**NATIONAL MANAGEMENT COLLEGE**



**CASE STUDY**

**“Improving Financial Reporting of Public Works in Punjab: Creating Vision and Strategy in Directorate General Accounts Works”**

**NATIONAL MANAGEMENT COURSE-117**

By

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A paper submitted to the faculty of the National Management College, Lahore in partial fulfillment of the requirement of the National Management Course-117.

 The paper is the end product of my own efforts, research and writing and has not, in whole or in part, been submitted elsewhere for assessment and its contents are not plagiarized. The paper reflects my own views and is not necessarily endorsed by the faculty or the college.

**Signature
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**Date:** Jan 29th, 2023

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**List of Acronyms**

|  |  |
| --- | --- |
| **Admn**  | Administration |
| **AAO** | Assistant Accounts Officer |
| **AG** | Accountant General |
| **AO** | Accounts Officer |
| **CGA** | Controller General of Accounts |
| **DAO****DD** | Divisional Accounts OfficersDeputy Director |
| **DGAW** | Director General Accounts Works |
| **FABS** | Financial Accounting and Budgeting System |
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**Table of Contents**

[1. Introduction 1](#_Toc125906957)

[2. Statement of Intent 1](#_Toc125906958)

[3. Scene Setter 2](#_Toc125906959)

[4. The Situation on Ground 3](#_Toc125906960)

[4.1 The Human Side -Understanding the Culture 3](#_Toc125906961)

[4.2 The Roller Coaster of Complaints 4](#_Toc125906962)

[4.3 The Inertia 5](#_Toc125906963)

[4.4 Incomplete and Inaccurate Reporting 6](#_Toc125906964)

[4.5 Lack of Output 7](#_Toc125906965)

[4.6 Where is Accountability? 7](#_Toc125906966)

[4.7 Interagency Relations 8](#_Toc125906967)

[5. Taking the Bull by the Horn 9](#_Toc125906968)

[5.1 Creating a Sense of Urgency - Change Advocacy 9](#_Toc125906969)

[5.2 Building a Guiding Coalition –The “A” Team 10](#_Toc125906970)

[5.3 Creating A Vision 10](#_Toc125906971)

[5.4 Communicating the Vision – Rallying Support 11](#_Toc125906972)

[5.5 Removing Obstacles - Responding to Resistance 11](#_Toc125906973)

[5.6 Generate Short-Term Wins- Moments of Celebrations 11](#_Toc125906974)

[5.7 Implementation Strategy 12](#_Toc125906975)

[5.9 Tightening the Noose around the DAOs 13](#_Toc125906976)

[5.10 In-house Trainings 14](#_Toc125906977)

[5.11 Liaison with Stakeholders 14](#_Toc125906978)

[5.12 Leadership Matters 15](#_Toc125906979)

[6. Conclusion 16](#_Toc125906980)

[7. Lessons Learnt 17](#_Toc125906981)

[8. Way Forward 18](#_Toc125906982)

# ****1. Introduction****

Financial reporting is a cornerstone of good fiscal management. Complete and comprehensive financial reports lead to better and informed decision making by the government. They also serve as a means to help gauge financial position as well as performance of a particular government. Given the significance of financial reports, it is imperative that the reports prepared are reliable and can be used for making decisions as well as for fulfilling accountability purposes by the legislature, external stakeholders, public at large as well as international institutions.

Directorate General Accounts Woks, Punjab, which was created on 1-07-1996, was mandated to compile accounts of the entire province pertaining to development expenditure. Not only was it required to capture details of expenditure being made out of development budget, but it was also charged with the responsibility to maintain all accounts of receipts collected from contractors of various development schemes. Similarly, account of liabilities of the government which exist in the shape of deposits had to be kept up to date and error free. The directorate held a central place in the hierarchy of things till accounts were prepared manually. Its staff and officers were well equipped with the technical knowledge and skills needed to produce accurate, reliable and complete financial reports. As SAP R/3 was introduced in 2010, and subsequently manual accounts no longer formed part of the accounts of Punjab, this office also gradually lost its position as the mainstay of accounts.

