

**Acad. Ingr. Lucio Caceres**  
President, CAETS

**May 14, 2018**

**Subject: Statement of Intent regarding fulfilment of the relevant part of  
CAETS By-laws**

Dear Mr. President

In pursuance of the discussion and agreement, arrived at the CAETS Assessment Meeting held on May 01 and 02, 2018 at the PAE head office, we are pleased to present our Statement of Intent in order to have an alignment with CAETS By-laws.

PAE will introduce the following Amendments in its By-laws:

**1. Amendment in the Article 4.2**

There shall be upto twenty but not less than ten fellows. Subsequently, other fellows shall be elected by invitation only and not more than twenty-five each year from the nominations made by the Peer Committee constituted under Article 6.10.1. They will put up to the Council for Consideration and finally approved by the Assembly with three fourth majority of the fellows present in the Assembly. Total number of fellows shall not exceed one hundred at any time unless and otherwise decided by the Assembly with three fourth majority.

**2. Amendment in the Article 6.1**

There shall be a Council consisting of, all the times, not less then 7 fellows including the President of the Academy. The Council shall comprise the following members:

- |   |                 |
|---|-----------------|
| • President of the Academy  | - Chairman      |
| • One fellow to be nominated by the President   | - Vice Chairman |
| • Five fellows to be elected by the Assembly of the Academy (except foreign fellows) for a period of three years with an aggregate elected term of fifteen years. | - Members       |
| • Executive Secretary   | - Non-voting    |

### 3. Amendment in the Article 6.7.3.2

On vacation of the office of a Council member in consequence of happening of any of the above mentioned event, the Assembly shall re-elect another fellow as a member of the Council.

### 4. Amendment in the Article 6.11.1.1

There shall be a President of the Academy to be elected by the Assembly for a period of three years with an aggregate elected term of fifteen years.

Under Article 11.0 the above noted amendments duly approved by the Assembly will be submitted to the Federal Board of Revenue and the Commissioner of Income Tax concerned for approval. Subsequently, the amendments will be submitted to the Provincial Assistant Registrar, Joint Stock Companies, Sindh, Karachi for registration.

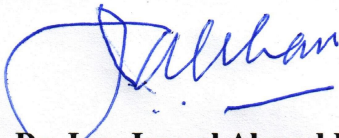
We hope that the above Statement of Intent will satisfy CAETS to proceed with the regularisation of membership of the Pakistan Academy of Engineering.

The entire legislative process will take considerable time please.

Thanking you.

With profound regards,

Sincerely yours,



**Dr.-Ing. Jameel Ahmad Khan**

President

Pakistan Academy of Engineering

E-16/2, Block-7, Gulshan-e Iqbal

Karachi, Pakistan.

Cell: 0347-1803374

Tel.: 92-21-34831726

Fax: 92-21-34182105

E-mail: [profjakhan@pacadengg.org](mailto:profjakhan@pacadengg.org)

CC:

1. Dr. Ruth David, General Secretary, Treasurer, CAETS
2. Prof. Dr. Frank Behrendt, Member BoD, CAETS.





# The Pakistan Academy of Engineering

## Knowledge Forum

### LIST OF PROGRAMMES

1. **Wireless Power Transfer – Application in Hybrid – Electric Vehicles**  
(October 03, 2015)
2. **Digital Transformation**  
(March 19, 2016)
3. **Advances in Engineering Education**  
(July 16, 2016)
4. **Wind Farming in Pakistan**  
(October 01, 2016)
5. **Dematerialization and its impact on Industry**  
(December 31, 2016)
6. **Profile of the Future Engineer**  
(September 23, 2017)
7. **Business Strategy for Engineering Organizations in Pakistan**  
(February 03, 2018)
8. **Materials Science and Engineering of Epoxy Based Composites**  
(May 05, 2018)



# The Pakistan Academy of Engineering

## List of Symposia:

- **Symposium 1:**  
Prospects of E-MOBILITY in Karachi  
(December 20, 2014)
- **Symposium 2:**  
Engineering and Health Care Nexus in Pakistan  
(June 13, 2015)
- **Symposium 3:**  
Industrial Renaissance and Competitiveness for Pakistan  
(August 1, 2015)
- **Symposium 4:**  
Drinking Water  
(October 31, 2015)
- **Symposium 5:**  
Coal-to-Liquids (CTL) Technology for Pakistan  
(January 30, 2016)
- **Symposium 6:**  
Additive Manufacturing  
(July 30, 2016)
- **Symposium 7:**  
Innovative Thar Coal Value Chain  
(February 04, 2017)
- **Symposium 8:**  
Hydrogen, Carbon-Free-Fuel, Democratizing the Energy  
(July 01, 2017)





# The Pakistan Academy of Engineering

- **Symposium 9:**  
Cybersecurity – Where do we stand?  
(December 16, 2017)
- **Symposium 10:**  
Prospects of Mini Nuclear Power Plants in Pakistan  
(April 28, 2018)
- **Symposium 11:**  
Our Mineral Resources – The Most Neglected Sector  
(November 03, 2018)
- **Symposium 12:**  
Bioeconomy & Engineering Nexus  
(March 02, 2019)
- **Symposium 13:**  
Preparing for Our Digital Economy  
(July 06, 2019)

إِنَّا كُلَّ شَيْءٍ خَلَقْنَاهُ بِقَدَرٍ



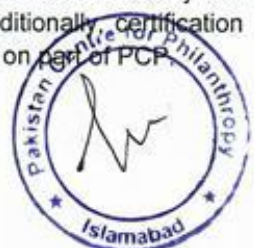
**THE PAKISTAN ACADEMY OF  
ENGINEERING  
(PAE)**

**Evaluation Report**

**May 2018**



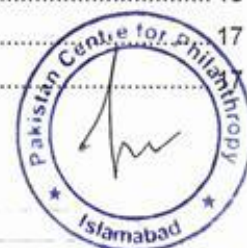
This evaluation report is based on an examination of **The Pakistan Academy of Engineering (PAE)** functioning and performance during the last 3 years i.e. **2015, 2016, & 2017**. The report examines the organisation's structure, finances, systems, procedures, processes and programmes during this period against standardized parameters. All opinions expressed in this report are based on the information provided by the organisation. PCP does not take any responsibility for, nor makes any express or implied guarantee as to the accuracy or the comprehensiveness of this information as only the information provided voluntarily by the NPO forms the basis of this report. Additionally, certification being absolutely voluntary and optional does not entail any legal or other liability on part of PCP.





## TABLE OF CONTENTS

MISSION OF PAE.....	1
EXECUTIVE SUMMARY.....	2
PROFILE AT A GLANCE .....	3
STATUS OF TAX COMPLIANCE.....	4
COUNCIL MEMBERS .....	5
MAJOR PROGRAMME OF PAE .....	6
1.    Symposiums.....	6
2.    Knowledge Forums .....	7
3.    Feasibility Study: .....	7
Internal Governance.....	8
Roles and Responsibilities of the Council Members.....	8
Organisational Policies and Procedures .....	9
Financial Management .....	10
Banking and Signatories .....	10
Accountability and Audit System .....	10
Procurement and Fixed Assets.....	10
Accounting Policies and Procedures .....	11
Programme Delivery.....	12
Roles and Responsibilities of Programme Staff and Governing Body.....	12
Programme Planning, Implementation and Activities .....	12
Monitoring and Evaluation .....	12
Programme Progress and Achievements.....	12
FINANCIAL HIGHLIGHTS .....	14
STATUS OF TAX COMPLIANCE (DETAILS) .....	15
FINANCIAL CRITIQUE: .....	15
ANNEXURE – A: DESK REVIEW.....	16
ANNEXURE – B: Objectives of Certification/Evaluation .....	17
ANNEXURE – C: Certification Panel.....	



## MISSION OF PAE

### Mission:

*The Pakistan Academy of Engineering is working towards advancement of the science, arts and practice of engineering for the benefit of Pakistani society by knowledge dissemination, policy advice, capacity building and strengthening partnerships among scientific and engineering communities.*

### Aims and Objectives:

1. To provide national forum for the discussion of engineering and technological issues.
2. To promote the application of emerging technologies for the benefit of Pakistani nation.
3. To provide independent advice on issues of engineering and technology that underlines many questions of national importance.
4. To promote technological welfare of the nation by utilizing the knowledge and insight of eminent members of the engineering profession.
5. To promote network of highly experienced and competent professionals in the field of engineering, who seek to stimulate contacts between disciplines and across national borders.





## EXECUTIVE SUMMARY

The Pakistan Academy of Engineering (PAE) applied for PCP Certification on 02<sup>nd</sup> January 2018. After initial scrutiny of submitted documents, application became complete upon fulfilment of mandatory requirements on 15<sup>th</sup> January 2018. Subsequently, desk review of submitted documents was conducted **(For details of desk review, see Annexure - A).**

After desk review of the submitted documents, the case was ready for field evaluation. For that purpose, PCP team consisting of two members visited PAE's head office located in Karachi on 6<sup>th</sup> and 7<sup>th</sup> February 2018. During field evaluation, PCP team also interacted with PAE's Council, staff and management and beneficiaries.

PAE performance, in achieving its aims and objectives as stated in its governing document, was assessed against three broad sets of parameters in Internal Governance, Financial Management and Programme Delivery **(For details regarding objectives of PCP Certification, see Annexure - B).**

Assessment process entailed literature review of submitted documents, field evaluation, consultation meetings and formal & informal interviews with organisation's management, admin & programme staff, and beneficiaries. On PCP certification standards, PAE scored 703 out of 1000. **(For detail regarding scoring, see page 2).**

The Pakistan Academy of Engineering (PAE) is the brain child of Dr-ing Jameel Ahmed Khan who envisioned it for promoting and advancing the practice of engineering and technology in Pakistan. PAE has a fellowship comprising the PHD holding distinguished engineers from all branches of engineering, technology and related sciences. PAE was registered under the Societies Registration Act, 1860 on December 20, 2013 at Karachi. **(For Mission of PAE, see Page no 1).**

PAE is headed by a seven member Council Members which acts as a supervisory body for the management. Management of the organization is headed by volunteer Chief Executive Officer. Chief Executive Officer is supported by Finance officer, programme staff and support staff.

