



Annual Report - 2012

Office of the
Comptroller and Auditor General of Bangladesh

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ANNUAL REPORT - 2012

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VISION, MISSION AND VALUES

OUR VISION

Attaining accountability and transparency in Public Financial Management for achieving good governance.

OUR MISSION

Conducting effective audit of public sector operations for optimum utilization of public resources, providing reliable and objective information to assist in establishing accountability and transparency in government activities.

OUR VALUES

- P Professionalism
- R Reliability
- O Objectivity
- A Accountability
- C Credibility
- T Transparency
- I Integrity
- V Viability
- E Ethics



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1. FOREWORD: IN RETROSPECT




We leave another year behind, an eventful year in many respects, and step into a new one. The year 2012 marks the successful achievement with strong performance and significant outputs. This includes the successful implementation of the OCAG Strategic Plan (2007-2012) milestones. So from now on, till the end of the year the OCAG intends to continue its efforts and reform initiatives with greater results and achievements. And it has paved the way to formulate the OCAG Strategic Plan (2013-2018) to path ways for the next five years. It is the time to reflect on our achievements and failures in the year gone by, examine our prospects for the future and the challenges that lie ahead.

This report looks at a few of the issues that occupied our attention in 2012. A significant milestone achieved during the year has been the recruitment of audit staff. The recruitment of qualified audit staff has been a long felt challenge. As a result of expanding workload management caused by understaffing, it has been difficult to continue with the increased number of audits in order to fulfill the legislative mandate. After a break of almost two decades, the OCAG recruited around 1000 audit staff against vacant positions. Extensive in-house training is being provided to the newly recruits to build-up their capacities. The intention is to equip these auditors with a broad vision of accountability and auditing profession.

A significant milestone achieved during the year is initiating the process of forming public-private partnership in audit capacity building. The time has come to shift our gears, enhance our competencies, sharpen skills and change the ways we do our work. As a result of increasing importance of public financial management and better understanding and practices of the principles of modern financial management, a Memorandum of Understanding (MoU) was signed between the Office of the Comptroller and Auditor General (OCAG) and the Institute of Chartered Accountants of Bangladesh (ICAB). The momentous event is intended to inspire and strengthen the endeavours to make public financial management more effective and efficient ensuring transparent audit reporting according to globally accepted accounting and auditing standards based on their relevance to all the parties.

The OCAG and the Commission on Audit (COA), Phillippines also signed a protocol on behalf of respective Supreme Audit Institutions (SAIs) of the two countries. The bilateral agreement intends to reinforce mutual exchange and cooperation in the field of public audit between the two SAIs. The MoU incorporates provisions for mutual exchange of experience, information and documentation, training activities, visits, organising internships, consultations, seminars and conferences. This will go a long way in consolidating the relationship between the two SAIs to the mutual benefit of both.

The year 2010 was remarkable when it comes to working relationship with the Public Accounts Committee (PAC). Despite various shortcomings, recent unprecedented steps in resolving un-discussed audit reports have yielded encouraging results.



During the first six months, the OCAg finalised a World Bank administered technical assistance project named SPEMP-B (Strengthening Public Expenditure Management Programme-B) focusing on organizational strengthening, enhancing the quality of audit and strengthening institutional capacity of the Financial Management Academy (FIMA). The project intends to further broaden the implementation of the ongoing reform initiatives and sustain the outputs of the existing programmes.

Finally, we ended the year with significant success results. However, we still have milestones to achieve. An insightful assessment of the bygone year is essential before resetting the focuses towards the next year.

February 11, 2013



Ahmed Ataul Hakeem FCMA
Comptroller and Auditor General

2. INTRODUCING SUPREME AUDIT INSTITUTION OF BANGLADESH

a. About us



The Office of the Comptroller and Auditor General (OCAG), the Supreme Audit Institution (SAI) of Bangladesh is responsible for auditing government receipts and public spending to ascertain whether expenditures have yielded value for money in government offices, public bodies and statutory organizations. Appointed by the President of the Republic, the Comptroller and Auditor General (CAG) heads the Supreme Audit Institution. Constitutional mandate of Comptrollership provides the CAG with the authority to decide the manner and the form in which the government accounts are maintained and disclosed.

The Constitution of the People's Republic of Bangladesh provides the CAG with absolute operational independence. CAG is not subject to the influence or control of any other authority in determining the scope and extent of audit and has unrestricted access to all documents required for carrying out audit.

Directors General, the heads of the Audit Directorates are responsible for conducting audit on behalf of the CAG in their respective jurisdictions. Alongside the traditional approach to carry out financial, compliance or regularity audits, the OCAG is now conducting performance audit to determine economy, efficiency and effectiveness in the management of public resources.

In recent years, there has been increased use of IT in the government offices, as a result of which the scope for the IT audit has also increased manifold. To keep pace with the vision of the present government's 'Digital Bangladesh', OCAG Bangladesh has formed an IT audit core group and is moving forward to creating an IT audit cell to foster the IT auditing activities.

b. Constitutional Mandate

Constitution of the People's Republic of Bangladesh

Part-VIII

THE COMPTROLLER AND AUDITOR-GENERAL

127. (1) There shall be a Comptroller and Auditor-General of Bangladesh (hereinafter referred to as the Auditor-General) who shall be appointed by the President.

**Establishment of
office of Auditor-
General**

(2) Subject to the provisions of this Constitution and of any law made by Parliament, the conditions of service of the Auditor-General shall be such as the President may, by order, determine.

128. (1) The public accounts of the Republic and of all courts of law and all authorities and officers of the Government shall be audited and reported on by the Auditor-General and for that purpose he or any person authorized by him in that behalf shall have access to all records, books, vouchers, documents, cash, stamps, securities, stores or other government property in the possession of any person in the service of the Republic.

**Functions of
Auditor-General**

(2) Without prejudice to the provisions of clause (1), if it is prescribed by law in the case of any body corporate directly established by law, the accounts of that body corporate shall be audited and reported on by such person as may be so prescribed.

(3) Parliament may by law require the Auditor-General to exercise such functions, in addition to those specified in clause (1), as such law may prescribe, and until provision is made by law under this clause the President may, by order, make such provision.

(4) The Auditor-General, in the exercise of these functions under clause (1), shall not be subject to the direction or control of any other person or authority.

129. ¹[(1) The Auditor-General shall, subject to the provisions of this article, hold office for five years from the date on which he entered upon his office, or until he attains the age of sixty-five years, whichever is earlier].

**Term of office of
Auditor-General**

(2) The Auditor-General shall not be removed from his office except in like manner and on the like ground as a judge of the ²[Supreme Court].

¹ Substituted by the Constitution (Fourteenth Amendment) Act, 2004 (Act 14 of 2004), for cl. (1), section 5.

² Substituted for the words "Supreme Court" by the Constitution (Fifteenth Amendment) Act, 2011 (Act XIV of 2011), section 39.

Constitutional Mandate

(3) The Auditor-General may resign his office by writing under his hand addressed to the President.

(4) On ceasing to hold office the Auditor-General shall not be eligible for further office in the service of the Republic.

130. At any time when the office of Auditor-General is vacant, or the President is satisfied that the Auditor-General is unable to perform his functions on account of absence, illness or any other cause, the President may appoint a person to act as Auditor-General and to perform the functions of that office until an appointment is made under article 127 or, as the case may be until the Auditor-General resumes the functions of his office.