# 2. Statement of Intent

 The intent of this case study is to showcase the efforts of a civil servant in overcoming challenges in pulling her organization out of the state of inertia so as to improve an important aspect of financial reporting in the province of Punjab. The protagonist, in the capacity of Director General Accounts Works, was faced with a human resource that had lost interest in preparing and compiling complete and error free financial reports simply after the introduction of SAP system in Accounting Offices. The DG took it upon herself to develop a sense of vision for her organization while aligning it with national interests. The case study uses the help of Kotter’s model of change management in this regard to explain how a comprehensive and holistic approach towards the problem, helped in achievement of objectives.

 The Directorate General of Accounts Works was mandated to consolidate and prepare financial reports with respect to public works expenditure and receipts of Punjab. Dealing with an annual budget of around Rs. 350 billion spread all over Punjab, the significance of this office was immense. However, after the introduction of automation in AG offices, the DGAW was now only preparing manual accounts which did not attract the attention of any external stakeholders. This situation had led to a state of apathy where the employees of the organization had lost all interest in achieving organizational goals. Even successive DGs who had headed the organization, failed to bring about a change in this organizational culture of lethargy and disinterest. The case study explores how by employing transformational leadership approach, a civil servant can bring about the desired changes in an organization long marred by inefficiency and indifference. The case study will tell a tale of a public servant who decided to create a visionary outlook for her organization and devised upon an implementation plan of change management in reaching that goal.

# ****3. Scene Setter****

 It was 3:00 p.m. on a pleasant afternoon of October, 2021, when Ms. Zasha, the DG Audit Petroleum and Natural Resources, was sitting in her office engrossed in reading an audit report, when her telephone’s buzzer rang. As she picked up, her PA told her that the Auditor General wanted to speak with her. “Assalam O Alaikum, sir”, she said. The conversation she had with the AGP, set in motion the chain of events that were to keep her in a constant state of identifying, focusing and implementing steps for improving the state of affairs in DG Accounts Works Punjab. The AGP wanted to transfer her to an important but ignored organization with the goal to bring its reporting in line with the need of the Government to have accurate and complete financial information for use of all stakeholders including donor agencies. “We need to align our services in line with the requirements of external stakeholders who need a complete picture of our spending behaviour. While the AG is providing us with a reasonable level of assurance with regards to current expenditure, there are gaps in data when we look at the development side. I want to post you as DG Accounts Works so you can steer that office towards achieving accuracy and completeness in terms of financial reporting. It will be a challenging position, but I know you will not disappoint me.” The AGP explained to her, reposing his complete confidence in his strong-willed DG.

 Within an hour, Ms Zasha received her posting orders and the very next day she joined an organisation which had failed to deliver as per its mandate. The outgoing DG exclaimed to her, “Madam! The employees of this office are incorrigible. Good luck with your new assignment”. This remark gave her shudders but as her boss’ voice reverberated in her ears, she vowed to herself that she would surmount this challenge too like her earlier assignments.

# ****4. The Situation on Ground****

As the DG took charge in the Directorate General Accounts Works, she wasn’t quite sure of the challenges that lay ahead. Her impression was only about the accounts that were being prepared and thought that area needed improvement. She had been serving as DG of different Audit Offices for the last six years, hence her interaction with accounting offices had been minimal. This directorate general was a very specialized office, with a clear and important mandate. She wasn’t sure what to make of the comment of her predecessor DG about the staff of this new office. But the situation became quite clear to her only within 2-3 days of joining her new assignment.

## ****4.1 The Human Side -Understanding the Culture****

The DG knew that the main asset of any organization was its human resource. No improvement or change was possible without the support of its people. DG Works Accounts had a workforce of 212 employees, which was a very reasonable number, but the problem was the availability of that number in office. As the DG started reviewing the attendance records, she realized that most of the staff specially in lower cadres of BPS1, 11 and 16 were either habitual late comers or absentees.

