

MINUTES OF THE MEETING
JOINT MEETING OF THE TASK FORCES ON
CIVIL SERVICE REFORMS AND AUSTERITY AND RESTRUCTURING GOVERNMENT

Date: 22nd February, 2019
Time: 10:00 am to 05:00 pm
Venue: Prime Minister's Office, Islamabad

The 9th meeting of the *Task Forces on Civil Services Reforms and Austerity and Restructuring Government* was jointly held at Prime Minister's Office, Islamabad under the chair of **Dr. Ishrat Hussain**. Following is a re-cap of the key areas of discussion and decisions.

AGENDA ITEMS	DISCUSSION	DECISIONS
<p>Update on KeyProposals</p>	<p>Chair apprised the Task Forces members regarding progress on the summaries and the proposals approved by the Task Forces:</p> <ul style="list-style-type: none"> • Security of Tenure of Civil Servants – The summary has been approved with an expanded selection committee. The committee will include the Minister Incharge, Mr. Shafqat Mahmood, Secretary Establishment and Secretary to the Prime Minister, and will be chaired by the Advisor on Establishment. The tenure of Secretaries will be for two years, extendable with another year and contain a six-months performance review period. The Chair stated that corresponding changes in Rules of Business will be initiated to ensure that security of tenure is observed. • Appointment of Technical Advisors – Summary has been approved and initially fifteen Ministries have been selected where Technical Advisors will be appointed. Mr. Arshad Mahmood, Additional Secretary, Finance Division was advised to ensure that equivalent amount of funds was surrendered from lower posts for financial compensation of the posts of Technical Advisors. • Amendments to Rules of Business – The differences between recommendations of the Task Force on Restructuring of Government and Secretaries Committee headed by Advisor on Establishment have been narrowed down. The recommendations have been bifurcated into Annex-I and Annex-II, showing points of agreement and disagreement, between the Task Force and the committee headed by Mr. Arbab Shahzad, and will be 	

presented for a decision by the Cabinet.

- Selection Process of CEOs for Key Public Sector Companies – It was informed that the Law and the Finance divisions have vetted the proposals concerning procedure of selection for CEOs. He further stated that in case of companies with independent Boards, the Boards will constitute Selection Committees for appointments of these Heads, which will ensure autonomy and transparency in the selection process.

The Chair stated that appointments to top Executive positions and the Boards were being made on merit without any political interference. He highlighted some recent achievements with regard to bringing transparency in government:

- Sector specialists were being selected for organizations as is the case of BISP, where Dr. Sania Nishtar has been appointed as Chairperson, as opposed to previous practices which involved appointing MNAs of ruling parties for the position of Chairperson.
- For National Bank of Pakistan, four candidates from international banks were shortlisted, through a transparent process to ensure that professionals with the highest caliber are selected for the job.

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Proposals of the Sub-Group on Public Financial Management	<p>The sub-group of the Task Force on Austerity and Restructuring Government working on Public Financial Management presented its proposals regarding quick wins under eight broad areas:</p> <ol style="list-style-type: none"> 1. Update and approve the PFM Reform Strategy 2. Approval of the PFM Law 3. Improvements in PIFRA/FABS system for better policymaking 4. Improvements in Financial Management 5. Separation of the Audit and Accounts functions 6. Decentralization of Financial Management 7. Improvements in Public Investment Management systems 8. Better transparency of public 	<p>After thorough deliberations by the Task Forces on the proposals, following decisions were taken:</p> <ul style="list-style-type: none"> • Steps to be taken to approve PFM Law from the Parliament. Mr. Wajid Rana to share comparative statement of PFM Law with the Task Forces. (Action: Mr. Wajid Rana) • PIFRA/FABS needs to be upscaled and more entities to be included in the dashboard. (Action: Ministry of Finance and CGA) • There is a need for a consolidation of accounts, and as such Group Accounts will be a combination of the Ministry Main Account and accounts of Attached Departments, whereas the accounts of Autonomous Bodies will not be merged into the ministries' main accounts. • Since the World Bank is already assisting Finance Division under the PforR financing instrument, the WB Team Leader, Mr. Akmal Minallah will be taken on board. (TF Secretariat) • Finance Division to prepare a framework for Treasury Single Account (TSA) to define its boundaries. Mr. Arshad Mahmood, Additional Secretary Finance assigned this task. • It was recommended that an eminent economist or statistician

