bird, Martinez-Vazquez, & Torgler, 2008).

In Pakistan the situation of voice and accountability is improving since 2002 (World Bank Group, 2018). There have been ups and downs throughout the period of 14 years but finally the country has been able to set an increasing trend. The figure 1 is showing the increasing trend of Voice and Accountability. The graph shows that Pakistan is improving if it is compared to its internal pervious comparative figures. Table 1 shows the comparison between India and Pakistan. The data shows that there is a big difference in the values of Voice and Accountability in both the countries. However the positive sign is that Pakistan has been improving but India has just been maintaining its position. India has not been showing improvement over the period of 14 years (The Global Economy, 2018).

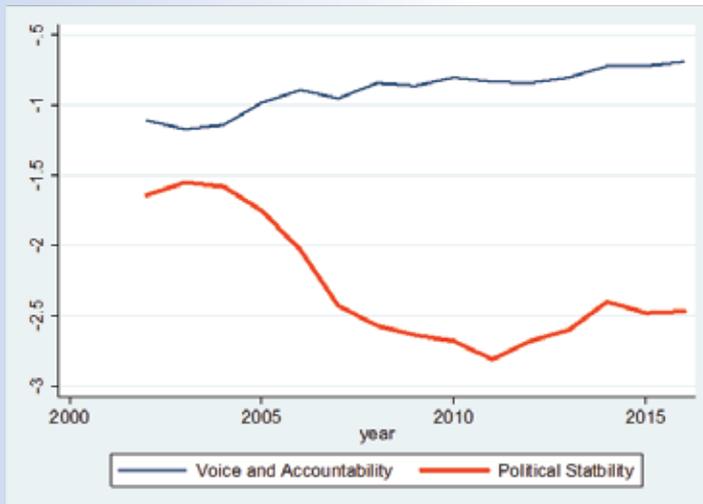
**Table 1**

**Pakistan and India (comparison of Voice and Accountability): (The Global Economy, 2018)**

year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Pakistan	-1.11	-1.17	-1.14	-0.98	-0.89	-0.95	-0.84	-0.86	-0.8	-0.83	-0.84	-0.8	-0.72	-0.72	-0.69
India	0.43	0.45	0.4	0.41	0.44	0.45	0.46	0.46	0.44	0.44	0.4	0.43	0.41	0.43	0.41

**Political Stability and Absence of Violence/Terrorism**

The index of Political Stability and Absence of Violence/Terrorism measures that how much the country is politically stable and how much is the terrorism is under control of the country(The Global Economy, 2018). The Political Stability and Absence of Violence/Terrorism index is the mean of several other indexes such as the Economist Intelligence Unit, the Political Risk Services, and the World Economic Forum among others.” (The Global Economy, 2018).



*Figure 2 Political Stability in Pakistan (Stata 12), Source: WDI (World Bank Group, 2018)*

In 2016, Singapore, Macao, Micronesia and Japan are among top 4 countries in Asia in the list of Political stability index (The Global Economy, 2018). Even SriLanka has scored a positive number 0.07. On the other hand, Pakistan, Afghanistan, Yemen and Syria are the most bottom lined countries (The Global Economy, 2018). In 2011 the Pakistan was at the bottom in Asia with the number of -2.81 poorer than Syria and Afghanistan (The Global Economy, 2018).

This indicator of Governance in Pakistan is the most poor among all indicators (World Bank Group, 2018).

Political instability is the main issue which leads to terrorism in Pakistan (Buisness Recorder, 2017). President of Pakistan Mamnoon Hussain declares political instability as the main cause of growing law and order problems and terrorism (Buisness Recorder, 2017). Different region of the country including Baluchistan and Karachi have been facing problems of law and order (Buisness Recorder, 2017). The Political Stability and Absence of Violence are not as improving as the Voice and Accountability is. The continuous decreasing graph since 2002 has been a big problem for Pakistan. Figure 2 shows the poor political condition in Pakistan.

**Problem Statement**

The employees who are working in the public sectors are supposed to have high motivations and spirits. They know that they work for the country and they are running a department which is the part of the governance system of the country. They should work hard with huge targets and positive intentions.

On the other hand, this is not happening in Pakistan. As discussed earlier, Pakistan has been suffering from poor governance and employing unqualified persons for the government posts. This poor governance system leads the public sectors not to underperform but also leads the government to opposite directions. This issue harms the moral of the people and the image of the country.

This study finds the determinants of performance of employees in public sectors in Pakistan. This study will be helpful for the policy makers. This study highlights the determinants of performance with significance results.

**Research Question**

The question of this study is:

What are the determinants of employees' performance in public sector in Pakistan?

**Research Hypotheses**

There are the following research hypotheses of this study:

H1A: If the rules and regulations are properly enforced then it has positive impact on employees' performance in public sector in Pakistan.

H2A: If there is political influence then it has negative impact on employees' performance in public sector in Pakistan.

H3A: If there is transparency then it has positive impact on employees' performance in public sector in Pakistan.

H4A: If there is Meritocracy then it has positive impact on employees' performance in public sector in Pakistan.

H5A: If there is lack of freedom of voice then it has negative impact on employees' performance in public sector in Pakistan.

H6A: If the proper resources are not provided to the employees then it has negative impact on employees' performance in public sector in Pakistan.

**Research Methodology**

This is an exploratory study based on primary research. The questionnaire is used to develop the construct of enforceability of rules and regulations, political influence, transparency, freedom of voice, availability of proper resources, and employees' performance (Ali, Ali, & Raza, 2011). I have circulated 200 questionnaire forms around the employees in audit department and out of 200 I received 163 responses. I used structural equation modeling technique to run the econometric analysis to find the determinants.

**Results and Discussion**

Table 2

SEM results

Variable	Coefficient	Probability
Dependent variable : performance		
Determinants		
Enfor	0.573	0.003
POL	0.697	0.001
TRANS	-0.721	0.000
MET	-0.707	0.040
Voice	-0.239	0.007
RES	-0.190	0.003
Note	***	**
Significance level	1 percent	5 percent 10 percent

Table 2 shows the results based on Structural equation modeling and the Table 3 shows the results of the hypotheses. The enforceability of rules and regulations has positive coefficient value 0.573 and significant at 1 percent. The political influence has the magnitude 0.697, transparency, freedom of voice, availability of proper resources, have negative coefficient. It means that the enforceability of rules and regulations and political influence are the positive determinant of employees' performance whereas the transparency, freedom of voice, and availability of resources are the negative determinants of employees' performance. Finally Figure 3 shows the SEM framework of this study.

Table 3

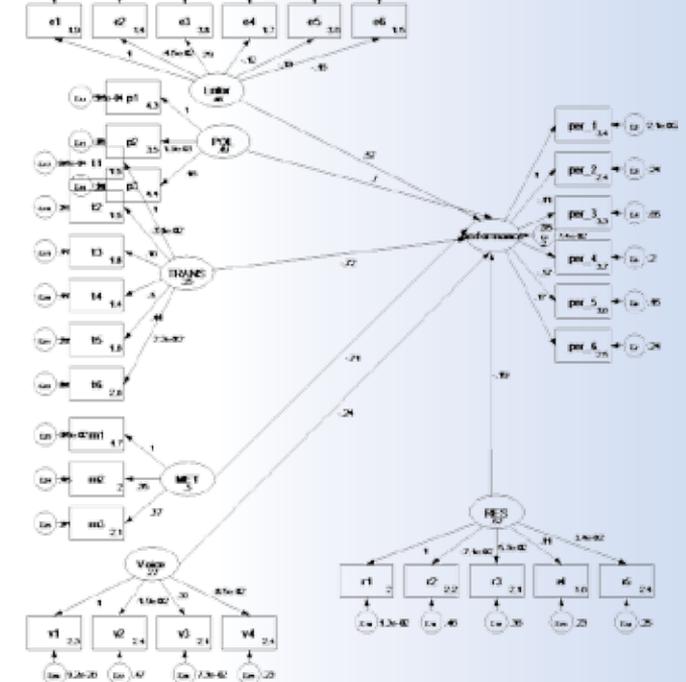
Hypotheses results

Variable	Coefficient	Probability
Dependent variable : performance		
Determinants		
Enfor	H1A	Accepted at 1%
POL	H2A	Rejected at 1%
TRANS	H3A	Rejected at 1%
MET	H4A	Rejected at 1%
Voice	H5A	Accepted at 1%
RES	H6A	Accepted at 1%
Note	***	** *
Significance level	1 percent	5 percent 10 percent

The hypotheses H1A, H5A, and H6A are accepted at 1% level of significance. Whereas the hypotheses H2A and H3A both are rejected at 1% level of significance.

Conclusion

Figure 3 SEM results (Stata 12)





## PERFORMANCE MANAGEMENT IN PUBLIC SECTOR – A NEED OF TODAY FOR TOMORROW

BY: MUHAMMAD ZEESHAN AMIN. FCCA, APFA, CIPFA(AFILL)

A Greek philosopher named Heraclitus said, "All entities move and nothing remains still". Industry modernization and Information & Communication Technologies (ICT) have changed the world dramatically, which result in improved, efficient and fast service delivery in the private sector. These new technologies revolutionize the management and governance style. This new era evokes the concept of performance management to be introduced in public sector as well. Performance management is a tool for improving the efficiency, effectiveness and equity of programs, organizations and services. Governments across the world focus on how to achieve sustainable development goals (SDG's) under United Nation Charter. Performance management system can play a vital role toward achievement of these goals and enhancement in planning process, efficiently management of development projects and resource utilization which would ultimate result in savings and improved service deliv-

ery. Many critics argue that performance management can twist the priorities of public sector and constrain for genuine novelty.

