

Capacity Building - Framework for Financial Autonomy through Revenue Enhancement and Fund Generation for Public Sector Universities

September 27-30, 2022

In Collaboration with Agriculture University Swat at Agriculture University Peshawar



GROUP PHOTO OF THE PARTICIPANTS

Higher Education Commission (HEC) is the implementing entity for the project namely “Higher Education Development in Pakistan” (HEDP) funded through a soft loan from International Development Association (IDA)/World Bank. The project aims to “support the improvement in governance of the public sector universities and HEIs”. Its Project Development Objective (PDO) includes improving the financial autonomy of public sector universities through revenue enhancement and fund generation from non-traditional sources. This has been necessitated as the total federal grant allocated to the higher education sector in Pakistan remains low by international standards and is highly vulnerable to the overall fiscal situation of the country due to competing demands from other sectors. Therefore, it has become imperative to take appropriate measures to enhance the revenues of public sector universities through sources other than public funds, government grants and fee from students.

In this situation, HEDP had already organized a framework for revenue enhancement and fund generation through a committee in consultation with all public sector universities and the World Bank duly approved by the Executive Director/Acting Chairperson HEC. The lesson learnt from the first phase of this initiative have been incorporated in the second phase by drafting a framework for financial autonomy of the universities through good governance, better financial management and revenue enhancement. More than 50 universities have already signed Memorandum of Understanding (MOU) with HEC for participation in this new framework. It will ensure formal commitment from all parties to improve the financial autonomy that would reduce dependence on government grants. The process continues to get on-board the remaining public sector universities in the purview of this framework.

A capacity building strategy for university managers has been outlined for developing understanding, creating awareness, and evolving consensus with the objective to smoothly implement the proposed framework for financial autonomy.

Accordingly, capacity building programs have been chalked out to achieve the set objectives. The first capacity building event was held at Government College University Lahore in August 2022. The second event was arranged in collaboration of the Agriculture University Swat at the Agriculture University Peshawar from September 27 to September 31, 2022, for a cohort of 30 Treasurers and Officers of public sector universities from all regions of the country including Federal Capital, Sindh, Punjab, KPK, and AJK. The event was initially planned at Agriculture University Swat but was shifted to Peshawar due to sudden floods.

The event started with the recitation of a few verses from the holy Quran. The message from Mr. Awais Ahmed, Acting PC HEDP, was read out informing the participants that such events will continue to build capacity of the university administration for financial autonomy through various initiatives including revenue enhancement and fund generation.

The Chief Guest Prof. Dr. Dawood Jan Vice Chancellor, Agriculture University Swat welcomed the participants. He emphasized the need for improvement in financial resource generation by public sector universities in the wake of dwindling government grants and soaring expenditures due to inflation. He thanked HEC for selecting the Agriculture University Swat for the organizing this important event.

Thereafter, the four-day program began in full flow from 09 am to 05 pm daily with enthusiastic participation by the invitees. The thematic areas included such topics as the features of the framework for financial autonomy, better financial management, guidelines for endowment

funds, internal and external audit, tax matters, and practical example for implementation of the framework.



A VIEW OF THE CAPACITY BUILDING PROGRAM

The following resource persons who are highly experienced in their respective fields contributed to the capacity building program:

1. Mr. Akbar Khan, MBA, LLB, SAS Ex Financial Consultant Haripur University – Revenue Enhancement and Fund Generation.
2. Mr. Naeem Akhtar, SAS, Lead Resource Person Federal Audit Training Institute – Audit by External Auditor and Improvement in Internal audit System of the Universities.

3. Mr. Shahzad Ahmed Malik, FCMA, CFA (USA), President ICMAP, CEO, SAM & Co – Taxation
4. Mr. Abid Shahzad Aslam, M-Phil in Business Management, M Com, Treasurer GCU Lahore - Practical Implementation of the Framework for Financial Autonomy.

It was a collective brainstorming program in which all members eagerly participated in the ensuing discussion in all the sessions. The practical applicability of the idea was of primary concern to the participants and related questions were raised. Following topics from the relevant thematic areas were discussed:

- Features of “HEC Organizes Revenue Enhancement Framework”
- Suggestions for Improvement in the draft framework namely, “HEC Develops and Adopts the Framework for Financial Autonomy for the Universities”.
- Avenues of Revenue Enhancement
- University Development Office
- Memorandum of Understanding (MOU) signed by universities with HEC
- Improvement in Governance in Universities
- New Accounting Model
- Better Financial Management.
- Cost Benefit Analysis and cost savings
- Endowment Funds
- Overview of Income Tax Ordinance and its relevance to revenue enhancement.

- Notices to universities, Responses, Appellate Forums
- External Audit by Auditor General Office
- Value addition by audit in areas concerning economic, efficient, and effective utilization of funds.



**SHIELD GIVEN TO THE TREASURER AGRICULTURE UNIVERSITY
PESHAWAR FOR EXCELLENT ARRANGEMENTS**

The Pre- and Post-Training exercises showed marked improvement of around 40 % in the understanding and skills of the participants whereas the training lag was only 18 %. Through feedback mechanism, the evaluation of the capacity building program was conducted by the participants. It revealed that 32 % rated it as excellent, 45 % as very good, 32 % as good and only 8 % as average. As regards the accommodation and facilities, 40 % rated as excellent 52 % as very good, and only 8 % suggested the need for further improvement in the arrangements.



CERTIFICATE DISTRIBUTION

In the comments section, the participants stated that the training was very attractive and fruitful for planning, and putting the frame work into practice for fund generation, conducting audit and handling the tax matters of the public sector universities. It was observed that there was adequate representation from the young administrators of the universities. The resource persons were noted as competent, qualified, and very knowledgeable. It was stated that such programs provide an excellent forum for discussion on the financial issues faced by universities. The thematic areas were highly relevant and would help universities to improve internal revenue generation.



THE BEST PARTICIPANT AWARD GIVEN TO THE TREASURER BY

VC AGRICULTURE UNIVERSITY SWAT

In the suggestions section, it was proposed that such trainings should not be a one off activity but be part of comprehensive continuing professional development program. Such events should be held regularly.

All the participants were awarded the certificates of successful completion of the training with a copy of group photo, by the chief guest. The resource persons also evaluated the participants. One participant was adjudged as the best participants of the program and was awarded memento.



CHIEF GUEST OF CONCLUDING SESSION, VC AGRICULTURE

UNIVERSITY PESHAWAR ADDRESSING THE PARTICIPANTS

In the concluding sessions of the program, the chief guest Prof. Dr. Jehan Bakht, VC Agriculture University Peshawar, addressed the participants. He stated that universities should look for other sources of revenues due to diminishing grants by the federal government. He also emphasized the need to automate the processes in the universities and availability of dash boards for the VCs and other administrative members to enable them to observe the financial status and other activities on the click of the button on their laptops instead of waiting for hard copies of the required reports. It was informed by the HEC representative that another initiative is already in the pipeline for automation of the universities under HEDP Project.



MEMENTO PRESENTED TO VC AGRICULTURE UNIVERSITY

PESHAWAR BY VC AGRICULTURE UNIVERSITY SWAT

In the end, Khawaja Zahid Hussain FMS HEDP, HEC thanked all the participants for their participation and gracing the occasion. He particularly thanked the VC, Treasurer, and the other officers of Agriculture University Swat and the Agriculture University Swat, for facilitating and supporting the event. The event ended successfully with a mutual vote of thanks.