

# Pakistan Olympic Association

PRESIDENT

Lt Gen (Retd)  
Syed Arif Hasan HI(M)



SECRETARY GENERAL

Muhammad Khalid Mahmood  
Cell : +92-300-9462502

## FINANCIAL RULES OF PAKISTAN OLYMPIC ASSOCIATION

### 1. RESPONSIBILITIES AND FUNCTIONS

The President of Pakistan Olympic Association (POA), Finance Committee of the POA, other key office bearers and Finance & Accounts Department of POA shall perform their responsibilities and functions as stated hereunder.

#### I. President Pakistan Olympic Association

- Constitute and supervise the working of the Finance Committee on regular basis.
- Approve to take, if the credit facility is to be obtained from bank, on the recommendation of Finance Committee.
- Approve financial transaction for procurements and payments as per delegated powers and / or on the recommendation of Finance Committee.
- Recommend the External Auditors to the General Council/Assembly for audit of financial statements.
- Present the financial report to the IOC/OCA and any other international forum if so required.

Note:- In the absence of the President, the authorities of the President shall vest with the Sr. Vice President.

#### II. Finance Committee of Pakistan Olympic Association

The President of POA shall constitute and / or reconstitute the Finance Committee of POA in accordance with constitutional powers vested in the office of the President as and when required.

- This Committee shall comprise of following seven members:

Vice President	Chairman	Appointed by President POA
Secretary General POA	Deputy Chairman	By Designation
Associate Secretary General POA	Member	Appointed by President POA
Executive Member of POA	Female Member	Appointed by President POA
Executive Member of POA	Member	Appointed by President POA



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Executive Member of POA or a professional from market	Member	Appointed by President POA
Treasurer POA / Finance Manager	Secretary	By Designation

- ii. The responsibilities, functions and duties of the Committee shall be as under
- The committee shall ensure timely and purposeful reporting to the President / Executive Committee about the financial matters and the implementation of financial policies of POA.
  - The Finance Committee shall be responsible for consistent compliance of the financial rules of POA.
  - The Finance Committee may specifically delegate, in writing, any of its authority to any member of the senior management for the effective and efficient monitoring of these rules with the recommendation & approval of Executive Committee/ President. However this will not limit Committee's responsibility. Any person delegated with such powers shall not further delegate this authority/responsibility to any other person.
  - The Committee may constitute sub-committees, in consultation with and with the approval of the President POA, to efficiently discharge its obligations.
  - In absence of the Chairman, Deputy Chairman shall be the acting Chairman of the Committee.
  - The quorum of the Committee shall be at least 04 members.
  - The notice of the meeting of the Finance committee shall be issued on the instructions of Chairman or Deputy Chairman at least 3 days before the date of the meeting.
  - The Finance Committee can recommend any change in the TORs and / or authority and responsibilities that President may approve however subsequent approval from the Executive Committee or the General Council, as the case may be, shall be obtained in the very next meeting.
  - Approve the financial transactions as per financial powers.
  - To approve and / or process procurement on behalf of the POA as per financial powers.
  - Review and approve, on monthly basis, all the transactions carried out in the month, the bank reconciliation statements.

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- l) Ensure completeness, accuracy and fair presentation of all financial events transaction occurred during the financial year;
- m) Ensure that financial rules are constantly updated to meet the changing needs of the POA.
- n) Chairman or the Secretary of the Finance Committee shall present the annual financial statements, as prepared, before Executive Committee
- o) Present the first draft of annual financial statements, as prepared, within 60 days from the date of the financial year end and expedite the process of audit of financial statements
- p) Review the Chart of Accounts at least once a year to update the changes during the year.
- q) Review the annual budget and any revisions made to it thereafter and shall recommend the same to competent forum for approval.
- r) Present the annual budget (as recommended by the Secretary General and Treasurer/Finance Manager) to President, Executive Committee and General Council as the case may be.
- s) Review once annually the physical stock count and take any appropriate actions if necessary.
- t) Approve the request of opening of new bank account in case of new grant.
- u) Review and recommend the tax related decisions.
- v) Ensure that the non-monetary grants at fair value are not recognized until the conditions for its receipt and recognition have been fulfilled.
- w) Take appropriate measures for the control deficiencies identified by the external auditor;
- x) Responsible for the external audit of financial statements as prepared in accordance with the International Financial Reporting Standards.
- y) Ensure the compliance with the financial & its related reporting requirements of IOC
- z) Provide the estimated useful life of fixed assets to calculate depreciation. Fix the rate for depreciation on fixed assets in case of new category of fixed asset is identified.
- aa) Approve / recommend disposals of fixed assets.