In fact, just after a week of taking charge of the new office, she was informed she had to give personal hearing to a case of unauthorized absence by an employee and as it turned out, it wasn’t an isolated case. There were as many as 83 officials who remained absent from duty for a number of days during the current and previous year. The number of unauthorized leaves/absences ranged from 5 days to even 70 days in a calendar year. This practice had been continuing for the past several years with impunity. In addition to absconders, the DG also encountered the issue of employees coming late and then leaving early from office. An investigation into the situation revealed that it was an issue of Moonlighting.Moonlighting “is defined as to work on an extra job” (Sabron & Abu Hassim, 2018). There were many employees who had their own businesses and would leave early each day to look after the affairs of their respective business activities. So, the DG was dealing with an organization where employees in general neither felt any loyalty towards the organization, nor were they committed to fulfill their responsibilities in an honest or effective manner. It seemed like there was no motivation to improve their attitude, or any drive to achieve organizational goals. The DG realized that bringing change in such a people would be an uphill task. There could be no quick fixes.

Yet another interesting facet of the organization, was the female employees. They were 25 in number and out of those 18 were married. The interesting trend she saw in the office was that the females often came late and left early around 1 o clock. Those who had kids, would bring one, two and at times three kids with them to office, and would end up spending a lot of time in the Child Care room that was built for kids. None of the previous DGs had been able to handle the problem. In fact, the DG’s first interaction with a group of women of her office, led her to comment to her Deputy Director later, “it seemed like Sara was a character right out of a drama serial – the typical quarrelsome female deeply involved in family politics”. One female who was in grade 16, came to see the DG with a 10 months old baby and demanded she may be given a lighter responsibility because she could not work in any heavy section. The DG although very irked at such casual attitude, stayed calm and told her it would not be possible to shift her to any other section but promised she would provide her with good support staff.

## 4.2 The Roller Coaster of Complaints

The DG was definitely not at all happy about the situation. She was forced to tell her Deputy Director, “I have never seen such a bunch of inefficient workers. I have worked in various audit offices and encountered 3/4 work shirkers in every organization at various levels, but never had I ever seen an organization where the majority is not at all willing to work.”

She was facing a multi-pronged problem and wasn’t sure where to begin from. She knew her organization’s performance would depend largely on the performance of its employees. For employees to perform their tasks, they had to be present in office. As she set out to ensure punctuality of employees, she asked her administration to start the biometric reader system which had not been in use since the start of COVID. But by the end of 2022, COVID restrictions had been lifted and biometric attendance could be started. The decision was not met favourably by the employees of the organisation. First, few female officials came to register their protest which the DG dealt with a polite yet resolute response. But that was not the only protest she faced!

“Madam there is a complaint against our office on the Prime Minister’s Citizen Portal”, exclaimed her focal person. “But why?” asked the DG. “It is against the biometric attendance claiming it is detrimental to the health and safety of the employees”, she was informed. The DG called her Assistant Director and asked him to prepare a logical response. “Madam, we have taken pictures of sanitisers placed alongside the biometric machines and uploaded them along with our response and closed the application”, the DG felt relieved and ready to move on. Another week passed and an almost identical application was received on the Portal. The DG was annoyed, but she wasn’t going to take back her decision simply because of these applications. The same response was again uploaded and application was closed.

Then came members of the employees’ Association with complaints regarding biometric reader system. The DG felt exasperated at this attitude and again tackled those employees in a resolute manner making it clear she needed the organization to break free of old habits and make a new beginning. One member of the Association said, “Madam, you are like our mother and we expect motherly compassion from you”.The DG felt like losing her cool on his audacity to make such demands as a matter of right. However, she responded calmy, “better not awaken my motherly instincts because I am a strict mother and only my children are capable of handling my *compassion*. You won’t be able to tolerate it”.

Although the DG was very clear that she had to deliver what she had promised, yet she wondered how could a people be so unwilling to work and be in continuous search of means to wriggle out of any form of discipline that was enforced upon them. Every other day she would have to face someone harping the same tune expecting to elicit some *mercy* from her.

## 4.3 The Inertia

With every passing day it became apparent to the DG that this organization was marred by organizational inertia and hence bringing about any change would be a continuous strategising process. People were resistant to anything that would push them out of their comfort zones – the employees even felt that coming late and leaving office early was a matter of right for them. Hence people were used to coming to office around 11:30 am and spending little bit of time on some official assignments, which were not even being monitored. They hardly felt compelled to achieve optimal performance in any area. Many, especially women would start packing bags and get ready to leave by 2 pm. The concept of meeting deadlines or introducing some new ideas was alien to that workforce.

