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The Problem and Opportunities Faced by New Local Government Ordinance 2013. Case of B.A.O

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Abstract

KPK government on 1 January announced new local government ordinance 2013. In this respect, the provincial government promulgated Khyber Pakhtunkhwa Local Government Act 2012 with effect from January 1, 2013. Under the Act, district councils and municipal committees in all 25 districts of the province and Municipal Corporation in Peshawar would be established from the start of the new calendar year. According to this new system the new local government ordinance bring some problems of acute nature for smooth functioning of different departments particularly in Audit and Account sections of all over the province KPK. In this research work we will study in detail about the problems faced by B.A.O as well as the overall function of the system. For this purpose I get visit to BAO consecutively 4 months from November 2012 up to February 2013. And interviewed from different employees of the organization. After extensive analysis I come to the conclusion that BAO employees are very frustrated at the implementation stage of new strategy but with the passage of time they become familiar with the newly adopted concept. The problems faced by them are changing in designation as well as responsibility will grades remain the same. At the same time opportunity for promotion and access to the higher authorities make it easy for two way communication in the organization and in this way they can discuss their problem wit to level management. But the biggest hurdle that remains is the bureaucratic nature of government, Nepotism and political influence still effect the essence of NLGO 2013.

Keywords: NLGO 2013, Audit and Accounting, BAO, Employees Satisfaction, Hurdles.

Introduction to NLGO 2013

The provincial assembly on May 8 this year passed the Khyber Pakhtunkhwa Local Government Act, 2012, paving the way for the revival of local bodies system in vogue in the country before the government of Gen (retired) Pervez Musharraf with minor changes.

President Asif Ali Zardari had already approved extension of the Act to Malakand division and Provincially Administered Tribal Areas (Pata), sources in local government and rural development department told Dawn on Wednesday.

Sub-clause (3) of clause 1 of the Act states: "It shall come into force on such date as government may, by notification appoint, and different dates may be appointed for different provisions of this Act."

The provincial government had dissolved the elected councils on February 20, 2010, and replaced the elected Nazism with administrators. Announcing the dissolution in a press conference at that time, the then senior minister Bashir Ahmed Bilour had claimed that the local bodies' elections would be held within six months.

However, Mr. Bilour one day before his assassination on December 21 told a press conference that general elections were round the corner so it was not possible to hold local bodies' elections.

In the absence of the elected representatives, the government would post administrators as chief of the district councils, municipal committees and Municipal Corporation in Peshawar, sources said. The administrators have already been heading tehsil municipal administrations from about three years after abolishment of Local Government Ordinance 2001.

"Let first implement the law, the adjustment of employees was subsequent issue," said officials when asked about the adjustment of the employees of the tehsil municipal authorities into district councils, municipal committees and Municipal Corporation.

The Act empowers the provincial government to appoint one or more magistrates, or authorize any officers to exercise the power of the magistrate for trial of offences provided in the schedule of this law.

The law provides that election of members of all union councils and municipal committees should be held on the basis of adult franchise and joint electorate through secret ballot.

The government has been empowered to divide a local area into such number of wards having a definite boundary as it may determine. A union shall be a multi-member ward for election of member of union council.

Under the Act, a union council shall consist of 11 members including seven Muslim general members, two women members, one member each for peasants and workers and minority communities.

The number of general members of a district council is equal to the total number of union councils in the district as chairman of each union council will be general member of the district council concerned. The new law provides that the chairman and vice chairman of the district council shall be elected by the members of the district council.

Similarly, the number of general members of Municipal Corporation is equal to the number of union councils falling in the limits of the corporation. The chairman of an urban union council in the limits of corporation will be a member of the corporation.

For the first time seats will be reserved for technocrats in the local councils. Under the Act, five per cent seats should be reserved for technocrats in the local councils except union councils. Apart from the seats reserved for technocrats, 10 per cent seats are reserved for women and five per cent each for peasants, workers and minorities in the local councils except union council. The law empowers the government to notify the number of members of a municipal committee. The member of the municipal committee will be elected through direct elections based on adult franchise and joint electorate.

Under the new law, a local council in its first meeting and to the exclusion of any other business will elect from its members a chairman, vice chairman, mayor and deputy mayor in the prescribed manner.

Every local council may establish and promote community based organizations, representing cross sections of society to facilitate public participation in the functions of local councils.

The term of office of a local council will be four years commencing on the date on which it holds its first meeting. On the expiry of the term of office of a local council, the government may appoint any person for the interim period to perform functions of the local council.

Purpose of Study

The term purpose means “the intention of doing any thing.” It identifies the basic function of something. Every human being has or at least should have some purpose; doing any work. For example the purpose of university is teaching; research and providing services to community.

The purpose of my research study is the partial and an essential requisite to fulfillment of through understanding of the new LGO 2013. Simply the purpose of this research is that the student can get a glance about the practical life and through this experience makes his mind according to his own interest. Each person have different interest in their particular research area .And for this purpose they select different business organization for a specific research work. I select for this purpose the District Accounts Office Bannu Cantt.