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- bb) Review Fixed Asset Register and approve depreciation work sheet
- cc) Ensure implementation of best suitable accounting software.
- dd) Physical count of fixed assets & ensure tagging of fixed assets.
- ee) To entrust any additional charge to an existing employee of POA for discharging its obligations.

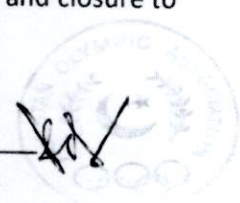
### III. Secretary General of Pakistan Olympic Association

- i. To act as Dy. Chairman of Finance Committee
- ii. Approve financial and administrative transactions, procurements and payments as per delegated powers
- iii. To procure on behalf of the POA as per applicable procedures of POA
- iv. Responsible for correspondence with appointed audit firm for annual external audit of POA
- v. Responsible to present to the President for his / her recommendation for any change in composition of signatories
- vi. Provide the accounting and financial record to the external auditors as required by them for the conduct of an audit
- vii. Submit the final report for the IOC/OCA to the President.
- viii. Ensure the compliance of the financial reporting requirements of IOC

### IV. Treasurer / Finance Manager of Pakistan Olympic Association

- i. To act as Secretary of Finance Committee
- ii. Approve financial transactions, procurements and payments as per delegated powers
- iii. To procure on behalf of the POA as per applicable procedures of POA
- iv. To ensure efficient functioning of Finance and Accounts Department of POA
- v. Provide the accounting and financial record to the external auditors as required by them for the conduct of an audit; Ensure the compliance with the reporting requirements of IOC
- vi. Responsible for proper implementation of accounting software and in line with Chart of Accounts
- vii. Approve any modifications (additions, deletions or changes) to the COA and closure to Accounts codes;
- viii. Verify and approve the Journal Voucher;

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- ix. Responsible to draft and submit annual budget to the Finance Committee;
- x. Responsible for timely arrangement of payment to supplier.
- xi. Responsible to maintain the fixed asset register of all the fixed assets held and owned by POA
- xii. Supervise the tagging of fixed asset
- xiii. Review the depreciation worksheet.
- xiv. Conduct fixed assets impairment testing at each balance sheet date.
- xv. Review the bank reconciliation statement.
- xvi. All payment should be reviewed & approved /verified
- xvii. Identify the need for opening a new bank account, which may arise due to receipt of a new grant or any other opportunity.
- xviii. Responsible to distribute list of signatories to on opening of a new bank account or in case a change occurs in the list.
- xix. Obtain final bank statements and closure certificates from the bank and shall retain the same in bank file.
- xx. Verify all payment & receipt vouchers before presented to the Secretary General or President.
- xxi. Review the tax statements and draft income tax return.
- xxii. Prepare the draft financial statements and forward it for the review of Secretary General
- xxiii. Responsible to incorporate the adjustments in the financial statements as required by the external auditors.
- xxiv. Review any reports send by Accountant/Cashier.
- xxv. Ensure smooth function of finance department
- xxvi. Ensure correct & accurate recording of transaction.
- xxvii. Ensure maintenance of various accounting reports & registers like aging report purchase register etc.
- xxviii. Prepare report as required by finance committee.
- xxix. Approve monthly master pay sheet and disburse monthly salaries to staff.

## V. Accountant:

- i. Responsible for maintenance of COA and entry of journal voucher into the system;





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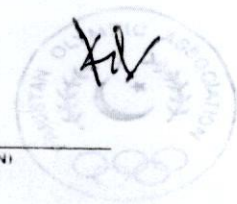
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- ii. Amend (addition/ deletion/ editing), relating to a head of account in COA by the approval of finance manager;
- iii. Prepare a report Physical Count of Fixed Asset & inventory
- iv. Prepare depreciation worksheet at the year end and prepare Bank Reconciliation Statement of each bank account on monthly basis;
- v. Maintain the Cash Book & Cheque Book Register;
- vi. Prepare Payment, Receipt & Journal Vouchers;
- vii. Responsible for the posting of voucher in accounting system approved by the President.
- viii. Prepare payroll for employees working at POA;
- ix. Prepare a reconciliation of the current month payroll with the last month explaining the reasons for the differences;
- x. Responsible to translate the currency into PKR for recording of receipt using the foreign currency exchange rate prevailing on the day of transaction when any grant/fund in foreign currency is received at interbank exchange rate
- xi. Prepare purchase order.