As the DG reviewed files pertaining to different sections of her office, she was perturbed to find lack of proper knowledge everywhere. It seemed like the employees had stopped learning long ago and the need for recognition was just not there. This was quite in contrast to her previous offices, where she saw her staff always wanting to show off their achievements. Except for a very small number, she did not see anyone wanting to contribute beyond a certain level. Even among those officers who were better than the rest, she found inhibition to go beyond a certain level. It was convenient for them to act in a purely bureaucratic style by writing letters here and there, rather than being ambitious enough to go after their goals. It seemed like they needed to be shaken out of this inertia but as the DG gradually learnt, this problem was just the tip of the ice berg, she was to yet to face even more daunting challenges.

## 4.4 Incomplete and Inaccurate Reporting

As the DG checked the accuracy of monthly accounts being prepared by the organization, she came to know there were a lot of difference in the figures reported by the SAP system and even those that were being sent by the respective Divisional Accounts Officers. The Book Section was responsible for compiling and preparing monthly accounts related to public works expenditure and receipts of Government of Punjab. But unfortunately, reconciliation of accounts was not being carried out by this office. The only time there was some activity, was when the Accountant General office would point out some large figure whose origin, they were not able to figure out. This also happened soon after the DG had joined her new assignment; she received a letter from AG Punjab about a Rs 800 million figure, which was appearing in AG’s accounts under the grants that pertained to public works yet it was not included in manual accounts prepared by DGWA. Although, the difference was sorted out by her staff, the DG knew she would have to handle that can of worms to improve the accuracy of financial reports being prepared by her office.

In addition to the staff posted in the office, an additional 130 Divisional Accounts Officers (DAOs), posted all over Punjab (192 public works divisions), were also under the control of the DG Accounts Works. These DAOs were required to prepare and submit respective divisional accounts on monthly basis along with several supplementary forms, each depicting different types of accounting information. All these forms were required for preparing complete and reliable accounts. One such critical form was called Form 26/51**.** It was “The Form” as its importance was immense. It acted as a bank reconciliation statement providing information regarding government’s receipts and the cheques issued and cleared by respective divisions all across Punjab. However, none except 4/5 DAOs, was submitting these forms to the head office. The outgoing DG had exclaimed, “madam I tried to tackle the chronic problem of 26/51 but unfortunately I could not”. Her Deputy Director also shared similar views regarding the inability to make DAOs submit the forms despite their importance for preparing complete and accurate accounts.

Anywhere the DG looked, nothing seemed to be in order. It seemed like all systems had collapsed and no one seemed to be bothered about it.

## 4.5 Lack of Output

The primary job of this office was to prepare complete, accurate and reliable accounts depicting the financial position of the province of Punjab with regards to public works expenditure as well as receipts. These accounts were then handed over to AG Punjab for preparing consolidated accounts of the entire province. With federal government’s commitment to monitor its spending, it was imperative that DG Works Accounts prepared accurate accounts. It was not something that could be ignored. After the introduction of SAP R/3 in accounting offices, the accounting transactions of public works departments of Punjab were being punched into the system at respective districts from 2010 onwards. It was not being captured on real time basis like the other transactions at AG offices. Rather, XENs would take the list of cheques issued to the District Accounts Office and have the details punched into the system. The DGWA although continued preparing manual accounts, they were no longer being submitted to AG Office for consolidation. At best they would serve the purpose of reconciliation and even that was not being done as was required.

## 4.6 Where is Accountability?

 The accounts were required to be prepared and reconciled on a monthly basis so that by the end of the year, the annual accounts would be accurate and complete in all respects and all errors would be taken care of. The District Accounts Officers were to submit monthly accounts along with all necessary forms, but they were not complying with the requirement. Since there was no monitoring system in place, the DAOs did not feel compelled to provide the necessary forms on monthly basis. These DAOs would use all kinds of political pressures to get postings of their choice, yet they miserably failed to deliver. The apathy and lack of accountability had its ramifications inside the office of DGWA as well, where certain people would not point out shortcomings of monthly accounts coming from various divisions. Similarly, the issue of absenteeism was another impediment to achieving any targets set for the office.