Performance management can be defined as:

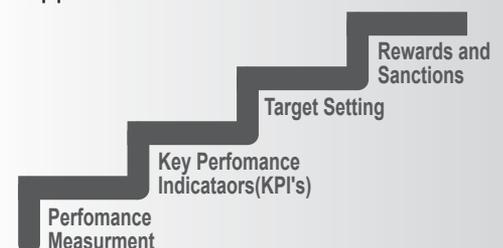
"Policies, Strategies and procedures intended to direct all the levels of management that is managing, controlling and regulating an organization towards improvement in organization".

Performance management in public sector can be more effective in managing outcomes as compare to traditional method i.e. focus on the budget and staff to maintain and management of rules and structures. A hostile situation emerges usually when policy makers introduce and implement new system in public-sector especially which are directly linked with development and enhancement of human capital capacity and capability. Adaptability of new expertise in public-sector is always a key issue which is a serious threat to innovation and capacity building of public sector organiza-

tion. Public sector originations always take an advantage that they are bound to obey some service and financial rules to maintain transparency and accountability all the time and defy all improvements and innovations that would have happened by implementing new management techniques and technological improvements.

### Key Components

Public Sector performance management system is generally composed of four correlated fundamentals and can be implemented through System Development Life Cycle (SDLC) approach.



It is important to mention that what kind of performance management system would be better and translate

ed in to effective and improved public service delivery? Organization may develop performance management system according to their prime goals but their ultimate achievement is common i.e. improved public service delivery. Performance Management system can be implemented as public sector originations as a uniform policy and at micro level within public originations. A basic outline of performance management systems is explained hereunder.

Initially, Policy makers need to define performance measurement by performing research internally and externally to know each and every procedure. It is very significant to find success factor(s) of the organization and set performance measurement benchmarks/standards. It is very hard to find comparable origination(s) in public sector for benchmarking of processes but this issue can be solved by involving all important stakeholder, regulators etc. and always keep a room for improvement and flexibility.

Secondly, Key performance Indicators (KPI's) must be selected on S.M.A.R.T criteria and directly correlated with benchmarks/standards. A minimum performance baseline must be set for individuals/departments and all KPI's must be communicated to all stakeholders effectively. There shall be no ambiguity and contradiction with government rules & regulations. A careful research must be done to avoid any clash within the department or outside the circle.

Next step i.e. target setting is very important and key stage is performance management. Policy makers must provide appropriate managerial control and tools to managers. Targets must be specific, attainable, measurable, acceptable and rewarding and have adequate linkages to overall policy of the originations and prime focus of these.

There shall be no system in this world can work effectively without having appropriate mechanism of rewards and/or sanctions scheme. Reward is the motivational factor to improve

further whereas sanctions/penalties create threat for slow/under performers to step up and improve their performance.

### **3E's or 6E's of Performance Management**

Efficient performance of public sector activities are always directed by the commencement of major transformations/reforms in the public domain. In contracts to the private sector, the evaluation of performance and efficiency in the public administration institutions/public-sector organizations are decade behind. Classically, Private sector performance can be assessed through various universally accepted performance measurement tools & techniques based on profit generations. Public sector institutions are labeled as not-for-profit. Therefore, profit criteria cannot be pragmatic as performance indicator to public sector entities. In the case of public sector institutions, an alternate system of performance evaluation must exist which cater all important indicators of performance.

It is a prevalent opinion that most of the public-sector institutions activities are not designed to grasp any income or surplus. This judgement is imprecise as public sector institution are not profit making by their design. These organizations may be under certain circumstances, create profit, in term of economic activity in broader aspect. Public sector Financial Management can be understood as a part of performance management system ensuring effective, economical and efficient utilization of public resources. It can be further extended to efficient and quality management of the organization.



In public finance management, the basic principle of "3E's" can be extended to "6E's", i.e. Equity, Environment and Ethics to broadened the concept of performance management.

These additional 3E's reflects non-financial consideration in any substance and can be helpful in optimal decision making in public-sector matters.

- **Equity:** May be defined as the quality of being fair and impartial. A legitimate effort to execute the plan and avoid discrimination and dishonesty, particularly in relation to the environment. This enhance the procedural fairness, equal access and commitment of resources to all the segments of society, consistency in service delivery and investigate the grounds of disparities
- **Environment:** An eco-friendly attitude towards goods and services, laws, guidelines and policies that claim limited, nominal, or no damage upon ecosystems or the environment.
- **Ethics:** May be defined in general as ethical values that govern a person's behavior or the conducting of an activity. Ethics play a significant role in management of individuals through ethics rule books and private sector companies through corporate governance rules. Public sector organizations are custodian of public money; therefore, ethical conduct is vital for each matter. Work enthusiasm, problem solving and peaceful working environment can be created through constructive and positive ethical environment. Ethical code of conduct is essentially developed to deal with the fundamentally inconsistent area of human behavior such as faithfulness to law, non-disclosure of facts, relations between employers, companies. Ethical codes are also dealt with matters of health, safety, and solving various type of conflicts within and outside organization. Consequently, a tunnel vision approach i.e. economical aspect may not appropriate measure to assess the performance management public administration or public sector organization activi

ties. A whole picture approach, which must cover all the essential & critical aspects, is more suitable.

### Does Performance Management Works?

Performance management is entirely a new concept for public sector organizations. This is the debate where adequate research and development is required in context with local culture and environment. General behavior of public sector employee is not constructive towards innovation and research and adoption of new tools & techniques. Some common issues during upgradation of public sector organizations are below:

- Key management of public-sector organizations constantly shows hesitation to acknowledge the responsibility for the resources management and manipulate the results for their personal objective.
- Persistent tendency to shift their responsibility to superior authorities.
- Management often demonstrate inadequate or poor understanding of implementation of systems, analysis and risk management.
- Employee's capacity, capability and reluctance to adopt new tools & techniques of the modern era.
- "No" to change due to job security issue.
- Strict & outdated government rules & regulations.

### Pakistan Challenge: Sustainable Development Goals (SDG's): 2015-2030

Agreed by the 193 Member States of the UN, the proposed Agenda, entitled "Transforming Our World: 2030 Agenda for Sustainable Development," consists of a Declaration, 17 Sustainable Development Goals and 169 targets, a section on means of implementation and renewed global partnership, and a framework for review and follow-up .

<http://www.un.org.pk/pakistans-challenges-sustainable-development-goals-2015-2030/>

Good governance in Pakistan is a key problem of all the time. Despite many efforts, there is no sign of remarkable improvement in public sector service delivery. This is an opportunity for Pakistan to put effort and move forward concise under the global goals for sustainable development. In the current scenario, Public sector organizations are not taking ownership and neglecting of these SDG's in their annual development programs. There is no evidence that public sector organizations include these SDG's neither in their planning process, i.e. PC-Inor conduct any research based on these SDG's.

Therefore, a coherent approach is essential to achieve these SDG's through an effective performance management system. Where targets of each department/organization or individual/group(s) can be set accurately and measure reliably. This is also an opportunity for our public-sector organizations to development comprehensive approach and set their directions towards these SDG's. This may enable public sector organizations to research, plan, implement and operate through a focused approach.

Final Words

Performance management methodology does not activate in isolation. It is important that professional and competent strategic management through strategic planning with strategic thinking, encourage stakeholder's participation, system maturity, leadership support, management capacity, employee's participation, innovative cultures, focus on strength and goal clarity.

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# PERFORMANCE MANAGEMENT IN PUBLIC SECTOR ORGANIZATION

BY MUHAMMAD JAWWAD, FPFA

## Introduction:

Performance management conceptualization had been a long way from just calculating public sector past performance and the value for money expended by the public sector organizations is far novel and practical in identifying the bottle necks in not getting the desired outputs, in terms of performance in services and improving the potential output of future performance of enterprises including the groups by integrating the management mechanisms into the planned predetermined evaluation exercise. There is a very positive trend and many private sector organizations have been performing value for money analysis through using advance techniques of performance management. This trend has also been followed now a day by many public sector organizations as well. These advanced management techniques which not only includes, developing effective performance measurement tools and techniques, strategic decision making, different ways to monitor and reward on achieving desired performance, and there is also

a growing trend that behaviors across organization have become more and more visible in the public sector enterprises, focusing on value for the public in large. The positive outcomes of such techniques have shown to be of significant importance especially in the introduction of administrative reforms in many countries across the globe. This has lead for better growth of an organization, improved process, efficient outcomes, and reduced wastages.

## Performance Management Past to Present... Theoretical Framework Defined

The performance management of the public sector organization now a day has evolved in the era.

Many theories have evolved in time to describe the behaviors, processes, dynamics, motivation, and Institutional myths in public sectors organizations with a focus on the public sector organizations in Pakistan.

The initiation of individual performance appraisals, which lies in the control philosophy, which was given

by Weber in 1917 and Taylor in 1947. Control philosophy is putting cross ~ cross into the assumption, which any process can be divided into scientifically into distinct, quantifiable and measurable process.

Finer (1941) propose the same control philosophy as 'Making the Managers Manage'. That approach requires that at all levels of managers are provided with consistent and elaborated defined details against all criteria of performance (Behn, 2001). This, when applied in the complex setup of a public sector organization will becomes an effective and interactive system with detailed rules, plans, desired outcome and timelines.