Acting Auditor-General

131. The public accounts of the Republic shall be kept in such form and in such manner as the Auditor-General may, with the approval of the President, prescribe

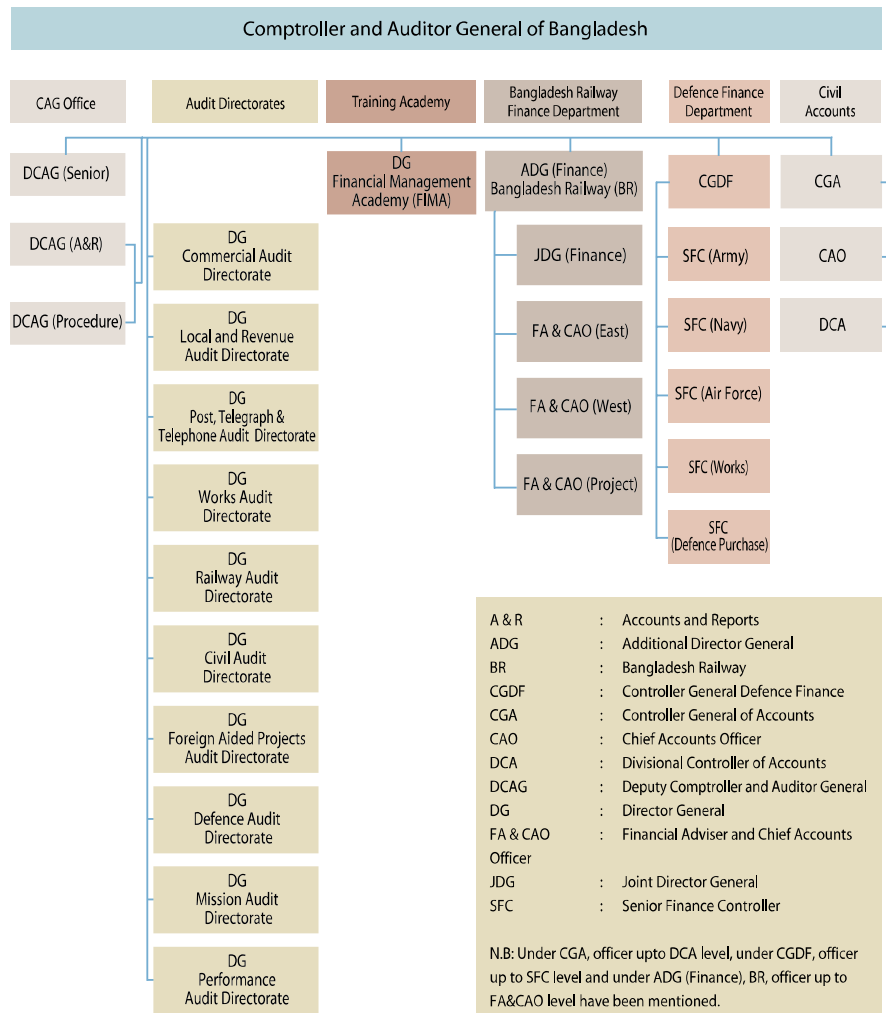
Form and manner of keeping public accounts

132. The reports of the Auditor-General relating to the Reports of public accounts of the Republic shall be submitted to the President, who shall cause them to be laid before Parliament.

Reports of Auditor-General to be laid before Parliament

Organogram

c. Organogram



d. Operational Activities

Public Sector Audit:

The OCAG is the secretariat of the SAI Bangladesh where broad policies and plans are designed, coordinated and evaluated. The OCAG conducts its post audit activities through ten Audit Directorates. The Directorates are organized on functional basis as shown below:

| Sl. | Directorates | Auditing Areas | Existing Manpower |
|-----|---|---|-------------------|
| 1. | Commercial Audit Directorate | All public sector entities and state owned enterprises (SOEs) including nationalized commercial banks (NCBs) and financial institutions, autonomous, semi-autonomous bodies and public holding companies | 631 |
| 2. | Local and Revenue Audit Directorate | All civil government departments, local and statutory bodies including municipalities, city corporations, universities and the National Board of Revenue (NBR) | 431 |
| 3. | Civil Audit Directorate | Office of the Controller General of Accounts (CGA), 6 Divisional Controller of Accounts offices, 49 Chief Accounts Offices, 58 District Accounts Offices and 418 Upazila Accounts Offices under the CGA | 226 |
| 4. | Works Audit Directorate | Public works expenditures of the Public Works Department, Roads and Highways Department, Bangladesh Water Development Board, Bangladesh Power Development Board, Dhaka Electric Supply Authority, Water and Sewerage Authority, Bangladesh Civil Aviation Authority, Local Government Engineering Department, Education Engineering Department, Public Health Engineering Department and City Development Authorities | 263 |
| 5. | Foreign Aided Projects Audit Directorate | All development and technical assistance programs and projects in the public sector funded by foreign aid | 225 |
| 6. | Railway Audit Directorate | All establishments of Bangladesh Railway, office of the Additional Director General (Finance), Bangladesh Railway and offices under its administrative control | 139 |
| 7. | Post, Telegraph and Telephone Audit Directorate | All establishments of the Postal Department, Bangladesh Telecommunications Company Limited, Bangladesh Telecommunication Regulatory Commission and the office of the Chief Accounts Officer, Ministry of Post and Telecommunication | 197 |
| 8. | Defence Audit Directorate | All units/formations of the defence forces, including army, air force and navy, field services organizations like the Department of Meteorology, Geological Survey of Bangladesh, Controller General Defence Finance (CGDF) including the offices of the Defence Finance Department under the CGDF | 149 |
| 9. | Mission Audit Directorate | All overseas missions under Ministry of Foreign Affairs, nationalized banks, shipping corporation offices and Biman Bangladesh Airlines offices operating abroad | 35 |
| 10. | Performance Audit Directorate | Performance audit of selected bodies | 24 |

Pre-auditing Responsibilities:

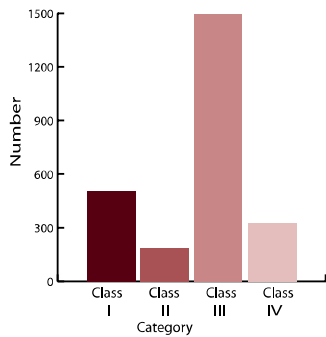
Pre-audit responsibilities are undertaken by the OCAG on the backdrop of prevalent control weaknesses and inadequate internal audit functions within the public sector organizations. The offices of the Controller General of Accounts (CGA), Controller General Defence Finance (CGDF) and Additional Director General (Finance), Bangladesh Railway assist the CAG in pre-audit of all expenditures incurred by the government. These offices are also assigned with the responsibilities of compiling the Finance Accounts and Appropriation Accounts of the Government. The allocation of functions to these offices are mentioned below:

| Name of Office | Type of Accounts | Allocation of Functions | Existing Manpower |
|---|------------------|--|-------------------|
| Controller General of Accounts (CGA) | Civil Accounts | <ul style="list-style-type: none"> ■ Prepare monthly accounts of the government ■ Make payments for claims of all civil officers and staff of government ■ Prepare Appropriation Accounts and Finance Accounts of the government and place before CAG for approval ■ Ensure accuracy and timeliness of accounts ■ Maintain the Central Data Processing Unit (CDPU) ■ Administer all accounts offices including CAOs, DCAs, DAOs and UAOs ■ Prescribe forms and methods of keeping accounts with approval of CAG ■ Provide data and information regarding accounts according to requirements of Finance Division ■ Reconcile accounts with Bangladesh Bank/Sonali Bank | 5391 |
| Controller General Defence Finance (CGDF) | Defence Accounts | <p>Accounting:</p> <ul style="list-style-type: none"> ■ Compilation and consolidation of the annual accounts of the Defence Services receipts and expenditure ■ Submission of periodical financial/accounting reports/statments including yearly Appropriation Accounts to the CAG through the MOD ■ Furnish inputs of Finance Accounts to the CGA ■ Issue necessary instructions to the Finance Controllers in matters relating to internal audit, accounts and procedure etc. ■ Supply/disbursement and control of cash | 1287 |

Operational Activities

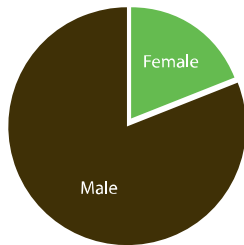
| Name of Office | Type of Accounts | Allocation of Functions | Existing Manpower |
|---------------------------------------|-----------------------------|--|-------------------|
| | | <p>Pre-audit Function:</p> <ul style="list-style-type: none"> ■ Carry out pre audit to suit the individual service requirements ■ Assist the Directorate of Defence Audit ■ Examine issues relating to interpretation of rules and regulations and appeals against advising decisions given by the Finance Controllers <p>Financial Advice:</p> <ul style="list-style-type: none"> ■ Examine and render advice to defence services on 'Budget estimate and reviews' ■ Assist in scrutiny of all 'New budget measures' ■ Assist in processing cases with government which require government approval ■ Assist in internal auditing, external/statutory audits and accounts keeping by advising the services chiefs ■ Assist in speedy disbursement of pay, pension and allowances to the personnel | |
| Additional Director General (Finance) | Bangladesh Railway Accounts | <ul style="list-style-type: none"> ■ Render advice to administrative matters involving Bangladesh Railway (BR) finance and on policy of public service obligation ■ Maintain current accounts, monthly accounts of cash based transactions ■ Settle claims against BR ■ Consolidate BR Appropriation Accounts on expenditure against budget allocation ■ Furnish inputs of Finance Accounts to the CGA including year end asset and liabilities ■ Prepare Subsidiary Accounts comprising of capital statement, balance sheet, profit and loss accounts ■ Maintain traffic accounts by Additional FA&CAO/Traffic Accounts routed through the pay and cash offices of East and West zones of BR ■ Finalize both development and non-development budget estimates and submitting budget proposal of BR to the government ■ Maintain Settlement Accounts of BR with adjustment to civil, defence and store accounts through central books and budget unit under FA&CAO (East) | 839 |

e. Human Resources



The Supreme Audit Institution requires special competence for its workforce to conduct widely varied auditing tasks. The OCAg considers the skills and expertise of its staff as the most important aspect to perform its duties. The office possesses a wide range of educational backgrounds among its employees which is often very useful for carrying out the audit activities especially in performance auditing, environmental auditing and the emerging auditing issues.