 No accountability mechanism existed to ensure that the organization performed its duty as per its mandate. No punitive measures were taken to curb the tendency of absenteeism. No one was dressed down on these accounts. As regards the unauthorized absences, her predecessor had only converted all those into LFP with a single stroke of pen. That only boldened the employees who knew very well no action would be taken against them even if they stayed absent for longer periods of time. The previous DG had informed the incumbent, “madam I am a bit soft and flexible with my staff but I have informed them about you. I have told them madam will set you right*”.* Although the DG respected her predecessor, yet she would often wonder why he did not try to change anything?

 Even her Admn Officer tried to convince her to ignore such behaviour and to go soft on the employees as there was possibility of a strong reaction from the Association in case of strict action being taken against 83 people who had remained absent from duty. The DG only turned a deaf ear to all such advice and decided to start her own accountability process.

## 4.7 Interagency Relations

One day the DG was sitting in her room reviewing a file which pertained to the observations raised during internal inspection of the office by the Controller General of Accounts. The observation related to huge differences found both on the expenditure (Rs 757 million) and receipt (Rs. 838 million) side of under the head of Works Audit Suspense**.** As the DG started to dig into the matter, it was revealed that these differences had accumulated over a period of time again due to the fact that no one had tried to resolve the issue. As the DG probed the relevant Accounts Officer, who was apparently a hardworking and honest officer, he informed her, “madam these accounts have been closed so we cannot do anything about these differences.”The DG was not satisfied and further inquired about the status of that head during the current year i.e. 2021-22. Her AO informed her they still had differences appearing under the head. The difference on payment side was around Rs. 760 million and around Rs. 137million on receipt side. When asked about the corrective measures taken, she was given a typical bureaucratic response, “madam, I wrote letter to AG office as well as to respective District Accounts Offices. But I did not receive any response from any quarter.”

The response literally made the DG lose her cool-something she did not do with her good officers. She was aghast, “Ahsan, why did you not inform me? If no one was responding to your letters, you should have just walked into my room. I am always available and keen to resolve our accounts related issue. How can you just send a letter and feel you have done your job, your job would only be done, once these differences are removed.”

The DG decided to take up the matter with the Accountant General, who was known to be a progressive and forward- looking officer and the DG knew he would be forthcoming for any proposal for bringing improvement in the system. The District Accounts Offices also needed to be brought on board and the AG’s office would be the linchpin in this scenario.

# 5. Taking the Bull by the Horn

The multitude of problems facing the DG were enough to unnerve her, but the DG decided to tackle the issues one by one. She decided to go slow by introducing interventions/strategies incrementally and as the situation demanded. She knew very well that the change would involve altering people’s mindsets, culture, attitudes and practices to adapt them to a new environment and arrangements. Considering the complexity of the issue, she prepared her strategy very carefully, deciding not to start war on all fronts.

For the purpose of the case study, Kotter’s model of change management involving 8 steps has been applied to explain the strategic planning done by the DG.

## 5.1 Creating a Sense of Urgency - Change Advocacy

The DG also held rounds of meetings with the rest of the AOs in order to have candid conversations with them and to give them opportunities to interact with her and share their opinions. The DG was able to clearly articulate her opinion, “if we do not act fast, this office will eventually become redundant”. She also explained how accurate and reliable provincial accounts would feed into better public financial management at national level. Her rounds of meetings were slowly creating that room for change that the DG was vying for. Some of the senior AOs who responded positively to the need for change, were apprehensive about the probability of achieving desired results. “I will get it done! If I can’t make any difference, I don’t deserve to sit here as a DG”. The various rounds of meetings helped her in identifying the resources she needed to achieve her goal as well.

## 5.2 Building a Guiding Coalition –The “A” Team

The DG knew she would need a reliable team to help her bring forth any change. Luckily enough, her Deputy Director Admn was a young officer who was understood the organization and employees very well and was keen to go ahead with the plan of action. Her other DD was an old officer, about to retire. The DG knew he could not be a part of her team; the DG waited for the DD’s retirement (which took place two months after her arrival) and placed her young and energetic Assistant Director Anwar, in charge of all the accounts sections. Her other enthusiastic DD was in charge of Administration and was instrumental in implementing HR related policies. “Madam, before you came, people were so relaxed that Fridays were mostly half days and no one was ever brought to book. We need to change this,” said the DD. In addition, DG’s core team included one AO and an AAO. This was the team that understood the DG’s mind and were eager to go along with her ideas. The core team was the cornerstone upon which her entire change management plan rested. The team would meet almost daily, initially to brainstorm and later they met twice a week.

