



GOVERNMENT OF SINDH  
SCHOOL EDUCATION DEPARTMENT

Karachi, dated the 21<sup>ST</sup> February, 2017.

**NOTIFICATION**

No. SO(G-III)SED/SEF/3-700/17: In exercise of the powers conferred under the Section 16 of the Sindh Education Foundation Act, 1992, the Government of Sindh are pleased to make the following rules namely;

**1. Short title and Commencement**

- i. These rules may be called the Sindh Education Foundation(Finance, Audit and Accounts) Rules, 2017.
- ii. They shall come into force at once.

**2. Definition: In these rules unless , there is anything repugnant in the subject or context:-**

- i. "Accounts" means record of financial transactions of Foundation, which shall be maintained on a double entry and accrual basis accounting principles, and shall be classified in accordance with "Chart of Accounts" prescribed by the Controller General of Accounts, Government of Pakistan as communicated by the Government;
- ii. "Act" means the Sindh Education Foundation Act, 1992;
- iii. "Appropriation" means assignment of money or fund for expenditure on a specific item or object or group of item or object including the assignment of money or fund for payment or adjustment of the liabilities or adjustment of the receivable of the past year;
- iv. "Assignment account" means an account established to provide independent drawing facility for nominated projects and other activities, within the prescribed limitation;
- v. "Bank" means a Scheduled Bank approved by the Government of Pakistan;
- vi. "Board" means the Board of Governors of the Foundation;
- vii. "Chairman" means Chairman of the Board of Governors of the Foundation;
- viii. "Competent Authority" means an authority as mentioned in Schedule-- A;
- ix. "Director Finance" means the Director of Finance, Audit and Accounts, of the Foundation;



SINDH EDUCATION &  
LITERACY DEPARTMENT



- x. "Drawing and Disbursing officer" means the Managing Director or any other officer authorized by him to draw and disburse the money out of Fund Account and Assignment Account(s);
- xi. "Endowment Fund Committee" means Committee constituted under Section 8 of the Act;
- xii. "Executive & Finance Committee" means the Committee constituted under Section 8 of the Act;
- xiii. "Finance Department" means the Finance, Audit and Accounts Department of the Foundation;
- xiv. "Financial Year" means the year beginning on the 1<sup>st</sup> of July and ending 30<sup>th</sup> of June of the following year;
- xv. "Foundation" means the Sindh Education Foundation;
- xvi. "Fund" means Fund of the Foundation under section 14 of the Act;
- xvii. "Government" means Government of Sindh;
- xviii. "Re-appropriation" means transfer of funds from one unit of appropriation to another such unit.

The words and expression used but not defined in these rules shall have same meaning as assigned to them in the Act.

### 3. Executive & Finance Committee:-

The duties and functions of the Executive and Finance Committee of the Board of Governors of Foundation shall be determined by the Board from time to time.

### 4. Endowment Fund Committee:-

The duties and functions of the Endowment Fund Committee of the Board of Governors of Foundation shall be determined by the Board from time to time.

### 5. Manner of Maintenance of Accounts:-

- i. All financial transactions of the Foundation shall be recognized and recorded on accrual basis of accounting.
- ii. All financial transaction i.e. Revenues, expenses, assets, liabilities and equity shall be classified in accordance with "Chart of Accounts".
- iii. The accounts of Foundation shall be maintained on a double entry book-keeping basis.



- iv. All transactions of the receipts and payments of the Foundation having a monetary value shall be, under the supervision of Director Finance or any officer authorized by him or her, brought to account in the manner prescribed in these rules.
- v. Subject to control and directions of the Board, the accounts shall be maintained separately for each financial year in accordance with the Accounts and related statutory requirements.
- vi. All figures in accounts shall be in English, and the Accounts register or books shall be maintained by financial management system or manually as the case may be.
- vii. All accounts shall be maintained up-to-date and every transaction shall be accounted for as soon as it is made.
- viii. The details about all accounts shall be recorded completely, so as to satisfy any enquiry that may be made into the particulars of any case.
- ix. All records relating to accounts shall be clear, explicit, and self-contained.
- x. No erasures shall be made in any account register or form, and if any correction is to be made, it shall be made in red ink and attested by the dated initials of the officials concerned.