## **VI. Cashier:**

- i. Maintain the copy of the insurance certificates, agreements and payment schedule;
- ii. Responsible to prepare the cheque for the amount appearing in the purchase order;
- iii. Make all cash payments as approved;
- iv. Issue a Cash/Cheque Acknowledgment Receipt;
- v. Responsible for the custody of issued cheque books;
- vi. Maintain Cash Payment & Receipt register;
- vii. Responsible to book the reversal of entry in the accounting record to restate the vendor and bank balance
- viii. Make a duplicate cheque with justification and reasons for the duplication and shall book the payment entry in the accounting record
- ix. Maintain the documentation related to banks;
- x. Responsible for the preparation of a payment receipt voucher;





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- xi. Responsible for the deduction of tax while making the payment and thereafter shall deposit the amount so deducted through a crossed cheque in the designated account of income tax authorities within the time limit specified in Rule 43(b) of Income Tax Rules 2002. Deposit note shall be filed in the POA taxation records;
  - xii. Responsible to record the deduction of tax as a liability at the time of making payments;
  - xiii. Verify the receipt of grant from relevant bank account(s) where IOC/OCA has made an online deposit or otherwise from the banking instrument received;
  - xiv. Ensure that the amount received in the form of grant is in compliance with the agreement terms
  - xv. Responsible to record the receipt of grant in accordance with the procedures prescribed in the section "Cash and Bank"
  - xvi. Prepare Master Pay Sheet of employees working at POA and ensure the completeness and accuracy of time sheets prepared by employees;
  - xvii. Prepare and present the reports and shall forward it to Finance Manager for review
- VII. Internal Auditor:

The function of Internal Audit is in-vogue to safeguard against chances of any financial irregularity including and implementation of organizational policies and rules formulated to run the affairs on fair basis. Internal audit is conducted as preparatory audit to avoid/ remove any lapses before the conduct of statutory audit and commercial audit, so as to minimize auditor's observations. He / She will work under the supervision of president and secretary general to carry out duties/functions as stipulated in the appointment notification of the Internal Auditor by the Secretary General POA as approved by the President on the recommendation of the Finance Committee. The Finance Committee may also outsource the internal audit to an ICAP's certified firm.



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## DELEGATION OF FINANCIAL POWERS

The financial powers, for transactions, are delegated as under provided the transaction is processed in accordance with the applicable rules:

United State Dollar US \$ or equivalent	Approving Authority
Above US \$ 50,000/- or equivalent	Executive Committee
Up to US \$ 50,000/-	President on the recommendation of Finance Committee
Up to US \$ 30,000/-	President on the recommendation of Secretary General and Treasurer
Up to US \$ 20,000/-	President
Up to US \$ 10,000/-	Joint approval of Secretary General and Treasurer
Up to US \$ 6,000/-	Secretary General
Up to US \$ 3,000/-	Treasurer

## TA/ DA Rules

TA/DA Rules, given below, shall be applicable and continue to be processed by Secretary General and Treasurer and approved as per delegation of Financial Powers referred above unless modified by Finance Committee and approved by the President or Executive Committee POA.





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## TA/DA RULES (INSIDE COUNTRY) FOR OFFICE BEARERS/MEMBERS /OFFICIAL/ STAFF OF POA

#	Designation	TA	DA	Accommodation Allowance	Local Conveyance Charges
1.	President	By Air (Business Class & Equivalent)/ By Train (AC)/ By Road/Claimed	Rs. 6,000/- Per day	Claimed	Claimed
2.	Secretary General	By Air (Economy Class / By Train (AC) /By Daewoo / By Road (Car) Rs. 15/- per Km.	Rs. 5,000/- Per day	Claimed	Claimed
3.	<ul style="list-style-type: none"> <li>Vice Presidents</li> <li>Treasurer</li> </ul>	By Air (Economy Class / By Train (AC) / By Daewoo/ By Road (Car) Rs. 15/- per Km.	Rs. 5,000/- Per day	Rs. 20,000/- per night or actual whichever is less subject to production of paid bill / receipt.	
4.	<ul style="list-style-type: none"> <li>Director General.</li> <li>Associate Secretaries.</li> <li>Executive Committee Members.</li> <li>Chairmen &amp; Members of Commission(s)/ Committees.</li> <li>Director(s) &amp; Nominee of POA.</li> </ul>	By Air (Economy Class / By Train (AC) /By Road (Car) Rs. 15/- per Km.	Rs. 4,000/- Per day	Rs. 15,000/- per night or actual whichever is less subject to production of paid bill / receipt.	Claimed
5.	<ul style="list-style-type: none"> <li>Manager (s)</li> <li>Legal Coordinator/Advocat</li> <li>Accountant</li> </ul>	By Air (Economy Class / By Train (AC) /By Road (Car) Rs. 15/- per Km.	Rs. 3,000/- Per day	Rs. 10,000/- per night or actual whichever is less subject to production of paid bill / receipt.	From residence to place of departure / terminal point to place of temporary stay Rs. 500/- each way on departure and return.
6.	<ul style="list-style-type: none"> <li>Assistant Manager (s)</li> <li>Office Secretary</li> <li>Administrator/Care Taker</li> <li>Computer Operator(s)</li> </ul>	By Train (1 <sup>st</sup> Class Sleeper) / By Road Rs. 10/- per Km.	Rs. 2,000/- Per day	Rs. 5,000/- Per day	From residence to place of departure / terminal point to place of temporary stay Rs. 400/- each way on departure and return.
7.	Other Staff	By Train (1 <sup>st</sup> Class) By Road Rs. 10 Per km.	Rs. 1,500/- Per day	Rs. 3,000/- Per day	