During field evaluation, it was observed that the organization's Council is actively involved in overseeing organization's activities. The organization is recommended to amend/insert certain clauses in the Memorandum of Association so as to instil high level of democracy in its governance mechanism. The organization is recommended to adopt organizational policies and organization is also recommended to define job discretion statements for its employees.

With regards to the financial management, PAE has strict controls and stringent measures embedded in its practices. The organization has devised financial, procurement and disposal of asset policies. Organization is recommended to develop procurement and disposal of assets policy.

With regard to Programme delivery it was observed during field evaluation that the managerial & programme staff and members of the governing body clearly understand the mission and objectives of the organization. Services provided by PAE add value to its mission. Organization is recommended to devise mechanism to obtain feedback from its beneficiaries.

The case of PAE was presented before certification panel in its meeting held on 8<sup>th</sup> April 2018. Based on score obtained, panel decided to certify the organization. **(For details of PCP Certification Panel, see Annexure D).**





## PROFILE AT A GLANCE

Name:	The Pakistan Academy of Engineering (PAE)
Application Type:	New (three years)
Application for certification completed on:	2 <sup>nd</sup> January 2018
Evaluation Conducted on <sup>1</sup> :	6 <sup>th</sup> and 7 <sup>th</sup> February 2018
Registration:	PAE is registered under the Societies Registration Act, 1860 with Registration no. Kar.076 of 2013-2014 on 20 <sup>th</sup> December 2013 at Karachi.
Thematic Area of Work:	Advocacy
Geographic Area of Work:	Pakistan
Council Members:	Seven Members (all male)
Chairman:	Dr.-ing Jameel Ahmad Khan
Chief Executive Officer:	Dr. Nasim A. Khan
Staff Strength:	4 (All Male)
Size of the Organization:	Medium 2 <sup>2</sup>
Address:	E 16, 2, Block 7 Gulshan-e-Iqbal, Karachi, Karachi City, Sindh
Website:	<a href="http://www.pacadengg.org">www.pacadengg.org</a>

## Certification Score Sheet (2018)

Evaluation Parameters	Total Scores	Minimum Score Required	Score Obtained	Score (%age)	Remarks
	(A)	(B)	(C)	(C/A %)	
Internal Governance	300	150	160	53%	Qualified
Financial Management	300	150	201	67%	Qualified
Programme Delivery	400	200	342	85%	Qualified
<b>Total</b>	<b>1000</b>	<b>600</b>	<b>703</b>	<b>70%</b>	<b>Qualified</b>

PCP Recommendation:

Recommended for Certification

Decision of the Certification Panel:

Certified<sup>3</sup><sup>1</sup> Evaluation Team: Mr. Raheel Awan and Mr. Bilal Rasul Butt.<sup>2</sup> If the annual average receipts of a NGO during the last three years are between 5 – 10 Million, it is classified as Medium 2 sized organization.<sup>3</sup> Certificate No. PCP-2018/582 Certified on: 8-05-2018 Expiry Date: 8-05-2021

## STATUS OF TAX COMPLIANCE

1.	Purpose of Application	Tax Benefits and certification		
2.	Type of Application	New (Three years)		
3.	National Tax Number	4319998-4		
4.	Filing of Income Tax Returns	Yes		
5.	Payment Exceeding 10,000 through Cross Cheques	Yes		
6.	Filing of Withholding Tax Statements	Yes		
7.	Salaries within 50% Limit (In accordance with Rule 213 (2) (e) of Income Tax Rules 2002)	2017	2016	2015
		Nil	9%	Nil
8.	Admin & Management Expenses within 15% limit (Under Section 100 C (1) (d) of Income Tax Ordinance 2001) <sup>4</sup>	Not Applicable		
9.	Restriction of Surplus up to 25% limit (In accordance with Rule 213 (1) (i) of Income Tax Rules 2002)	72 <sup>5</sup> %	-7%	49%



<sup>4</sup> This provision is not applicable if:

i. Charitable and welfare activities of NPOs have commenced for the first time during last three years  
ii. Total receipts of the NPO during the tax year are less than one hundred million rupees.

<sup>5</sup> Academy is holding the surplus to run and conduct the upcoming programs and activities. Academy was established in 2014 and there is no forecast in near future for any funds.

#### COUNCIL MEMBERS

1. Dr.-Ing. Jameel Ahmad Khan  
*Chairman*
2. Dr. Nasim A Khan  
*Member*
3. Dr. Afzal Haque  
*Member*
4. Dr. Haroon Jangda  
*Member*
5. Dr. Shahid Alam  
*Member*
6. Dr. Abid Kareem  
*Member*
7. Dr. Noorullah Soomro  
*Member*





### MAJOR PROGRAMME OF PAE

The Pakistan Academy of Engineering (PAE) is the brain child of Dr-ing Jameel Ahmed Khan who envisioned it for promoting and advancing the practice of engineering and technology in Pakistan. PAE has a fellowship comprising the PHD holding distinguished engineers from all branches of engineering, technology and related sciences. PAE was registered under the Societies Registration Act, 1860 on December 20, 2013 at Karachi. PAE also established an Endowment Fund and registered it under Trust Act with the sole objective of generating funds and providing financial support to the PAE on continuing basis.

Following are the main programmes of PAE in last three years.

#### 1. Symposiums

PAE brings together the policy makers, educationist, engineers, scientists and scholar students in all areas of engineering and technology, and provides a forum for the dissemination of new ideas, research results and practical development experiences which concentrate on both theory and practices. Since inception PAE has conducted 9 symposiums and more than 300 invitations are sent for each symposium.

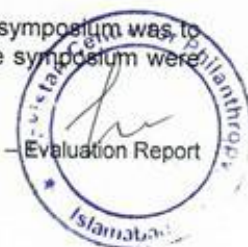
Year wise details of symposiums are given below:

#### Year 2014- 2015

- i. **Prospects of E-MOBILITY in Karachi:** It was conducted on December 20, 2014. The objective of the symposium was to discuss the transportation problems of Karachi in the context of exploring solutions based on advanced technologies related to E-Mobility in Karachi. Key speakers of the symposium were Dr.-Ing. Jameel Ahmad Khan, Dr. Mir Shabbar Ali (*Chairman Transportation, NEDUET*), Dr. Nasim A. Khan and Engr. Ijaz Hussain Khilji (*Fellow member PAE*)
- ii. **Engineering and Health Care Nexus in Pakistan:** It was conducted on June 13, 2015. The objective of the symposium was to explore the Nexus of Engineering and application of engineering in the Health Care solutions in the context of Pakistan. Key speakers of the symposium were Engr. Kalim Farooqui (*MD Technology Links (Pvt) Ltd*) and Dr. Zia Mohy-Ud-Din (*Biomedical Engineering Department, Sir Syed University of Engineering & Technology*)
- iii. **Industrial Renaissance and Competitiveness for Pakistan:** It was conducted on August 1, 2015. The objective of the symposium was to discuss the profile of industrial base in Pakistan and explore the pathways to create Industrial Renaissance and competitiveness for Pakistan. Key speakers of the symposium were Dr.-Ing. Jameel Ahmad Khan, Engr. Sohail P. Ahmed (*Advisor to Chairman House of Habib*) and Dr. Haroon Jangdaand (*Professor/Chairman Chemical Engineering Dept. Dawood University of Engineering and Technology*).
- iv. **Drinking Water:** It was conducted on October 31, 2015 The objective of the symposium was to discuss the Drinking Water issues and Modern Technologies for safe and clean drinking water. Key speakers of the symposium were Dr.-Ing. Jameel Ahmad Khan, Engr. Nisar Ahmed and Engr. Anjum Kamal Alvi (*Sr. Project Engineer (Mechanical) DHA Cogen Limited*)

#### Year 2016

- v. **Coal-to-Liquids (CTL) Technology for Pakistan:** It was conducted on January 30, 2016. The objective of the symposium was to discuss Coal To Liquid Technologies and their prospects and application in the context of Pakistan. Key speakers of the symposium were Dr. Abdul Azim Akbar, Dr. Masaki Onozaki (*ED Institute of Applied Energy and New Energy Development Organization (NEDO), Japan*).
- vi. **Additive Manufacturing:** It was conducted on July 30, 2016. The objective of the symposium was to discuss Additive Manufacturing and its prospects in Pakistan. Key speakers of the symposium were





Dr.-ing. Jameel Ahmad Khan, Dr. Mohammad Fahad Associate (*Professor Department of Industrial & Manufacturing Engineering, NED University*).