Accountability of individuals, managers and organization as whole are required to be accountable for the public taxes and its utilization in terms of outcomes and performance. Christopher Hood has described his seven doctrines (1991) describing the requirement of future public finance managers.

## 1. Professionals Managing the Public Sector Organizations

Christopher describes the importance of the delegation of the powers to the managers to implement and lead the organization at his will, with strong governance & accountability to achieve the organization goals. Here he argued and stressed on the importance of responsibility and not utilizing their powers for personal benefits.

## 2. Appraisal of Managers

Organization goals and predefined targets are appraised to measure the performance of the managers in their domain of authority and given powers to achieve the objective of the organization. The manager is required to be accountable



for the outcomes of the decisions he has taken with a hard look in comparison of the achievements of the desired organizations goals.

### **3. Impact and Output Linking Allocation of Resources**

The main focus is on achievements with in stipulated time period and given resources. Here the number of recurring procedures is stressed out to achieve organization goals within minimum time and resources. A new concept for the pay for performance was introduced for outstanding achievements and linking it to financial benefits for rewarding the highest performer.

### **4. Franchising, Out Sourcing,**

to zero and improving performance through innovation, implementing out of the box ways strategies to gain competitiveness. Creating a culture of competition in public sector organizations in order to improve the services, with a more focus on satisfaction of the public at large and ensuring the value for money. Public sector organizations are more complex than the private sectors. Subcontracting the below average performing sectors or departments are more desired to reduce the cost and improve efficiency. In order to achieve competitions, creating a rivalry could be the key to reduce the cost with optimum standards in terms of

gy the cost of doing business has been reduced significantly. New innovations are evolved transforming the ways of managing public finance. i.e Block chain technology, Information of things (IOT), Automation in accounting, SAP, Oracle, ERP software's & mobile apps etc. Eliminating fixed cost and increasing variable cost, increasing human capital regime, limiting legislation cost are few of the areas where more focus is required to be made and greater discipline is to be introduced.

## **Administrative Reintegrate in Public Sector Organization of Pakistan**



### **Specialization in Public Sector Organizations.**

Reducing the culture of underperformance and cutting the feathers of non performing organization, departments. Resizing, reorganizing the departments, organizations to perform and improve out come. In case of organizations not up to the mark, outsourcing, franchising and public private partnership could be a better option to ensure value for money. Organizations and departments should be cut and slice into manageable & measurable ones.

### **5. Competitiveness within Public Sectors Organizations and Comparison with Private Sector**

New innovations are now a days to key to reduce the cost of doing things with greater efficiency. With a view to reduce the wastages up

quality.

### **6. Command and Control, Military style of Management in Public Sector**

Dysfunctional and bleeding public sector organizations are required to be ruled on command and control basis with a military style of management. The last hope is to cure the cancer and make organizations more acrobatic in terms of performance and creating wealth for every penny incurred. Such style of management should be used not only in paying wages, recruitment, utilization of resources but comparing the outcomes of a private sector organization.

### **7. Parsimony, Penny Pinching, Austerity Measures in Reducing Cost of doing Business in Public Sector Organizations.**

In the age of information technolo-

Pakistan's bureaucracy has been tainted with political interferences, institutionalized malpractices, ethical crisis and exploitation from both within and outside its ranks. All this has aided in institutionalizing inefficiencies and administrative malpractices. This also presents the main reason why administrators might not be motivated to introduce more effective accountability and performance management reforms. The inherent dichotomy of the scheme of affairs presents as the biggest challenge in bringing change in the bureaucracy of Pakistan and should be the starting point to address the challenges in implementing pro-accountability reforms.

## **Conclusions**

### **1. Performance Management and its Consequences:**

Effective performance management now a day's are critical to

achieve desired results, value for public money. In order to restore the confidence of the public at large, that taxes collected by the governments are being used effectively, efficiently for the purpose they are collected and for the benefits of the general public at large.

## 2. Strategic Gaps in Public Sector Organization

Administrative centre of public sector organizations does not effectively coordinate their strategy across other public sector organization, which impedes public sector organization's propensity to achieve organization goals within stipulated time frame.

## 3. 21st Century Challenges & Opportunities that Lie Ahead

Not only the fiscal crisis matters, it is not only the opportunity to reconcile, desired public goods and services, that public desired and is willing to pay government taxes against these services, which worth to the population at large. In the current century lean thinking tools like & mapping process are the way forward in the public sector organization, with a vision to redesign their services, achieve desired public confidence and exceed their expectation against value of money for which taxes were collected and are invested for benefiting the public at large.

## 4. A Perfect Performance Management Systems Map for Public Organization

Performance management & rationality should be incorporated throughout public sector organizations in Pakistan. It is not the "one size that fit's all" public sectors performance management system, but if public sector follows' the basic principles, they can avoid effects such as corrupt practices, wastage of recourses or dysfunctional behavior in services. Performance management strategies implementation should be mapped from top to bottom with a prospec-

tive to avoid any disproportional function in the efforts of getting and reporting the required information, when comparing it with the capital investment made for improving the performance. Utilization of advance technologies is not the end in today's transformed Information based world, where technology and innovation can used for highest level of accuracy and precision.

## 5. Private Sector Organizations Insight Out.

In today's world the public sector organizations are multiplex than the private sectors. Private sector organizations are more bullish and have only one motive, to earn more profit maximization, in every possible way. The public sector's organizations are immensely labyrinthine, cacophonous in objectives, number of beneficiaries, expectations of the public at large and the politician influences. Private sectors organizations are free from above and objective is to maximize profit through output and performance.

## 6 Responsibility Accountability.

Performance measurement goals are not the sharp edge for achieving results emplacement. A national culture of performance achievement should be spread throughout nationwide and organization leaders, managers, departmental heads need to be held responsible for their achievement, keeping in mind the consequences of dismissal from services could be an option in the hands of the top management for not performing up to the desired level.

## 7. Desired Skills and Expertise for the Coming Century.

The public sector should recruit efficient leadership strategy. There are many approaches to cost reduction and improving the overall outcomes, should include process innovative, effectiveness, standardization, digitalization, outsourcing, scale of economies,

out of the box thinking, collaboration and gradually establishing a culture of cost reduction throughout the public sector. Mention skills and expertise would be very important for the public sector organizations in the future which are foreseeable. We must act accordingly to prepare and enhance our human capital and time is running out fast.

## Recommendations

### 1. Prominence of Performance Management.

Public sector organizations should act according to the way straightforward, about its goals achievements, and the strategy in order to achieve these objectives, and not only to enhance governorship, backed by commanding peoples of professionals in the area of public finance manager's.

### 2. Communicating the Way Forward of Public Sector Organization And Reducing Strategic Gap.

Government should think of a one window operation government strategy, with which national departments may align their organizational strategies. National organization of accounts may in every government department have full board membership of professionals. This will increase corporate sector style of working with a collective style of accountability and responsibility.

### 3. Response to Situation at Hand for the Public Sector Organizations.

Public sector organizations may use condemnatory period as an aperture for sophisticated fiscal consolidation. Changing step by step would not achieve the desired results. The ways of getting work appraised orthodox are now a day's obsolete. Organizations are looking ways beyond the elements weather the services provided are no longer required by the public or have value to them. Organizations are looking ways to replace such services with enhanced and auto-

mated ways to replace ways these services were provided in the past. Such approach needs to be reconsidered with an ongoing process by the public sector organizations. They should not be part of the proclivity towards the orthodox services provided. An approach to reduce, eliminate gradually or impetuous approach should be imposed with a salami slicing way of doing things.

#### **4. Performance Management Systems Sketch.**

The system should be designed to evaluate the services delivered by an organization as whole against the benchmarks predetermined or value for money produced. There should also be a system to monitor the progress of the organization at least on monthly or quarterly basis to address the deviation from the norms or the bench marks. Many organizations depend on the output of one and other. Communication and coordination with one another has vital importance, this not only reduces the performance but also some times rivalry creates hindrance to achieve the organization objectives. Public sector organization should avoid thinking individually or silo thinking may be avoided. Cooperation with other organizations is vital in achieving the goals. Blame game may be avoided and out of the box thinking should be adopted to ensure that every department is responsible for value for money and should work under his scope.

#### **5. Insights from the Private Sector.**

Public Organizations should not be limited to out of the box thinking of the experience of private sector, whose cost effective leadership and performance management practices can be instructional. There is a greater recognition of the contribution contributed by young professionals with a wide experience of private sector as well. They are not only challenging the status quo of the organization

for its obsolete practices. This has increased the ways governments are going with public-private partnerships more and more. The talent hunt for the future needs of the public sector organizations human resource should be planned well in advance. Being complex in nature and diverse in operations, public sector organizations required the talent of the future how can learn new skills and adopt them. Ongoing training programs are organized well in advance to reduce the gaps between the desired skills and available resources between the senior management to encourage a way forward.

#### **6. Skills and Expertise.**

Skills and expertise of an organization as a whole and being an individual needs to the modernized and aerodynamic. Cost cutting in term of monitory and improving outcome in services day by day should be on top priority. This should be a process, culture of an organization rather than a defined routine process. Investment in the literacy of the top management of public finance managers should be made prudently, in order to enhance their skills which would be essential in the future and would have edge in any organization.

Public sector organizations may reinvent, exponent and postulate that less bureaucratic work environment would not only spark a towering inventiveness, but more risk bearing and the return in terms of significant productivity in public sector organizations.