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### TA/DA RULES (OUTSIDE COUNTRY) FOR OFFICE BEARERS/MEMBERS /OFFICIAL/ STAFF OF POA

#	Designation	TA	DA	Accommodation Allowance	Indemnity
1.	▪ President	By Air (Business Class)	US \$ 200/- Per day	5- Star Hotel if free accommodation is not provided by hosting organization.	US \$ 500/-
2.	▪ Secretary General	By Air (Business Class)	US \$ 150/- Per day	5- Star Hotel if free accommodation is not provided by hosting organization.	US \$ 400/
3.	▪ Vice Presidents ▪ Treasurer	By Air (Business Class for flight time over five hours).	US \$ 150/- Per day	5- Star Hotel if free accommodation is not provided by hosting organization.	US \$ 400/
4.	▪ Director General/Directors ▪ Associate Secretaries. ▪ Executive Committee Members. ▪ Chairmen & Members of Commission(s)/Committees. ▪ Director(s) & Nominee of POA.	By Air (Economy Class)	US \$ 100/- Per day	5- Star Hotel if free accommodation is not provided by hosting organization.	US \$ 300/
5.	▪ Manager (s) ▪ Assistant Manager (s) ▪ Accountant /Office Secretary ▪ Legal Coordinator/Advocate ▪ Administrator/Care Taker	By Air (Economy Class)	US\$ 50/- per day	4- Star Hotel if free accommodation is not provided by hosting organization.	US \$ 200/
Note-I	In case boarding / lodgings facility are provided by Host during training/Coaches Courses as well as Seminars / Workshops etc having duration more than 5 x days, only Indemnity shall be paid.				
Note-II	In case of performing duties as contingent official during Games, only DA will be paid as per rate of Pakistan Sports Board (If the DA is not paid by the PSB)				
Note-III	President may allow travelling by business class to the office bearers of POA as special case on need basis				



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## PROCUREMENT PROCEDURE

Pakistan Olympic Association shall make all procurements in accordance with these guidelines. The quality of goods and services to be procured must be appropriate and the personnel involved in procurement procedures should exercise maximum level of prudence to ensure optimal use of available resources. The task to initiate the Procurement is the responsibility of all employees of POA to ensure smooth operations of POA Secretariat and allied activities. Major tasks relevant to procurement process are outlined in this policy.

The below mentioned procedures document the standard operating procedures (SOPs) for executing procurement of goods, payables and allied transactions in the books of accounts of the POA.

1. All employees of the POA Secretariat are entitled to initiate requisition(s) for goods and services.
2. All procurements shall be initiated through a standardized form (Annex I)
3. The concerned department shall submit duly completed form to the Secretary General who shall initially scrutinize the request.
4. Payments made to the Organizing Committee for any international event and international travelling expenses either reimbursed or otherwise shall not fall under the purview of this procedure.
5. No procurements shall be split up to achieve a specific slab however procurements for all departments shall be dealt separately.
6. For emergent procurements, the retrospective approvals can be obtained from the higher authority detailed in financial powers.
7. POA shall obtain quotations from at least three (03) x vendors for the procurement and in certain cases, if approved by the Finance Committee, may obtain quotation from specified vendors
  - a. The POA management will enlist interested parties readily available to provide the required services and goods as vendors. The Finance Committee shall designate this assignment to a suitable employee who shall record the particulars of vendors like business's name, official email and address with NTN and submit the same to the Finance Manager.
  - b. The Finance Committee shall be competent to remove or add vendors.