#### Year 2017

- vii. **Innovative Thar Coal Value Chain:** It was conducted on February 04, 2017. The objective of the symposium was to discuss Clean Coal Technologies in the context of Innovative Thar Coal Value Chain & Technology Transfer for Sustainable Development. Key speakers of the symposium were Dr.-ing. Jameel Ahmad Khan, Mr. Takashi Nakamoto (*Project Coordinator, (NEDO) Japan*), Mr. Jun Koike (*Manager, Nippon Steel & Sumikin Engineering CO., Ltd.*), Mr. Kazunori Uno (*Senior Researcher, Chiyoda U Tech Co. Ltd.*) and Dr. Masaki Onazaki (*ED, The Institute of Applied Energy*).
- viii. **Hydrogen, Carbon-Free-Fuel, Democratizing the Energy:** It was conducted on July 01, 2017. The objective of the symposium was to discuss Carbon-Free-Fuel and prospects for Democratizing the Energy. Key speakers of the symposium were Dr.-ing. Jameel Ahmad Khan, Dr. Ko Sakata (*Director, Hydrogen Programme, Institute of Applied Energy, Japan*), Dr.-Ing. Syed Mushahid Hussain Hashmi (*Chairman, Dept. of Automotive & Marine Engineering, NED University*) and Engr. Ghufra Bala (*Linde Pakistan Limited, Karachi*).
- ix. **Cyber security – Where do we stand?:** It was conducted on December 16, 2017. The objective of the symposium was to explore the issues related to Cyber security and assess Pakistan's outlook. Key speakers of the symposium were Mr. Mobeet Khan (*CEO, M11 Group, Mississauga, Canada*), Mr. Wajahat Rajab (*Consultant at Trend Micro, Singapore*), Dr. Jawwad A. Shamsi (*Professor & Head of the Deptt. of Computer Science*), and Mr. Hussein Hassanali (*CISO, Bank Al-Habib*).

#### 2. Knowledge Forums

Sessions of the Knowledge Forum are held to discuss the different themes and Strategies for Engineering Organizations in Pakistan at the Head office of PAE. Technology experts and academicians and Government stakeholders like PASTIC officials are invited to share knowledge on cutting edge technologies.

Objectives of Knowledge Forum are:

- Sensitization of the societies and communities through Knowledge forums.
- To generate discussions on various aspects of engineering education and its application.
- To generate opportunities for interaction among key experts in the context of coming up with guidance for the Engineering community and industry.
- To generate University – Industry linkage, keeping in context the demands and need associated with the growth of technology and society.

Following are the topics of knowledge forums discussed in last three years:

1. Wireless Power Transfer – Application in Hybrid – Electric Vehicles (October 03, 2015)
2. Digital Transformation. (March 19, 2016)
3. Advances in Engineering Education. (July 16, 2016)
4. Wind Farming in Pakistan. (October 01, 2016)
5. Dematerialization and its impact on Industry. (December 31, 2016)
6. Profile of Future Engineer. (September 23, 2017)
7. Business Strategy for Engineering Organizations in Pakistan. (February 03, 2018)

#### 3. Feasibility Study:

PAE conducted a feasibility study on "Preliminary study for Thar coal utilization" with the financing of The Institute of Applied Energy, Japan, to work out if your business idea has a good chance of success. The feasibility study covered technical viability, market viability and commercial viability. It also included an overall assessment of risks and strategies to minimise those risk.

The Pakistan Academy of Engineering (PAE) – Evaluation Report





### Internal Governance

A seven-member Council provides guidance and supervision for The Pakistan Academy of Engineering (PAE). The Council provides direction and guidance to the management. The organization's management is headed by Volunteer Chief Executive Officer (CEO). He is supported by a qualified team of finance officer, programme staff and support staff. Based on examination of organization's internal governance practices, procedures and policies, various strengths as well as recommendations have been identified which are aimed at improving organization's functioning and capacity in future.

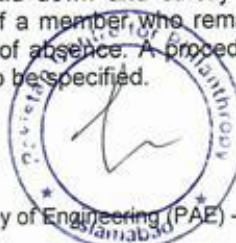
#### **Roles and Responsibilities of the Council Members**

##### **Strengths**

- It was observed during field evaluation that the organization is not a source of material gain for the members of Council.
- The council consists of seven members.
- The procedure adopted for the appointment of new Council members is democratic.
- The Council of PAE meets quarterly. It was observed that minutes of all the meetings are kept regularly and circulated to all the members within thirty days of the meeting.
- The Council observes the quorum requirements in its meetings as specified in its charter. The pattern of absenteeism among the Council was found to be very random.
- All Council members are un-related to each other.
- The paid managerial staffs are not related to the Council members.
- The process defined process for amendments in its charter is participatory.
- The Council appoints the CEO of the organization. The Council is also involved in the appointment of the Senior Management.

##### **Recommendations**

- During evaluation, it was noted that currently the Council has no female member. As a best practice, PAE is recommended to ensure female representation on its board to at least minimum acceptable limit of 33%.
- During the detailed study of the Memorandum of Association, it came to light that the document is either silent or vague about the term of the council members. As a best practice, organization is recommended to specify term limit for the council members. As a best practice defined limit should be between 2 to 5 years.
- During review of the MoA, it was observed that it does not stipulate limit on the maximum allowable period for the Chairman of the Council members. Therefore, it is recommended to the organization to stipulate a maximum limit on the aggregate permissible period for Chairman. Ideally this period may not be more than 15 years. The rationale behind this advocated best practice is to create allowance for accountability of the Chairman, offering other members an opportunity of playing a leadership role in the organization and minimize chances of organization from becoming personality led.
- The governing document of PAE does not provide any mechanism to replace the continuously absenting Council members. It is to be remembered here that PAE can only benefit from the input of its Council members if and when, they are all actively involved in the organisation's administrative and programmatic activities. In the event of continual absence on the part of any Council member, a clearly outlined procedure for handling the same may be laid down and strictly adhered to. For instance, the organisation may consider vacating the office of a member who remains absent from three consecutive meetings without obtaining a formal leave of absence. A procedure for replacing the position of an absentee member on the Council should also be specified.





- During review of minutes, it was noted that the Council approves the annual budgets of the organization which is highly appreciated. However practice of reviewing actual expenditure by council was found missing. As a best practice organization is recommended review funds allocations, re-allocations in budgets in line with the actual funds expended on various programmatic activities and document it in minutes of meeting.

## Organisational Policies and Procedures

### Recommendations

- In view of the possible expansion of the organization in the near future, it is advised that in accordance with standard norms of good governance and for the institutionalization of best practices the organization should formalize organizational and financial policies. These policies once developed may be placed before the Council for their review and subsequent approval. Once approved by them, it is advised that these be circulated among the employees of the organization, as and when recruited, for their knowledge. It is also emphasized that in all dimensions of organizational functioning these policies be followed in letter as well as spirit.

These include but are not limited to the following:

1. Recruitment Policy
2. Personnel Policy
3. Grievance Settlement Policy
4. Purchase and Procurement Policy
5. Disposal of Assets Policy
6. Finance Policy
7. Investment Policy
8. Conflict of Interest Policy (For Council and staff)
9. International Travel Policy (For Council and staff)

Samples policies are available on PCP's website ([www.pcp.org.pk](http://www.pcp.org.pk)). The organization may consider these as a template and adapt to its particular needs

- At PAE the workforce was not found to be gender balanced with respect to the nature of work. It was observed that during evaluation that organization has no female staff member. Organization is recommended to take active measures for increasing the level of gender balance among staff. As a first step the organisation may incorporate gender-neutral statements in its policy documents as well as in the job related advertisements placed in the newspapers.
- PAE is advised to clearly define salary structures and compensation packages for its staff. A provision pertaining to review of the defined salary structure after every 3 years and of the award of annual increment may also forms a part of the policy documents. PAE is recommended to submit the devised salary structure to the Council for review. Once approved these brackets may be implemented in true letter and spirit.
- In view of the envisaged expansion of organization in years to come, the organization is advised to develop Terms of Reference (ToRs) for its staff. The organization is also recommended to ensure due receipt of the same by concerned employees.



### **Financial Management**

At PAE, Finance department is headed by a Volunteer Treasurer who is supported by an Assistant Finance Officer. Based on examination of organization's financial management practices, procedures and policies, various strengths as well as recommendations have been identified which are aimed at improving organization's functioning and capacity in future.

#### **Banking and Signatories**

##### ***Strengths***

- The organisation has a practice of joint signatory system. The signatories of the organisation are approved by Council.
- All the payments exceeding Rs.10, 000 are made through cross cheques.
- The Council of the organization approves opening of bank accounts<sup>6</sup> and appointment of auditors.

##### ***Recommendations***

- For the purpose of smooth functioning of the organization and in interest of appropriate financial control, PAE is advised to consider increasing the number of signatories. The organization may also consider developing brackets of signing authority for its accounts. Under the proposed system for all transactions involving large amounts of money (for instance, Rs 50,000 and above) signature of the Chairperson must be made mandatory along with that of the CEO. Whereas, for amounts less than this the CEO should act as a co-signatory along with any other designated member.
- It was observed that no policy prohibits the signing of cheques made payable to a nominated signatory by him/her. As a best practice organization is recommended to incorporate a clause in its finance policy which prohibits the signing of cheque by nominated signatory.

#### **Accountability and Audit System**

##### ***Strengths***

- The organisation prepares balance sheets, income and expenditure statements and cash flow statements.
- The organisation regularly maintains cashbooks, and salary records.
- It was observed during field evaluation that the organization circulates its annual audit report amongst members of its Council within six months of closure of its financial year.
- The organization duly discloses to the public its expenditure on various heads.

##### ***Recommendations***

- It is appreciated that organization prepares organizational budgets; however in order to obtain an overall picture of the organization's functioning as a whole PAE is recommended to prepare variance reports.

#### **Procurement and Fixed Assets**

##### ***Recommendations***

- Organization is recommended to develop policy of procurement of goods and services. It is advised that the following aspects of purchase may also be included in the policy: invitation of at least three quotations/ bids, comparative evaluation of bids/quotations and hierarchical distribution of purchase sanctioning authority duly approved by Council.
- The organization is recommended to devise a disposal of assets policy.

<sup>6</sup> Board resolutions showing appointment of auditors and opening of bank accounts were seen during evaluation.



- The organization is recommended to develop a system of receiving and recording procured items.
- It is appreciated that organization maintains a record of its fixed assets. However during review of fixed assets register it was observed that record lacks important details like item date of acquisition, accumulated depreciation and location were missing. Organization is recommended to add details in existing record to comply with best practices of book keeping. Organization is also recommended to check and verify its record at least once a year.