Right person at the right place was the DG’s cardinal principal. She knew how to identify key resources and utilize them effectively to achieve organizational goals.

## 5.3 Creating A Vision

For the DG the root cause of the inertia was clear- there were no targets to be met. The employees of the department were preparing their monthly accounts mechanically, which were not required to be submitted anywhere. Hence there was no urgency to check or ensure their accuracy. The DG knew she needed to create a vision for her office – to be in charge of its accounting circle and help the CGA in providing a true and fair picture of public works accounts. The accounting transactions originating in divisions, should be captured by officials of DG Works Accounts and converted into monthly and annual accounts by the head office in Lahore. That meant better and accurate reporting by the office, thereby creating its centrality in the national accounts making process. The DG articulated the future pathway for her organisation, giving a new hope for a better future. It was a vision, which would entail persistence and perseverance in achieving milestones.

## 5.4 Communicating the Vision – Rallying Support

The DG’s core team was the vehicle to carry the vision forward. The vision had been a result of consultative process as well as review of the history of changes which had affected the organisation. The strategic vision was well entrenched in the minds of her core team and they kept disseminating it to the rest of the staff members both in their informal interactions as well as planned meetings. The DG also held meetings with her AOs to take them on board regarding the future vision for the office of DG Accounts Works, “you are my team and I cannot succeed unless you all help me in achieving this future for our organisation”. The thought of gaining access to SAP and control over their account-making process, created eagerness among many, “madam this was the vision way back in 2010, but somehow it never came through.”

## 5.5 Removing Obstacles - Responding to Resistance

The first direct resistance came, when she introduced the bio-metric reader system. The Employees’ Association came to negotiate but the DG did not budge an inch from her position. They even tried to get flexible timings for female employees to come late by 11 0 clock and leave early by 4 o clock. The DG refuse, however, she did give a 30 mins flexibility to leave at 4:30 instead of 5 pm but only for winter season till the month of March. Her strategy was to send out clear signals regarding the future course of action for the organisation as a whole. How successful was her strategy was evident from remarks made by her Assistant Director, while grinning, “madam there is hustle and bustle on every floor even after Friday prayers. This is so unusual, Friday afternoons used to be so quiet earlier”.

## 5.6Generate Short-Term Wins- Moments of Celebrations

While keeping the long-term vision in view, the DG created certain achievable milestones which could be celebrated along with her team. These included creating deadlines for rectifying accounts, coordinating with AG office and DAOs for improving Works Audit Suspense, reconciling Suspense and Deposit figures. While her core team was responsible for monitoring different areas, she kept a close watch on respective AOs, frequently getting updates. Every time they got a positive response and reached some target, the DG appreciated everyone’s efforts. These small baby steps not only provided cause of celebration but also helped in developing a close rapport between the DG and staff members. Slowly the DG, who once felt disappointed over the attitude of her employees, started feeling a closer connection with her new bigger team. It seemed like an organic relationship had started to develop between the DG and her hand-picked team (not just the core team). Six months down the road she actually began to like these AOs. She also used the distribution of honoraria as a tool to reward high performing employees.

## 5.7 Implementation Strategy

While every small success was celebrated, the DG did not let the process lose steam. She kept repeating the visions and goals to be achieved. DG’s implementation roadmap also involved a holistic approach targeting multi-dimensional issues facing the organisation. The DG first wanted the employees to get accustomed to the new reality that Punctuality and office discipline had to be maintained***.*** One critical decision she took was to convert all unauthorized absences into Extra Ordinary Leaves. She was advised by the AO Admn to forego the penalty once and convert the absences into Leave on Full Pay. The DG replied in the negative because the same treatment meted out by the previous DG, had failed to yield any positive result. This was evident by the fact that 82 employees had stayed absent from duty without any approval during the year. The DG’s message was clear, “such laxity should not be expected in future. Immediately after I took charge, I got office orders issued regarding procedure for going on leave. If people are not willing to change, they will have to face the music”.