The OCAg has taken initiatives to increase its expertise in public financial management including accounting and auditing qualifications. Officers belonging to the Bangladesh Civil Service (BCS) are recruited by the Bangladesh Public Service Commission. The other category of staff are recruited directly by the OCAg who are promoted to the rank of officers after qualifying departmental examination know as Sub-ordinate Accounts Service (SAS).



Officers and staff of the OCAg have varied academic backgrounds - science and humanities, finance, accounting as well as business administration. In order to build a strong competence based human capital, the OCAg encourages professionalism through acquiring ACCA (Association of Chartered Certified Accountants) qualification and certifications like Certified Information Systems Auditor (CISA), Certified Information Security Manager (CISM), Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE) by the officials.

Approximately two thousand five hundred officers and staff are presently working in the OCAg of which nineteen percent are women. Following table depicts the total number of OCAg human resources and officer-staff gender ratio.

OCAg Human Resources

| Category | Male | Female | Total |
|----------|------|--------|-------|
| I | 453 | 51 | 504 |
| II | 161 | 27 | 188 |
| III | 1164 | 329 | 1493 |
| IV | 266 | 59 | 325 |
| Total | 2134 | 466 | 2510 |

3. PRODUCTS AND SERVICES

a. Annual Audit



In the year OCAG covered audits of various sectors of the government for the financial year 2008-09. Special emphasis was given to cover major areas of risk including health, power, banking, public works, education, communication etc. In preparing these reports attention was given to the quality of audit to ensure transparency and accountability of the government earnings and expenditure. It is expected that, maximum utilization of government funds and minimizing wastage of public resources would be assured in the sectors audited. A list of 13 annual audit reports is given below with the title of the reports.

| No. | Title of the report | Financial year | Ministry | Audit directorate |
|-----|---|-------------------------|--|-------------------------------------|
| 1. | Report on the accounts of Rajdhani Unnayan Kotripokhho (Capital Development Authority) | 2005-2008 | Ministry of Housing and Public Works | Works Audit |
| 2. | Report on the accounts of Dhaka Power Distribution Company, West Zone Power Distribution Company and Bangladesh Power Development Board | 2007-2008 | Power Division, Ministry of Power, Energy and Mineral Resources | Works Audit |
| 3. | Report on the accounts of the Roads and Highways Department | 2007-2008 and 2008-2009 | Road Division, Ministry of Communication | Works Audit |
| 4. | Report on the accounts of Local Government Engineering Department | 2008-2009 | Ministry of Local Government, Rural Development and Cooperatives | Works Audit |
| 5. | Report on the accounts of Ministry of Water Resources | 2008-2009 | Ministry of Water Resources | Works Audit |
| 6. | Report on the accounts of Ministry of Post and Telecommunications | 2007-2008 and 2008-2009 | Ministry of Post and Telecommunications | Post, Telegraph and Telephone Audit |
| 7. | Report on the accounts of foreign aided projects of the Ministries of Local Government, Rural Development and Cooperatives (Local Government Division), Communication and Agriculture | 2007-2008 and 2008-2009 | Ministry of Local Government, Rural Development and Cooperatives, Local Government Division, Ministry of Communication and Ministry of Agriculture | Foreign Aided Projects Audit |

PRODUCTS AND SERVICES

| No. | Title of the report | Financial year | Ministry | Audit directorate |
|-----|---|---|--|-------------------------|
| 8. | Report on the accounts of Bangladesh Army, Air Force and Navy | 2006-2007 2007-2008 and 2008-2009 | Ministry of Defence, Armed Forces Division | Defence Audit |
| 9. | Report on the accounts of various organizations under the Ministry of Health and Family Welfare | 2008-2009 | Ministry of Health and Family Welfare | Local and Revenue Audit |
| 10. | Report on the accounts of eleven organizations of Ministry of Power, Energy and Mineral Resources | 2008-2009 | Ministry of Power, Energy and Mineral Resources | Commercial Audit |
| 11. | Report on the accounts of state owned commercial banks and financial institutions | 2008-2009 | Finance Division, Ministry of Finance | Commercial Audit |
| 12. | Report on the accounts of Basic Bank and Rajshahi Krishi Unnayan Bank | 2009-2010 | Banking Division, Ministry of Finance | Commercial Audit |
| 13. | Report on 12 state owned industries | 2008-2009 | Ministries of Industries, Defence and Jute and Textiles. | Commercial Audit |

b. Special/Performance/Issue Based Audit



Apart from annual audit (comprising regularity audits), special audit, performance audit, issue based audit and audit on the ministries under the Medium Term Budget Framework (MTBF) have been conducted by the OCAG on issues of national interest and concerns. In the year, one performance audit report and two issue based audit reports were finalized. The summary is given below:

| No. | Title of the report | Financial year | Ministry | Audit directorate |
|-----|--|---------------------------|---------------------------------------|-------------------------|
| 1. | Performance audit report on Quality Control Activities of Bangladesh Standards and Testing Institution (BSTI) | 2007-2008 | Ministry of Industries | Local and Revenue Audit |
| 2. | Issue based audit report on Tarakandi-Jamuna Bridge Railway Link project of Bangladesh Railway | 1999-2000 to 2008-2009 | Ministry of Communication | Railway Audit |
| 3. | Issue based audit report on Cash incentives programme of 20 branches of 12 commercials banks under the Bangladesh Bank | 2005-2009 | Banking Division, Ministry of Finance | Local and Revenue Audit |

Audit Reports Highlighted

c. Audit Reports Highlighted

Ministry of Civil Aviation and Tourism

Loss of TK 2,21,03,444 due to payment of insurance premium for an engine-less aircraft (airframe)

Biman Bangladesh Airlines procured a DC-10-30 aircraft (Registration No. S2-ACS) through lease in December 1999. On the expiry of the lease the engine of the aircraft was returned in October 2008. Despite there being no necessity, the airframe was retained without the engine. Rather than procuring engine or taking steps to fly/use the airframe, it was left in the hangar and fleet insurance was paid for it in FYs 2008-09 and 2009-10 to the tune of TK 2,21,03,444.

loss of TK 2,79,68,242 due to non-realisation of lease turnover

Bangladesh Parjatan Corporation leased out its Sylhet-based Children's Amusement Park as well as the Parjatan Motel to a private company, which failed to pay the premium and turnover instalments in sheer violation of the contracts signed between the Corporation and the lessee in 2003 and 2004, prompting the Corporation to terminate the contract for the Motel and retake control of it in 2009. However, the Corporation's inability to realize the overdue turnover has caused a loss of TK 2,79,68,242 to the government.

Ministry of Defence

Loss of TK 1,98,01,145 due to unnecessary provisions for 5% spares in truck procurement

An examination of the Accounts of DGDP, Pay-1 Branch for FY 2007-08 (audited from 10 May 2009 to 8 June 2009) revealed that a contract was signed to procure 145 units of three-ton Issuzu Gs truck (Model Fss33G, Japan) with provisions for one year's free service and supply of spare parts on a 30-day notice for a ten-year period. Notwithstanding such provisions in the initial contract, an additional 5% of the value of 142 (out of the 145) units of truck was paid out in the name of 'slow and fast moving spares' thereby causing a loss of TK 1,98,01,145.