	finances	<p>should be made Chairman of the Governing Council of Pakistan Bureau of Statistics (PBS), now that the PBS has already been taken out of the control of Finance Ministry.(Chairman TF to take it up with the Ministry of Planning)</p> <ul style="list-style-type: none"> • Achieve harmony between financial autonomy of organizations and system of financial controls, and in this regard the System of Financial Control & Budgeting booklet published in 2006 needs to be updated by Finance Division. Mr. Abrar Mirza is already working on delegation of financial powers. Mr. Arshad Mahmood, Additional Secretary Finance would update the Task Forces in the next meeting. • Empower Secretaries to spend government money in the most prudent manner subject to financial controls. (Action: Finance Division) • PAOs to be given reappropriation powers – financial autonomy to Secretaries for employee related expenses and operational expenditure. (Action: Finance Division) • Synergies to be created among financial autonomy, delegation of responsibility and performance contracts with regard to financial spending by the PAOs. • The role of processing and approval of projects under PSDP below
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<p>Presentation by Mr. Salman Akram Raja on Proposals Regarding Efficiency & Discipline</p>	<p>In light of the decisions taken in the previous meeting, Mr. Salman Akram Raja presented proposed changes to the Government Servant's (Efficiency and Discipline) Rules, 1973. It had previously been decided to have a Scrutiny Committee that would sift through the criminal aspect of charges against an accused officer, before that matter could be referred to outside agencies like NAB or FIA. Mr. Raja informed that subsequently he had done an informal survey of the parliamentarians to get their views on the proposal of having a Scrutiny Committee before NAB/FIA intervention. A majority of politicians were opposed to the idea as it was not fair to have different layering of accountability mechanisms for civil servants and politicians. Therefore, it would be appropriate to have some kind of generalized change to the NAB law instead of group-specific changes.</p> <p>Discussion was held on the proposal at Rule 3(c) to make non-disclosure of assets an offence. On the contrary, it was argued that declaration of assets can be a cause for NAB to take cognizance. It was agreed to have a mechanism whereby asset</p>	<ul style="list-style-type: none"> • Mr. Salman Akram Raja will circulate his proposals among members for their feedback. • The proposal pertaining to Scrutiny Committee for scrutinizing criminal aspect of charges against an accused officer, before the matter can be referred to outside agencies like NAB or FIA, would be substituted by a proposal to recommend suitable changes in NAB law. Amendments proposed to NAB law by Mr. Zahid Hamid, former law minister to be consulted in this regard. (Action: Mr. Salman Raja) • Establishment Division to ensure that FBR tax returns being filed by government servants form a part of an officer's record along with the Division's own asset proforma to bring about consistency in records. (Action:

	<p>declaration to Establishment Division and Income Tax returns to FBR are treated jointly, to bring about transparency.</p> <p>Regarding Rule 3(d), it was proposed to have a Scrutiny Committee in each parent department that would reconcile the asset declarations and tax returns of employees. If any anomalies are identified, the employee can be asked to explain, and then decision can be taken for further proceedings. Mr. Burhan Rasool suggested to make use of Artificial Intelligence (AI) Bots to sniff out anomalies in encrypted data of employees, which would first notify the employee of any inconsistency, which would require the employee to take corrective action, before and if the matter is sent to the Scrutiny Committee.</p> <p>It was suggested to refine the term of “inefficiency” contained in Rule 2(vii) and peg it with <i>performance criteria</i>, which can be further explained in the definitions. It was agreed to consult the Manual of Secretariat Instructions to further delineate <i>performance criteria</i> with regard to functional responsibilities.</p> <p>In the previous meeting it had been proposed to do away with</p>	<p>Establishment Division)</p> <ul style="list-style-type: none"> • Disclosure should not be an option, but be made compulsory. • Strengthen internal accountability by having Scrutiny Committees for identifying government servants living beyond means. • Mr. Salman Akram Raja, Mr. Wajid Rana, and Mr. Gulzar Shah, JS(E), Establishment Division to frame rules for the Scrutiny Committee. • Mr. Burhan Rasool to circulate concept paper on corruption sniffing Artificial Intelligence (AI) Bots. • Establishment Division to share information that provides percentage of successful departmental appeals, in order to reach decision on tier of departmental appeal. Mr. Gulzar Shah, JS(E) was assigned this task.
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departmental appeals. However, it has now been decided to revisit this idea, as removing this tier may lead to increased burden on the Federal Service Tribunal (FST). It was agreed that in order to determine whether the tier of departmental appeal should remain or not, Establishment Division would work out the percentage of cases where appeals have been accepted at departmental level.