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- c. The Finance Committee shall be competent to register a specific vendor for urgent / emergent issues.
- d. Secretary General shall review such list on regular basis.
- 8. The emails of listed vendors shall be shared within all employees of the POA.
- 9. For item which having cost less than or equal PKR25,000 requisition form will not be initiated.
- 10. The Secretary General shall recommend initiation of all procurements in accordance with the schedule of financial powers on the request of relevant department / employee.
- 11. The relevant employee / department shall issue an email to the listed vendors requesting quotations.
- 12. The concerned employee shall initiate the procurement process
  - a. Procurements less than US \$ 3,000/- or equivalent
    - I. On the documented recommendation of concerned staff, the Secretary General / Treasurer shall procure the goods and services as laid down in the delegation of financial powers.
  - b. Procurement above US \$ 3,000/- but less than US \$ 20,000/- or equivalent
    - I. After approval of competent authority is obtained, the Secretary General / Treasurer in consultation with the concerned employee shall requisite quotations from at least three to five different vendors vide email.
    - II. The quotations shall be reviewed by the competent authority for final approval.
    - III. The approved quotation shall be processed for procurement.
  - c. Procurement above US \$ 20,000/- or equivalent
    - I. After approval of competent authority, in accordance with Schedule of Financial Power, is obtained, the Secretary General / Treasurer shall refer the case to Finance Committee. The Finance Committee shall either directly decide or constitute a subcommittee to process the procurement through bidding process. However the Finance Committee shall be



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competent to devise a process for each procurement above US \$ 20,000/- or equivalent. Finance Committee shall be competent to opt any kind of bidding process that may entail advertisements for procurement. However the committee shall ensure the process is completed in lowest cost.

- II. The quotations shall be reviewed by the Finance Committee for final approval.
  - III. The approved quotation shall be processed for procurement.
13. Procurement Plan and Comparative Statement will be filed by concerned employee / official in a separate file.
  14. Bill in respect to goods will be paid via cross cheque however in cases of approval by Finance Committee of POA payments shall be made in cash.
  15. The transaction shall be recorded as per procedure.
  16. Generate Inter Office Memorandum (Goods Received Register) in which details regarding goods received will be recorded.
  17. The initiating official will check the details of goods delivered and match it with purchase order and release payment to supplier.

### Purchase Return

Purchase return refers to return of goods procured through vendors. This refers to the goods rejected and returned to vendor due to the following reasons;

- Quality rejection as per the quality check procedure;
- Rate difference;

Rejected goods will be delivered back to vendor.

### Quality Rejection

In case the goods received are not according to the quality standards required by the POA, these will either be returned for replacement or rejected. Quality inspection will be carried out in respect of all the goods received by POA

### Interpretation of Rules:

In case of any situation requiring clarification / interpretation of these rules, President POA shall interpret the rules in consultation with Finance Committee.



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### **GUIDELINES FOR THE PREPARATION OF FINANCIAL STATEMENTS**

The objective of designing this framework is to assist those who are responsible for the preparation of the financial statements, to improve the quality of financial reporting by POA, thereby providing adequate information to the users of the financial statements.

### **BASIS OF PREPARATION**

Financial Statements shall be prepared using the Accrual basis of accounting.

### **FINANCIAL YEAR**

Financial year of POA shall be a period for twelve (12) months commencing from July 01st of each year and ending on June 30th of next year. Financial Statements shall be prepared accordingly.

### **ACCOUNTING CONVENTION**

Financial statements shall be prepared under the historical cost convention method.

### **FIXED ASSETS AND DEPRECIATION**

#### **ASSET CAPITALIZATION**

The objective of this policy is to ensure that POA follows a uniform policy for capitalization of its fixed assets.

Each item of Fixed Asset costing US \$ 500/- and above and having a useful life of more than one year shall be capitalized and depreciated over its estimated useful life. All fixed assets capitalized shall be included in the Fixed Assets Register. Items costing less than US \$ 500/- or having a useful life of less than one year shall be charged as an expense in the year of purchase.

Fixed assets shall be stated at cost less accumulated depreciation and any recognized impairment losses.

Normal repairs and maintenance shall be charged to income statement as and when incurred, whereas major renewals and improvements shall be included in the asset's carrying amount or shall be recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other expenses shall be charged to income statement during the period in which they are incurred.



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### ASSET DISPOSAL

Any asset that has become redundant for use due to any reason (e.g. a new asset has been purchased to replace the existing one) shall be disposed.

POA's Procurement Committee shall be responsible for managing the disposal of the respective asset. The concerned asset can either be sold in the open market or to an employee at market price or as decided by the management of POA from time to time.

Gain or loss on sale or disposal of fixed assets (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) shall be recognized in the period of its occurrence.

### DE-RECOGNITION

An item of property and equipment shall be derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) shall be recognized in the period of its occurrence.