Revenue loss of TK 5,20,80,000 due to non-payment of VAT in respect of lease of land

Audit of the Accounts of the Military Estate Officer, Dhaka Cantonment for FY 2008-09 (audited from 13 June 2010 to 20 June 2010) discovered that 4-katha plots were allotted to a total of 868 military officers in three phases. Each allottee was charged a sum of TK 4,00,000 in the form of land development cost and 99 years' lease fee thereby realising a total of TK 34,72,00,000. In flagrant violation of the NBR SRO No. 197 dated 29 June 2008 which requires payment of VAT at the rate of 15% of lease value, however, no VAT was paid or even accounted for, thereby causing a loss of revenue of TK 5,20,80,000 (i.e. 15% of 34,72,00,000).

Excess expenditure of TK 1,08,56,337 due to payment of CPC on the value of publicly procured stores

According to the Accounts of different GEs/AGEs under the E-in-C for FY 2006-07, 2007-08 and 2008-09 which were audited at different times between 21 November 2007 and 28 June 2010, contractors were paid CPC on the value of publicly procured cement and other stores used in public works resulting in an excess expenditure of TK 1,08,56,337 despite the fact that the Army HQ Order No. 602 of 1 March 1993 explicitly prohibits payment of CPC on account of publicly procured cement/stores.

Ministry of Communications (the then Railway Division)

Loss of revenue worth TK 2,52,23,856 due to realisation of licence fee from GrameenPhone at a substantially lower rate (Lalmonirhat)

During audit of the Accounts of the Divisional Estate Officer, Bangladesh Railway, Lalmonirhat for FY 2008-09 (audited in January-February 2010) it was found out that licence fee was realised from GrameenPhone at a rate of TK 8 to TK 16 depending on place under Sections 8.1 and 8.2 of the Land Management Rules issued vide the Ministry of Communication memo No.47/2004-200 dated 15 March 2006, whereas the stipulated rate outside Divisional cities was/is TK 223 under Section 8.4 of the same Rules. Realisation of licence fee at a rate substantially lower than the stipulated rate resulted in a loss of revenue of TK 2,52,23,856 during FY 2008-09 and FY 2009-10.

Non-realisation of TK 743,00,88,228 in the form of land prices and compensations from RAJUK

An examination of the Accounts of Chief Estate Officer/West, Bangladesh Railway for FY 2008-09 (audited in May 2010) revealed that a total of 9.805 acres of BR land was transferred to RAJUK for its Hatirjheel Project with provisions for payment of TK 698,35,71,435 as the value of the land. However, RAJUK has not paid for it yet.

Besides, BR claimed another 44,65,16,793 taka from RAJUK in connection with its transfer of 0.9334 acre of land for the expansion of the road stretch between Bijoy Sarani and Tejgaon Industrial Area and for the re-construction of 14 units of staff housing that had been lost to the expansion scheme. Nonetheless, there has been no documentary evidence corroborating the payment of the claim. RAJUK therefore owes BR a total of TK 743,00,88,228 (i.e. TK 698,35,71,435 + TK 44,65,16,793), which remains unrealised for long.

Revenue loss of TK 23,28,48,119 due to realisation of licence fee from GrameenPhone at a substantially lower rate (CRB Chittagong)

The Accounts of the Divisional Estate Officer/East, Bangladesh Railway, CRB, Chittagong for FY 2008-09 were audited in May 2010. According to Section 8.4 of the Land Management Rules issued vide the Ministry of Communication memo No.47/2004-200 dated 15 March 2006 (effective since 1 July 2002), GrameenPhone should have been charged licence fee at the rate of TK 335 per square foot in Divisional cities and TK 223 elsewhere. In practice, however, licence fee was realised from the company at a much lower rate under Sections 8.1 and 8.2 in clear violation of the Land Management Rules, causing a revenue loss of TK 23,28,48,119 between 1 July 2002 and 30 June 2009.

Audit Reports Highlighted

Ministry of Food & Disaster Management

Loss of TK 6,20,35,613 due to non-realisation from contractor of the value of wheat and rice damaged in a ship accident during transportation

The Accounts of Food Directorate, Dhaka and those of CSD Maheshwar Pasha, Khulna for FY 2009-10 were audited respectively from 18 October 2010 to 9 January 2011 and from 25 July 2010 to 4 August 2010. The audit discovered two incidents of ship capsizing in which 1301.589 metric tonnes of wheat and 847.191 metric tonnes of rice, both publicly procured, were lost, causing a loss of TK 6,20,35,613 to the government. Even though the transportation contracts provided for full compensations to be paid by the contractors in case of an accident other than an Act of God, no amount of compensation was realised from the contractors in both events.

Audit Reports Highlighted

Ministry of Local Government Rural Development and Co-operatives

1. Misappropriation of public money amounting to Tk. 23.23 million that was not shown in cashbook.

Audit of ADB-assisted Emergency Flood Rehabilitation Programme - 2004 detected case of misappropriation amounting to Tk. 23.23 million that was not shown in cashbook. Records of cumulative resources and expenditure at the end of the Project period (June/2007), showed Tk. 52316.73 lakh and Tk. 52035.20 lakh respectively (excluding FC amount). However, the Financial Statement showed nil balance through depositing Tk. 49.21 lakh of RPA fund, whereas as per records, actual balance would be Tk. 232.32 lakh (52316.73 - 52035.20 - 49.21). Audit scrutiny further discovered non-disclosure of information relating to a separate bank account (A/C no. 33004209) maintained with Janata Bank, Agargaon Dhaka branch, where Tk. 200.00 lakh was deposited on 3.1.08 from another operating account of the Project.

The Project was implemented by Local Government Engineering Department under Ministry of LGRD&C.

2. Expenditure incurred for procurement of vehicles beyond DPP provision.

Expenditure to the extent of Tk. 6.99 million was incurred beyond the DPP provision and was not documented to audit by LGED under Ministry of LGRD&C. There was no provision or specific budget allocation for procuring vehicles in the DPP. The Project authority also did not disclose the matter in their inventory (vehicle and equipment list).

The expense, made during FY 2007-08 pertaining to Emergency Flood Rehabilitation Programme - 2004 under ADB loan, was incurred irregularly against consultancy firm M/S HIFAB Int. AB.

3. Irregular expenditure incurred for works and purchase of other materials through fictitious cash memos.

While conducting audit on World Bank aided Local Government Support Project (LGSP) for FY 2008-09, expenditure worth Tk. 2.7 million was found to be incurred irregularly for purchase of construction and supply of other materials showing fictitious cash memos. The irregular expenditure occurred in the offices of Chairman of different Union Parishads under LGSP Project.

The Project was implemented by Local Govt. Division under Ministry of LGRD&C.

Audit Reports Highlighted

Internal Resources Division (IRD)

Audit objection No.2

Title:

Revenue loss/ loss of revenue amounting Tk. 8,47,09,532.77 due to less disclosure of production, compared to actual production.

Description:

While auditing the accounts of 26 Customs, Excise and VAT Circle under Internal Resource Division (IRD) of Ministry of Finance for the Financial year 2008-2009, reviewing the current accounts register, purchase and sales register, production and other related papers it was revealed that a revenue loss of Tk. 8,47,09,532.77 has been occurred. The details are included in Annexure -2 of Part 2 of this report.

According to Sub clause -1 of Rule-3 of VAT Rule, 1991, declaration of price base in the VAT-1 form is required in addition to showing the Input-Output Co-efficient. The standard of the use of raw material is decided as per this declaration. But, in this case such standard of usage of raw material was not shown. That is, as per coefficient, the real production was not shown rather less amount was shown to evade VAT which is not legal.

Response of Auditee organization :

Some organizations committed to realize money but some other stated that they would take action as per applicable VAT rule.

Auditor's Comment:

Regarding the non-realization of public money, the objection is treated as Serious Financial Irregularity (SFI) and sent to Principal Accounting Officer (PAO) of the concerned ministry. Following this communication, firstly reminder then Demi-Official (DO) letter was sent to Secretary, IRD, Ministry of Finance. But, in response to all these efforts, no reply was obtained.

Audit Recommendations :

Tk. 8,47,09,532.77 revenue loss due to less disclosure of production, compared to actual production needs to be realized and deposited to the government treasury.