Discussion was also held on whether to assign levels to the penalty of censure. However, it was pointed out that further categorizing the penalty would not necessarily translate into penalization in performance evaluation.

The proviso contained at Rule 4(1)(a)(i) regarding counting period of penalty in withholding of promotion, was also deliberated upon. It was agreed to use the words “next junior” instead of “seniority equivalent” for the purpose of counting the period of withholding promotion.

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<p>Introduction of Working Paper on Pay and Compensation</p>	<p>The sub-group of the Task Force on Civil Service Reforms working on Pay and Compensation presented its proposals, followed by thorough deliberations. Regarding reform of the Unified Pay Scale regime, the Chair suggested to first remove technical services such as Police, Education, Health and Engineering services from the UPS system. It was agreed that currently compensation was not tied with performance, and as such the performance management system needed to be based on Key Performance Indicators (KPIs). It was also viewed that the prevailing perks system is highly discriminatory, as can be judged from the fact that about only fifteen percent of federal government employees are provided housing.</p> <p>Dr. Nadeem ulHaque suggested to do away with residential enclaves and other allowances because of their arbitrary nature. It was proposed that as and when the government perks are surrendered, there needs to</p>	<ul style="list-style-type: none"> • Establishment Division to be transformed into a Human Resource (HR) Division. A stand alone proposal in this regard will be developed by the sub-group and presented to the Task Forces in the next meeting. The TORs for the proposed HR Division to be formulated by sub-group working on Pay & Compensation. • Initially, technical services to be taken out of the UPS regime. (Action: TF Secretariat) • Performance management system to incorporate KPIs. (Action: TF Secretariat) • Fixing of the prevalent distorted incentives system in a transitioned manner; <ul style="list-style-type: none"> - by merging current perks and allowances at senior levels - grandfathering current lot of BS-01 to BS-16 federal government employees and introduction of new remuneration

	<p>be transparent inventory management of the assets for further developmental use and privatization.</p>	<p>packages for fresh entrants</p> <ul style="list-style-type: none">• Basic value chain of human resources to be incentivized by linking induction, career progression and performance management with compensation. (Action: TF Secretariat)• In order to prevent irregular salary disbursements, NADRA can be tasked to conduct verification using CNIC numbers in the prevailing PIFRA system at AGPR. (Action: NADRA / AGPR)
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<p>Update by Provincial Representatives on Provincial Civil Service Reforms & Austerity Measures</p>	<p>Mr. Shaukat Ali, Secretary Food, Government of Punjab informed about the working of the Task Forces in the province of Punjab.</p> <p>Mr. Shahzad Bangash, Additional Chief Secretary, Government of Khyber Pakhtunkhwa delivered a presentation to highlight the progress of activities made by the provincial Task Forces. He informed that the Provincial Civil Service Reforms Committee and Committee for Austerity were notified on 28.09.2018 and briefed about the TORs of the bodies. It was apprised that currently the committees were focusing on low hanging fruits and the following issues have come under discussion:</p> <ul style="list-style-type: none"> • Performance Evaluation • Rotation Policy • Reforming Examination system in Public Service Commission • Transition to E-Governance – as a first step introduction of e-mail services • Restructuring, downsizing and merger of organizations – an exercise has been initiated directing all the administrative departments to identify such entities • Detailed study already carried out by the Administration Department of the Provincial Government for monetization of the official vehicles, for review by High Powered Committee 	<p>Mr. Salman Siddique was requested by the Chair to see that the Federal and Punjab Provincial Task Forces were not working at cross purposes with each other, since he was a member of both fora.</p>

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