#### **Driven Rules of Performance Management:**

- Financial incentive plans should be developed by senior managers keeping in mind segregation of duties. Performance improvement should be incorporated as culture in organizations rather than a routine work.
- Organization goals should be

linked with the pay for performance of financial incentives. Also the goals should be agile.

- Rules and regulation should be first developed and then implemented. Employees should have a clear understanding of the rules governing to the financial benefits. Regulation and workload should be achievable for the employees. Ensure that the employees who lack in getting the financial benefits are trained and motivated to perform in order to attain the organization goals. Employee's feedback should not be neglected.
- Measurement of the incentives should be in such a way which can measure performance of individual process as well. The performance of a team should also be measured as a whole and compared with the performance of other teams as a whole.
- Quantifiable outputs should be measured. Quality indicators may be linked with the long term objective. Measurement of the performance indicators should be simple.
- Performance evaluation should also at level where employee individual performance can be evaluated. Every employee should be given equal opportunity to achieve such financial benefits.
- Employees should be given equal opportunity to achieve the incentives. It should not be necessarily that every employee gets every time the benefits. Performance levels could be redirected towards the organization goals achievements. Employees should not see performance incentives as a regular pay check as a guaranteed amount.
- Performance indicators could not foolproof. In such case the indicators needs to be redefined and after implementation sharpen to achieve the organization goals. Scorecards could be used to identify the barriers in some groups how could not achieve the perfor-

mance incentive or some would be getting more incentive than other. The incentive plans need to be adjusted regularly in order to give financial benefits to the deserving employees for the performance not to ones that do not deserve or contribute towards the objective of the public sector organizations. Employee's small or little contributions should be appreciated at either small or large level in the organization.

Public sector organizations often work under predefined rules and regulations. Behn in 1995 explained that bureaucratic structure of public sector organizations are normally backed by the political system of the country that often prefers bureaucracy over participative management. In achieving the strategic management goals in public sector organizations, some of the important hindrances are listed below.

- I. Lack of leadership
- II. Political influence in recruitment and setting organizational goals
- III. Lack of professionalism in public sector organization
- IV. Conflict of interest
- V. Lack of strategic goals setting
- VI. Lack of consistency of policies
- VII. Interdepartmental differences and hurdles
- VIII. Conflict of interest between departments
- IX. Lack of motivation
- X. Too much centralized decision making system
- XI. Status-quo strategy
- XII. Lack of coordination between departments
- XIII. Ambiguity of goals
- XIV. Too much Government interventions
- XV. Major purpose is to serve higher management, not profit orientation
- XVI. Corruption, non transparent public expenditure.
- XVII. Wrong performance evaluation technique

- XVIII. Red type Employees
- XIX. Political meddling
- XX. Extraneous factors
- XXI. Lack of job descriptions and seriousness
- XXII. Control political intervention
- XXIII. Lack of competitive market based remuneration
- XXIV. Lack of incentivize performance
- XXV. Absence of appraisal interviews
- XXVI. Boss prospective thinking for promotions.
- XXVII. Lack of out of the box thinking
- XXVIII. Working on old line of thoughts

Now the question arises that, how can an organization overcome such hurdles? Below are the few recommendations for the public sector organizations.

1. Top core management should be given at least for 3 to 5 years to perform and implement their policies and strategies of the organization to measure the performance of the top management.
2. Top Management should commence a culture of recommendations / engaging management, hear new ideas for improvement in the system.
3. Communication should be improved at all the level of organization, goals of the organization should be communicated to all the employees to get them on board at

each and every matter.

4. Introduction of financial benefits to the employees for the performance in organizations. Reduction of red tape in organizations.
5. Top management should have sovereignty and ascendancy to take some new initiatives, to bring some changes in the organization, and there should be also encouraged for competition within or among other public sector organizations. Providing new challenges & motivation to the managers to achieve new heights.

Government organization has an edge, as they can perform with greater performance and even can produce much better than other private organizations. Not only that government just remove its influence from the political will in the public sector organizations, communicate the goals of the organization to its employee's, implement merit based policies, redesign the salary structure and linking pay with performance, use pay for output along with efficacy, encourage the staff and recognize their performance achievement, reduce the number of huge unwanted and redundant staff, rules and formalities. Simplify the process and reduce number of transactions in a process. Delegation of powers, with defined rules and procedures should be used to reduce the time period performance management. In the age of technology, this is not only on of the very perfect way for enhancing the performance and its measurement.





# THE WHAT, WHY, AND HOW OF CLOUD COMPUTING FOR SMPs

BY PAUL GISBY, MANAGER ACCOUNTANCY & TAX, ACCOUNTANCY EUROPE

Accountancy Europe recently published an information paper, *Moving to the Cloud*. The paper examines the what, why, and how of cloud computing for accountants working in small- and medium-sized practices (SMPs). It addresses potential benefits and pitfalls of cloud computing to help SMPs remain relevant for their clients, which are mainly small- and medium-sized entities (SMEs).

Cloud-based computing is important for SMPs because it is important to their clients. Clients are increasingly demanding robust accounting tools that allow them to access and manage their data in real time and facilitate mobile computing. Moving to the cloud is the best way to satisfy these demands and accountants must be ready to adapt to this new paradigm. Cloud computing is not a perfect solution and there are both potential benefits and pitfalls from moving online. However, such a move is inevitable for SMPs if they wish to remain relevant to their clients.

Data storage is still perhaps the most widely-used cloud-based service, but there is an increasing range of online hosted-software services of use to SMPs and their clients. Online accounting and tax return processing

applications are well known examples, but practice managements systems and customer relationship management systems are amongst those packages also migrating online.

In the paper, we outline several potential benefits for SMPs moving to the cloud.

- It can help SMPs upgrade their service level by getting real time information allowing for an instant picture of business performance and tailored advisory services to their clients.
- The nature of services SMPs provide to their clients is changing. Accountants will be ideally placed to interpret information and Big Data and use it to help design analytics (including key performance indicators or dashboards) corresponding to the client's specific business needs.
- SMPs will be able to offer their services at a lower cost. Administrative and in-house IT support costs will decrease as online services are updated and backed-up automatically. Via online accounting software, customers and vendors can enter their data directly into the system, which will minimize the time spent dealing with clients' admin-

istration and data entry.

- It will improve flexibility as access to information will no longer depend on location. SMPs will be able to service their clients from any location, and it will also allow for a more flexible working environment—remote working will become much easier.
- It offers smaller companies access to services and tools, such as Big Data analytic tools. Also, SMPs using online applications can employ “chunkification”, which means choosing an application's key features that a business really needs and then linking them to other “chunks” offering other key functionalities.
- As more and more clients use cloud technology, embracing the change will not only keep SMPs relevant, but it also may bring new international clients and business partners and attract young talent.

Finally, the paper sets out the 5 Steps to the Cloud, which gives an overview as to what SMPs should keep in mind when moving to cloud computing. If you are interested in the impact of technology on the accountancy profession, please join our Digital Day on March 29, 2017 in Brussels, Belgium.

## HOW SECURE IS YOUR CLIENT'S DATA?

BY PETER DOCHERTY, GENERAL MANAGER, PUBLIC PRACTICE, CPA AUSTRALIA

If no one is too big to fail, it's also true that you are never too small to be hacked. In 2017 an Australian insurance broker Fenton Green had 17 claims from small and medium-sized accounting practices (SMPs) for cyber-security breaches. Green doesn't insure all accountants in the country and even so that's a sizeable number of claims for a country with such a small population (nearly 25 million). Last year a survey of 183 small Australian practic-

es by accounting consultant Smithink revealed that one in six firms had been hacked or suffered from malicious incidents.

Technology Risks:

“As far as risk profiles go, accountants with their access to client data including bank accounts and financial statements are at the top as hackers are concerned. Their sheer financial footprint means their risk profile is high,”

notes principal Drew Fenton. According to Fenton, only 25 to 30 percent of Australia SMPs use the Cloud to store sensitive data, and there remains increasing concerns around data security in the Cloud with 66 percent concerned about the security risk, a six percent increase from the previous year. SMP owner Tanya Titman, who is an avid Cloud champion, reflects on the days of putting client files on USB sticks. “Did anyone keep track of those



USB sticks? With the Cloud there's so much more security and much more process." Drew Fenton agrees: "At the end of the day if you are not in the Cloud you are not protected."

So what are the risks of this so called more secure digital data storage? They boil down to the same old issue: keeping track of your data. IT security expert Dr Michael Axelsen says, "Losing USB sticks used to be the greatest risk, but today the risk occurs when you go from one Cloud provider to another." Using numerous Cloud providers may increase your security risk. Why? Because cloud providers have the right to edit and modify your inputted information. Cloud providers don't agree on or maintain the same security agreements and – due to tough competition, potential cost issues, and outsourcing overseas - your sensitive data can potentially become compromised.

"Practitioners need to make sure when they change Cloud providers that their data is taken off the backup systems - otherwise they could end up with a patchwork quilt of different service providers" notes Axelsen, who argues that the Cloud is still far better than the alternative.

But what is the easiest way to get hacked? It's not the Cloud, Fenton says, the easiest way to get hacked is by opening the wrong email. 'Innocent emails' asking you to click on attachments is an open door for hackers to access your system."

Axelsen says firms can counter these events by initiating a "data respect culture" which involves making staff hyper-aware of data security. "That's probably your best line of defense. Your data might be encrypted and relatively secure, but hackers can get something from your firm by social engineering methods or phishing." He recommends having a strict risk policy and email protocols in place. Businesses are increasingly testing their staff through "phishing tests", which are test emails sent to staff emails asking them to click on a variety of requests. People need to change their mindset to constantly be on guard and suspicious of all emails

that are asking for an action or personal information.

