



Office of the
Auditor General of Pakistan
Audit House, Constitution Avenue,

Islamabad

No.106/653/AP/FUND/PNAC/2008

Dated 24.05.2008

To

Mr. Murtaza Ali Naqvi,
Section Officer (BR-II)
Finance Division,
Islamabad.

Subject: FUND UTILIZATION OF ASSIGNMENT NO. 850 OF PAKISTAN
NATIONAL ACCREDITATION COUNCIL (PNAC)

Reference your No. F.2 (2) - BR-II/2003-842/08 dated May 02, 2008 on
the subject.

2. The contents of the referred letter have been carefully examined and the
regulations governing the utilization of said Fund already vetted by Controller General
of Accounts & Ministry of Finance stand approved subject to fulfillment of following
amendments:-

- i. These regulations should be called, "Fund utilization of Deposit
Account of PNAC".
- ii. A committee comprising reps of Finance, Ministry of Science &
Technology, PNAC and an independent Scientist and quality
assurance expert should examine and approve each case of
expenditure.
- iii. Director General Audit Federal Government shall conduct annual
audit of Deposit Account.

Attested
M. Imad

MUHAMMAD IFTIKHAR IMADI
Section Officer (F & A)
Ministry of Science & Technology
Government of Pakistan
Islamabad

[Signature]
Mehmood Ahmed
Audit Officer (APR&SD)

ISLAMABAD, the 28th August, 2008

The Deputy Director General,
National Accreditation Council,
Islamabad.

Subject: - FUND UTILIZATION OF ASSIGNMENT ACCOUNT NO. 850
OF PNAC.

Dear Sir,

I am directed to refer to PNAC letter No. PNAC/20(26)/2006 dated 31st October, 2007 on the subject cited above.

2. The case was referred to Finance Division for clarification regarding procedure/ regulations governing the utilization of subject fund. Finance Division has conveyed that as already vetted by Auditor General of Pakistan letter No.106/653/AP/FUND/PNAC/2008 dated 24-05-08 (copy alongwith enclosure) and Ministry of Finance stands approved subject to fulfillment of following amendments:-

- i. These regulations should be called, "Fund Utilization of Deposit Account of PNAC.
- ii. A committee comprising representatives of Finance, Ministry of Science and Technology, PNAC and an independent scientist and quality assurance expert should examine and approve each case of expenditure.
- iii. Director General Audit Federal Government shall conduct annual audit of Deposit Account.

3. Finance Division further stated that it is apparent from the above the expenditure of the PNAC will be controlled by a Committee. But this factor cannot be ignored that the PAO has to face/explain any financial irregularity committed by any Organization falls under the administrative control of a Ministry.

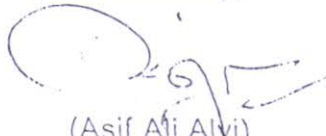
Attested
M. Iftikhar Imadi
MUHAMMAD IFTIKHAR IMADI
Section Officer (F & A)
Ministry of Science & Technology
Government of Pakistan
Islamabad

4. Keeping in view the above and practice existing in the financial and budgetary matters and to proceed in the subject matter the FA's Organization has following suggestions:-

- i. The committee proposed by the Audit General of Pakistan to control/approve the expenditure of PNAC should be represented by some senior officer of M/o S&T, who will be considered as authorized representative of PAO.
- ii. This committee will examine the expenditure and approve the budgetary requirement of PNAC on quarterly basis.
- iii. For running day to day business and making expenditure during the quarter the head of PNAC may be empowered to grant sanctions for making expenditure of the PNAC.
- iv. The PNAC will prepare the detail expenditure statement made during a quarter and will be placed before the committee for obtaining approval of expenditure made during the previous quarter and estimated expenditure to be incurred during the next quarter.
- v. In order to keep the PAO in picture, accounts of the previous quarter and estimated expenditure to be incurred during the current/next quarter will be submit to PAO by the head of the PNAC, after getting approval of the expenditure committee, on quarterly basis.

5. The Secretary MoST has approved SO (F&A) as represent of MoST in the committee to approve expenditure/ for financial control. All expenditure in due course will be put up Secretary/PAO for information.

Accepted
W. Meek
MUHAMMAD IFTIKHAR IMADI
Section Officer (F & A)
Ministry of Science & Technology
Government of Pakistan
Islamabad

Yours faithfully,

(Asif Ali Ali)
Section Officer (Tech)
Ph: 9201676

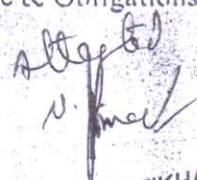
REGULATIONS

FOR

FUND UTILIZATION OF THE ASSIGNMENT ACCOUNT

In furtherance to Rules for Assignment Accounts No 850 of Pakistan National Accreditation Council (PNAC) notified vide MoST Notification No. F.1(5)/2002-NAC dated 30th March 2004; the following Regulations shall apply for utilization of the funds.