Scope of Study

The term scope means range of area. The scope of study means strength of the study in respect of areas, which I studied. As I mention that I select District Account Office of Bannu Cantt for my study. There are many Account Office in Pakistan but in which Bannu Account Office is on of the most important Account office. The Bannu Account office has divide in eight sections which is sub division sections (treasury. G.P fund, Pension, Computer, Dispatch, Auditing, Cheque, and Payroll). My field of study is limited to the impact of new local government ordinance 2013 on the treasury, dispatch, and G.P fund and pension sections.

Objectives of Study

Objective means "the aim toward which activity is aimed". Importance of something can be judged from objectives. Every person who can do anything, there is some objective in his mind.

The primary objective of my research study in to get the practical work skill after having the knowledge of the theory and to familiar with the organization environment, improve communication skills. As well to find out the hurdles faced by this department after the introduction of NLGO 2013 and its impact over department performance.

Importance of Study

Each and every study has some importance for the writer and for the reader. I hope that people will find this research helpful. The importance of this study is that, it gives clear understanding about the organization, it encourage me that all things are possible for those who believe. This research study provides understanding that how B.A.O functioned, understanding the different problems and opportunity faced by organization in term of placing new strategy and how employees overcomes to these challenges and managing stress during the quick implantation of strategy.

Limitations of Study

It is obvious, that in this world not any thing in perfect. Each and every thing has some limitations. As a student my study has some limitations. The limitations of my study is that I have not study all the offices of the Bannu complete, also I have not studied all the sections of Account office Bannu Cantt. I study four sections of the Account Office out of eight sections and write their procedure in the other chapter.

Introduction to district accounts office of Bannu Cantt

Location

The District Accounts Office Bannu Cantt is situated inside Cantt.

Functions

The main functions of the District Accounts Office Bannu Cantt are as under.

a) Bill Entry

To pass the gazettes and non-gazettes Government servants pay bills, Medical bill. Traveling allowance bills, Arrears bills, etc.

b) Pension section

All the Government servants at District level are retired by this section.

c) Refund Voucher:

All the refund bills submitted to this office for cash payment which was previously deposited in connection with fine for revenue purpose.

d) Personal Ledger Account

All kinds of Personal Ledger Accounts are passed from this office. Such as a Pak P.W.D, D.O.F.C Bannu, D.O.F.C T.M.A-1, T.M.A-2, Public health engineer 1,2,3,4.

e) General Provident Fund Section

All employees G.P Fund are credited in this section and for all cash employee G.P Fund Account is maintained individually. Previously all such functions were handled by handwriting in books. Now the computer has taken place in this connection and all of the works are done by the computer Subscribers Account:

Whenever Government servants complete two years of service, intimation to this Perfect should be sent to the Accounts Officer concerned and the latter may be asked to allot a general provident fund account number to the Government servant.

When a number has been allotted the subscription should be started. The general provident fund account number should be quoted invariably on the schedules and In. all correspondence with the account officer on the subject.

• Interest

The Government pays to the credit of the account of a subscriber interest at such rate as may be determined for each year. The interest is calculated.

On the amount at the credit of a subscriber on the last day of the preceding year, less an; sums withdrawn during the current year, interest for 12 months and on all sums credited t: the subscriber account after the last day of the preceding year- interest from the date :: deposit up to the end of current year.

The amount of interest is rounded to the nearest rupee. In additional a benefit of 14% over and above the normal interest for the year payable to the subscriber could be allowed from 1st July 2010.

• **Advances from the Fund**

A temporary advance may be granted to the subscriber from the amount standing at his credit in his general provident fund account subject to the following conditions:

a) Advance will be granted only if the sanctioning authority is satisfied that the pecuniary circumstances of the applicant justify it.

b) To pay expenses incurred in connection with the prolonged illness of the applicant, spouse or any person actually depends upon him.

c) To pay for the overseas passage for reasons of health or education of the applicant or any person actually depend upon him.

d) To pay obligatory expenses on a scale appropriate to the applicant status in connection with funerals or ceremonies which by his religion it is incumbent upon him to perform or :n connection with his marriage or the marriage of any member of his family or a female relative actually depend upon him.

Accounting System

For the purpose to understand the accounting system of a country, it is essential to know about her administrative setup. In Pakistan, the executive power vests in prime minister at the federal level and in chief minister at the provincial level. Financial matters are looked after by the ministry of finance at the federal level and by the finance departments at the provincial levels. The finance department prepares budget and frame rules for the utilization of public funds. Government accounts of the administrative departments and ministries are maintained by the auditor general of Pakistan. Some accounts are maintained by the departments themselves, like railways foreign affairs etc. The auditor general required preparing yearly accounts showing the annual receipts and disbursements for the federal and provincial governments and submitting these accounts to the executive government on the special dates. The Auditor General of Pakistan is the administrative head of the government accounting system. He is assisted by the accountant generals at the federal and provincial levels and District Accounts Officers at the district level.