Audit Reports Under Process

d. Audit Reports Under Process



The following audit reports are in the process of finalization by the OCAG four Special Audit reports, one performance audit report and 6 annual reports are expected to be ready for submission to the Hon'ble President.

| No. | Title of Report | Type of Report | Ministry | Audit Directorate |
|-----|--|-------------------|--|-----------------------------|
| 1. | Report on the accounts of Rajdhani Unnayan Kartripakka-Rajuk under the Ministry of Housing and Public Works , Year 2005-2008 | Annual Audit | Ministry of Power Housing and Public Works | Works Audit |
| 2. | Report on Dhaka Electricity Supply Authority (DESA) and Bangladesh Power Development Board, Year 2007-2008 | Annual Audit | Ministry of Power, Energy and Mineral Resources | Works Audit |
| 3. | Report on the accounts of Directorate of Food and BIWTC, Year 2010-2011 | Annual Audit | Ministry of Food and Disaster Management and Ministry of Water Transport | Commercial Audit |
| 4. | Report on the accounts of Essential Drugs Company Limited (EDCL), Year 2010-2011 | Annual Audit | Ministry of Health and Family Welfare | Commercial Audit |
| 5. | Report on the accounts of nationalized industries Year 2010-2011 | Annual Audit | Ministry of Industries | Commercial Audit |
| 6. | Report on the accounts of ministry of local government, rural development and cooperatives (local government division), Year 2010-2011 | Annual Audit | Ministry of Local Government, Rural Development and Cooperatives | Foreign Aided Project Audit |
| 7. | Special Report on the Govt. Loan Disbursement and Reporting system. Year 2010-2011 | Special Audit | Ministry of Finance | Commercial Audit |
| 8. | Special Report on the payment of export subsidy/cash incentive to exporters of 20 braches under 12 Commercial Banks. Year 2010-2011 | Special Audit | Ministry of Finance | Local and Revenue Audit |
| 9. | Special Report on the Railway link Project of Tarakandi Jomuna Bridge Year 2010-2011 | Special Audit | Ministry of Railway | Railway Audit |
| 10. | Special Report on the plot allotment and development work of RAJUK under the Ministry of Housing and Public Works Year 2009-2010 | Special Audit | Ministry of Housing and Public Works | Works Audit |
| 11. | Report on the accounts of Bangladesh Standards and Testing Institution (BSTI), Year 2008-2009 | Performance Audit | Ministry of Industries | Commercial Audit |

Finance Accounts and Appropriation Accounts

e. Finance Accounts and Appropriation Accounts

Government Accounts

The Comptroller and Auditor General of Bangladesh certifies the annual 'Finance Accounts' and 'Appropriation Accounts' for submission to the Hon'ble President as per Article 4 of the Comptroller and Auditor General (Additional Functions) Act, 1974. Finance Accounts show the annual receipts and disbursements for the purpose of the government, distinguished under the respective heads thereof, and particulars of its balances and outstanding liabilities containing such other information as to its financial position. A comparative statement showing detailed head-wise final budget allocation and actual expenditure of different Ministries and their subordinate offices with explanations of variances (if any) are included in the Appropriation Accounts.

All financial transactions of the Government of Bangladesh as per Constitution are reflected in the Consolidated Fund and the Public Account of the Republic. As per Article 84 of the Constitution of the People's Republic of Bangladesh the definitions of Consolidated Fund and Public Account are as follows:

Consolidated Fund

All revenues received by the government, all loans raised by the government, and all moneys received by it in repayment of any loan, shall form part of one fund to be known as the Consolidated Fund.

Public Account

All other public moneys received by or on behalf of the government shall be credited to the Public Account of the Republic.

The custody of public moneys, their payment into and the withdrawal from the Consolidated Fund, or, as the case may be, the Public Account of the Republic, and matters concerned with or ancillary to the matters aforesaid, are regulated by Act of Parliament.

Government accounts are kept on 'cash basis'. The Controller General of Accounts (CGA) is responsible for maintaining the accounts of government's Cash Balance in the Central Bank.

The annual Finance Accounts for the Consolidated Fund and the Public Account of the Republic for the year ended on 30th June 2010 and respective Appropriation Accounts are as follows:

Consolidate Fund
Summary of Income & Expenditure
30th June, 2010

(Amount in Thousand Taka)

| Income | Amount | Expenditure | Amount |
|------------------------------------|--------------------|---|--------------------|
| | | Opening Balance : | 72267,13,56 |
| Revenue Receipts | | Revenue Expenditure | |
| Tax Revenue | | Non-Development Expenditure | |
| Taxes on Income and Profit | 16234,71,10 | Pay of Officers | 1751,49,74 |
| Taxes on Property and Wealth | 16 | Pay of Establishment | 7599,94,32 |
| Value Added Tax (VAT) | 23077,94,34 | Allowances | 6799,09,20 |
| Import Duty | 8865,74,80 | Supplies and Services | 6326,91,35 |
| Excise Duty | 345,60,71 | Repairs, Maintenance and Rehabilitation | 2705,30,31 |
| Supplementary Duty | 10798,29,98 | Term Loan Interest Repayment | 4037,10,63 |
| Electricity Duties | 28,64 | Floating Loan Interest | 1147,76,72 |
| Other Taxes and Duties | 419,25,16 | Interest on National Savings Certificates | 6795,19,32 |
| Narcotics and Liquor Duty | 57,52,16 | Provident Fund Interest | 1516,84,99 |
| Taxes on Vehicles | 648,10,53 | Other Interest | 2,73,62 |
| Land Revenue | 401,45,23 | Interest on Foreign Debt | 1370,96,02 |
| Stamp Duty (Non Judicial) | 1635,69,04 | Subsidies | 7505,77,86 |
| | | Grants-in-Aid | 15019,23,47 |
| | | Contributions to International Organisation | 77,52,44 |
| | | Write-Off of Loans and Advances | 52,90 |
| | | Pensions and Gratuities | 4395,40,60 |
| | | State Trading | 3503,45,59 |
| | | Transfer, Adjustment & Others | 49,20 |
| | | Block Allocations for Repair | 379,18,91 |
| Total : Tax Revenue | 62484,61,84 | Total : Non-Development Expenditure | 70934,97,21 |
| Non-Tax Revenue | | Development Expenditure | |
| Dividends and Profits | 2125,63,00 | Pay of Officers | |
| Interest | 497,25,82 | Pay of Establishment | 86,68,93 |
| Royalties and Property Income | 41,61,39 | Allowances | 77,22,21 |
| Administrative Fees and Charges | 1853,60,75 | Supplies and Services | 1473,36,69 |
| Fines, Penalties and Forfeiture | 193,09,62 | Repairs, Maintenance and Rehabilitation | 115,18,21 |
| Receipts for Services Rendered | 914,68,78 | Grants-in-Aid | 969,63,58 |
| Rents, Leases and Recoveries | 94,62,24 | Block Allocations for Repair | 2864,10,26 |
| Tolls and Levies | 268,17,21 | Revenue - General | 28 |
| Non-Commercial Sales | 267,38,74 | | |
| Irrigation Receipts | 3,96 | | |
| Defence Receipts | 1899,35,57 | | |
| Other Non-Tax Revenue and Receipts | 4422,36,24 | | |
| Total : Non-Tax Revenue | 12577,83,30 | Total : Development Expenditure | 5636,44,22 |
| State Trading | | | |
| Food Operation | 4504,65,00 | | |
| Railways | 575,84,06 | | |
| Post Offices | 241,26,57 | | |
| Telegraph and Telephone Board | 1,61 | | |
| Other State Trading | 9 | | |
| Total : State Trading | 5321,77,34 | | |

**Consolidate Fund
Summary of Income & Expenditure**
30th June, 2010

(Amount in Thousand Taka)