Here are factors to consider in order to keeping your data, and your clients, safe.

**Tips on Keeping Data Safe:**

• **Technology Risk Management Framework**

The first step firms should take is to build and maintain a technology risk management framework. This includes policies and procedures on how a firm assesses and identifies risks associated with the use, ownership, operation, and adoption of IT.

• **The Cloud**

Today's cloud is safer than in-house servers, but data management is key. Know who your providers are and where they are storing your data. Consider security solutions such as two-factor authentication.

• **Disaster Recovery and Business Continuity Plans**

It is too late to build a disaster recovery plan after an attack. Failure to build and maintain an effective business disaster recovery system can be catastrophic. Firms need a proactive risk management plan that covers system and software back-ups; off-site storage; and trial restores.

• **Cybersecurity**

It is important to have system utilities to protect the firm from malicious attacks. Systems that can proactively combat cybersecurity attacks include, firewalls, virus protection, malware/spyware programs, and anti-spam and phishing software.

• **Policies and Procedures**

Installing good IT governance procedures within a firm is critical. Policies should include guidelines that ensure that systems are not misused, with practices to ensure that applicable policies are continually reviewed and updated to reflect current risks. Ongoing education to all employees of the firm on technology risks should be part of the firms

risk management framework.

• **Hardware**

Keep a log of hardware (including laptops and phones). Maintenance contracts should be sustained with hardware suppliers so that hardware failures can be quickly rectified. Ban staff from using free Wi-Fi -- on company or personal hardware -- to access sensitive data.

• **Software**

Keep an updated tracking system of current, past, and potentially future software subscriptions. Regularly upgrade software to current levels and allow time for system patching before shutting down your devices.

• **Insurance**

Adequate insurance for the firm must be maintained and cover the cost of replacing infrastructure, and labor costs to rebuild systems and restore data. Also, consider insurance for the loss of productivity resulting from a major system failure or catastrophic event.

IFAC has recently launched an updated the Guide to Practice Management for Small- and Medium-Sized Practices, which includes a new chapter on Leveraging Technology and covers Developing a Technology Strategy, Hardware and Software Options, Technology Risks and New & Emerging Technologies.

Peter Docherty is the General Manager of Public Practice at CPA Australia, responsible for strategic oversight of issues impacting public practice members globally, developing member services and advocacy. Peter is a regular speaker in Australia and overseas on regulatory oversight and practice management. He facilitated the development of the IFAC Guide to Practice Management for Small to Medium Practices, CPA Australia's Firm of the Future Report and Practice Management Portal.

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# SHOULD WE MOVE BUSINESS TO THE CLOUD?

BY ANDREA MURAD

Technology is integral to the financial function of any company. The decision to keep financial processes on premises or to move them to computing clouds can impact business processes. While there are trade-offs to consider, the right technology can transform a business.

Cloud computing simply means storing data, processes and programmes on the internet rather than hard-drives.

“One of the key strategies in technology is driving agility,” said David Thompson, Chief Information and Technology Officer for American Express Global Business Travel. “Many of the new cloud-based financial applications provide state-of-the-art capabilities and ongoing innovation, thereby freeing up IT talent to work on more strategic initiatives and allowing the CFO and finance department to take advantage of key developments in these cloud-based applications.”

This investment can have wide-scale effects on a business. Technology can eliminate redundant manual tasks and streamline workflows, which save time and money. For companies that have grown by acquisition or under-invested in technology, for example, moving to the cloud might be necessary.

“These companies recognize that their technology needs to be replaced with something drastic and transformational,” said Robin McBurnie, Partner at PwC. “To survive, they need to simplify their applications, their business processes and their offerings to their customers - simplification is a key word to their legacy estate, key processes and customer offerings.”

Every company has different needs that impact technology decisions, no matter how inevitable moving to the cloud may seem. We look at the pros and cons when considering a move.

## What are the benefits of the cloud?

**Lower costs:** Deploying cloud-based applications reduces the need and associated costs for internal infrastructure, suites of applications, supporting technologies and multiple IT disciplines.

“The commercial model of a cloud-based financial process platform is typically based on a monthly subscription that is charged per user, thereby eliminating upfront capital expenses,” said Girish Phadke, technology head of Microsoft and cloud platforms at Tata Consultancy Services.

**Stronger cybersecurity:** Cybersecurity for systems in the cloud is handled by specialized professionals rather than in-house staff.

**Scalability:** “Cloud-based financial process platforms will enable enterprises to scale up operations on demand without having to worry about any upfront capital expenses and lead times associated with adding IT infrastructure capacity,” said Girish.

**Enhanced functionality:** Implementing new features to software that’s on premises takes time, is expensive and might not be strategic, while upgrading cloud-based software is fast and on point, said David. Cloud-based software suppliers make functionality available based on experience across all clients and industry research, and clients can choose whether to run these features.

“Most of the cloud-based financial process platforms come with built-in analytics and machine learning capabilities and can provide recommendations to make business operations more profitable,” said Girish.

“Additionally, they provide real-time insights into financial performance, enabling faster completion of month-end, quarter-end or year-end

financial processes by leveraging computing on demand.”

Innovative and adoptive technology: “Enterprises can consume best of breed services for financial processes with the cloud, as opposed to reliance on a monolithic on-premise enterprise resource planning (ERP) product,” said Girish. Cloud-based financial processes are better able to adopt to business changes.

Having core applications in the cloud also allows companies to leverage innovative technologies like blockchain, AI and robotics, said Robin.

Strategically focused IT staff: “Leveraging cloud-based applications allows IT organizations to focus on competitive differentiators, client engagement and operational efficiencies while software providers take on the burden of maintenance, feature development and engagement of functional leaders for new capabilities,” said David.

“The CFO’s team are the functional experts, and they work with IT to deploy applications and to turn on the features they need. Technology teams ensure the data flows and interfaces are correct and that everything is tested for capacity and functionality.”

More automated processes: Companies need to consider the processes that they’d like automated and how to integrate these with predictive analytics and other new capabilities.

“This may provide a company with an opportunity to streamline operations, reduce reliance on third parties and to use technology for these processes rather than intermediaries, which ultimately saves money,” said David.

**to be continued**

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## Newly Registered Members

S#	Name	Member#	S#	Name	Member#
1	Ayaz	APFA-7395	57	Nadeem Iqbal	APFA-7451
2	Ahsaan Ullah Babar	APFA-7396	58	Muhammad Sajjad	APFA-7452
3	Muhammad Adnan Ahmed	APFA-7397	59	Basharat Ali	APFA-7453
4	Javaid Jehangir	APFA-7398	60	Memoona Ameen	APFA-7454
5	Muhammad Atiq Ur Rahman	APFA-7399	61	Arsalan Iftikhar Khan	FPFA-7455
6	Muhammad Danish Siddiq	APFA-7400	62	Muhammad Waqar Iqbal	APFA-7456
7	Muhammad Ali Ghina	APFA-7401	63	Muhammad Imran Saqib	APFA-7457
8	Ghulam Murtza	APFA-7402	64	Amin Akbar	APFA-7458
9	Asad Ali	APFA-7403	65	Faisal Azeem	APFA-7459
10	Pervez Ali	APFA-7404	66	Asif	APFA-7460
11	Muddsar Abbas Nonori	APFA-7405	67	Sharif Ullah Khan	FPFA-7461
12	Noman Ijaz	APFA-7406	68	Muhammad Haroon Khan	APFA-7462
13	Hafeez Ur Rehman	APFA-7407	69	Muhammad Atif Shaikh	APFA-7463
14	Abdul Ahad Sakrani	APFA-7408	70	Ahsan Siddiqui	APFA-7464
15	Imtiaz Ahmad	APFA-7409	71	Muhammad Jazeeb	APFA-7465
16	Muhammad Fahad	APFA-7410	72	Aftab Afzal	APFA-7466
17	Muhammad Faisal Yaqub	APFA-7411	73	Zaheer Abbas	APFA-7467
18	Muhammad Yousaf	APFA-7412	74	Ghulam Abbas	APFA-7468
19	Sohail Munir	APFA-7413	75	Omair Javed	APFA-7469
20	Muhammad Atif	APFA-7414	76	Salman Zaheer Chishti	APFA-7470
21	Umer Faheem-Ul-Haq	APFA-7415	77	Muhammad Aniq-Ur-Rehman Siddiqui	APFA-7471
22	Muhammad Umer Din	APFA-7416	78	Sana Ullah	APFA-7472
23	Muhammad Junaid Younas	APFA-7417	79	Muhammad Aamir Iqbal	APFA-7473
24	Mirza Agha Hasnain	APFA-7418	80	Ibn-E-Abbas Ashraf	APFA-7474
25	Muhammad Rizwan Safdar	APFA-7419	81	Bilal Ahmed	APFA-7475
26	Waris Waseem	APFA-7420	82	Sohail Abid	APFA-7476
27	Muhammad Siddique Tariq	FPFA-7421	83	Hamza Tufail	APFA-7477
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30	Muhammad Rizwan Shabir	APFA-7424	86	Irfan Ali	APFA-7480
31	Muhammad Zulqarnain Tabassam	APFA-7425	87	Imran Javed	APFA-7481
32	Muhammad Imran	APFA-7426	88	Zeshan Rauf	APFA-7482
33	Rehan Rafiq	APFA-7427	89	Syed Muhammad Yousaf Raza Kazmi	APFA-7483
34	Syed Muhammad Ali	APFA-7428	90	Muhammad Umar	APFA-7484
35	Muhammad Aqib	APFA-7429	91	Muhammad Ali Latif	FPFA-7485
36	Waqar Haider	APFA-7430	92	Arslan Akram	APFA-7486
37	Khalid Rehman	APFA-7431	93	Syed Azhar Hussain Kazmi	APFA-7487
38	Hina Kanwal	APFA-7432	94	Ali Asghar	APFA-7488
39	Faisal Majeed Siddique	APFA-7433	95	Sarmad Bin Wasim	APFA-7489
40	Naeemullah	APFA-7434	96	Suresh	APFA-7490
41	Mustafa	APFA-7435	97	Asgher Ali	APFA-7491
42	Adeel Mirza	APFA-7436	98	Mirza Ammaz Tariq	APFA-7492
43	Muhammad Taaha	APFA-7437	99	Azeem Khalid	APFA-7493
44	Uzair Aziz	APFA-7438	100	Farhan Shahid	APFA-7494
45	Mahad Ahmed	APFA-7439	101	Khuram Jawed	APFA-7495
46	Awais Nazeer	APFA-7440	102	Abdul Farhan	APFA-7496
47	Muhammad Faisal	APFA-7441	103	Zohaib Shafqat	APFA-7497
48	Iram Nazir	APFA-7442	104	Muhammad Faizan	APFA-7498
49	Raheel Sundrani	APFA-7443	105	Ariz Khan	APFA-7499
50	Muhammad Yameen Khan	APFA-7444	106	Abdul Fatir Karim	APFA-7500
51	Muhammad Nauman Shaukat	APFA-7445	107	Muhammad Bilal Akbar	APFA-7501
52	Eirij Rubbani	FPFA-7446	108	Faizan Chaudhary	APFA-7502
53	Ikram Rauf	FPFA-7447	109	Rizwan Ali	APFA-7503
54	Syed Naqui Raza	APFA-7448	110	Fahim Mukhtar	FPFA-7504
55	Syed Aamir Alam Rizvi	APFA-7449	111	Ghulam Abbas Nakai	FPFA-7505
56	Owais Iqbal	APFA-7450			