Definition

"To record, classify and compile the results of transactions relating to receipts and expenditures on behalf of the executive government."

Objectives of Government Accounting

The main objectives are listed below.

- To make a financial record of all the government transactions.
- To prevent the misappropriation of the public money.
- To ensure that the moneys spent on particular project or purpose was justified and according

to the manner prescribed.

- To ascertain the costs of various services departments for the purpose to make necessary adjustment in funds.
- To determine the extent to which the citizen must be taxed in order to maintain the government machinery at proper standard of efficiency.
- To provide necessary data for the preparation of future development plans of country.
- To facilitate the audit of the accounts.

Principles of Government Accounting

The main principles of government accounting are as follows.

1. Government Accounts are cash accounts:

In this actual cash receipts and payments during a particular period are recorded.

2. Government Accounts are maintained according to function:

This means that Govt: accounting records the receipts and payments in the departments where they are made.

3. Govt: Accounting is gross and not net:

This means that receipts and payments are recorded in separate accounts. The receipts realized by any departments are credited to the treasury and it is utilized for meeting the expenditure of the collecting department.

Government Accounts vs. Commercial Accounts

The main differences are as under,

Objective:

Govt: Accounts is to ascertain the monetary expenditure to fulfill the needs of the people to determine the required money for such purposes in future while common accounts deals with the utilization of capital for production and merchandising purposes.

System:

Most of the Govt: accounts are recorded on single entry system, while Commercial accounts recorded on double entry system.

End product: At the end of financial year Govt: offices prepare the statements of total expenditure and revenues separately, without any entry of income or loss. While Comm., offices prepare income statement and balance sheet.

Receipts and payments:

Govt: keeps expenditure according to the need of people and earn revenue for meeting these expenditures via taxes .under comm.: accounting, the expenditure are compared with income as to know the profit or loss during the period.

Accounting Year:

Govt: sectors financial year or budget year remains same for all departments, while in case of Comm. accounting the accounting year may vary from firm to firm according to their needs.

Closing the Accounts:

The Govt: accounts are closed at the end of financial year, expense and revenue are reported to the Govt, while under Comm, accounts the accounts are closed at the end of financial year by passing journal entry and the net income or loss to the capital accounts.

Net Result: The expense and revenue of the Govt: offices are shown separately. While in case

of Comm.: accounting, the expense are deducted from the net income to ascertain the net result of the business.

• **Preparation of budget estimates:**

In case of Govt accounting an estimated amount is allotted to each department for its activities during a particular period. The department cannot spend more than this allotment. But in case of Comm, accounting the expenditure may vary according to the activities of the business.

Main features of the accounting system of district account office Bannu Cantt

These are as follows;

- a) **Cash Book:** The accounting system based on actual receipts and payments of cash.
- b) **Single Entry System:** The transaction is recorded on single entry system.
- c) **Basic Accounting Units:** District Accounts offices of civil Government are the basic accounting units of Pakistan. These offices perform the dual function of maintaining the accounts and auditing.
- d) **Closing the Accounts:** The accounts of the government of Pakistan are closed at the end of the financial year. The financial year of the government starts from the first July and ends on 30th June every year.
- e) **Compilation and consolidation of Accounts:** After the basic accounting units have put together the figures of expenditures and receipts etc, in different heads of accounts, these are sent to the Accounts and audit department for compilation. After compilation the accounts, these are sent to the executive government.
- f) **Centralization of Accounts:** The Govt accounts are initially maintained by the audit departments, while the receipts are made by the administrative departments.

Introduction of the Pakistan Audit and Accounts Departments

Auditor-General of Pakistan

Constitutional Mandate and Status

Auditor-General of Pakistan (AGP) is the head of Supreme Audit Institution (SAI) of the country and is appointed by the President. Articles 168 to 171 of the Constitution of the Islamic Republic of Pakistan, 1973 provide a constitutional status to the Auditor-General and his Department. The articles read:

Article 168: "There shall be an Auditor General of Pakistan, who shall be appointed by the President." "The terms and conditions of service, including the term of office, of the Auditor General shall be determined by Act of [Majlis-e-Shoora (Parliament)] and, until so determined, by Order of the President."

Article 169: "The Auditor-General shall, in relation to (a) the accounts of the Federation and of the Provinces; and (b) the accounts of any authority or body established by; the Federation or a Province, perform such functions and exercise such powers as may be determined by or under the Act of Parliament and, until so determined, by order of the President."

Article 170: "The accounts of the Federation and of the Provinces shall be kept in such form and in accordance with such principles and methods as the Auditor-General may, with the approval of the President, prescribe."