1. Short title and commencement: (a) These Regulations may be called the "Regulations for Fund utilization of Assignment Account No. 850, of Pakistan National Accreditation Council (PNAC).
(b) These Regulations shall come into force at once.
2. Definitions: In these Regulations unless there is anything repugnant to the subject or context;
 - (a) "Council" means, the Pakistan National Accreditation Council
 - (b) "Director General" means the Director General of the Council
 - (c) "Assignee" means an individual or a team assigned the work of assessment or surveillance of a Conformity Assessment Body (CAB) including certification bodies, testing and calibration labs or an inspection body or any industry certified by any Conformity Assessment Bodies accredited by this Council.
 - (d) "MoST" means Ministry of Science & Technology
 - (d) "AGPR" means Accountant General of Pakistan Revenue
 - (e) "FTO" means Federal Treasury Office.
 - (f) "Reward" means cash Awards
3. Expenditure Heads:
 - a) Fee & Obligations include payments to Assignees (Lead Assessors Technical Assessors, Technical Expert & Assessors).
 - b) Promotions & Development of the Accreditation Schemes
 - c) Cash Awards to employees of the Council and any other person who has a significant contribution in the achievement of the objectives of PNAC.
 - d) Miscellaneous Expenditures
4. Head-wise Distribution of Income: The overall distribution of income receipts in the Assignment accounts to different heads shall be as follows:
 - (1) Fee & Obligations to the Assignee 40 %


MUHAMMAD IFTIKHAR IMADI
Section Officer (F & A)
Ministry of Science & Technology
Government of Pakistan
Islamabad

(a) The Fee will be further distributed as follows:

- i) Lead Assessor/Technical Assessor: Rs. 5000/- per day, but not exceeding Rs. 25,000/- per month,
- ii) Assessor/Technical Experts: Rs. 3500/- per day.

(2) Promotions & Development of Accreditation Schemes 30 %

(3) Cash Awards 20 %

a) Employees having significant contribution and recommended by an Award Committee constituted by the Director General shall be eligible for the cash award as may be decided by the committee in accordance with approval rates & scales during a financial year.

b) Other stakeholders including MoST, AGPR, Finance Division, FTO etc or any contract or contingent paid employee having a significant contribution in accomplishment of PNAC objectives for cash awards upto one month salary in a calendar year.

(4) Miscellaneous Expenditures at the recommendation of the Committee not more than -10 %

a) Pick & Drop facility for PNAC employees subject to deduction of conveyance allowance.

b) Financial help in case of death of a member of staff or any member of his dependent family member as per prescribed rules by the Federal Government.

c) Provision of recreational, cultural, and sports activities subject to provision in the rules.

d) Special compensation to the families of officers and staff concerned, in cases of loss of life or injury during the course of their performance of duty, subject to approval of the Secretary MoST.

e) Maintenance of Revolving Fund Account through which Advance for the Motor Car/ Motor Cycle/House Building etc will be provided as prescribed & approved by the Federal Government.

f) Provision for Meetings/ Seminars/ Training Courses/ Conferences.

g) Meal charges for officers/officials sitting late hours in the office as per approved rates of the Federal Government.

Attested
[Signature]
MUHAMMAD IFTIKHAR IMADI
Section Officer (F & A)
Ministry of Science & Technology
Government of Pakistan
Islamabad

- h) Reward for employee of the month/quarter/year (BPS 1-15) on the basis of performance as decided by the committee.
- i) Any other expenditure with the approval of the sanctioning authority.

5. Sanctioning Authority:

The Director General of the Council will be the sanctioning authority to sanction the funds for utilization of Assignment Account.

6. Miscellaneous:

- a) The reward sanctioning authority shall constitute a committee consisting of at least three officers of different pay scale, but not less than BPS-17.
- b) The Committee shall examine the case record and suggest the name of officers and staff entitled to reward commensurate with the contribution of official/officer.
- c) A separate Ledger Account will be maintained by the Accounts Section of the Council. Internal Audit will be carried out once a year by an officer or a team, appointed by the Director General- PNAC, other than persons connected with the maintenance of accounts.
- d) PNAC may issue further instruction/ guidelines after approval of Finance Division to regulate the procedure for the grant of such rewards and any other matter connected with or incidental to the operation of these Regulations.

Attested
M. Iftikhar Imadi
MUHAMMAD IFTIKHAR IMADI
Section Officer (F & A)
Ministry of Science & Technology
Government of Pakistan
Islamabad