**5.8** Reconciling the Differences

 Having positioned the young AD at the heart of the organisation, the DG got down to business. She asked him to prepare a list of differences between manual accounts for the first quarter for the year 2022 and the SAP accounts. The process of preparing and downloading the lists took 4 longs days. Her other technical core team members, Mateen and Salman, helped in preparing the lists on Excel. To her utter dismay the differences were huge i.e., Rs 1.9 billion. The DG needed it all sorted out, accuracy of accounts had to be ensured. Her AD was quick to hold meetings with respective AOs informing them that the DG would be monitoring the progress of each AO. This set the entire office into a frenzy. By now they had come to accept the ethosof this DG and knew perfectly well, each AO wanted to be the first to get his errors rectified. For this purpose, they also needed information from DAOs as well. This all-encompassing activity fetched an additional benefit; news traveled fast right down to the divisions – the DG would not tolerate any delays or lapses. The process was started in the first quarter but the DG wanted it completed by the end of the financial year. The same process was repeated in June and the office was even kept open over weekend to signal out seriousness of intent. It was a continuous process where DG herself was getting feedback from all relevant AOs and discussing bottlenecks and their solutions. As a result of these steps, the annual accounts for the financial year 2021-22 were almost 100% reconciled except a small figure of Rs. 30 million, out of a total of Rs. 350 billion.

##  Tightening the Noose around the DAOs

 The postings of DAOs was a major nuisance for the DG. Although she had to continuously fend off all kinds of pressures – seniors, colleagues, and political influences, she wanted to find a permanent solution to the problem. It was the prerogative of the DG to post the DAOs. She decided to use this right to the advantage of her organisation. She formed a committee of three AOs and her DD and guided them to prepare a new policy for posting and transfer of DAOs. In addition to seniority, other criteria for getting a station of their choice included:

* Compilation and reconciliation of their accounts, both manually and in SAP system
* Provision of the 56/51 Form
* Reconciliation of Suspense and Deposit heads.

 This proved to be a major turning point where DAOs had no option but to provide all forms and also to get their long pending reconciliations (pending in many cases since 2017-18 or even older) done. In case a DAO would delay sending requisite information, the AO in charge of their posting would simply pick up the phone and give them the DG’s message which was always very straight forward, “either provide documents along with reconciliations or be ready to be transferred out”**.** The strategy worked very well and as time passed, the DAOs genuinely realised, they could not exert pressure to get a particular posting. Their only resort was to provide all forms and all information. The DG only took them on board, “I need you to do your job and help this office prepare accurate financial reports”. At the same time, the DG was open to discuss and provide support to the DAOs with regards to their field problems. Results were encouraging, as the number of outstanding Forms 26/5, which was 10,757 when she joined this office, came down to 2038.

## 5.10 In-house Trainings

 The success of any organization depends on trained and committed workforce. Many new staff members who had been recruited during the last 5-7 years had not had any formal hand-on training. Further, the experienced AOs had mostly retired during the last 2-3 years without handing down much of their knowledge. This lack of training and succession planning, also acted as a bottleneck in accurate account preparation. The DG asked her core team to prepare a plan for conducting two-week long training programmes within the office. 3 experienced AOs were shortlisted to carry out this training. The training was welcomed in the office as no such training was ever held before. One AAO remarked, “madam, I have never seen any training being conducted in this office during the last 14 years”. The same training was revised after a gap of three months. The trainings generated a lot of interest in the office. Post-training evaluation were conducted to imbibe spirit of competition. The DG also collaborated with the AG and arranged for training of representatives of District Accounts Office because many errors in SAP accounts occurred due to wrong or incorrect punching by the District Accounts Offices. The training was conducted by her AOs and AAOs and was successful in achieving desired results in Sialkot and Sargodha.