Article 171: "The reports of the Auditor-General relating to the accounts of Federation shall be submitted to the President, who shall cause them to be laid before the National Assembly and the

reports of the Auditor-General relating to the accounts of a Province shall be submitted to the Governor of the Province, who shall cause them to be laid before the Provincial Assembly.”

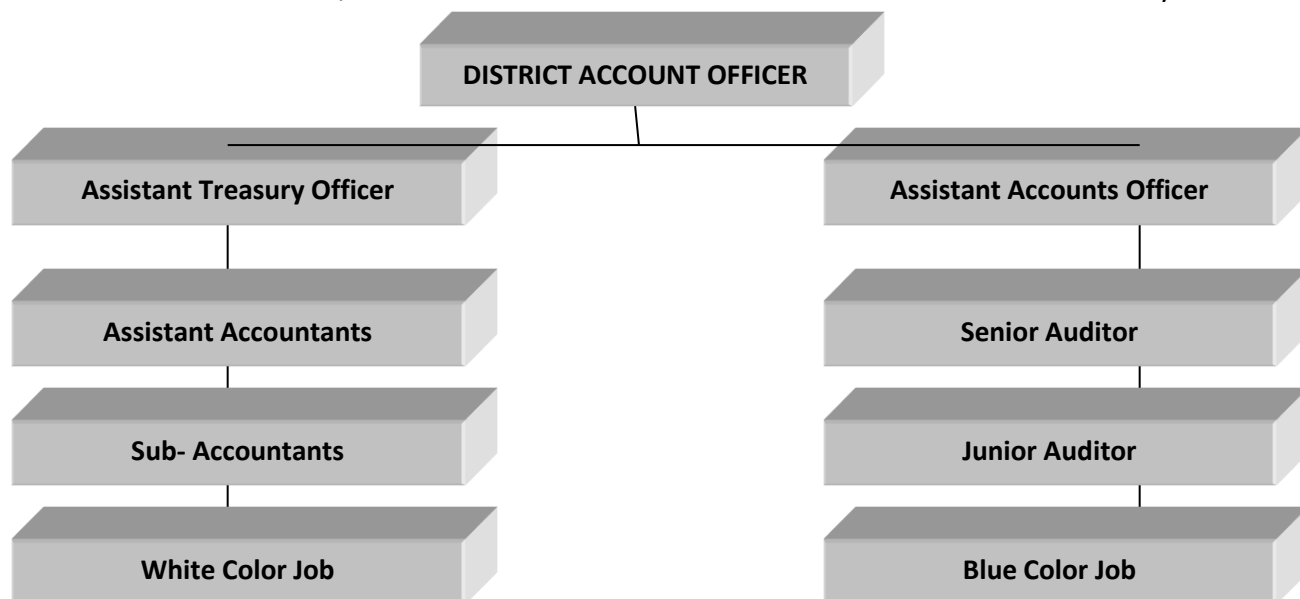


Figure 1. Organization Chart of District Accounts Office Bannu Cantt

Table 1 .

(A) Inter Department Cadre Posts				
S. No:	Designations/Scale	Sanction Strength	Available Strength	Shortage (-) Excess (+)
1	BPS-18 Account Officer	-	01	01 (+)
2	BPS-17 Assistant Account Officer	01	01	01
3	Assistant Treasury Officer		01	01
(B) Departmental Cadre Posts				
1	BPS-16 Accounts Officer	1	1	-
2	BPS-16 Assistant Accounts Officer I Qualified . II Exempted.	1	1	-
3	BPS-12 Steno Typist	2	2	-
4	BPS-15/11 Senior Auditors	8	8	8
5	BPS-5 Junior Auditor . Typists	4	4	(-) 02
6	BPS-2 /1 Naib Qasid / Sweeper Chowkidar	3	3	(-) 03

New Accounting Model (NAM)

The New Accounting Model (NAM) has been adopted as the Accounting Model for Pakistan. Few of the key features that distinguish NAM from the current Cash Basis of Accounting are:

- **Cash Basis of Accounting**

The Current system in place records cash payments and receipts on a day to day basis. The limitation of this system was that the recorded inflows and outflows had no direct relationship with the actual financial performance. The obligations to make future payment should not be properly identified using this model.

- **Modified Cash Accounting / New Accounting Model.**

The NAM aims to record the following in addition to the collections received and payment issued as part of Cash Basis of Accounting:

- Commitments**

The recording of commitments which do not have an immediate impact on the cash position but do have an effect on the budget availability is one of the key features of the NAM. By keeping a record of the commitments that have been entered into, to budget position can be effectively monitored and expenditures that would result in overspending the budget may be readily identified.

- **Fixed Assets**

The recording of Fixed Assets is also an important aspect of the NAM. The NAM introduces the recording of Fixed Assets which would help in effective maintenance and monitoring. The availability of a list of fixed assets and their value would greatly help in assigning responsibility for the care and maintenance of the assets.

- **Current Assets and Liabilities**

The recording of current assets and liabilities as part of the modified cash basis of accounting will help in providing useful information for decision making and for disclosures in the Financial Statements.