## Elevated from Associate to Fellow Members

S#	Name	Member#	S#	Name	Member#
1	Rashid Ahmed Shaikh	FPFA-162	31	Najmul Hoda Khan	FPFA-5447
2	Muhammad Younas	FPFA-239	32	Danish Zahid	FPFA-5460
3	Tahir Iqbal Mughal	FPFA-1715	33	Najeeb Ullah Khan	FPFA-5562
4	Shahzada Saleem	FPFA-2172	34	Muhammad Rehan Shaukat	FPFA-5599
5	Raja Gul Muhammad	FPFA-2286	35	Faisal Mehmood Shaikh	FPFA-5656
6	Nasir Mansoor	FPFA-2886	36	Muhammad Akhtar	FPFA-5687
7	Shabbir Ahmad	FPFA-3467	37	Zia Ur Rehman	FPFA-5703
8	Qamar Zaman	FPFA-3574	38	Tariq Zaman	FPFA-5707
9	Muhammad Fahad Farooqui	FPFA-4056	39	Fahad Rahim	FPFA-5708
10	Muhammad Asad Iqbal	FPFA-4153	40	Zahid Hussain Zahid	FPFA-5725
11	Mansoor Siddiqi	FPFA-4158	41	Syed Yamin Mustafa	FPFA-5729
12	Sadiq Shamsher Ali Boolani	FPFA-4320	42	Muhammad Waseem Anwar	FPFA-5819
13	Muhammad Sibghat Ullah	FPFA-4392	43	Sanaullah Khan	FPFA-5834
14	Muhammad Jamshaid	FPFA-4476	44	Waseem Khan	FPFA-5841
15	Arshad Ali	FPFA-4486	45	Adeel Habib Baig	FPFA-5881
16	Roofi Abdul Razzak	FPFA-4644	46	Muhammad Irfan	FPFA-5884
17	Asmar Shafi	FPFA-4810	47	Shaikh Jamal Yousuf	FPFA-5892
18	Adeel Kaiser	FPFA-4841	48	Affan Rasool Khanzada	FPFA-5895
19	Muhammad Waheed	FPFA-4843	49	Syed Zia Ur Rehman	FPFA-5898
20	Hafiz Hashim Zia Ur Rehman	FPFA-4980	50	Vijay Kumar	FPFA-5905
21	Shoaib Shamim	FPFA-4986	51	Uzair Ahmed	FPFA-5910
22	Muhammad Shakeel Ur Rehman	FPFA-5033	52	Khalid Mukhtar	FPFA-5913
23	Moeid Sultan	FPFA-5103	53	Imran Saleem	FPFA-5936
24	Muhammad Ali Zia	FPFA-5167	54	Salman Irshad	FPFA-5944
25	Muhammad Azam	FPFA-5211	55	Danish Ali Malik	FPFA-5961
26	Muhammad Abu Bakr	FPFA-5238	56	Yaser Younis	FPFA-5975
27	Salman Ali	FPFA-5249	57	Muhammad Imran Ibrahim	FPFA-5981
28	Sheikh Muhammad Amir Rauf	FPFA-5263	58	Junaid Jawaid	FPFA-5986
29	Saif Ullah	FPFA-5332	59	Muhammad Abrar	FPFA-6006
30	Waqas Shafique	FPFA-5435	60	Mozammil Ahmad	FPFA-6549

## PIPFA JOURNAL ADVERTISEMENT TARIFF



Position	Tariff
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For details please contact:

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PAKISTAN INSTITUTE  
OF PUBLIC FINANCE  
ACCOUNTANTS

Constituted By  
ICAP, ICMAP & AGP

Associate Member of



# PIPFA MEMBERSHIP PROGRAM

PIPFA Membership Program is intended to uphold and back the growth of PIPFA Members subsequently adding value to the organizations they work for.

## PIPFA DESIGNATIONS

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Fellow Public Finance Accountant (FPFA)



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- Opportunities to avail recognition in International Accountancy Bodies including Affiliate membership of CIPFA-UK
- Opportunities to interact at the national level with the elite accounting community comprising Public Finance Accountants, Chartered Accountants and Cost & Management Accountants
- Professional activities like participation in Branch Committees, Board of Governors' election and general development of accounting professionals

DESIGNATION	ELIGIBILITY	REGISTRATION FEE
APFA	PIPFA/CA/ SAS/ APE Qualified or CA-PE-I or Mod-E/Prof. Acc. Affiliate CMA Stage/ Semester-5/ Professional Level or ACCA/CIMA Members with prescribed years relevant experience	Rs. 5,000
FPFA	Standing APFA for 05 Years or FCA / FCMA / FPOE	Rs. 7,400



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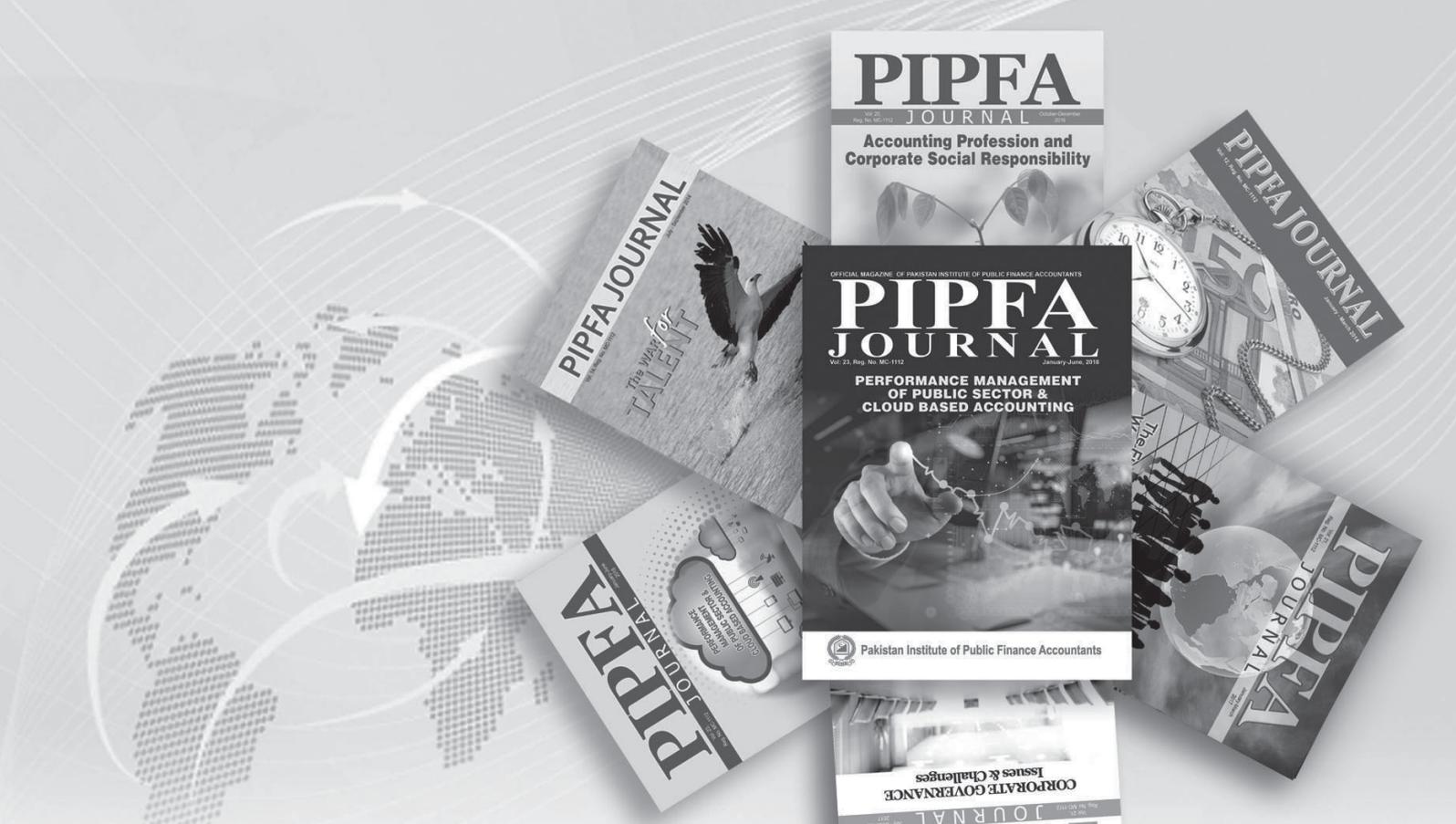
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# PIPFA Journal Invites You