#### Accounting Policies and Procedures

- The organization is maintaining separate bank accounts for different programmes.
- The organization settles the accounts with its previous employees in time.
- The organization has sufficient resources to continue its operations at current level.
- The organisation deducts at source income and withholding tax in accordance with the tax laws in force. The organisation regularly files its tax return to the competent tax authorities.
- The organization has adequate arrangements in place for custody of accounting records.

#### Recommendations

- During evaluation, it was observed that bank reconciliation statements are prepared on quarterly basis. As a best practice organization is recommended to prepare bank reconciliation statements on monthly basis.
- PAE is advised to adopt the practice of maintaining petty cash at the office, preferably on imprest basis. It should be reasonable in amount and periodically counted by someone other than the custodian.
- Since inception, organization has maintained its status as a donor-funded organization. The organization's complete reliance on external funding cannot be looked upon favorably. In the existing situation, the organization is advised that in the interest of ensuring long term sustainability a strategy aimed at diversifying its resource base and reducing its exclusive reliance on external donors, be chalked out at the earliest.

In this regard, the organization may wish to consider adopting any or all of the following measures;

- a) Undertaking some formal fund raising events like annual charity dinners.
- b) Devising some income generating activities
- c) Liaising with the corporate donors and marketing to them different concepts.



### Programme Delivery

PAE is conducting symposiums and knowledge forums to sensitize and find new ideas, research results and practical development experiences regarding engineering which concentrate on both theory and practices. Based on examination of organizations system, procedure, practice and policies relating to its programmes, various strengths and weaknesses have been identified which are aimed at improving organization's functioning and capacity in future.

#### **Roles and Responsibilities of Programme Staff and Governing Body**

##### **Strengths**

- The managerial & programme staff and members of the governing body clearly understand the mission and objectives of the organization.
- It was observed during field evaluation that management of PAE ensures that the staff is involved in programme/ project planning and design.
- Program progress is reviewed by the governing body regularly.
- Staff meetings were held regularly.
- The organization is part of network and has partnerships with other organization working in same thematic area.
- Members of the Council and senior management regularly visit programme area of the organization.
- The managerial and programme staff possesses relevant professional experience/ qualifications for delivering the programmes.
- The organization has appropriate human resources to carry out its activities.
- It was observed that the organisation does not pay any commission to fund-raising staff members.
- The organisation consciously avoids un-hygienic conditions and environment unfriendly practices in its activities.

##### **Recommendations**

- During field evaluation, it was noted that employees were not provided with any professional development opportunity. Professional development opportunities may be extended to employees and trainings may be conducted for the better performance of the existing staff.

#### **Programme Planning, Implementation and Activities**

##### **Strengths**

- It was observed during field evaluation that programmes and activities contribute to organisational mission and objectives
- The programmes and services provided by the organisation are need based.

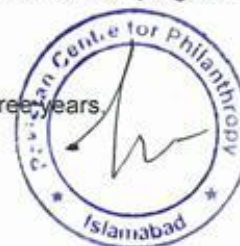
#### **Monitoring and Evaluation**

##### **Strengths**

- The organization has put in place a mechanism and systems to monitor its programmes and activities.
- The organization has devised measurable indicators to assess and monitor the progress of its programmes.
- The organization defines measurable targets for its programmes.
- The organization has been consistently achieving its targets during last three years.

#### **Programme Progress and Achievements**

##### **Strengths**





- The organization has its updated website.
- The beneficiaries of the organization are generally satisfied with the services provided.
- Organization has prepared a long term operational plan.

**Recommendations**

- Absence of a mechanism for assessing the feedback from participants was noted in organization. While using feedback from, the participants can serve as one of the best measures for, judging the effectiveness of the organization's interventions; bringing improvement in the quality of its service delivery and streamlining the organization's future course of action, analysis of the same is strongly recommended. In future the organization may examine the feedback given and prepare a summarized report on the same containing therein a summary of the significant findings. Report once prepared may be presented before the Council for their information and reference.
- It is appreciated that the organisation has a practice of preparing annual organisational report. As a best practice, the organisation is recommended to include financial statistics and future plans in annual reports.



## FINANCIAL HIGHLIGHTS

The Pakistan Academy of Engineering			
Receipts & Payments Statement			
For the year 2017, 2016 and 2015.			
Description	2017	2016	2015
Receipts	(Rs)	(Rs)	(Rs)
Donations	159,170	123,339	352,582
Programme revenue	8,382,660	1,297,600	1,501,600
<b>Total receipts</b>	<b>8,541,830</b>	<b>1,420,939</b>	<b>1,854,182</b>
Payments			
Payments made against Restricted funds			
Feasibility study	345,623	-	-
Travelling and conveyance	1,342,000	-	-
Symposium expenses	540,644	995,310	768,510
Payments made against unrestricted funds			
Printing, stationery and office supplies	22,381	13,889	36,640
Staff cost	-	125,400	
Communication, electricity, gas and water	-	41,125	
Security and conservancy	-	13,800	
Repair and maintenance	22,660	-	
Rent, rates and taxes	-	228,000	
Postage	43,721	44,257	9,245
Public relationship Expense	-		30,000
Travelling and conveyance	-	26,090	54,797
Entertainment	71,334	31,800	27,441
Others	5,827	7,032	11,346
<b>Total payments</b>	<b>2,394,190</b>	<b>1,526,703</b>	<b>937,979</b>
<b>(Deficit)/Surplus for the year</b>	<b>6,147,640</b>	<b>(105,764)</b>	<b>916,203</b>
Fund Balance			
Opening Balance	810,439	916,203	-
Surplus / Deficit of the year	6,147,640	(105,764)	916,203
Closing Balance	6,958,079	810,439	916,203
Qavi & Co. Engagement Partner: Khalid Anwar			
Karachi			



## STATUS OF TAX COMPLIANCE (DETAILS)

		Year 2017		Year 2016		Year 2015	
1	SALARIES (Within 50% Limit)	Amount (Rs.)	%	Amount (Rs.)	%	Amount (Rs.)	%
	Total Receipts	8,541,830	0%	1,420,939	9%	1,854,182	0
	Total Salaries	0		125,400		0	
	Total Expenses	2,394,190		1,526,703		937,979	
2	ADMINISTRATION & MANAGEMENT EXPENSES (Within 15% Limit)						
	N/A						
3	SURPLUS (Up to 25% Limit)						
	Total Receipts	8,541,830	72%	1,420,939	-7%	1,854,182	49%
	Total Expenses	2,394,190		125,400		937,979	
	Deficit of the year	6,147,640		(105,764)		916,203	

## FINANCIAL CRITIQUE:

After review of the audited financial statements for the three years (Jul 2015 to Jun 2017) and considering the level of operations, there are no noteworthy comments.





**ANNEXURE – A: DESK REVIEW**

Desk review of submitted documents is an important first step in the evaluation process. By review of available information, team prepares itself for conducting field evaluation. Desk review helps the evaluation team to have a basic understanding about the organisation's objectives, programmes, partners, etc. Importantly, certain gaps might also be identified at this stage, which can further be probed during field evaluation.

A detailed list of all documents that formed part of desk review in PAE case is given as under:

1. Memorandum of Association of PAE
2. Copy of registration Certificate of PAE
3. List of Council Members
4. Minutes of Council Meetings for last three years
5. Annual Audit Reports for last five years
6. Organizational Policy Manual





## ANNEXURE – B: Objectives of Certification/Evaluation

PCP certification/evaluation process examines the operations of organization in the light of objectives as stated in the governing document of the organization and certifies that the organization meets the requirements as per the set standards agreed with the FBR.

Certification is based on an objective, professional and critical evaluation. It is aimed at enhancing an organization's credibility as a non-profit organization, increasing its organizational capacity to streamline and improve its systems, helping in diversifying its resource base and facilitating in obtaining tax benefits from the Government of Pakistan (under section 2 (36) read with section 61, 100 (C) and section 159 of the Income Tax Ordinance, 2001). The profiles of certified organizations are included in the directory of certified CSOs "Gateway to Giving", the first of its kind in Pakistan. The profiles (also placed at PCP website) include a brief history of the organization, major programme activities, achievements and all such information that projects the organization as a credible and effective partner.

Non-Profit Organizations are evaluated for certification against standardized parameters in Internal Governance, Financial Management and Programme Delivery as contained in the Certification Model. The evaluation comprising a detailed desk review of organizational documents and visit to its programme areas are conducted. Each category contains a certain number of parameters with each being assigned a score against which a non-profit organization is assessed.

### Internal Governance:

The objective of having an internal governance system is to have clearly drawn out rules on how an organization is to be run, the procedures for daily operations, and interactions of employees with the management and Council Members of the organizations. The idea is to institutionalize mechanisms, rules, procedures and means to operationalize organizational interventions. The governance system should 1) ensure transparency and participation in decision making at all levels within the organization, 2) reflect the organization's values and 3) ensure policies in human resource management that would effectively increase an organization's performance.

### Financial Management:

What an organization can do depends to a certain extent on the resources available and how they are managed and utilized. A viable civil society organization would have systems and procedures in place to regularly plan or budget to meet financial needs. It would ensure that it has the necessary funds to purchase the goods and services it requires for the smooth functioning of its programmes and subsequently have proper mechanisms in place to record and account all financial transactions.

### Programme Delivery:

The success of an organization in meeting its aims and objectives is assessed from its programme delivery. Field evaluation of organization's programme areas involving interaction with the programme staff and the beneficiaries is used as a model to form an opinion. The monitoring system (instruments and tools) are also examined.