It should be noted here that using the Cash Basis of Accounting helps in controlling the Cash against budget amounts and allows only the Statement of Receipts and Payments to be generated. The Modified Cash Basis of Accounting on the other hand helps in controlling not only Cash but also Commitments against budget allowing the production of Statement of Receipts and Payments, Statement of Assets and Liabilities and a Cash Flow Statement.

Need for Government Accounting

(a) Legislative Requirement

Overall control and release of funds is exercised by the legislature. All financial matters in government are subject to consideration, approval and review by the legislature. The extent and nature of this control by the legislature may vary among countries for a number of reasons and may also differ according to the kind of activities involved. The fact, however, the executives propose remains that plan of expenditure while these are reviewed, sometimes modified, and approved by the legislature. The approved proposals are executed as an executive responsibility, and operation are in the last process, subjected to a past review by the legislature. Executive authorities carry out the responsibility, assigned to them with the funds made available to them by the legislature. These authorities possess no intrinsic power for raising revenue or incurring expenditure. In financial matters, they exercise only the delegated authority, which comes from the legislature, basic law or the constitution of the country.

(b) Accountability Requirement

The government servants, entrusted with the performance of financial acts, of the various rungs of the governmental setup, are accountable to the extent of their respective assignments. In order to demonstrate this accountability some mechanism is required. And it is these accounts, which prove the means of measurement of the extent to which that accountability has been fulfilled.

(c) Control of Funds Requirement

The preparations of complete and accurate accounts are also needed as means to facilitate an adequate control on funds allocated for the several purposes.

(d) International Requirements

The maintenance of the correct, proper and complete and accurate in all senses is required for the satisfaction of international bodies like the International Monetary Fund (IMF), Aid to Pakistan consortium, Asian Development Bank (ADB) etc.

(e) Competition Requirement

Again in order to provide a sense of healthy competition in the efficient working amongst the several departments of the government, the upkeep of accounts on correct lines, is essential.

(f) Economic & Social Requirement

In the recent past, great stress has started to be laid on the economic growth and the welfare of common man. With these added responsibilities, the need to prepare accounts depicting the relevant activities of the government has much increased so as to facilitate well-informed and well-conceived policy decision.

The Accounting System of District Account Office Bannu Cantt

Following steps are involved in the general accounting system of the Government.

Receipts

All receipts in behalf of the federal and Provincial Govt: are paid into the bank, and the accounts of these receipts are passed on to the District treasury/DAO/AAO by the bank along with supporting challans etc, where the initial accounts of these receipts (except these mentioned below) are kept at the treasury/DAO/AAO. The total amounts under the relevant heads of accounts are then noted in the monthly each accounts and the cash account passed on to the AG's concerned.

The receipts realized in the Railways, Defense, Post office, T&T, Public works, Forest and any other depts.: authorized in this behalf are paid into the bank in lump sum and are accounted in the treasury cash a/cs mainly as receipt, and their detail accounts are kept by the department concerned.

Payments

Payments in Pakistan on behalf of the federal and provincial governments are ordinary made at a treasury/DAO/AAO or bank. At the main offices payments are made by checks and increase of pay and allowances of officers and establishment etc are paid at banks other than State Bank of Pakistan, in cases where payrolls have been computerized, and at DAO/AAO on pay orders to bank made on the bill submitted by drawing and disbursing officer (DDO)

In some departments the departmental officers, for example provincial forest depts.: post offices defense depts.; are authorized to withdraw sums in lump from treasury/bank for making

payments. In these cases detailed a/c's of these payments are kept by the depts.: concerned and these are submitted to their respective accounts office.

Sorting

All the receipted challans/demands are accepted separately for federal and provincial governments by the treasury/bank are forwarded to the Distt: Accounts Office/treasury for accounting process. Similarly the paid vouchers after cash payments are in listed and forwarded to treasury/DAO/A AO. In main office the paid vouchers after issue of checks are forwarded to compilation section by computer cell. All the vouchers are sougheed depts.: wise head wise, Accounting unit wise.

Compilation

The receipted challans are sougheed accounting unit wise and in some cases initial and subsidiary register are prepared. Minor head wise and detail head wise total are posted in the cash a/c known as monthly cash a/c and forwarded to the AG office for compilation at the end of the month; Paid vouchers received from bank by treasury/DAO/AAO are sougheed heads and service heads is done and lists of payment prepared and forwarded to the accounts office at the end of the month. In the accounts office the compilation of debit heads and service heads is done by computer where a/c's have been computerized.

Preparation of classified abstract

As the cash accounts are passed and prepared at DAO/AAO/treasury and not at the main office, the figures are posted in the classified abstract and sent to book section for posting in the monthly detail book, consolidated detail book and register of major head totals. From the list of payments posting is done in he departmental classified abstract of payments along with compiled accounts of payments made in the accounts office. The figures are then posted in the monthly detail book, consolidated detail book and register of major head totals. From the monthly accounts so posted a copy of the accounts is prepared and sent to the government concerned every month.