**6. Maintenance of Bank Accounts:-**

- i. The Bank accounts shall be maintained as follows:-
  - a. Foundation Fund Account;
  - b. Endowment Fund Account;
  - c. Provident Fund Account;
  - d. Pension and Commutation;
  - e. Gratuity Account;
  - f. Miscellaneous Accounts; and
- ii. Any other financial account head to be determined by the Government from time to time.
- iii. No amount from the provident fund, gratuity fund and pension & commutation fund account shall be transferred to another account or utilized for any other purpose. However, the amounts of these funds can be invested as per Foundation's policies and any returns on investments and principal amount shall be deposited back to the relevant fund account.
- iv. All moneys received from the Government, donations received from philanthropists, and recoveries of loans or advances from the institutions and the employees shall form part of the Foundation Fund and shall be deposited in the Foundation Fund Account.
- v. The Foundation Fund Account shall be operating account of the Foundation and no expenditure shall be made from the account unless specified in the schedule of expenditure authorized under the signature of the Managing Director, with the approval of Board of Governors.

**7. Head of Accounts:-**

- i. The account of the Foundation shall, as far as, possible be kept in the forms, registers and books as determined by the Government from time to time.
- ii. The Finance Department shall be responsible for the preparation of an annual financial statement in accordance with related statutory requirements.
- iii. All accounts books and registers shall be substantially bound and paged before being brought into use.
- iv. All account forms, registers and books shall be kept under proper custody of Finance Department.
- v. All account forms, registers and books shall be maintained in computerized automated financial management System or manually as the case may be.

**8. Maintenance of Cash Book:-**

- i. All entries in the Cash Book shall be verified by the drawing & disbursing officer/ authorized signatories, item by item with reference to the receipts and vouchers, and attested in token of check.
- ii. Bank reconciliations shall be prepared on a monthly basis and shall be duly signed by the concerned authorized officer.

**9. Manner of Receipts & Payments:-**

- i. The amount payable to the Foundation may be paid either through bank demand draft or bank pay order or cross cheque or online bank transfer in favor of the Foundation. Payments received shall be credited at once to the bank account of the Foundation.
- ii. All money received at any of the offices of the Foundation shall be acknowledged by receipt.
- iii. All receipts shall be written in figures and words with a copy in duplicate shall be retained by the official using the receipt while the original shall be detached and handed over to the person making the payment.
- iv. All receipts shall be signed by such employee as may be authorized by the Director Finance.
- v. No duplicate copy of the receipt shall be issued under any circumstances but if necessary, a certificate may be given by the drawing & disbursing officer or the officer authorized in this behalf to the effect that such payment was made by such person on such date.
- vi. All payments shall be sanctioned in accordance with the schedule "A" appended to these rules.



- vii. All payments may be made subject to pre-check by the Internal Controls & Compliance section of the Foundation.
- viii. All payments shall be made by cheque duly signed by the Managing Director or officers authorized in this behalf by him or her.
- ix. All salaries payments shall be made by online transfer or cross cheque.
- x. Foundation's cheque book(s) shall be kept in safe or locker under the custody of authorized officer.

#### **10. Canons of Financial Propriety:-**

In incurring or authorizing expenditure from the accounts, the following canons of financial propriety shall be observed:-

- i. The same vigilance shall be exercised in respect of expenditure as a person of ordinary prudence shall exercise in respect of his or her own money.
- ii. The expenditure shall not be more than what the occasion demands.
- iii. No person shall exercise the powers of sanctioning expenditure to pass an order which supports directly or indirectly to be the advantage of such person.

#### **11. Preparation of Budget**

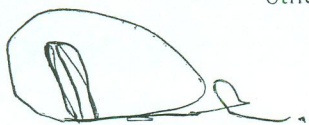
- i. The Finance Department shall be responsible for finalization of the budget for the next financial year under the supervision of the Managing Director.
- ii. The Finance Department shall submit the budget estimates of the next financial year along with revised budget estimates of the current financial year to the Executive & Finance Committee and then to the Board.
- iii. For any reason, in case the Board meeting cannot be convened, the Foundation may seek the approval of the budget estimates and the revised estimates from the Board through circulation. However, whenever Board meeting may be convened, confirmation of approved budget may be obtained from the Board in due course.
- iv. The budget proposals shall be based on the actual expenditures of the first nine months of the current financial year and proposed plan of work for next financial year duly recommended by the Executive & Finance Committee.
- v. Proposed budget shall also have a provision for any liability that may have been generated by the Foundation and had not been accounted for in previous approved budgets and Fund was not blocked for that liability.