## ANNEXURE – C: Certification Panel

Certification Panel is a body which is independent of PCP's Board. Panel consists of seven (7) members including representatives from civil society, government (EAD & FBR) and eminent citizens. After evaluation, report on findings is presented before the certification Panel for decision. Decision of certification Panel with regards to grant of PCP certification is final.



***Relationship/Collaboration/Interaction of  
The Pakistan Academy of Engineering (PAE) with the  
Industries, Agencies, Engineering & Scientific Academia & Bodies.***

**PAE** is already interacting with Industry, Associations, Consultants, Government agencies, Academia & Engineering bodies.

This includes:

**a. Industries (Mills, Constructors, Banks, Cybersecurity & Engineering Consultants, Firms etc.) :-**

1. Indus Motors Co. Ltd.
2. Merck (Pvt.) Ltd.
3. Thal Engineering
4. Cargill Pakistan Holdings (Pvt.) Ltd.
5. Sindh Engro Coal Mining Company (SECMC)
6. Principal Builders
7. Ravian Maritime (Pvt.) Ltd.
8. Sui Southern Gas Company Ltd.
9. McDonald's – SIZA Foods (Pvt.) Ltd.
10. EMC Pakistan (Pvt.) Ltd.
11. Nippon Steel & Sumikin Engineering Co. Ltd.
12. Chiyoda U Tech Co. Ltd.
13. Linde Pakistan Ltd.
14. M11 Group, Canada
15. Trend Micro
16. Bank Al-Habib Ltd.
17. Mr. Mohammad Irshad, Consultant Nuclear Power Plants, Lincoln, California, USA
18. Exponent Engineers (Pvt.) Ltd.
19. Osmani & CO.
20. Silicon Valley Builders, USA - (Mr. Mike Zaidi)
21. Mr. Shakeel Rahman, Consultant Operational Analysis, Health Care, USA
22. National Bank of Pakistan
23. Engineering Services Group, USA
24. Kia Lucky Motors Pakistan Limited
25. Technology Links (Pvt.) Ltd.
26. International Steels Limited
27. National Refinery Limited
28. EA Consulting (Pvt.) Ltd.
29. DHA Cogen Limited
30. Engineering Consultants International (Pvt.) Ltd.
31. Zishan Engineers (Pvt.) Ltd.
32. Pakistan Refinery Limited (PRL)
33. Habibullah Associates (Pvt.) Ltd.
34. MOORE STEPHENS – Shekha & Mufti Chartered Accountants
35. Qavi & Company Chartered Accountants

36. Lear Corporation - USA
37. Premier Systems (Pvt) Ltd.
38. Environmental Consultancy Services (ECS)
39. DICE Foundation – USA
40. MM Pakistan (Pvt.) Ltd.
41. Al-Abbas Printers
42. Friends Construction Syndicate (Pvt.) Ltd.
43. SOILMAT Engineers (SME)
44. Insight Engineering
45. House of Habib
46. ESS.I.AAR (Planning, Engineering & Services Consultants)
47. Pakistan International Airline (PIA)
48. Japan Coal Energy Center (JCOAL)
49. SIEMENS Saudi Arabia
50. Habib Metropolitan bank Ltd.
51. Civil and Structural Engineering Consultants, Karachi
52. AAA Partnership (Pvt.) Ltd.
53. NESPAK Karachi Office

**b. Academia & Agencies (Government/Private) :-**

1. Institute of Applied Energy, Japan (IAE)
2. Pakistan Japan Business Forum
3. Pakistan Atomic Energy Commission (PAEC)
4. Pakistan Science Foundation (PSF)
5. Pakistan Scientific and Technological Information Centre (PASTIC)
6. National Engineering and Scientific Commission (NESCOM)
7. Indus University
8. NED University of Engineering & Technology (NEDUET)
9. Hamdard University
10. International Council of Academies of Engineering & Technological Sciences, INC. (CAETS)
11. Information Systems Audit and Control Association (ISACA)
12. The Citizens Foundation (TCF)
13. National University of Computer and Emerging Sciences (NUCES-FAST)
14. SZABIST University
15. Usman Institute of Technology (UIT)
16. GIK Institute of Engineering, Sciences and Technology
17. Sir Syed University of Engineering & Technology (SSUET)
18. Newports Institute of Communication & Economics
19. Dawood University of Engineering and Technology
20. Pakistan American Cultural Center (PACC)
21. Aviation Institute of Management (AIM)
22. PAF Karachi Institute of Economics and Technology (PAEF KIET)
23. SAARC Energy Centre
24. Asian Institute for Environmental Research & Energy (A-ENERGY)
25. Institute of Business Management (IBM)
26. Pakistan Workers Federation (PWF)

27. Medicell Institute of Higher Education & Training
28. Shehri-Citizens for a Better Environment (Shehri-CBE)
29. Jang Group of Newspapers
30. Nawa-i-Waqt Group
31. Thar Coal & Energy Board (TCEB)
32. Dept. of Physical Medicine and Rehabilitation JPMC Karachi
33. DHA Suffa University
34. Asia Pacific Union for Housing Finance (APUHF)
35. Pakistan Council of Scientific & Industrial Research (PCSIR)
36. Deutscher Akademischer Austauschdienst – German Academic Exchange Service (DAAD Pakistan)
37. Goethe-Institut Pakistan – German Cultural Center
38. National Organisation Wasserstoff - und Brennstoffzellentechnologie, Germany
39. Energy Dept. Govt. of Sindh
40. Karachi Development Authority (KDA)
41. NEDIAN Social Engineers Trust (NEDIAN SET)
42. Korea Atomic Energy Research Institute (KAERI)
43. Ummul Qura University, Makkah, Saudi Arabia
44. Mehran University of Engineering & Technology (MUET)
45. Pakistan Centre for Philanthropy (PCP)
46. National University of Sciences and Technology (NUST)
47. Space & Upper Atmosphere Research Commission (SUPARCO)

**c. Consulates & Embassies:-**

1. U.S. Consulate General Karachi
2. Consulate General of the Islamic Republic of IRAN Karachi
3. Consulate-General of Japan in Karachi





## Pakistan Centre *for* Philanthropy

*(The first NPO Certification Agency, authorized by The Government of Pakistan vide notification No.1116 (I)/2003)*

Pakistan Centre *for* Philanthropy hereby certifies that  
according to the records of the organization

*The Pakistan Academy of Engineering*

is certified as per NPO evaluation standards notified by FBR.

  
Executive Director



PCP-2018/582

Certification No.

8-05-2018

Issued on

8-05-2021

Valid up to

Islamabad

Place of issue



### **Certification Expiry:**

- Validity of regular certification is:  
Three (3) years from the time of issuance.
- Validity of provisional certification is:  
One (1) or two (2) years from the time of issuance.

### ***Disclaimer***

*PCP certification is based on an examination of the NGOs/ INGO's functioning and performance during the last one/ two/ three years in the light of its objectives as stated in its governing document and certifies that the organisation meets the requirements as per the set standards notified by FBR. All opinions expressed in this report are based on the information provided by the organisation. PCP does not take any responsibility for, nor makes any express or implied guarantee as to the accuracy or the comprehensiveness of this information as only the information provided voluntarily by the organisation forms the basis of this report. Certification by PCP is voluntary and optional does not guarantee non-profit status, as this is a matter for determination by FBR and the relevant Commissioner of Inland Revenue. Furthermore, PCP certification is not a security clearance and PCP does not give any security clearance. All NGOs/INGOs are still subject to security clearance from the Ministry of Interior and other concerned Ministries and Law Enforcement Agencies of the Government of Pakistan and other Provincial Governments.*

*We recommend contacting PCP office for verification / validation of the Certification Award.  
Contact us: +92 51 2286531-32 Email: [mail@pcp.org.pk](mailto:mail@pcp.org.pk) or visit our website at [www.pcp.org.pk](http://www.pcp.org.pk)*

# **Pakistan Academy of Engineering Endowment Fund**

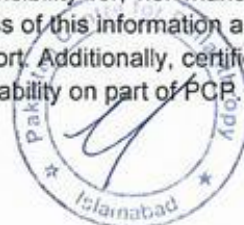
## **Evaluation Report**

**May 2018**





This evaluation report is based on an examination of ***Pakistan Academy of Engineering Endowment Fund*** functioning and performance during the last 3 years i.e. **2015, 2016, & 2017**. The report examines the organisation's structure, finances, systems, procedures, processes and programmes during this period against standardized parameters. All opinions expressed in this report are based on the information provided by the organisation. PCP does not take any responsibility for, nor makes any express or implied guarantee as to the accuracy or the comprehensiveness of this information as only the information provided voluntarily by the NPO forms the basis of this report. Additionally, certification being absolutely voluntary and optional does not entail any legal or other liability on part of PCP.



## TABLE OF CONTENTS

AIMS & OBJECTIVES OF PAEEF .....	1
EXECUTIVE SUMMARY .....	2
PROFILE AT A GLANCE .....	3
STATUS OF TAX COMPLIANCE.....	4
LIST OF COUNCIL MEMBERS .....	5
MAJOR PROGRAMME OF PAEEF .....	6
1. Provision of Financial Support to Pakistan Academy of Engineering (PAE) .....	6
Internal Governance.....	8
Roles and Responsibilities of the Board of Trustees .....	8
Organisational Policies and Procedures .....	9
Financial Management.....	10
Banking and Signatories .....	10
Accountability and Audit System .....	10
Procurement and Fixed Assets .....	10
Accounting Policies and Procedures.....	11
Programme Delivery.....	12
Roles and Responsibilities of Programme Staff and Board of Trustees .....	12
Programme Planning, Implementation and Activities .....	12
Monitoring and Evaluation .....	12
Programme Progress and Achievements .....	12
FINANCIAL HIGHLIGHTS .....	14
STATUS OF TAX COMPLIANCE (DETAILS).....	15
FINANCIAL CRITIQUE .....	15
ANNEXURE – A: DESK REVIEW .....	16
ANNEXURE – B: OBJECTIVES OF CERTIFICATION/EVALUATION .....	17
ANNEXURE – C: CERTIFICATION PANEL .....	17
ANNEXURE – D: ORGANOGRAM .....	18



## AIMS & OBJECTIVES OF PAEEF

### Aims and Objectives:

The sole purpose of Pakistan Academy of Engineering Endowment Fund is providing funds and financial support to the Pakistan Academy of Engineering to carry out its objectives.