Appropriation Accounts

From the yearly consolidated abstract of major heads total of the expenditure, the appropriations accounts are prepared. Separate accounts for federal and provincial governments by the respective AGs are prepared.

Finance Accounts

From the yearly accounts of receipts and payments and total of debit deposits and remittances transactions the finance accounts are prepared.

Performa Accounts

Some departments of government have been declared as commercial or quasi-commercial character like an industry or workshop. It is necessary that their financial results may be visible in normal commercial forms, so that their operational results, cost of service and out put /product may be accurately known. This requires that in addition to normal government accounts suitable capital, manufacturing, trading, profit and loss accounts and balance sheet may be dept on a Performa basis

outside the general accounts or government the department concerned prepares annual accounts adopting Performa of commercial accounts. These are maintained by the department in such form as may be agreed upon between the auditor general and the federal or provincial government is concerned. Actual transaction entering these accounts find a place primarily in the regular accounts excepting adjustments carried out to include total income and liabilities etc. These accounts are additional as well as separate from the government accounts.

Grant of temporary advances from the G.P. Fund

A temporary advance under Rule 15 of the GP Fund (K.P.K) Rule may be made to the subscriber from the amount standing at his credit in his General Provident Fund Account subject to the following conditions:

(a) Advances will be granted only if the sanctioning authority is satisfied that the pecuniary circumstances of the applicant justify it and that it will be expended on the following objects or otherwise:

- To pay expenses incurred in connection with the prolonged illness of the applicant himself or any person actually dependent on him.

(b) The sanctioning authority shall record writing the reasons for the advance.

(c) The amount should not be exceeded three months pay or half of the amount at the credit of the subscriber in the fund, whichever is less.

Advances for Construction/Purchase of House

An advance for construction or purchase of a house for occupation by the subscriber himself or his family or for making addition to or alteration in an existing house, owned by the subscriber, whether or not constructed or purchased with a house building advance, may be granted to him from the amount standing to his credit the Account at the discretion of the appropriate authority subject to the following conditions.

a. The advance shall in no case exceed thirty-six months pay of the subscriber or (80) eighty percent of the amount at the credit of the subscriber in the account or whichever is less.

b. Advance granted for construction of a house shall be paid in two equal installments.

c. If the first installment is not utilized for the purpose of construction of the house within eight months of its withdrawal, it shall be refunded unless the sanctioning authority extends this period.

d. For the purpose of withdrawal of the second installment the subscriber shall be required to give under his hand a certificate to the effect that he has actually utilized the first installment on the construction of the house.

Authority for Final Payment

For final payment the refund order is passed by the AGPR/branch officer of GP Fund Section, prepared in duplicate and a note stating the amount to be withdrawn the officer authorized to draw and the inward number of the letter of application for refund is kept in the remarks column of the ledger folio of the subscriber concerned under the initial of the Gazette Officer. The authority for payment should hold for three months. Any delay in payment after the issuance of the necessary authority should be investigated.

Check of Account Closed During the Year

The accounts closed during the year are checked in detail by the poster or the auditor together with the respective accounts of the last preceding year in the same detail so long as the closing balances of the year are not proved and agreed. If the closing balances of the year are agreed only the current year's account is checked in detail. The AAO/Superintendent should see that this has been done.

Discovery of an Omission

When it is noticed that a credit has not been taken into account at the time of closing either for refund of final withdrawal or for transferring the account to another Accounts Office, action would be taken immediately to authorize a supplementary refund or transfer the amount to the Accounts Officers, to whom the original account was transferred. No interest should be allowed in respect of the credit unless it is due under the G. P Fund Rules.

Payment to Retired Officers

In the case of retirement the General Provident Fund deposits will be paid to the officer on his personal receipt and proper identification if he is a Gazette officer and if he is a non-gazette officer residing in the district where he was last employed on a bill drawn by the head of office who should be acquaintance. If, however, the Non Gazette officers resides outside the limits of the district where he was employed, the officer named by the Head of his office, or the Treasury Officer of the District on which payment is desired, being nearest to the place where is residing may be authorized to draw and disburse the amount and to furnish the usual disbursement certificate in his next bill. In the event of the subscriber's death before retirement the money will be paid to the person or person entitled to receive the payment on bills duly receipted by the them after due identification. The procedure observed in the case of payment of gratuities should be followed in such case.

When final payment of GP Fund deposits of subscriber is desired from treasury in another province/circle of account the following particulars should be furnished to the Account Office with a view to facilitate the identification of the payee:

- a. Personal mark of identifications;
- b. Thumb and finer impression of the left hand;
- c. Specimen signatures.