#### 12. Re-Appropriation: -

- i. Re-appropriation within a grant may be made if necessary under formal orders of a competent authority, only when it is known or anticipated that the appropriation for the unit from which funds are to be diverted, will not be utilized in full, or that savings may be made in re-appropriation for that unit.
- ii. In no case, it is permissible to re-appropriate from one unit with an intention of restoring the diverted appropriations to that unit when savings become available under other units later in the year.
- iii. Any allotment or re-appropriation within a grant or appropriation may be authorized at any time before but not after the expiry of the financial year to which such grant or appropriation relates.
- iv. An application for additional appropriation of funds should ordinarily be supported by Annexure "1" showing how the excess is proposed to be met.
- v. In all orders sanctioning re-appropriation, the reasons for savings and excesses of Rs. 1000/- (one thousand) or over and the primary units (and secondary units, where necessary), effected should be invariably stated.

#### 13. Investments:-

- i. The Foundation shall devise an investment policy based on the recommendation of Executive and Finance Committee and approval of the Board.
- ii. The details of all invested amounts shall be entered in the books of accounts for investment.
- iii. The accounts of the investment made from the gratuity fund and endowment and other fund shall be kept separately.



#### 14. Advance Payments:-

- i. Officer authorized by the Managing Director, shall have an advance amount exceeding not more than Rs. 25000/- (Twenty five thousand) to cover day to day expenditures.
- ii. All payments of less than twenty- five thousand rupees or as may be specified by the Managing Director shall be paid out of the permanent advance.
- iii. The account of the permanent advance shall be kept in a register prescribed by the Foundation.



- iv. All sub-vouchers relating to the expenditure from the permanent advance shall be assigned a serial number which shall be entered in the permanent advance account register.
- v. When the balance of the permanent advance is running low or reached to 25% of limit and in any case on the last working day of each month, the account shall be closed and the permanent advances shall be recouped or replenished through a permanent advance request.
- vi. The drawing & disbursing officer may release advance activity related expenses to concerned officers after submission of advance request duly supported with the activity rationale and expected outcomes. Upon completion of an activity, statement of expenditure duly prepared by the concerned officer and checked by his or her authority should be submitted to the Finance Department along with mandatory bills, payments, vouchers, activity report to close the activity in the record after receiving the balance advance payments or reimbursing due to concerned officer.

**15. Travelling Allowances/Daily Subsistence Allowance/Daily Allowances/ (TA/DSA/DA):-**

On the basis of recommendation of the Executive & Finance Committee, the Board shall approve TA/DSA/DA/ policy.

**16. Fixed Assets:-**

- i. A Fixed Asset is a tangible or an intangible asset purchased for use in the day-to-day operations of the Foundation from which an economic benefit will be derived over a period greater than one year and has value of Rs. 25,000/-(Twenty five thousand) or more.
- ii. The total costs of fixed assets shall be depreciated over the useful life of the asset on a straight line method.
- iii. An up to date fixed assets register, shall be maintained by the Finance Department.
- iv. There are several types of fixed assets. For instance, :
  - a. Moveable equipment, such as furniture, computers, vehicles etc.;
  - b. Fixed equipment, such as fixtures;
  - c. Building and their components;
  - d. Building Improvements, including department renovations;
  - e. Land (not depreciated);
  - f. Land Improvements;
  - g. Infrastructure;
  - h. Software;

- i. Computer Hardware, peripheral equipment and other electronics etc.;
- v. Disposal of Fixed Assets.
- vi. The Foundation may have fixed assets that are no longer required due to:
  - a. Excess of useful life;
  - b. Lack of need;
  - c. Obsolescence;
  - d. Wear, damage or deterioration;
  - e. Excess cost of maintenance.
- vii. Subject to special rules or orders applicable, fixed assets which are reported to be obsolete, surplus or unserviceable may be disposed-off by sale or otherwise under the orders of the competent authority.
- viii. After the notification of Administration Department regarding the disposal of any fixed asset the Finance Department shall make relevant adjustments in the Financial Statements.
- ix. On disposal of fixed asset, difference between the net book value & sale proceeds shall be adjusted in the financial statements accordingly.

17. Audit:-

- i. The Audit of the Foundation accounts shall be audited by the Director General Audit Sindh.
- ii. The Foundation may appoint Chartered Accountant firm through a competitive process for audit of financial statements.
- iii. Re-appointment of the Chartered Accountant firm shall be made as per statutory requirements.
- iv. The Foundation may develop an Internal Audit system to manage internal audit and control mechanism.
- v. In the case of external audit, the Foundation shall produce or cause to be produced all accounts registers, documents and papers as may be called for by the auditors, and shall furnish any information in regard thereto as may be asked.
- vi. On receipt of audit report from the Director General Audit Sindh, the Foundation shall remedy the observations pointed out in the audit report, annotate response of the report, and place it before the Executive & Finance Committee and then before the Board.