### DEPRECIATION

Useful lives shall be determined by the Finance Committee based on expected usage of assets, expected physical wear and tear, technical and commercial obsolescence, legal and similar limits on the use of assets and other similar factors.

POA shall review the appropriateness of the rate of depreciation, useful lives and residual values used in the calculation of depreciation. Further, where applicable, an estimate of the recoverable amount of assets shall be made for possible impairment on an annual basis. In making these estimates, POA shall use the technical resources available with the POA.

The assets' residual values, useful lives and methods shall be reviewed, and adjusted if appropriate, at each financial year end. The effect of any adjustment to residual values, useful lives and methods shall be recognized prospectively as a change of accounting estimate.

Depreciation shall be charged applying the straight line method whereby the cost of an asset shall be written off over its estimated useful life. Depreciation shall be charged from the date of acquisition till the date of its disposal or de-recognition. POA shall use the following rates for the calculation of depreciation:



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S.NO.	DESCRIPTION	DEPRECIATION RATE (%)	ESTIMATED USEFUL LIFE YEARS
1	Building	5%	20
2	Motor vehicles	15%	6.67
3	Furniture, Fixtures & Fittings	15%	6.67
4	Computer Equipment	33.3%	3
5	Office Equipment	15%	6.67

## INTANGIBLE ASSETS AND AMORTIZATION

Intangible asset is an identifiable non-monetary asset without physical substance. Intangible assets includes software, patents, copyrights, motion picture films, customer lists, mortgage servicing rights, licenses, import quotas and franchises which shall be stated at its cost less accumulated amortization.

## GENERAL AND SPECIFIC PROVISION

POA shall recognize a provision in the balance sheet when the POA has a legal or constructive obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Estimates of the amount of provisions and liabilities recognized shall be based on current legal and constructive requirements. As actual outflows can differ from estimates due to changes in circumstances, the carrying amounts of provisions and liabilities shall be regularly reviewed and adjusted to take account of such changes.

## ADVANCES AND OTHER RECEIVABLES

These shall be recognized at cost, which is the fair value of the consideration given less provision for impairment, if any. Known impaired receivables shall be written off when identified. However, doubtful receivables or recoveries shall be fully provided for.

## CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprise cash in hand, at banks and short term highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. An investment that has a maturity of three months or less from the date of acquisition shall qualify as a cash equivalent.



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### ACCRUALS, LIABILITIES AND OTHER PAYABLES

Liabilities for trade and other amounts payable shall be carried at cost, which is the fair value of the consideration to be paid in the future for goods and services received, whether or not billed to the POA.

### REVENUE RECOGNITION

#### GRANTS

Grants shall be recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with.

#### INTEREST INCOME

Profit on bank deposits and term deposits received during the year shall be recognized as income as and when received.

#### RENTAL INCOME

Rental income arising from operating leases shall be accounted for on a straight line basis over the lease term. Incidental expenses and lease incentives granted shall be recognized as an integral part of the total rental income, over the term of the lease.

### FOREIGN CURRENCY TRANSACTIONS

The financial statements shall be presented in Pak Rupees, which shall be the POA's functional and presentation currency. Foreign currency transactions during the year shall be recorded at the spot rate on the date of the transactions. Monetary assets and liabilities in foreign currencies shall be translated at the rates of exchange which approximate those prevailing on the balance sheet date. Gains and losses on translation shall be taken to income or deferred revenue grant as appropriate.

### CHART OF ACCOUNTS

The list of Chart of Accounts of POA is given as under. Any amendment shall be approved by the Finance Committee. The COA shall be managed in accordance with the prevailing order.

### RECORDING OF TRANSACTIONS

The Finance & Account department shall be responsible for the generation and proper posting of Journal entries to the GL and for the maintenance of the accounts to ensure accuracy, validity and reliability of financial records. The current accounting mechanism of recording transactions supported by vouchers shall remain intact until it has been amended otherwise on the suggestion of auditors etc but when approved by Finance Committee of POA.



# Pakistan Olympic Association

## PRESIDENT

Lt Gen (Retd)  
Syed Arif Hasan HI(M)



## SECRETARY GENERAL

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### BUDGETING

Planning is an important function in the preparation of an accurate and reliable budget. The planning phase of the budget process among others shall include, until decided otherwise, Finance Committee of POA shall be competent to approve transactions not stated in the budget with the approval of President POA. Such transactions shall be reported to the General Council of POA.

1. Setting out guidelines and preliminary assumptions for the budgetary exercise;
2. Review of the budget package to incorporate any information, which may be required for various reporting purposes; and incorporation of any changes in the budget package in line with changes in operational requirements.