Following are the main aims and objectives of the Pakistan Academy of Engineering Endowment Fund.

- a) To receive fund and contributions from philanthropist engineers and other members of the civil society.
- b) To purchase properties and to maintain these properties belonging to the Endowment Fund in order to earn rentals for income generation.
- c) To invest the surplus money from time to time in accordance with the provisions of the Trust Act, 1882.
- d) To do all acts and deeds required for efficient management of the PAE Endowment Fund so that sufficient resources are available to the Pakistan Academy of Engineering to carry out its objectives.





## EXECUTIVE SUMMARY

Pakistan Academy of Engineering Endowment Fund (PAEEF) applied for PCP Certification on 2<sup>nd</sup> January, 2018. After initial scrutiny of submitted documents, application became complete upon fulfilment of mandatory requirements on 16<sup>th</sup> January 2018. Subsequently, desk review of submitted documents was conducted **(For details of desk review, see Annexure - A).**

After desk review of the submitted documents, the case was ready for field evaluation. For that purpose, PCP team consisting of two members visited PAEEF' head office located in Karachi on 6<sup>th</sup> February, 2018. During field evaluation, PCP team also interacted with PAEEF' Council members, staff, and management.

PAEEF' performance, in achieving its aims and objectives as stated in its governing document, was assessed against three broad sets of parameters in Internal Governance, Financial Management and Programme Delivery **(For details regarding objectives of PCP Certification, see Annexure - B).**

Assessment process entailed literature review of submitted documents, field evaluation, consultation meetings and formal & informal interviews with organisation's management, admin & programme staff, and beneficiaries. On PCP certification standards, PAEEF scored 732 out of 1000 **(For details regarding scoring, see page 2).**

PAEEF was established in March 2014, with an aim to support the Pakistan Academy of Engineering in fulfilling its objectives. Pakistan Academy of Engineering is working towards advancement of the science, arts and practice of engineering for the benefit of Pakistani society by knowledge dissemination, policy advice, capacity building and strengthening partnerships among scientific and engineering communities **(For Aims and Objectives of PAEEF, see Page 1).**

PAEEF is headed by a four (4) member Council which acts as a supervisory body for the Chief Executive Officer who is assisted and supported by Manager Finance, Director Communications and support staff **(For PAEEF' Organogram, see Annexure - D).**

During field evaluation, it was observed that Board is actively involved in overseeing organization's different interventions. PAEEF is recommended to add three more members in its Council and ensure female representation on its Board. Moreover, the organisation is also recommended to stipulate a limit on the maximum allowable period for the chairperson of the Council. Furthermore, organisation is also recommended to ensure that recruitment of the organisation is gender sensitive.

With regards to the financial management, organization is recommended to lay down procurement policy and prepare variance analysis statements for its budgets. Moreover, organisation is also advised to establish and maintain an updated fixed assets register and an appropriate system of receiving and recording procured items. Furthermore, PAEEF is also recommended to prepare bank reconciliation statement on monthly basis.

It was observed during field evaluation that members of the governing body clearly understand the mission and objectives of the organization. With regards to the programme delivery, PAEEF is recommended to be a part of network of organisation working in the same area and hold staff meetings at least bimonthly.

The case of Pakistan Academy of Engineering Endowment Fund was presented before certification panel in its meeting held on 8<sup>th</sup> May, 2018. The case was deliberated upon at length before the certification panel. The Panel decided to certify the organisation **(For Certification Panel- See Annexure C).**



## PROFILE AT A GLANCE

Name of NPO:	Pakistan Academy of Engineering Endowment Fund
Application Type:	New
Application for certification completed on:	16 <sup>th</sup> January, 2018
Evaluation Conducted on <sup>1</sup> :	6 <sup>th</sup> February, 2018
Registration:	Registered on under the Trust Act, 1882 in Karachi on 5 <sup>th</sup> March, 2014, vide Registration No. 38096-9366.
Thematic Area of Work:	Advocacy and Research
Geographic Area of Work:	Karachi, Pakistan
Council:	4 (All Male)
Chairman:	Dr. Ing. Jameel Ahmad Khan
Chief Executive Officer:	Eng. Muhammad Najeeb Haroon
Staff Strength:	4 (All Male)
Size of the Organization:	Small <sup>2</sup>
Official address:	E-16/2, Block – 7, Gulshan –e- Iqbal, Karachi
Website:	<a href="http://www.pacadengg.org">www.pacadengg.org</a>

## Certification Score Sheet (2018)

Evaluation Parameters	Total Scores	Minimum Score Required	Score Obtained	Score (%age)	Remarks
	(A)	(B)	(C)	(C/A %)	
Internal Governance	300	150	215	71.67%	Qualified
Financial Management	300	150	215	71.82%	Qualified
Programme Delivery	400	200	302	75.60%	Qualified
<b>Total</b>	<b>1000</b>	<b>600</b>	<b>732</b>	<b>73.29%</b>	<b>Qualified</b>

PCP Recommendation:

Recommended for certification for 3 years

Decision of the Panel:

Certified<sup>3</sup>

<sup>1</sup>Evaluation Team: Mr. Bilal Rasul (Financial Analyst) and Mr. Raheel Awan (Jr. Programme Officer).

<sup>2</sup> If the annual average receipts of an NGO during the last three years are up to 1 million, it is classified as small sized organization.

<sup>3</sup> Certification Panel in its 74<sup>th</sup> meeting decided to approve Pakistan Academy of Engineering Endowment Fund for certification vide Certificate No. PCP-2018/583 valid from 08-05-2018 to 08-05-2021



## STATUS OF TAX COMPLIANCE

1. Purpose of Application	Certification & Tax Benefits		
2. Type of Application	New (Regular)		
3. National Tax Number	4320012-5		
4. Filing of Income Tax Returns	Yes		
5. Payment Exceeding 10,000 through Cross Cheques	Yes		
6. Filing of Withholding Tax Statements	Yes		
7. Salaries within 50% Limit (In accordance with Rule 213 (2) (e) of Income Tax Rules 2002)	<u>2017<sup>4</sup></u> 74.71%	<u>2016</u> 41.80%	<u>2015</u> 25.90%
8. Admin & Management Expenses within 15% limit <sup>5</sup> (Under Section 100 C (1) (d) of Income Tax Ordinance 2001)	N/A		
9. Restriction of Surplus up to 25% limit (In accordance with Rule 213 (1) (i) of Income Tax Rules 2002)	-127.76%	-79.93%	38.10% <sup>6</sup>



<sup>4</sup> Organization replied that PAEEF's objective is to borne administrative and capital expenditure of Pakistan Academy of Engineering (PAE) and PAE is a research based organization for which Personnel cost is the major element.

<sup>5</sup> This provision is not applicable if:

i. Charitable and welfare activities of NPOs have commenced for the first time during last three years

ii. Total receipts of the NPO during the tax year are less than one hundred million rupees.

<sup>6</sup> Organisation replied that it was the first year of operations of the academy. The surplus was utilized in later years.



### LIST OF COUNCIL MEMBERS

**1. Dr. Inj. Jameel Ahmed Khan, Chairman**

Qualification: Bachelor of Engineering, Mechanical & Electrical (1957) from University of Karachi, Doctorate in Mechanical Engineering from the Technical University of Aachen, West Germany Major Field Fluid Mechanics, (June, 1960)

Professional Profile: Vice Chancellor of the NED University of Engineering and Technology (March 01, 1987 to November 19, 1991), Chairman, Pakistan Engineering Council (1997-99) & (2000-2002), President, Pakistan Chamber of Engineers (1997-1999) & (2000-2002), Member, Executive Committee, Asian Fluid Mechanics Congress (AFMC, comprising 29 Asian Countries) (1990 – to date), Fellow of the International Association for Hydrogen Energy (2010 – to-date).

**2. Eng. Muhammad Najeeb Haroon, Member**

Qualification: B.E. (Civil) – N.E.D. University of Engineering & Technology, Karachi, M.S (Civil)- Oregon State University, USA

Professional Profile: founder and Chief Executive of **Principal** (Construction company).

**3. Mr. Tariq Iqbal Khan, Member**

Qualification: B.Sc, Chartered Accountant (FCA)

Professional Profile: Mr. Tariq has served as Chairman of various leading organisations including Attock Refinery Limited & Sui Northern Gas Pipelines Limited. President, Islamabad Stock Exchange (G) Limited (Jan 1995 – Mar 1998). He has also served as a Member CLA Committee for review of Security and Exchange Ordinance 1969, Prime Minister's Committee for Revival of Stock Market, FBR- Tax Policy and Coordination. Chairman -2012- State Bank of Pakistan Committee for Review of Prudential Regulations

**4. Eng. Abdul Hameed Paracha, Member**

Qualification: Bachelor of Engineering (B.E.) Mechanical Engineering from N.E.D. University of Engineering & Technology, Karachi

Professional Profile: Managing Director - Ravian Maritime (Pvt) Ltd, Director, The Indus Hospital



### MAJOR PROGRAMME OF PAEEF

Pakistan Academy of Engineering Endowment Fund (PAEEF) was established in May 2014 with an aim to provide funds and financial support to Pakistan Academy of Engineering to carry out its objectives. Pakistan Academy of Engineering (PAE) is the brain child of Dr-Ing. Jameel Ahmed Khan who envisioned it for promoting and advancing the practice of engineering and technology in Pakistan. Pakistan Academy of Engineering (PAE) is a research & advocacy based organisation. Main programmes of PAE is to conduct Symposiums, knowledge forums, and feasibility study to strengthen the knowledge base and research in all fields of Engineering.