- vii. The Finance Department shall be responsible for the preparation of a financial report duly audited under the section 13 of the Act and such report shall be submitted to the Executive & Finance Committee and the Board through Managing Director in the next meeting.

19. **Record Maintenance:-**

All records with supporting documents shall be kept by the Foundation for the period not less than 6 (six) years.

20. **Provision for matters not provided in these rules: -**

In all matters not provided for in these rules, the financial rules of Government shall apply.

21. **Amendments, Relaxations to these rules:**

The system and procedure established by these rules are subject to modification Amendment or amendments as approved by the Board.

22. **Repeal and Savings**

- i. The Sindh Education Foundation (Finance & Account) Rules 2003 are hereby repealed.
- ii. Notwithstanding the aforesaid repeal, anything done, action taken, and order issued under the aforesaid Rules, shall, so far, as inconsistent with the provisions of the Act, be deemed to have been done: taken, made, or issued, under these rules, and shall have effect accordingly.

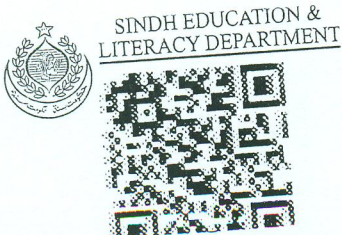
-SECRETARY TO GOVERNMENT OF SINDH-

NO. SO(G-III)SED/SEF/3-700/17

Karachi: dated 21<sup>st</sup> February, 2017

1. Administrative Secretary (All), Government of Sindh, Karachi
2. The Chairman, Board of Governors, Sindh Education Foundation, Karachi
3. The Members (All), Board of Governors, Sindh Education Foundation.
4. The Vice Chancellor (All) of University in Sindh.
5. The Director (All), Sindh Education Foundation, Karachi
6. The P.S to Minister for Education & Literacy department, Government of the Sindh, Karachi.
7. The P.S to Special Secretary (Higher Education), Govt. of the Sindh, Education & Literacy Department, Karachi.
8. The P.S to Special Secretary (Schools), Govt. of the Sindh, Education & Literacy Department, Karachi.
9. P.S to the Managing Director, Sindh Education Foundation, Karachi.
10. Office File.

(ALI GUL JALBANI)  
SECTION OFFICER ( G-III)



## Sindh Education Foundation

## Government of Sindh

## Schedule 'A'

All payments are activity specific that may occur several times in concerned financial year

S. N	Nature of Powers	Managing Director	Director - (General Administration, and Coordination)	Director - (Planning & Programs)	Director - (Finance, Audit & Accounts)	Director - (Training & Assessment)	Region Head
1	Abolition or Creation of Posts	Full Powers	-	-	-	-	-
2	Salary, Wages & Overtime & other Allowances	Full Powers	-	-	-	-	-
3	Research, Survey, Feasibility Studies, Exploratory Operations etc.	Full Powers	-	500,000	-	500,000	50,000
4	Bank Fees	Full Powers	-	-	10,000	-	-
5	Legal & Taxes	Full Powers	500,000	-	500,000	-	100,000
6	Audit Fees	Full Powers	-	-	500,000	-	-
7	Communication (Postage, Telegraph, Telex, Telephone, Fax, Cell Phone, Internet/electronic, Courier etc.)	Full Powers	500,000	-	-	-	20,000
8	Utilities (Electricity, Water, Gas, Hot & Cold Weather Charges etc.)	Full Powers	500,000	-	-	-	75,000
9	Rent (Building, Plant & Machinery, Equipment, Vehicle etc.)	Full Powers	2,500,000	-	-	-	300,000
10	Rates & Taxes	Full Powers	-	-	2,000,000	-	50,000
11	General Insurance	Full Powers	500,000	-	-	-	-
12	Security Charges	Full Powers	750,000	-	-	-	-
13	Motor Vehicle (Registration, Taxes etc.)	Full Powers	500,000	-	-	-	50,000
14	Creation of Consultancy, Contractual work & Professional Work	Full Powers	5,000,000	-	-	-	-
15	Consultancy, Contractual work & Professional Expenses	Full Powers	1,000,000	500,000	500,000	500,000	-
16	Capacity Building/Training Domestic/International for SEF employees	Full Powers	-	-	-	-	-
S.	Nature of Powers	Managing	Director -	Director -	Director -	Director -	Region