### FIXED ASSETS

All Fixed Assets shall be procured in accordance with the procurement procedure of POA and Fixed Assets will be stated at their cost less its accumulated depreciation and impairment loss, if any;

A grant may be in the form of a non-monetary asset, such as land, motor vehicles etc., for the use of the Association. In these circumstances it is usual to assess the fair value of the non-monetary asset and to account for both grant and asset at that fair value.

A Fixed Asset Register shall be maintained and updated on every purchase and disposal by Finance Manager;

Depreciation of an asset begins when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating in the manner intended by management

Depreciation of asset is calculated on straight line basis and depreciated as per the rates define in Depreciation policy;

Depreciation shall be charged on straight line method according to following schedule:

S. NO.	DESCRIPTION	DEPRECIATION RATE (%)
1	Building	5%
2	Motor vehicles	15%
3	Furniture, Fixtures & Fittings	15%
4	Computer Equipment	33.3%
5	Office Equipment	15%



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Depreciation of an asset ceases when it is derecognized how depreciation does not cease when the asset becomes idle or is retired from active use unless the asset is fully depreciated;

All Fixed Assets will be disposed off by the Finance Committee of POA.

Gains and losses on disposal of fixed assets after deducting costs incurred on disposal of assets are included in Income and Expenditure Account for the year;

Finance Committee of POA shall fix rate for depreciation on fixed assets in case of new category of fixed asset is identified;

## RECEIPT AND RECORDING OF FIXED ASSETS

An asset shall be recorded when it is available for use, i.e., when it is in the location and condition necessary for it to be capable of operating by POA.

## ASSETS RECEIVED IN KIND

Where fixed assets are received in kind, grant shall be recognized as capital grant. Both the fixed asset and the grant shall be measured at fair value of the fixed asset received.

## FIXED ASSET REGISTER

Fixed Asset Register will be maintained by POA Secretariat for all fixed assets owned and held by POA.

## TAGGING OF FIXED ASSETS

Every fixed asset will be assigned a unique identification number constituted and Admin & Coordination Officer/Care taker with the coordination of F&A Dept. shall affix the unique asset identification number on the asset under the supervision of Finance Manager. An annual count of fixed asset shall be carried out before 30<sup>th</sup> June of each year.

## DISPOSAL OF FIXED ASSETS

The Finance Committee shall approve all disposals of fixed assets exceeding US \$ 1000/-. All disposals with amount less than the specified limit shall be approved by Secretary General on the Asset Disposal Form;

## DEPRECIATION

Accountant shall prepare depreciation worksheet at the year end to record depreciation for the year by the Finance Committee of POA.



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## CASH AND BANK ACCOUNTS

The opening & closing of bank accounts and other relevant banking activities may be approved by the President if so authorized by Finance Committee of POA. Following shall be adhered with while operating bank accounts

1. Accountant will prepare Bank Reconciliation Statement of each bank account on monthly basis;
2. Bank reconciliation statements shall be reviewed by the Treasurer and approved by Secretary General on a monthly basis.

The Cash in Hand shall represent a reserve of the Cash in both the foreign and local currency provided such amount shall not exceed average expenditure of POA of three months to ensure operations of POA are not affected by any adverse development(s) preventing POA from discharging its obligations as the National Olympic Committee.

## CASH PAYMENTS

If approved by the competent authority as laid down in the financial delegation of power, direct cash payments shall be made for amounts over US \$ 1000/-. For cash payments less than US \$ 1000/-, both Treasurer and Secretary General shall be competent to approve cash payments.

## PETTY CASH / IMPREST

Imprest shall be utilized for the routine operations of the POA and other petty expenses as the Secretary General and President may approve. Imprest holder shall record the transactions for all expenditure made through imprest account. Secretary General shall carry out independent surprise cash counts through Physical Cash Count Form.

## TAXATION

The Finance Committee of POA shall frame a mechanism in consultation with Legal Advisor, POA to setup taxation system in line with the prevailing laws. Once prepared and approved the same shall be documented to be implemented by the Finance Committee of POA.

## PAYROLL

A comprehensive database of all employees shall be maintained and regularly updated. The payroll shall be processed on the basis of attendance record. Time sheets shall be prepared if required by the President. All employee benefits provided by POA shall be treated as payroll



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expense. Salaries and other benefits shall be paid to the employees before the end of each month unless otherwise instruction given by the President.