Major programmes of Pakistan Academy of Engineering Endowment Fund (PAEEF) are as follows:

#### 1. Provision of Financial Support to Pakistan Academy of Engineering (PAE)

Pakistan Academy of Engineering Endowment fund has been established to provide financial support to Pakistan Academy of Engineering. During the last three years PAEEF has majorly supported in the following areas:

- a) Support through payment of Administrative cost
- b) Support through Procurement of Fixed Assets
- a) Support through Payment of Administrative cost

The organisation provides support to Pakistan Academy of Engineering through payment of Administrative cost including salaries of staff, rent of office building and utilities bills. PAEEF prepares formal budgets for the fixed administrative cost of Pakistan Academy of Engineering and release payments after approval of Board of Trustees. The following table shows the support provided by Pakistan Academy of Engineering Endowment Fund to Pakistan Academy of Engineering during the last three years:

Support through Administrative cost	2017	2016	2015
	Rs.	Rs.	Rs.
Staff cost	422,098	125,400	503,415
Communication, electricity, gas, water	100,821	40,326	83,789
Rent, rates and taxes	533,000	228,000	418,000
<b>Total Expenditure</b>	<b>1,055,919</b>	<b>393,726</b>	<b>1,005,204</b>

#### b) Support through Procurement of Fixed Assets

The organisation provided support through procurement of fixed assets including Computers, Equipment and Furniture & Fixtures. PAEEF procures the items after seeking approval from Board of Trustees. The following table shows the support provided by Pakistan Academy of Engineering Endowment Fund to Pakistan Academy of Engineering during the last three years:

Support through Fixed Assets	2017	2016	2015
Computers	387,272	-	300,905
Appliances & Equipment	28,900	-	302,870
Furniture & fixture	13,000	15,300	431,000
<b>Total</b>	<b>429,172</b>	<b>15,300</b>	<b>1,034,775</b>

During the field evaluation, PCP team interacted with the management and Board of Trustees of PAEEF and sighted fund records and assets provided to PAE for effective functioning. Board of PAE was satisfied with the services provided by the organisation. It was observed that Pakistan Academy of Engineering (PAE) has undertaken the following activities with the financial support of the Pakistan Academy of Engineering Endowment Fund:



**i) Symposium**

PAE brings together the policy makers, educationist, engineers, scientists and scholar students in all areas of engineering and technology, and provides a forum for the dissemination of new ideas, research results and practical development experiences which concentrate on both theory and practices. Since inception PAE, has conducted 9 symposiums and more than 250 participants attended each symposium.

**ii) Knowledge Forums**

Sessions of the Knowledge Forum are held to discuss the different themes and Strategies for Engineering Organizations in Pakistan at the Head office of PAE. Technology experts and academicians and Government stakeholders like PASTIC officials are invited to share knowledge on cutting edge technologies. PAE has conducted seven knowledge forums till now.

**iii) Feasibility study**

PAE conducted a feasibility study on "Preliminary study for Thar coal utilization" with the financing of "The institute of Applied Energy", Japan. The feasibility study covered technical viability, market viability and commercial viability. It also included an overall assessment of risks and strategies to minimise those risk.





### Internal Governance

A four member Council provides guidance and supervision for the Pakistan Academy of Engineering Endowment Fund (PAEEF). Council provides direction and guidance to the Director International Affairs who is supported by finance officer, administrator and support staff. Based on examination of organization's procedures and policies, various strengths as well as recommendations have been identified which are aimed at improving organization's functioning and capacity in future.

#### **Roles and Responsibilities of the Board of Trustees**

##### **Strengths**

- It was observed during field evaluation that the organization is not a source of material gain<sup>7</sup> for the Council members.
- The procedure for inviting a new member onboard was found to be democratic<sup>8</sup>.
- It is appreciated that the quorum specified for Council meetings is 1/3<sup>rd</sup> or four members whichever is greater and Council observes the quorum requirements in its meetings.
- The pattern of absenteeism among the Council members was found to be very random.
- During the field evaluation, it was observed that members of Council are unrelated to each other.
- It is appreciated that paid managerial staff is also not related to the Council members.
- Review of the documents reflects that the process to be adopted for amending the Charter<sup>9</sup> is participatory.
- Review of documents provided proves that the Council approves annual budget and reviews actual expenditure of the organization.

##### **Recommendations**

- During desk review of the documents, it was observed that there are only four members serving on the Council. However, as a matter of best practice, there may be at least 7 members in Council. Therefore, it is strongly recommended to add at least three more members in the Council.
- There is no female out of four Council members. Adequate female representation in an organisation helps to ensure that,
  - a) Due account is taken of and proper consideration is given to instilling a gender balanced approach in programme designing and implementation and
  - b) The organisation's functioning on the whole remains sensitive to the needs and desires of those belonging to the female gender.

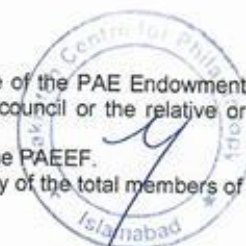
In view of the same, PAEEF is advised to incorporate female representation in its Board to the minimum acceptable limit of 33%.

- It was observed that the charter of PAEEF does not stipulate limit on the maximum allowable period for the Chairman of the Council. Therefore, it is recommended to the organization to stipulate a maximum limit on the aggregate permissible period for Chairman. Ideally this period may not be more than 15 years. The rationale behind this advocated best practice is to create allowance for accountability of the Chairman, offering other members an opportunity of playing a leadership role in the organization and minimize chances of organization from becoming personality led.

<sup>7</sup> Article 6.7.1.3 of Trust deed prohibits payment or transfer of any moneys, property or income of the PAEE Endowment Fund directly or indirectly, by way of dividend, bonus or profit to any of the Members in the council or the relative or relatives of a Member.

<sup>8</sup> Article 6.1 of the Trust deed states that Council members shall be elected by the Assembly of the PAEEF.

<sup>9</sup> Article 11.0 states that by-laws may be amended by a resolution passed by at least 3/4<sup>th</sup> majority of the total members of the assembly.



- During desk review of the documents it was observed that Council does not meet twice in one<sup>10</sup> of the last three years. However, it is recommended as a best practise, Council may meet at least twice a year and the documentary evidence of the same may also be maintained.
- It was observed during field evaluation that President<sup>11</sup> of Council is serving as Chief Executive Officer (CEO) of the organisation. In order to avoid dual functions and inherent conflict of interest, it is recommended that President may surrender his/her voting rights and perform as an ex-officio member of the council on periodic basis. Council may also evaluate performance of CEO especially before renewing his/her term.

#### Organisational Policies and Procedures

##### Recommendations

- The workforce was not found to be gender balanced with respect to the nature of work. It was observed that during the last three years the participation of women in the work force has remained quite low.  
It is indeed time that the organisation takes some active measures for increasing the level of gender balance among staff. As a first step the organisation may incorporate gender-neutral statements in its policy documents as well as in the job related advertisements.
- The organisation is recommended to offer staff development and training opportunities to its staff.

<sup>10</sup> Details of Council meetings are as follows:

2015 = 11<sup>th</sup> October, 2015 & 7<sup>th</sup> February, 2015

2016 = 15<sup>th</sup> August, 2016 & 27<sup>th</sup> February, 2016

2017 = 13<sup>th</sup> August, 2016

<sup>11</sup> Article 6.2 of trust deed, states that the council shall have a Chief Executive by designation of the President. The Council shall elect one of its members as President in the first meeting of Council. The President shall retire and be eligible for re-election after every 3 years of tenure.





## Financial Management

At Pakistan Academy of Engineering Endowment Fund, Finance department is headed by a Manager Accounts who reports directly to the Chief Executive Officer. Based on examination of organization's financial management practices, procedures and policies, various strengths as well as recommendations have been identified which are aimed at improving organization's functioning and capacity in future.

### **Banking and Signatories**

#### ***Strengths***

- The organization has a joint signatory system, duly approved by its Council<sup>12</sup>.
- All payments exceeding Rs 10,000/- at PAEEF are made through cross cheques.
- It was observed during field evaluation that Council of the organization approves opening of bank accounts and appointment of auditors.
- The incoming receipts are banked at the earliest.

#### ***Recommendations***

- No policy document prohibits signing of cheques by a nominated signatory payable to him or her. It is advised that organization's policy documents may clearly mention that cheques made payable to a nominated signatory are not signed by him or her. This will add transparency to the existing accounting systems in the organization.
- During evaluation, it was found that bank reconciliation statements are prepared on quarterly basis at PAEEF. Hence, the organization is recommended to prepare bank reconciliation statements for its accounts on monthly basis.

### **Accountability and Audit System**

#### ***Strengths***

- The organisation prepares balance sheets, income and expenditure statements and cash flow statements.
- The organisation regularly maintains cashbooks, petty cash and salary records.
- It was observed during field evaluation that the organization circulates its annual audit report amongst members of its Board within six months of closure of its financial year.
- The organisation duly discloses<sup>13</sup> to the public its expenditures on various heads.

#### ***Recommendations***

- Although the organisation prepares annual budget, however, PAEEF is recommended also to prepare variance reports with regular frequency.

### **Procurement and Fixed Assets**

#### ***Recommendations***

- The organisation is recommended to develop policy of procurement of goods and services. It is advised that the following aspects of purchase may also be included in the policy: invitation of at least three quotations/ bids, comparative evaluation of bids/quotation and hierarchical distribution of

<sup>12</sup> Executive Secretary & one of two members of Executive Committee will jointly sign the cheques.