SWOT Analysis

SWOT analysis is the most important part of the report, because it depends on my personal observation. Only a good, keen and comprehensive analysis leads to good recommendation for improvement of the existing condition. Therefore in District Account Office Bannu Cantt I have observed many things and I have analyzed them to the best of my effort and knowledge.

Strengths

The following are the main strengths:

a) Experience employees:

The member of the staff of the District Account Office Bannu Cantt is an experience qualified personnel which have enough experience to carry on the District Account Office Bannu Cantt. It is

said “knowledge is power and experience is wisdom but experience cannot be defeated by knowledge”

b) Serving as an agent:

District Account Office Bannu Cantt serve as an agent of K.P.K Account department .No other department in the district is allowed to process the account related activities.

c) Modernization:

District Account Office Bannu Cantt is the first department the district which is fully computerized and working on online system i.e. SAP, HR-database etc due to online system account department K.P.K directly monitor and control the System.

Weakness

These are the major weakness of District Account Office Bannu Cantt

a) Lake of discipline

During my training/internship in District Account Office Bannu Cantt I observed the lake of discipline in the way that some of the employees do not care about the office timing. They usually come late in morning. Similarly employees’ take long leave without any valid reasons.

b) Job Rotation

Most of the employees work in a particular section and they specialized only in one department .in case of absence of one employee, any other employee can’t perform this way the department not only loss the time but also result is dissatisfaction of the account department K.P.K.

c) Lack of theoretical knowledge of employees

There is lack of theoretical knowledge of the employees of District Account Office Bannu Cantt. Although their work is mostly routine work and practical but sometimes low background education can disturb the routine work.

d) Seniority based promotion

Promotion in District Account Office Bannu Cantt is purely on seniority basis rather than on performance. This really de-motivates the employees because they know that it does not matter whether they perform well or bad.

e) Care parking space

There was no car parking space in the outside of the district finance and planning department so the internal and the external official are faced many problems for car parking.

f) Improper working condition

There a great problem of load shedding in the District Account Office Bannu Cantt so the employees of the District Account Office Bannu Cantt could not work efficiently.

g) Shortage of technical staff

There are no technical and skilled personnel in the department so the work is not always completed on time.

h) Political interference

Due to political interference the employees can not work efficiently.

Opportunities

The following are the main opportunities of the District Account Office Bannu Cantt.

a) Modernization

Finance department is working on online system. I.e. SAP, HR-data base and only one department in the district which has separate computer sale which establish network system too.

b) Educated citizens

An educated citizen is another opportunity of this account office.

Threats

The following are the major threats of District Account Office Bannu Cantt.

a) Political interference

Due to political interference the employees can not work efficiently. Due to this interference of the political people the huge amount of funds are wasted.

b) Higher authority involvement

The higher authority of District Bannu and co-ordination of district Bannu are usually involve in the process of improve some extra budget to some DDO's and they send the demand document directly to Accountant General K.P.K Peshawar.

Problems of District Account Office Bannu Cantt by NLGO 2013

In a general analysis of structural and functional aspects of the office of AGPR, s now clear that the magnitude of services to be performed by this office incompatible with its practical management. The system on which the organization based has depleted with the passage of time. It therefore demands immediate forms. Keeping in view the basic purpose or function of the D.A.O, comprehensive reform plan has been suggested.

a. Building

The existing building of the department was hired on rental basis on a very high per month cost. The existing building has only twenty rooms, which is insufficient for the office routine. It is obvious that in this house, it is even impossible to adjust all le personnel of the department. In the current situation. There is no kitchen in the office building. It is therefore, essential that being head of the department, the Accountant General (PR), Islamabad should take personal interest to resolve this problem. It is equally important that resources of the offices are pooled to provide the building with necessary HVAC (Heating Ventilating and Air Conditioning) System. Dusty and improper maintenance of building is incompatible with spirit of account keeping office.

I suggest that building for the office be hired on rental basis or it is feasible to construct a new office for the department has been declared for the official building. For the smooth running of the office, it is necessary for the Government of Pakistan, to provide funds for the building. Thirty rooms for the existing staff are required on immediate basis.

b. Problems in G.P. Fund Section

D.A.O Office is using manual system for all the above functions. In this record there is no maintenance of (In real sense) G.P. Fund record of the subscriber. The subscriber, when withdraw some money from his G.P. Fund (which is admissible under the rules), personal use, when he/she visited to the office, he finds no record of his/her accounts, which he has to take their monthly deduction schedule from their parent department, s is also a source of corruption for the employees of AGPR. In addition to the above I would like to mention here that the honorable District Accounts

Officer has taken serious view of the matter and after taking over as AGPR she started with the routine matters but later on when she feels that there is no record of G.P. Fund section started struggle with his subordinate to update the G. P Fund record and in the ever history of this office she updated the G.P Fund record and issued the Balance Sheets to all the subscriber in October 2006.

c. Lack of Information Technology

It has been working on an age-old system of keeping manual records with a result that surplus men are being employed to perform the job of ever growing requirements of organization. The situation is further aggravated by the fact that Government has id ban on further recruitment. Nevertheless, such measures can be compensated by the adoption of Information Technology. One of the causes of lack of public trust is the motional processes, delayed procedure, in-exact irreconcilable accounting records from the non-adoption of Information Technology.