| Income | | Amount | Expenditure | | Amount |
|---|---------------------|-------------|--|--|---------------------|
| Total : Revenue Receipts | | 80384,22,48 | Total : Revenue Expenditure | | 76571,41,43 |
| Capital Receipts & Grants | | | Capital Expenditure | | |
| Sale of Assets | 24,93,27 | | Non-Development Expenditure | | |
| Foreign Aid Grants | 3226,73,14 | | Acquisition of Assets | | 2471,00,20 |
| | | | Acquisition/Purchase and Landed Properties | | 84,78,14 |
| | | | Construction and Works | | 570,35,39 |
| | | | Investments in Shares and Equities | | 3561,12,12 |
| | | | Capital Grants | | 1 |
| | | | Capital Block Allocation & Misc. Capital Exp | | 2,00 |
| | | | Total : Non-Development Expenditure | | 6687,27,86 |
| | | | Development Expenditure | | |
| | | | Acquisition of Assets | | 967,83,37 |
| | | | Acquisition/Purchase and Landed Properties | | 563,83,69 |
| | | | Construction and Works | | 9445,42,42 |
| | | | Investments in Shares and Equities | | 1196,57,40 |
| | | | Capital Grants | | 834,59,67 |
| | | | CD/VAT on Capital | | 220,52,14 |
| | | | Transfer, Adjust and Others (Capital) | | 3,58,28 |
| | | | Capital Block Allocation & Misc. Capital Exp | | 7057,22,76 |
| | | | Total : Development Expenditure | | 20289,59,73 |
| Total : Capital Receipts & Grants | 3251,66,40 | | Total : Capital Expenditure | | 26976,87,60 |
| Public Debt & Advances | | | Loans & Advances | | |
| Non-Development Loans & Advances | | | Non-Development Expenditure | | |
| Recovery of Loans and Advances | 41,66,13 | | Loans | | 3536,34,15 |
| Repayments of Advances to Government Servants | 101,91,67 | | Advances to Government Employees | | 106,78,93 |
| Term Loan Receipts | 8785,00,18 | | Term Loan Repayments | | 3016,14,13 |
| Floating Loan Receipts | 53525,00,11 | | Floating Loan Repayments | | 61386,37,39 |
| Foreign Loan Receipts | 11003,68,07 | | Foreign Debt Repayment | | 4968,06,37 |
| Transactions with IMF | 531,64,07 | | | | |
| Total : Non-Development Loans & Advances | 73988,90,22 | | Total : Non-Development Expenditure | | 73013,70,96 |
| Development Loans & Advances | | | Development Expenditure | | |
| Recovery of Loans and Advances | 1579,45,78 | | Loans | | 554,21,05 |
| Total : Development Loans & Advances | 1579,45,78 | | Total : Development Expenditure | | 554,21,05 |
| Total : Public Debt & Advances | 75568,36,00 | | Total : Loans & Advances | | 73567,92,01 |
| Total : Consolidate Fund Income | 159204,24,89 | | Total : Consolidate Fund Expenditure | | 177116,21,04 |
| | | | Closing Balance : | | 90179,09,71 |

Public Account of the Republic Income and Expenditure Summary Description

30th June, 2010

(Amount in Thousand Taka)

| Income | Amount | Expenditure | Amount |
|--|---------------------|--|---------------------|
| Opening Balance: | 71373,32,93 | | |
| National Savings Schemes | | National Savings Schemes | |
| Savings Certificates | 17603,61,57 | Savings Certificates | 9432,69,34 |
| Postal Savings | 5654,40,59 | Postal Savings | 3818,59,54 |
| Postal Life Insurance and Annuity | 93,05,66 | Postal Life Insurance and Annuity | 33,65,99 |
| Other National Savings Instruments | 2290,61,49 | Other National Savings Instruments | 657,80,43 |
| Total : National Savings Schemes | 25641,69,31 | Total : National Savings Schemes | 13942,75,30 |
| State Provident Funds | | State Provident Funds | |
| State Provident Funds | 5162,81,76 | State Provident Funds | 3540,79,91 |
| Total : State Provident Funds | 5162,81,76 | Total : State Provident Funds | 3540,79,91 |
| Renewal, Reserve & Depreciation Funds | | Renewal, Reserve & Depreciation Funds | |
| Renewal Reserve Funds | 7,73 | Renewal Reserve Funds | 1,57 |
| Welfare Fund | 47,46,75 | Welfare Fund | 31,98,18 |
| Relief Fund | 69,10 | Relief Fund | |
| Total : Renewal, Reserve & Depreciation Funds | 48,23,58 | Total : Renewal, Reserve & Depreciation Funds | 31,99,74 |
| Deposit Accounts | | Deposit Accounts | |
| Advance Tax Deposit | 3 | Advance Tax Deposit | |
| Deposit of Local Funds | 221,30,78 | Deposit of Local Funds | 222,59,45 |
| Civil Deposits | 359,21,80 | Civil Deposits | 198,50,03 |
| Deposits against Supplies and Works | 4120,03,04 | Deposits against Supplies and Works | 2846,67,37 |
| Personal Ledger Account | 366,62,85 | Personal Ledger Account | 359,44,34 |
| Food Aid Deposit Account | 72,20,54 | Food Aid Deposit Account | 72,20,33 |
| Other Deposit Accounts | 2921,00,16 | Other Deposit Accounts | 2501,52,55 |
| Total : Deposit Accounts | 8060,39,19 | Total : Deposit Accounts | 6200,94,07 |
| Current Assets | | Current Assets | |
| Permanent Advances | 14,25,46 | Permanent Advances | 14,60,89 |
| Advances Repayable | 2762,42,54 | Advances Repayable | 2774,10,01 |
| Accounts with Foreign Government | 13 | Accounts with Foreign Government | |
| Account with Bangladesh Bank | | Account with Bangladesh Bank | 18,09 |
| Total : Current Assets | 2776,68,13 | Total : Current Assets | 2788,88,98 |
| Current Liabilities | | Current Liabilities | |
| Cheques and Bills | 47757,19,71 | Cheques and Bills | 46407,27,24 |
| Taka and Coinage | 50,10,79 | Taka and Coinage | 10,64 |
| Total : Current Liabilities | 47807,30,50 | Total : Current Liabilities | 46407,37,88 |
| Suspense Accounts | | Suspense Accounts | |
| Suspense Accounts | 483,48,69 | Suspense Accounts | 548,83,84 |
| Departmental Cash Control Account | 2481,05,19 | Departmental Cash Control Account | 2530,65,97 |
| Total : Suspense Accounts | 2964,53,88 | Total : Suspense Accounts | 3079,49,80 |
| Remittance Accounts | | Remittance Accounts | |
| Remittance between DAO/UAO | 24698,02,13 | Remittance between DAO/UAO | 24550,78,53 |
| Transfers between Departmental Officers | 7126,03,17 | Transfers between Departmental Officers | 7045,87,65 |
| Cash and Bank Remittances | 999,72,66 | Cash and Bank Remittances | 1030,72,58 |
| Exchange Accounts | 10769,38,51 | Exchange Accounts | 9657,61,15 |
| Total : Remittance Accounts | 43593,16,46 | Total : Remittance Accounts | 42284,99,92 |
| Total : Reserved Fund - Income | 136054,82,82 | Total : Reserved Fund - Expenditure | 118277,25,61 |
| Closing Balance: | 89150,90,14 | | |

Grant & Allocation wise Actual Appropriation Summary and Receipt 2009-10 Appropriation Accounts - Development

(Amount in Thousand Taka)

| Grant/Allocation No. & Name/Function Code (Level - 2) | Final Grant/ Allocation | Supplementary Grant/ Allocation | Re- Appropriation | Final Grant | Actual Expenditure | Difference between Final Grant & Actual Expenditure Surplus(, additional) |
|---|-------------------------|---------------------------------|-------------------|-------------|--------------------|---|
| Parliament | 62,600 | 0 | -19,700 | 42,900 | 5,739 | -37,161 |
| Prime Minister's Office | 1,540,700 | 0 | 438,800 | 1,101,900 | 642,529 | 459,371 |
| Cabinet Division | 41,900 | 0 | -21,800 | 20,100 | 15,865 | -4,235 |
| Election Commission Secretariat | 2,403,700 | 0 | 1,204,500 | 1,199,200 | 816,132 | 383,068 |
| Ministry of Establishment | 951,000 | 0 | -33,500 | 917,500 | 591,845 | 325,655 |
| Public Service Commission | 76,800 | 0 | -55,700 | 21,100 | 16,973 | -4,127 |
| Finance Division | 2,289,100 | 0 | -1,425,300 | 863,800 | 700,779 | -163,021 |
| Internal Resources Division (IRD) | 364,000 | 0 | -194,100 | 169,900 | 212,714 | 42,814 |
| Banking Division | 0 | 0 | 0 | 1,968,600 | 706,562 | 1,262,038 |
| Economic Relations Division (ERD) | 205,300 | 0 | 0 | 212,100 | 53,109 | -158,991 |
| Planning Division | 8,802,600 | 0 | -7,030,683 | 1,771,917 | 622,863 | 1,149,054 |
| Imple. Monitoring & Evaluation Div. | 454,700 | 0 | -143,800 | 310,900 | 296,811 | -14,089 |
| Ministry of Commerce | 450,900 | 0 | -75,000 | 375,900 | 384,962 | 9,062 |
| Ministry of Foreign Affairs | 317,500 | 0 | -305,500 | 12,000 | 1,303 | 10,697 |
| Ministry of Defence | 2,309,600 | 0 | 1,162,900 | 1,146,700 | 768,862 | 377,838 |
| Min. of Law, Justice & Par. Affairs | 1,744,800 | 0 | 1,357,100 | 387,700 | 351,950 | 35,750 |
| Ministry of Home Affairs | 5,466,700 | 0 | -545,700 | 4,921,000 | 4,748,943 | 172,057 |
| Min. of Primary & Mass Education | 28,617,800 | 0 | -386,000 | 28,231,800 | 27,004,752 | 1,227,048 |
| Ministry of Education | 11,011,000 | 3,297,000 | 0 | 14,308,000 | 13,516,900 | 791,100 |
| Science and Technology Division | 1,415,800 | 0 | -205,384 | 1,210,416 | 1,169,486 | -40,930 |
| Ministry of Health and Family Welfare | 30,753,300 | 0 | 2,462,800 | 28,290,500 | 24,676,419 | 3,614,081 |
| Ministry of Social Welfare | 1,093,100 | 0 | -290,987 | 802,113 | 739,788 | -62,325 |
| Ministry of Women & Children Affairs | 2,148,200 | 0 | -575,350 | 1,572,850 | 1,516,570 | -56,280 |
| Ministry of Labour and Employment | 206,200 | 134,7000 | 0 | 340,900 | 297,151 | -43,749 |
| Ministry of Housing and Public Works | 5,653,600 | 0 | -295,400 | 5,358,200 | 5,371,297 | 13,097 |
| Ministry of Information | 646,800 | 131,100 | 0 | 777,900 | 582,091 | 195,809 |