## PREPARATION OF FINANCIAL STATEMENTS

Finance Committee shall ensure the completeness, accuracy and reliability of financial statements. Financial statements shall be prepared under the historical cost convention. Financial statements shall be prepared for a period of twelve (12) months commencing from July 01st of each year and ending on June 30th of next year;

Cut off procedures shall be performed at the end of each financial year for the recording of transactions in the correct accounting period and in accordance with the substance over form of the relevant transaction. Disclosures and related notes shall also form an integral part of financial statements and these shall be prepared in accordance with the International Financial Reporting Standards. The draft financial statements shall be prepared and presented to the President/Treasurer within 90 days after the end of the financial year. Secretary General shall communicate with appointed external auditor/audit firm after the approval of draft financial statements for the conduct of statutory audit.

Finance Committee shall ensure the completeness of project(s) related transactions in the financial statements. Where the IOC/OCA requires the financial information of a specific period, the same shall be prepared by Treasurer.

Treasurer shall ensure that correct accounting treatment is made for the transactions occurred during the period

Treasurer shall review the draft financial statements prepared by finance manger and forward it for the review of Secretary General

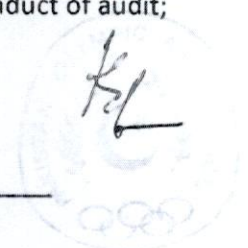
During review, Secretary General shall ensure completeness, accuracy and fair presentation of all financial events occurred during the financial year

Secretary General shall present the first draft of financial statements within 30 days to the President/Treasurer for his/her review

## EXTERNAL AUDIT

The external audit shall be conducted annually as per the Constitution of Pakistan Olympic Association. Audit by an independent and reputable audit firm duly appointed by the General Council/Assembly on the recommendation of the President is a mandatory function.

The Secretary General on the request of Treasurer shall provide relevant records, reports, files, vouchers and other documents, as auditor consider necessary for the proper conduct of audit;





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The control deficiencies highlighted by the auditors during the audit of financial statements shall be communicated to the Finance Committee and President POA for measures as required.

Any adjustments to the financial statements, suggested by the auditors shall be made before presenting the Financial Statements at the General Council/Assembly

A meeting of External Auditor, Secretary General and Finance Manager shall be held after completion of audit.

The audited financial statements shall be presented at the General Council/Assembly within Four (4) months of completion of financial year or as extended by the President POA on the recommendation of Finance Committee of POA.

## PROCEEDURES

Finance Committee shall be responsible for the external audit of financial statements as prepared in accordance with the International Financial Reporting Standards. Secretary General shall facilitate correspondence with appointed audit firm for annual audit;

Secretary General shall provide the accounting and financial record to the auditors as required by them for the conduct of an audit;

Secretary General shall also present any other record to the auditors which may be necessary for the audit of financial statements;

Finance Manager shall incorporate the adjustments in the financial statements as required by the auditors, the same shall be reviewed by the Secretary General;

The control deficiencies highlighted by the auditors shall be reported to President by the Secretary General along with the reasoning/ justifications;

Upon recommendations of President, Secretary General shall take remedial measures to control those deficiencies and the report shall be presented to the President stating the remedial measures taken by him/her and the results of those remedial measures.

## IOC/OCA REPORTING

1. Financial reports to IOC/OCA shall be prepared in accordance with the requirements of IOC.
2. Such reports shall be sent on the format prescribed by the IOC/OCA and shall include such information as may be required by the IOC/OCA.



# Pakistan Olympic Association

## PRESIDENT

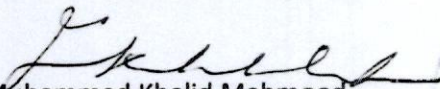
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3. The reports, except Annual Audited Statements, shall be approved by the President POA on the recommendation of FC - POA before submission to IOC/OCA.
4. The Finance Committee shall ensure the completeness and timely submission of report to IOC/OCA and shall ensure the compliance with the reporting requirements of IOC/OCA. In case of reports pertaining to NSFs, NSFs shall be bound to submit reports as and when required by POA.
5. For all the projects funded by IOC/OCA/Olympic Solidarity through Pakistan Olympic Association for the training and coaching courses allocated to the National Federations, National Federations shall be under obligation to follow the instructions of POA, derived from the OS instructions, for utilization and reporting of such utilization of funds. In case the Federation does not comply with such instructions or misrepresentation, President POA shall be authorized to recommend any measure including but not limited to suspension of affiliation.

  
Muhammad Khalid Mahmood  
Secretary General  
Pakistan Olympic Association



Note: Financial Rules of POA adopted on 23 November 2018 and are with latest amendments approved by the Executive Committee of Pakistan Olympic Association on 30<sup>th</sup> January 2022.