The information technology demands skilled staff both at field service and central units. With the help of skilled staff, the required data is collected and punched computers where from it is transferred to the central accounting units. However, no attempt was made at computerization of D.A.O. The adoption of Information logy can usher in a new era of development and quality service to the clients. It is re, a top priority issue. The information technology will therefore, bring radical in the nature of monitoring and control mechanism of field units besides redressing Problems arising out in day to day transaction.

d. Chouse Section

Responsibilities of Cheques Section are:

1. Receiving the bills/claims of government servants and from government departments;
2. Maintaining Token Register;
3. Correspondence with State Bank of Pakistan in cheque-related activities section is also enjoying problem in their field. The lack of funds creates for the personnel working in Cheque Section. The competent authority should eye on the section because they play a very confidential and important role.

e. Insufficient Financial resources

Any organization, for its day-to-day transaction, needs money; this office faces the lack of financial resources. One cannot expect it to execute its job efficiently and effectively. This office faces the shortage of budget, which has suffered its activities. The officers of the Finance Division severally contacted for the purpose, but no Proper response were given with regard to budget allocation.

Means of communication facilities play an important role in the effective performance any organization. Scariness of transportation facilities and Tele Communication yeans has adversely affected the activities of this office and working condition of the office plays a vital role in its overall performance, rather more there is no separate conference hall for the office use, normally AG's conference hall is taken for official purpose .The office building is situated far away m the main road and often employees comes to office late.

Suggestions & Recommendations

- a) The pay structure of the officials is very low from that of private sector, due to which the employees are not financially sound and can not perform their duty with satisfaction.

b) Government does not pay lead to the problems faced by the employees of the Audit Department. With the passage of time the work load has been increased enormously, the available staff can not cope up with the heavy load of work, which affects the work efficiency and performance of the officials.

c) The rules, procedures and codes available in the department for official use are of British times, and can not serve the purpose of the present day needs. The complexity of the rules and procedure makes the working environment more different for the employees as well as from the agencies, who apply for any legal financial benefit.

d) The manual system of Accounts and payments is being computerized, the both systems now running parallel to each other, which are creating disturbance for the time being, but it will bring fruit in future.

e) The strict government, instructions for financial discipline and effective control of funds serves the purpose to some extent. But hinders the smooth working of office business, and gives extra powers to the executives which delay the work.

f) The National Projects are married by the Political influences and priority is given to the National Projects for the versed interest by the politicians. The rule of merit is ignored, which creates unhealthy environment for government department as well as for audit authorities.

g) The working culture in the government offices is not of standard due to political, Regional and Social Priorities.

h) The load of work has been increased enormously, due to which the work efficiency and output is not up to the standard.

i) The department of Auditor General deals in financial discipline which is maintained by its field offices. The people interacting with it for personal work do not see with positive look due to control by the Audit Authorities on their by financial matters, as framed according to rules and regulations.

j) The employees union which was operating in the past has left the organization with very healthy working condition. The nepotism/favoritism by the members of the association was in vogue, which hindered the office work and efficiency of her staff. Now these association are banned which is food for working environment.

Conclusions

After comprehensive study of District Account Office and New local government ordinance we come to the following point that in Government department political involvement makes the situation very humble for growth and development. As we know that fair system authority of control and smooth working rules and regulation is the key toward success. But in such a situation where corruption and selection of employees as well as interdependency of local political heavy weight is the order of the day a success not only possible but impossible if we want the real growth in our present organization we have to eliminate all these concepts as well as new rules and regulation must be implemented according to international standards. In order to overcome this menace all of us are looking at those sitting in his helm of affair but there are no silver lines in dark clouds.

As the same moment accountability from top to bottom in District Account Office is to be taken. The problem faced by employees should be solved on emergency basis. These basic needs are equal pay system structure, authority and responsibility, member, a s well as the environment in which they perform their duties, because according to MAASCLOW and HIRARCY and ALADERFER ERG

theory when basis need of employees become fulfilled organization member are then motivated to perform at their highest level. As world is moving toward globalization so in order to cope with the changes of modern world we must turn ourselves to the modern amenities of live. For this purpose our old filling system and manual system must be converted to online solution and database management system. According to international standard and acts employees union is the dire need of modern organization in order to remove employees. Leader's discrimination unfortunately in Pakistan this union work for their own interests instead of general worker welfare. This problem can be solved by creating fair rules that may create friendly environment between employees and organization if these entire problems are solved specially in District Account Office and all Department of Pakistan than our country may among the developed countries instead of developing.

As we have the right man power, resources and effective strategy if every one put it shoulders to run the wheel than success is the only output.

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