(Amount in Thousand Taka)

| Grant/Allocation No. & Name/Function Code (Level - 2) | Final Grant/ Allocation | Supplementary Grant/ Allocation | Re- Appropriation | Final Grant | Actual Expenditure | Difference between Final Grant & Actual Expenditure Surplus(), additional |
|---|-------------------------|---------------------------------|--------------------|--------------------|--------------------|---|
| Ministry of Cultural Affairs | 846,200 | 0 | -143,375 | 702,825 | 496,093 | -206,732 |
| Ministry of Religious Affairs | 1,142,300 | 681,800 | 0 | 1,824,100 | 1,814,204 | -9,896 |
| Ministry of Youth and Sports | 759,300 | 468,274 | 0 | 1,227,574 | 1,117,709 | -109,865 |
| Local Government Division | 67,355,800 | 2,209,400 | 0 | 69,565,200 | 64,440,980 | 5,124,220 |
| Rural Development & Co-operatives | 2,197,900 | 580,755 | 0 | 2,778,655 | 1,953,481 | -825,174 |
| Ministry of Industries | 3,914,700 | 0 | -115,300 | 3,799,400 | 3,740,353 | -59,047 |
| Ministry of Textiles and Jute | 625,400 | 0 | -90,400 | 535,000 | 448,471 | -86,529 |
| Energy & Mineral Resources Div. | 7,040,400 | 3,883,100 | 0 | 10,923,500 | 12,602,204 | 1,678,704 |
| Ministry of Agriculture | 8,951,800 | 487,700 | 0 | 9,439,500 | 9,047,131 | 392,369 |
| Ministry of Fisheries and Livestock | 3,175,500 | 0 | 659,200 | 2,516,300 | 2,222,093 | 294,207 |
| Ministry of Environment and Forest | 874,300 | 0 | -38,100 | 836,200 | 617,018 | 219,182 |
| Ministry of Land | 1,380,600 | 0 | 174,700 | 1,205,900 | 940,722 | 265,178 |
| Ministry of Water Resources | 9,363,700 | 3,179,700 | 0 | 12,543,400 | 11,382,373 | -1,161,027 |
| Min. of Food & Disaster Management | 12,998,530 | 0 | -12,648,230 | 350,300 | 258,245 | -92,055 |
| Min. of Disaster Management & Relief | 0 | 13,292,700 | 0 | 13,292,700 | 11,399,893 | 1,892,807 |
| Ministry of Communication | 19,958,400 | 3,443,600 | 0 | 23,402,000 | 19,823,629 | 3,578,371 |
| Ministry of Shipping | 4,598,300 | 0 | -2,510,200 | 2,088,100 | 1,674,096 | 414,004 |
| Ministry of Civil Aviation & Tourism | 2,279,900 | 0 | -2,188,600 | 91,300 | 84,300 | -7,000 |
| Ministry of Post & Telecommunications | 322,300 | 1,793,600 | 0 | 2,115,900 | 2,027,536 | -88,364 |
| Ministry of Chittagong Hill Tracts Affairs | 1,949,600 | 801,800 | 0 | 2,751,400 | 2,401,798 | -349,602 |
| Power Division | 35,744,200 | 0 | -9,164,300 | 26,579,900 | 20,978,189 | -5,601,711 |
| Ministry of Liberation Affairs | 704,000 | 0 | -634,800 | 69,200 | 61,546 | -7,654 |
| Min. of Expatriates' Welfare & Overseas Emp. | 35,800 | 0 | -13,500 | 22,300 | 20,729 | -1,571 |
| Anti-Corruption Commission | 12,600 | 0 | -7,600 | 5,000 | 1,719 | -3,281 |
| Bridges Division | 8,007,500 | 0 | -4,153,750 | 3,853,750 | 3,305,250 | -548,500 |
| Total Development : | 303,266,730 | 36,360,629 | -50,772,059 | 288,855,300 | 258,672,157 | -30,183,143 |

Note : Excluding Defence, CGDF, Railway, Postal and T&T

Grant & Allocation wise Actual Appropriation Summary and Receipt 2009-10 Appropriation Accounts - Non-Development

(Amount in Thousand Taka)

| Grant/Allocation No. & Name/Function Code (Level - 2) | Final Grant/ Allocation | Supplementary Grant/ Allocation | Re- Appropriation | Final Grant | Actual Expenditure | Difference between Final Grant & Actual Expenditure Surplus(), additional |
|---|-------------------------|---------------------------------|-------------------|-------------|--------------------|---|
| Office of the President | 69,044 | 19,767 | 0 | 88,811 | 82,517 | -6,294 |
| Parliament | 598,773 | 137,245 | 0 | 736,018 | 655,294 | -80,724 |
| Prime Minister's Office | 946,144 | 579,977 | 0 | 1,526,121 | 1,403,556 | -122,565 |
| Cabinet Division | 187,862 | 127,167 | 0 | 315,029 | 203,803 | -111,226 |
| Election Commission Secretariat | 3,558,638 | 0 | -166,289 | 3,392,349 | 442,581 | -2,949,768 |
| Ministry of Establishment | 6,714,280 | 774,548 | 0 | 7,488,828 | 6,796,696 | -692,132 |
| Public Service Commission | 140,330 | 34,454 | 0 | 174,784 | 166,098 | -8,686 |
| Finance Division | 192,654,998 | 0 | -50,555,770 | 142,099,228 | 84,605,374 | -57,493,854 |
| Charged : | 760,006,584 | 0 | -47,245,058 | 712,761,526 | 777,012,265 | 64,250,739 |
| Finance Division- C&AG | | | | | | |
| Charged : | 790,073 | 57,785 | 0 | 847,858 | 840,497 | -7,361 |
| Internal Resources Division (IRD) | 7,862,177 | 766,815 | 0 | 8,628,992 | 9,154,316 | 525,324 |
| Banking Division | 0 | 731,954 | 0 | 731,954 | 339,939 | -392,015 |
| Economic Relations Division (ERD) | 791,002 | 488,502 | 0 | 1,279,504 | 1,159,356 | -120,148 |
| Charged : | 56,000,000 | 540,000 | 0 | 56,540,000 | 61,591,876 | 5,051,876 |
| Planning Division | 1,224,178 | 125,247 | 0 | 1,349,425 | 1,349,009 | -416 |
| Imple. Monitoring & Evaluation Div. | 89,295 | 14,963 | 0 | 104,258 | 96,010 | -8,248 |
| Statistics Division | 0 | 0 | 0 | 0 | 347 | 347 |
| Ministry of Commerce | 780,667 | 45,138 | 0 | 825,805 | 820,069 | -5,736 |
| Ministry of Foreign Affairs | 3,568,456 | 2,145,512 | 0 | 5,713,968 | 5,159,776 | -554,192 |
| Ministry of Defence | 4,475,960 | 519,191 | 0 | 4,995,151 | 5,163,385 | 168,234 |
| Charged : | 0 | 0 | 0 | 0 | 42,389 | 42,389 |
| Min. of Law, Justice & Par. | 2,895,789 | 990,075 | 0 | 3,885,864 | 3,713,416 | -172,448 |
| Ministry of Home Affairs | 52,632,238 | 4,751,017 | 0 | 57,383,255 | 56,307,975 | -1,075,280 |
| Legislative & Par. Affairs Division | 0 | 53,344 | 0 | 53,344 | 48,608 | -4,736 |
| Min. of Primary & Mass Education | 37,557,410 | 2,698,466 | 0 | 40,255,876 | 41,404,618 | 1,148,742 |
| Ministry of Education | 63,145,938 | 12,262,825 | 0 | 75,408,763 | 73,768,086 | -1,640,677 |
| Science and Technology Division | 2,397,326 | 172,316 | 0 | 2,569,642 | 2,372,910 | -196,732 |
| Min. of Health & Family Welfare | 39,250,297 | 983,426 | 0 | 40,233,723 | 38,223,404 | -2,010,319 |
| Ministry of Social Welfare | 11,935,013 | 113,691 | 0 | 12,048,704 | 11,914,392 | -134,312 |
| Min. of Women & Children Affairs | 11,304,500 | 0 | -714,304 | 10,590,196 | 10,593,225 | 3,029 |
| Ministry of Labour & Employment | 241,084 | 117,715 | 0 | 358,799 | 350,422 | -8,377 |
| Ministry of Housing & Public Works | 6,892,903 | 299,148 | 0 | 7,192,051 | 7,142,301 | 49,750 |