Dear Valued Members/Students,

PIPFA Journal is the Official Publication of the Institute and is being published to keep abreast its members and students with the latest developments in Accounting Industry. We would welcome articles from our valued members and students for forthcoming issue on **“International Public Sector Accounting Standards (IPSAS) Challenges & Opportunities”**.

### **Other Possible Categories:**

- Economic Recovery
- Performance and Financial Management

### **Guidelines for Submission of Articles for PIPFA Journal**

1. Articles must be focused in flow with the theme, passionate, compelling, developed gracefully, concrete, well suited for the readers and in compliance with ethical norms of the society.
2. Criticism on official policies of any Governments/Organizations will be discouraged.
3. If the article is based upon prior work of others; it is mandatory to quote references of websites and published articles.
4. Translation of a previously published article/paper is not permissible.
5. Articles should be simple with correct punctuation and grammar.
6. Article's words limit should not exceed 2000 words.
7. All articles shall be checked for plagiarism with the help of specialized software and tolerable limit shall not exceed 20%.
8. PIPFA will not publish any text/information which harms the image of the Institute and the nation.
9. Editorial Sub-Committee has the right to amend submitted article by dropping criticism and controversial statements or details as needed without the consent of the author.
10. The Publication & Seminar Committee reserves the right to accept, reject or moderate articles, written by the Author.

Kindly send us your articles on or before April 15, 2019 so that same can become a part of the PIPFA Journal. Articles received after due date will be used for the successive volume upon approval of the Publication Committee. Members and Students are requested to send their articles at following email address at their earliest:

[member@pipfa.org.pk](mailto:member@pipfa.org.pk)

We are sincerely looking forward to receiving the articles.

Thanking You  
Member's Affairs Department



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| - <b>Gujranwala:</b><br>Call/SMS: 0345-7409100   | - <b>Sialkot:</b><br>Call/SMS: 0340-0404400     |
| - <b>Islamabad</b><br>Tel: 051-2287313, 14, 15   | - <b>Rawalpindi</b><br>Tel: 051-5125155, 59, 60 |
|  | - <b>Multan:</b><br>Call/SMS: 0300-6358063      |
|  | - <b>Peshawar</b><br>Tel: 091-5853345, 46       |

## 6TH GRADUATION CEREMONY

The Pakistan Institute of Public Finance Accountants (PIPFA), Islamabad Chapter graciously celebrated its 6th Graduation Ceremony at Islamabad Hotel, Islamabad here on January 27, 2018 in order to award Certificates to PIPFA Qualified and Merit Certificate Holders. Mr. Khawaja Ehrar-ul-Hassan, President, PIPFA symbolized the propitious event. Mr. Zafar Hasan Reza, the Additional Auditor General of Pakistan was the distinguished Chief Guest of the

occasion and Mr. Hasan Saqlain, Rector, PAAA esteemed the ceremonial occasion as Treasurer. In his inaugural speech, President PIPFA, Mr. Khawaja Ehrar-ul-Hassan welcomed the guests and congratulated the graduates and their parents. He said that PIPFA had started its journey of knowledge in 1993 and today it has made a name for itself because of its quality education in the fraternities of public finance and accountancy. The distinguished Chief

Guest, Mr. Zafar Hasan Reza, the Additional Auditor General of Pakistan appreciated the efforts of PIPFA in provision of professional education and training to public sector organizations' employees and individual students of corporate sector. He ensured full support to PIPFA from the Office of the Auditor General of Pakistan for its growth and development. The event was attended by a larger number of PIPFA Qualified, Merit Certificate Holders and Guests.



## FAMILY GALA

The purpose of Family Gala for PIPFA members and their families was to provide an opportunity for social gathering, networking and to enhance connections among Members, Branding of PIPFA and awareness about PIPFA Qualification. In line with new objective of organizing social events for our members and their families, PIPFA Faisalabad Branch Committee took initiative to organize Family Gala to provide an opportunity to its worthy members and their families to celebrate and take part in fun, and family-friendly activities, on Sunday, March 18, 2018 from 10.00 AM to 4:00 PM at "GMSA Farm House Gatwala Faisalabad. The event was started with recitation from Holy Quran. Welcome address to the Chief Guest, and the distinguished members and their

electronic media and live coverage on FM 94 and City 41. All families especially children and females enjoyed themselves very much. The Chief Guest of the event, Mr. M. Ali Latief, FCA Vice President, PIPFA congratulated the Faisalabad Branch Committee and office team for organizing such a wonderful event and also thanked the PIPFA members and their families who participated in Family Gala, and sponsors of the event. Mr. Umar Saeed, FPPA, Convener PIPFA Faisalabad Branch Committee, presented Vote of Thanks to the Chief Guest, BOG PIPFA, sponsors of the event and all participants, guests and the organizing team of the family Gala. At the end of event, Gift Hampers were distributed among participants.



## SEMINAR ON HOW TO WIN A DREAM JOB

The PIPFA, Lahore Branch Committee organized a mini Workshop on "How to Win a Dream Job" and it covered CV writing, Job Hunting and Interviewing Skills, held on Tuesday 17 April, 2018 at PIPFA Campus, Lahore. Ms. Neelofer Khan was the speaker & Trainer of this workshop. The session was started with the recitation from the Holy Quran. The learned speaker delivered the presentation on subject mentioned. The presentation was followed by a very interactive question and answers session which showed keen interest of the participants specially interview session. All participants appreciated the presentation of the learned speakers and congratulated the PIPFA Lahore Branch Committee for organizing such a wonderful



session.. Mr. Zahid Hussain, FPFA, ACA Convener LBC, presented vote of thanks to guests and participants of the workshop and organizing team of PIPFA Lahore Campus, He also

thanked the members and students who participated in the workshop The event was attended by more than 50 participants, at the end Shields were distributed to distinguished guest.

## CAREER COUNSELING SEMINAR AT IBMS (UNIVERSITY OF AGRICULTURE FAISALABAD)

PIPFA Faisalabad Office conducted a Career Counseling Seminar at IBMS (University of Agriculture Faisalabad). Mr. Umar Saeed, FPFA Convener FBC welcomed the respected IBMS Faculty & Students. Mr. Abdus Salam and Mr.

Ahmad Suleman (members FBC) delivered presentation on career counseling as well as PIPFA introduction and its education procedures and policies including following points: Education Scenario in Pakistan,

Constituents of PIPFA, PIPFA Qualification, International & Local affiliation, Coaching/Exemption/ Examination policies of PIPFA, Job opportunities for PIPFA qualified and members, PIPFA Membership and its benefits. The participated students from M.com & MBA, they were approx. 200, students enjoyed the knowledge providing session and found it fruitful in deciding their further future professional development. PIPFA Flyers were distributed among students for PIPFA Promotion and collect data entry forms from students. Further participants and IBMS (UAF) officials found PIPFA seminar a successful event.



## EXAMINATION TECHNIQUES SEMINAR

In the pursuance of its past practices, PIPFA Karachi, Lahore, Faisalabad & Islamabad organized a seminar on Examination Techniques prior to the summer examinations-2018 in their respective cities. Mr. Ghulam Mustafa was guest speaker in Karachi, Mr. Zahid Hussain Zahid in Lahore, Ms. Sehar Iqbal in Faisalabad and Mr. Iftikhar Ahmad in Islamabad. Guest Speakers delivered presentation and presented the techniques of solving the paper and how to overcome general mistakes made by students in answering the question. This presentation was followed by a very interactive question and answer session which showed keen interest of the students.



## SEMINAR ON SOFT SKILLS

The Karachi Branch Committee of Pakistan Institute of Public Finance Accountants organized an interactive CPD Seminar on Soft Skills on Saturday, January 06, 2018 at PIPFA Corporate Office Karachi. Mr. Muhammad Yamman Khan, Business Research Scholar at University of Karachi was the knowledgeable Presenter who educated the participants on CV Writing, Interview Preparation, Presentation Skills, Time Management and Stress Management. Mr. Khawaja Ehrar-ul-Has-



san, President PIPFA symbolized the event as Guest of Honor. The distinguished Guest of Honor explained the importance of Soft Skills in career planning and job life. Shields were awarded to erudite Presenter and esteemed Guest of Honor by PIPFA KBC. The session was attended by a large number of participants.