## 5.11 Liaison with Stakeholders

DGWA’s work was not carried out in isolation, it depended on the AG office as well as District Accounts Offices for capturing public works data into the SAP System. It had been well established that many differences that appeared between manual and SAP System, were often due to the wrong punching of data by staff at district offices. They were least interested in recording data relating to receipts. The DG teamed up with the AG, first wrote a letter and then went to have a meeting so she could sensitise him. It was followed by a formal meeting between her and the AG’s team. The activity was carried out over two months of concerted effort, where the DG personally kept the AG updated and every time her team got stuck, she would simply inform the AG to get the ball rolling. The result was very heartening - differences pertaining to Works Audit Suspense (Rs 1595 million) were all cleared. SOPs were also got instituted to deal with such differences in order to avoid their accumulation. In addition, as a result of extensive comparisons and continuous liaising with AG office, an amount of Rs 1.6 billion, which was earlier outside the system, was incorporated into SAP R/3.

 The DG also wrote letters to the FABS Directorate of Controller General of Accounts, suggesting improved configuration in SAP R/3. The purpose was to upgrade the system in a manner to plug leakages and segregate data under Deposit head, which was being used by multiple departments across Punjab without any restrictions and hence was a potential source of leakage of funds.

## 5.12 Leadership Matters

 The DG always led from the front. She was a role model for her team and was able to earn respect during her very first encounters with different employees. Her knowledge of accounts came as a surprise to them and her undeterred determination won accolades from her staff. She was able to grasp technical matters and ask searching questions. She let her employees raise questions and her sincerity of purpose was also evident. She was also able to bring together people with conflicting opinions on board, to wrork for contributing towards the larger goal of imroved financial management.

# 6. Conclusion

A good civil servants will always find ways to turn a situation around and breathe fresh air into a decaying organisation. The DG who had been tasked to improve financial reporting of public works in Punjab, faced a situation where the employees’ interest and functional competencies had long taken a plunge, yet she managed to rally support, prepare a roadmap and implement changes with the help of her core team. She was able to break inertia in that office and infuse vitality and new norms in her organisation simply through her perseverance and a clear vision for the future. Identifying the right resources, she was able to bring new ideas and solutions to chronic issues. Her sole determination to not give up, kept her going against all odds and she was able to bring discipline an organization that seemed incurable by her predecessors. She even teamed up with other organisations in order to improve the working of her organization and was not afraid to take drastic steps where needed. She generated activity and interest among her employees by giving value to each individual’s skills and by staying in touch with all. Continuous rounds of meetings and brainstorming with her core team as well as with other staff members, created a sense of urgency among all which helped her rally support for the changes she was introducing. All her supervisory level officers felt engaged and responded accordingly. Her refusal to succumb to any interference/pressure further added to her moral authority and she managed to set the tone for an organization ready to embark upon a challenging road ahead. She made significant progress towards achieving transparency, completeness, reliability and accuracy of accounts culminating into improved national financial management.

# 7. Lessons Learnt

**Policy Lessons**

1. Unless an organization has set targets to achieve and/or has some final product to complete within certain timelines, it will lose its efficiency and fall into the pit of inertia. Meeting targets and deadlines creates challenges and keeps an organization competitive and alive.
2. Automation and digitization need to be completed by bringing all units of an organisation into the fold. If left unattended such units will be susceptible to a culture of indifference and inefficiency.
3. Policy makers need to devise practical solutions for the female workforce so that they can be productive for the national economy.

**Personal Lessons**

1. No change is impossible if a civil servant sets his/her to mind to it. Commitment and consistency can help one overcome any type of organizational challenges.
2. A civil servant should be able to identify a core team that shares the his/her ideals in order to implement change.
3. Small but consistent steps can pave the way for achieving the future vision
4. A leader can only win respect and authenticity through intellectual acumen and management by walking around which can help win over people.

# 8. Way Forward

1. Step-wise approach towards bringing the Directorate General Accounts (Works), under SAP R/3 and creating its own complete accounting circle be adopted. First, the task of punching of data be transferred to Divisional Accounts Officers. Later, live capturing of development expenditure be adopted to bring transparency in public financial management.
2. A dedicated Director General, known for his commitment and integrity, be posted at Directorate General Accounts (Works) to carry forward the vision of the protagonist of the case study.
3. A core team consisting of members of CGA, AG Punjab DG Accounts (Works) be created to chart out a smooth transition plan for reconciling and updating all manual data before switching completely to SAP R/3