Meeting minutes of 11<sup>th</sup> Oct, 2014, in C2-4.3, Council resolved that Chairman and Executive secretary can sign expenditure up to Rs. 200,000/- per transaction.

<sup>13</sup> <http://www.pacadengg.org/>





purchase sanctioning authority duly approved by Board. Once the policy is developed, it may be practised in letter and spirit.

- The organisation is recommended to develop a system of receiving and recording procured items.
- Although an informal fixed asset register is maintained, however, for maintaining a close check on all organisational assets in times to come, preparation of a formal fixed asset register is advised.

The fixed asset register once developed may list details of each asset in terms of its description, date of purchase, cost incurred, assigned code, present location, rate of depreciation and the amount depreciated to date. Since all assets either purchased by the organisation or donated to it are to all intents and purposes assets of the organisation; record of the same may be maintained. Moreover, the fixed asset register maintained may also be physically checked by the accounts department on an annual basis.

### **Accounting Policies and Procedures**

#### **Strengths**

- During the field evaluation, it was observed that the organisation settles accounts with an employee leaving organisation within two months of end of his/her term.
- It is appreciated that the organisation deducts at source income and withholding tax in accordance with the Tax laws in source. The organisation regularly files its tax return to the competent tax authorities.

#### **Recommendations**

- PAEEF is advised to adopt the practice of maintaining petty cash on imprest basis. Moreover, it should also be periodically counted by someone other than the custodian.
- Although, the resources presently available are not sufficient, however the NPO has a viable plan to generate sufficient resources. PAEEF is advised to consider some other avenues for generating resources for its programmatic activities rather than relying solely on the altruism of its Trustees.



### **Programme Delivery**

Based on examination of organizations system, procedure, practice and policies relating to its programmes, various strengths and weaknesses have been identified which are aimed at improving organization's functioning and capacity in future.

#### **Roles and Responsibilities of Programme Staff and Board of Trustees**

##### ***Strengths***

- The managerial & programme staff, and members of the governing body clearly understand the mission and objectives of the organization.
- The organization ensures that the staff is involved in programme/project planning and design.
- During the field evaluation it was observed that Members of the Council and senior managerial staff regularly visit programme areas of the organisation.
- The organisation has appropriate human resource to carry out its administrative and programme activities.

##### ***Recommendations***

- It is appreciated that PAEEF has a practise of conducting staff meetings, however it is appreciated that organisation may conduct staff meetings bi-monthly.
- Although, Council reviewed the programme progress twice during one of the last three years, however, it was observed during the field evaluation that Council have not reviewed programme progress twice a year during two of the last three years. Therefore, it is recommended to review the programme progress twice every year.

#### **Programme Planning, Implementation and Activities**

##### ***Strengths***

- It was observed during field evaluation that the current planned programmes and activities contribute to organisational mission and objectives.
- The programmes and services provided by the organisation are need based.

##### ***Recommendation***

- During field evaluation, it was observed that the organisation is not a part of any network. However, PAEEF is recommended to make an effort to network with and work alongside the organisations working in the same area.
- The organisation is recommended to define measureable targets and keep tracking of defined targets so as to improve its performance in achieving its targets.

#### **Monitoring and Evaluation**

##### ***Strengths***

- It was observed during the field evaluation that the organisation has put in place mechanism and systems to monitor its programmes and activities.

#### **Programme Progress and Achievements**

##### ***Strengths***

- It was observed that beneficiaries of PAEEF are generally satisfied with the services provided.
- Organisation's previous donors express satisfaction with the working of the organisation.
- The organisation does not pay any commission to fund raising staff members.



**Recommendations**

- It was observed during the evaluation that the organisation has not increased its outreach during last three years. Hence, the organization is recommended to strategies the way forward and decide upon the milestones that it intends to achieve.





## FINANCIAL HIGHLIGHTS

Pakistan Academy of Engineering Endowment Fund Financial Highlights For the year 2017, 2016, 2015			
Description	2017	2016	2015
<b>Income</b>			
Donations	565,000	300,000	1,943,870
<b>Total</b>	<b>565,000</b>	<b>300,000</b>	<b>1,943,870</b>
<b>Expenditures</b>			
Staff cost	422,098	125,400	503,415
Communication, electricity, gas, water	100,821	40,326	83,789
Printing and stationary	-	26,300	56,300
Repairs and maintenance	44,930	-	750
Security and conservancy	27,600	13,800	22,400
Entertainment	2,289	-	-
Rent, rates and taxes	533,000	228,000	418,000
Bank charges	371	32	125
Depreciation	155,712	105,944	118,523
<b>Total Expenditure</b>	<b>1,286,821</b>	<b>539,800</b>	<b>1,203,302</b>
<b>Net Surplus / (deficit) transferred to Fund Account</b>	<b>(721,821)</b>	<b>(239,800)</b>	<b>740,568</b>
	2017	2016	2015
<b>FUND ACCOUNT</b>	<b>Rupees</b>	<b>Rupees</b>	<b>Rupees</b>
Opening balance	500,768	740,568	-
Net surplus/ deficit during the year	(721,821)	(239,800)	740,568
<b>Total</b>	<b>(221,053)</b>	<b>500,768</b>	<b>740,568</b>
<b>Auditors: Qavi &amp; Co. Chartered Accountants</b>			
<b>QCR Rated Firm</b>			



**STATUS OF TAX COMPLIANCE (DETAILS)**

		Year 2017		Year 2016		Year 2015	
1	SALARIES (Within 50% Limit)	Amount (Rs.)	%	Amount (Rs.)	%	Amount (Rs.)	%
	Total Receipts	565,000	74.71%	300,000	41.80%	1,943,870	25.90%
	Total Salaries	422,098		125,400		503,415	
	Total Expenses	1,286,821		539,800		1,203,302	
2	ADMINISTRATION & MANAGEMENT EXPENSES (Within 15% Limit)	N/A					
3	SURPLUS (Up to 25% Limit)						
	Total Receipts	565,000	-127.76%	300,000	-79.93%	1,943,870	38.10%
	Total Expenses	1,286,821		539,800		1,203,302	
	Total Surplus of the years	(721,821)		(239,800)		740,568	

**FINANCIAL CRITIQUE**

On the basis of financial statements for the last three years (2015, 2016 & 2017), there is no noteworthy suggestion for the organisation.



**ANNEXURE – A: DESK REVIEW**

Desk review of submitted documents is an important first step in the evaluation process. By review of available information, team prepares itself for conducting field evaluation. Desk review helps the evaluation team to have a basic understanding about the organisation's objectives, programmes, partners, etc. Importantly, certain gaps might also be identified at this stage, which can further be probed during field evaluation.

A detailed list of all documents that formed part of desk review is given as under:

1. Trust deed
2. List of Council Members
3. Minutes of Council Meetings for last three years
4. Annual Audit Report for last three years





**ANNEXURE – B: OBJECTIVES OF CERTIFICATION/EVALUATION**

PCP certification/evaluation process examines the operations of organization in the light of objectives as stated in the governing document of the organization and certifies that the organization meets the requirements as per the set standards agreed with the FBR.

Certification is based on an objective, professional and critical evaluation. It is aimed at enhancing an organization's credibility as a non-profit organization, increasing its organizational capacity to streamline and improve its systems, helping in diversifying its resource base and facilitating in obtaining tax benefits from the Government of Pakistan (under section 2 (36) read with section 61, 100 (C) and section 159 of the Income Tax Ordinance, 2001). The profiles of certified organizations are included in the directory of certified CSOs "Gateway to Giving", the first of its kind in Pakistan. The profiles (also placed at PCP website) include a brief history of the organization, major programme activities, achievements and all such information that projects the organization as a credible and effective partner.

Non-Profit Organizations are evaluated for certification against standardized parameters in Internal Governance, Financial Management and Programme Delivery as contained in the Certification Model. The evaluation comprising a detailed desk review of organizational documents and visit to its programme areas are conducted. Each category contains a certain number of parameters with each being assigned a score against which a non-profit organization is assessed.

**Internal Governance:**

The objective of having an internal governance system is to have clearly drawn out rules on how an organization is to be run, the procedures for daily operations, and interactions of employees with the management and Council Members of the organizations. The idea is to institutionalize mechanisms, rules, procedures and means to operationalize organizational interventions. The governance system should 1) ensure transparency and participation in decision making at all levels within the organization, 2) reflect the organization's values and 3) ensure policies in human resource management that would effectively increase an organization's performance.

**Financial Management:**

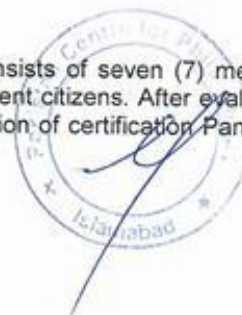
What an organization can do depends to a certain extent on the resources available and how they are managed and utilized. A viable civil society organization would have systems and procedures in place to regularly plan or budget to meet financial needs. It would ensure that it has the necessary funds to purchase the goods and services it requires for the smooth functioning of its programmes and subsequently have proper mechanisms in place to record and account all financial transactions.

**Programme Delivery:**

The success of an organization in meeting its aims and objectives is assessed from its programme delivery. Field evaluation of organization's programme areas involving interaction with the programme staff and the beneficiaries is used as a model to form an opinion. The monitoring system (instruments and tools) are also examined.

**ANNEXURE – C: CERTIFICATION PANEL**

Certification Panel is a body which is independent of PCP's Board. Panel consists of seven (7) members including representatives from civil society, government (EAD & FBR) and eminent citizens. After evaluation, report on findings is presented before the certification Panel for decision. Decision of certification Panel with regards to grant of PCP certification is final.



**ANNEXURE – D: ORGANOGRAM**