## WORKSHOP ON ORACLE EBS-FINANCIALS DESIGN & IMPLEMENTATION

The PIPFA, Faisalabad Branch Committee organized a Two-Days Workshop on “Oracle EBS-Financials Design & Implementation” on Saturday, Sunday 13,14 January, 2018 at PIPFA Campus, Faisalabad. Mr. Atif Javaid, ACA Partner Incharge, Atif Javaid & Co. Chartered Accountants) was the knowledgeable trainer and presenter. The session was started with the recitation from the Holy Quran by

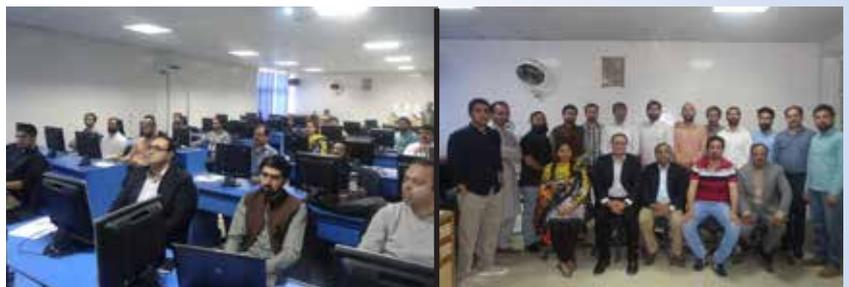
Mr. Ahmad Suleman Zahid, FPPA. Mr. Abdus Salam, ACA, APFA, Member Faisalabad branch Committee welcomed the respected guests and Members. The learned trainer delivered the comprehensive presentation with real-time use of Oracle Financials linked from server. The speaker provided cloud computing access of Oracle EBS for practical training and participants performed the practical exercises

and learned through implementation. Mr. Umar Saeed, FPPA Convener PIPFA Branch committee, presented vote of thanks to Trainer, Members, guests, and PIPFA Branch Committee and the organizing team of PIPFA Faisalabad. The Workshop was concluded by the distribution of certificates among participants and shield to the distinguished speaker.



## WORKSHOP ON EXCEL - THE POSSIBILITIES

The Pakistan Institute of Public Finance Accountants, Islamabad Chapter organized an interactive and full day CPD Workshop on Excel – The Possibilities here on Saturday, April 21, 2018 at ICMA Pakistan, Islamabad Campus for the Students and Members of Professional Bodies and Universities. Mr. Muhammad Rizwan Safdar was the knowledgeable Presenter who educated the participants on advanced techniques and tools of Microsoft Excel. The session was attended by a large number of participants.



## POST BUDGET SEMINAR 2018-19

The PIPFA Faisalabad Branch Committee along with CPD committee of ICMAP Faisalabad organized Post Budget Seminar 2018-19 at Serana Hotel Faisalabad on May 04, 2018. Seminar was divided in three sessions. In the first session presentation on “Budget Review at a Glance”, was delivered by Mr. Abid Latif Lodhi, FCMA Member of National Council of ICMA Pakistan, the second session comprised of presentation and discussion on Changes in Indirect Taxes through Finance Bill 2018 by Mr. Abuzar Hussain, L.LB and Advocate at High Court, Attorney at Taxation and Corporate Laws, and in the third session embraced the presentation and discussion on Changes in Direct Taxes through Finance Bill 2018, by Mr. Shezad Ahmed Malik, FCMA, Honorary Secretary of National Council

of ICMA Pakistan. Mian Muhammad Idrees, Chairman & CEO of Sitara Chemical Industries Ltd, Sitara Developers (Pvt) Ltd and Aziz Fatima Medical & Dental College. Past President Federation of Pakistan Chambers of Commerce & Industry (FPCCI), President ECO Chamber of Commerce & Industry, was the Chief Guest for this informative session. The session was started with recitation from the Holy Quran. Mr. Ashfaq Ahmad Naz FCMA, Chairman ICMAP Faisalabad Branch Council, welcomed the respected guests and members. The learned speakers delivered the presentation on Budget 2018-19 (Overview, Direct & Indirect Taxes ) which covered various tax Special Procedure Rules regarding Sales Tax Withholding and extra tax. This presentation was followed by a very interactive question

and answers session which showed keen interest of the participants. The Honorable Chief guest Mian Muhammad Idrees, expressed his views and appreciating the presentation of the learned speakers he also encouraged the efforts of PIPFA & ICMAP Branch Committees for arranging an awesome event. Further he encouraged the participants for their active participation. Mr. Shahid Irshad, Vice Chairman, ICMA Pakistan Faisalabad Branch Council, presented vote of thanks to , Speakers, guests and participants of the Seminars and the organizing team of PIPFA Faisalabad and ICMAP Faisalabad. The seminar was a great success as evident from the high number of participants. The seminar was concluded by distribution of shields to the distinguished speakers and guests.



## WORKSHOP ON ADVANCED EXCEL

The Karachi Branch Committee of Pakistan Institute of Public Finance Accountants organized an interactive and full day CPD Workshop on Advanced Excel here on Saturday, February 03, 2018 at ICMAP, Main Campus, Karachi for the Students and Members of Professional Bodies and Universities. Mr. Arshad Alam, ACMA was the knowledgeable Presenter who educated the participants on advanced techniques and tools of Microsoft Excel. The session was attended by a large number of participants.



## WORKSHOP ON PUBLIC SECTOR COMPANIES (CORPORATE GOVERNANCE) RULES 2013

The PIPFA, Lahore Chapter organized a two days Short Course on "Public Sector Companies (Corporate Governance) Rules 2013", held on Friday-Saturday, 27-28 April, 2018 at ICAP Lahore. The session was started with the recitation from the Holy Quran by Mr. Ejaz Butt. Mr. Sajid Hussain, FCA, FPFA Member PIPFA BOG, welcomed the respected guests and participants. Mr. Azhar Hameed Rector PAAA, PIPFA BOG member was the Chief Guest and Mr. Sharifullah Khan Wazir, Additional Auditor General of Pakistan were Guest of Honor of the inaugural Ceremony. The Five learned Guest Speakers delivered a very comprehen-

sive presentations on defined areas of the above subject. 1. Mr. Shahbaz Sarwar, Addl. Registrar, SECP 2. Syed Ahmad Ashraf, FCMA, Corporate Lawyer and Tax Advisor 3. Mr. Irfan Ilyas, FCA, Irfan & Co. 4. Mirza Munawar Hussain, FCMA, FPFA Ex. President PIPFA 5. Ms. Marryam Balouch, FCA, Company Secretary, GEPCO All participants appreciated the presentation of the learned speakers and congratulated the PIPFA Lahore team for organizing such a wonderful session. The Chief Guest of the closing ceremony of the event, Mr. M. Ali Latif, FCA Vice president of PIPFA, congratulated the Lahore office team for

organizing such a wonderful event and also thanked the Guest and participants of the event. Mr. Zahid Hussain Zahid, FPFA, ACA, Convener PIPFA Lahore Branch Committee, presented Vote of Thanks to the Chief Guest, Guest of Honors, BOG PIPFA, Speakers, Participants, Lahore Branch Committee and all guest from Public Sector, and the organizing team of the event. The event was concluded by distribution of certificates to participants and shield to the distinguished speakers. Chief Guest and Guests of honor congratulates to management of PIPFA Lahore on organizing that Short Course.



## WORKSHOP ON FINANCIAL MODELING

The Pakistan Institute of Public Finance Accountants organized an interactive and full day CPD Workshop on Financial Modeling here on Saturday, April 07, 2018 at ICMAP, Main Campus, Karachi for the Students and Members of Professional Bodies and Universities. Mr. Arshad Alam, ACMA was the knowledgeable Presenter who educated the participants on advanced techniques and tools of Financial Modeling. The session was attended by a large number of participants from major Professional Bodies and giant Corporations.





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Mr. Tariq Kaleem	Member

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Audit, Assurance and Ethics  
Corporate Sector



**Shaikh Muhammad Mohsin**  
Roll # 1109218  
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Corporate



**M. Talhaa Ahmed Farooqi**  
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Financial Reporting  
Corporate Sector



**Muhammad Adnan**  
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Taxation  
Corporate Sector



**Aqeel ur Rehman**  
Roll # 1302554  
Management Accounting  
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**Muhammad Farooq**  
Roll # 2700536  
Financial Audit Manual  
AGP



**Muhammad Nadeem Aslam**  
Roll # 3200543  
Service & Fin. Rules(Practical)  
PG



**Ayyaz Mahmood Minhas**  
Roll # 3200573  
Financial Rules Treasury  
PG



**Irshad Ahmad Jiger**  
Roll # 3200598  
B. Commn. & Report Writing  
PG



**Atia Hussain**  
Roll # 3200614  
Quantitative Methods  
PG



**Tayyaba Amber**  
Roll # 3200620  
B. English & Beh. Studies  
PG



**Gulnaz Fatima**  
Roll # 3200625  
Basic Accounting,  
B. English & Beh. Studies  
PG



**Wajid Ur Rehman**  
Roll # 3200636  
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New Accounting Model  
PG



**Tahir Iqbal Uppal**  
Roll # 4300254  
Works (MES) &  
Stores [PMAD]  
PMAD



**Javed Iqbal**  
Roll # 4300294  
Pay, Pension & TA Rules  
PMA



**Riaz Hussain**  
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PMAD



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towards success*

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