N		Director	(General Administration and Coordination)	(Planning & Programs)	(Finance, Audit & Accounts)	(Training & Assessment)	Head
17	Field Charges	Full Powers	300,000	-	-	-	100,000
18	Capacity Building/Study Tour/Training Domestic/International for school staff / operators / entrepreneur / teachers	Full Powers	-	1,000,000	-	-	50,000
19	Inspection Visits Charges/Surprise Visits Charges	Full Powers	500,000	-	-	-	50,000
20	TA/DA/DSA	Full Powers	200,000	-	-	100,000	100,000
21	POL/CNG etc.	Full Powers	500,000	-	-	-	50,000
22	Transportation of Goods etc.	Full Powers	300,000	-	-	-	50,000
23	Stationery (Office/Computer)	Full Powers	500,000	-	-	50,000	50,000
24	Office Accessories/Photocopy/Toner etc.	Full Powers	300,000	-	-	50,000	50,000
25	Educational Material/Syllabus/Bags/Copies etc.	Full Powers	-	-	-	-	-
26	Printing & Publication	Full Powers	500,000	-	-	-	50,000
27	Meeting/Conference/Seminars/Workshops/Symposia etc.	Full Powers	250,000	-	-	-	100,000
28	Newspapers, Periodicals & Books	Full Powers	50,000	-	-	-	5,000
29	Uniforms & Protective Clothing	Full Powers	250,000	-	-	-	-
30	Marketing, Advocacy, Promotion, & Advertising etc.	Full Powers	-	-	-	-	-
31	Expenditure on Pakistani Delegation to foreign countries	5,000,000	-	-	-	-	-
32	Contributions & Subscriptions	Full Powers	-	-	-	-	-
33	Expenditure on Foreign Expert Assistance received from abroad or from within country	5,000,000	-	-	-	-	-
S. N	Nature of Powers	Managing Director	Director - (General Administration	Director - (Planning &	Director - (Finance, Audit &	Director - (Training &	Region Head

			and Coordination)	Programs)	Accounts)	Assessment )	
34	Purchase of vehicle, Furniture, Plant, Equipment, Machinery, premises & other necessities	Full Powers	1,000,000	-	-	-	100,000
35	Assessment & Examination Charges	Full Powers	-	-	-	1,000,000	-
36	Remuneration of part time staff, intern, teachers etc.	Full Powers	-	-	-	-	-
37	Other operating expenditures as per budget head	Full Powers	250,000	-	-	-	10,000
38	Gratuity and Leave Encashment	Full Powers	-	-	-	-	-
39	Pension / Group Insurance/ Provident Fund/ Benevolent Fund	Full Powers	-	-	-	-	-
40	Life Insurance, Medical Insurance etc.	Full Powers	-	-	-	-	-
41	Honorarium for staff, consultants, experts, visitors, guests etc.	Full Powers	100,000	-	-	-	-
42	Financial Assistance to institutions	Full Powers	-	-	-	-	-
43	Grant, Subsidy & write off	Full Powers	-	-	-	-	-
44	Scholarships, Cash Awards, Freeships, Incentive & Awards, Medals, Allied Expenditures and Co- curricular activities	Full Powers	-	-	-	-	-
45	Entertainment expenditures	Full Powers	100,000	-	-	-	50,000
46	Loans and Advance salaries	Full Powers	-	-	-	-	-
47	Purchase of Land & Building	100,000,00 0	-	-	-	-	-
48	Repair & Maintenance, Renovation, Development (buildings, Furniture, Fittings & Fixtures, Equipment & Machinery, Vehicles)	Full Powers	500,000	-	-	-	50,000
49	Repair & Maintenance of Hardware, Software & Other IT/computer Equipment	Full Powers	-	-	-	-	10,000
S. N	Nature of Powers	Managing Director	Director - (General Administration and Coordination)	Director - (Planning & Programs)	Director - (Finance, Audit & Accounts)	Director - (Training & Assessment )	Region Head
50	Declaration of Unserviceable Stores/Articles	Full Powers	1,000,000	-	-	-	-



51	Deflation of Surplus Stores/Articles	Full Powers	-	-	-	-	-
52	Sale of Unserviceable stores/articles	Full Powers	500,000	-	-	-	-
53	Disposal of stocks / assets	Full Powers	-	-	500,000	-	-
54	Investment of funds	Full Powers	-	-	-	-	-
55	Reinvestment of funds of maturity	Full Powers	-	-	-	-	-
56	Encashment of invested funds	Full Powers	-	-	-	-	-
57	Audit related expenditures (travelling, communication, entertainment etc.)	Full Powers	-	-	500,000	-	-
58	Fixation of Salary	Full Powers	-	-	-	-	-
59	Contingency Cost/Unforeseen expenditures	Full Powers	-	-	-	-	-
60	Miscellaneous Charges	Full Powers	250,000	50,000	50,000	50,000	20,000

## Annexure - I

[illegible]