(Amount in Thousand Taka)

| Grant/Allocation No. & Name/Function Code (Level - 2) | Final Grant/ Allocation | Supplementary Grant/ Allocation | Re- Appropriation | Final Grant | Actual Expenditure | Difference between Final Grant & Actual Expenditure Surplus(), additional |
|---|-------------------------|---------------------------------|---------------------|----------------------|----------------------|---|
| Ministry of Information | 2,661,492 | 454,982 | 0 | 3,116,474 | 3,120,333 | 3,859 |
| Ministry of Cultural Affairs | 639,307 | 188,629 | 0 | 827,936 | 756,971 | -70,965 |
| Ministry of Religious Affairs | 621,599 | 140,048 | 0 | 761,647 | 752,189 | -9,458 |
| Ministry of Youth and Sports | 1,416,176 | 1,135,678 | 0 | 2,551,854 | 1,669,174 | -882,680 |
| Local Government Division | 11,984,482 | 574,434 | 0 | 12,558,916 | 12,113,170 | -445,746 |
| Rural Dev. & Co-operatives Division | 1,692,575 | 200,049 | 0 | 1,892,624 | 1,826,255 | -66,369 |
| Ministry of Industries | 641,984 | 135,075 | 0 | 777,059 | 789,398 | 12,339 |
| Ministry of Jute | 0 | 0 | 0 | 0 | 15 | 15 |
| Ministry of Textiles and Jute | 490,994 | 943,657 | 0 | 1,434,651 | 1,418,764 | -15,887 |
| Energy & Mineral Resources Div. | 280,748 | 47,427 | 0 | 328,175 | 1,073,266 | 745,091 |
| Ministry of Agriculture | 50,763,355 | 6,831,956 | 0 | 57,595,311 | 64,518,002 | 6,922,691 |
| Ministry of Fisheries and Livestock | 4,004,760 | 741,206 | 0 | 4,745,966 | 4,147,225 | -598,741 |
| Ministry of Environment and Forest | 1,916,352 | 5,784,019 | 0 | 7,700,371 | 7,584,164 | -116,207 |
| Ministry of Land | 3,770,000 | 458,981 | 0 | 4,228,981 | 4,137,434 | -91,547 |
| Ministry of Water Resources | 5,471,572 | 1,512,143 | 0 | 6,983,715 | 6,997,559 | 13,844 |
| Ministry of Food & Disaster Mgt. | 116,461,061 | 0 | -49,673,408 | 66,787,653 | 39,794,699 | -26,992,954 |
| Charged : | 25,000 | 27,038 | 0 | 52,038 | 27,362 | -24,676 |
| Ministry of Disaster Mgt. & Relief | 0 | 35,648,893 | 0 | 35,648,893 | 26,829,408 | -8,819,485 |
| Ministry of Communication | 10,087,645 | 1,052,924 | 0 | 11,140,569 | 10,253,048 | -887,521 |
| Ministry of Railway | 0 | 0 | 0 | 0 | 257 | 257 |
| Ministry of Shipping | 1,039,962 | 383,308 | 0 | 1,423,270 | 1,303,856 | -119,414 |
| Ministry of Civil Aviation & Tourism | 64,801 | 18,509 | 0 | 83,310 | 5,852,807 | 5,769,497 |
| Ministry of Post & Telecommunications | 94,149 | 0 | -333 | 93,816 | 61,038 | -32,778 |
| Min. of Chittagong Hill Tracts Affairs | 1,982,834 | 0 | -77,970 | 1,904,864 | 1,900,787 | -4,077 |
| Power Division | 44,675 | 5 | 0 | 44,680 | 43,971 | -709 |
| Supreme Court | 0 | 0 | 0 | 0 | 1 | 1 |
| Charged : | 378,530 | 172,079 | 0 | 550,609 | 534,207 | -16,402 |
| Ministry of Liberation Affairs | 2,924,319 | 151,841 | 0 | 3,076,160 | 3,034,912 | -41,248 |
| Min. of Expatriates' Welfare & Overseas Emp. | 1,248,570 | 137,138 | 0 | 1,385,708 | 1,312,086 | -73,622 |
| Anti-Corruption Commission | 226,514 | 14,548 | 0 | 241,062 | 236,460 | -4,602 |
| Tax Ombudsman Office | 9,771 | 2,804 | 0 | 12,575 | 11,201 | -1,374 |
| Bridges Division | 10,000 | 0 | 0 | 0 | 0 | 0 |
| Total Non-Development : | 1,489,664,186 | 86,307,659 | -148,433,132 | 1,427,528,713 | 1,405,024,529 | -22,504,184 |

Note : Excluding Defence, CGDF, Railway, Postal and T&T

4. MINISTRY WISE SETTLEMENT OF AUDIT OBSERVATIONS

The impact of audit cannot be assessed only from the limited standpoint of audit reports placed and discussed by the public Accounts Committee (PAC). The deterrent effect of audit is important that cannot be quantified. However, a considerable part of audit efforts are reflected in the audit inspection reports (AIR) that are issued to the audited organization and followed up subsequently. Large number of accumulated audit observations are settled every year through bi-lateral and tripartite meetings with positive impact in terms of recovery and adjustment of public money. A total of 30,379 audit observations have been settled in 2011-2012 by the OCAG. The amount involved in these observations is Tk. 8,924.81 Crore. The number of audit observations and the amount involved for the respective ministries is shown below.

| No. | Name of Ministry | Number | Amount Involved (In Crore Taka) |
|-----|---|--------|------------------------------------|
| 1. | Agriculture | 2378 | 160.01 |
| 2. | Banking and Financial Institutions Division | 12815 | 3960.25 |
| 3. | Chittagong Hill Tracts Affairs | 62 | 3.83 |
| 4. | Civil Aviation and Tourism | 212 | 122.55 |
| 5. | Commerce | 130 | 184.75 |
| 6. | Cultural Affairs | 13 | 0.15 |
| 7. | Defence | 1955 | 93.27 |
| 8. | Disaster Management | 42 | 1.27 |
| 9. | Education | 613 | 389.68 |
| 10. | Election Commission | 12 | 0.54 |
| 11. | Energy and Mineral Resources Division | 210 | 821.35 |
| 12. | Environment and Forest | 218 | 52.23 |
| 13. | Public Administration | 401 | 82.25 |
| 14. | Finance Division | 69 | 3.63 |
| 15. | Fisheries and Livestock | 1164 | 64.51 |
| 16. | Food | 1511 | 353.50 |
| 17. | Foreign Affairs | 193 | 14.56 |
| 18. | Health and Family Planning | 832 | 23.40 |
| 19. | Home Affairs | 152 | 10.15 |
| 20. | Implementation Monitoring and Evaluation Division | 1 | 0 |
| 21. | Industry | 1104 | 787.52 |
| 22. | Information | 23 | 3.78 |
| 23. | Internal Resources Division | 60 | 106.69 |
| 24. | Textiles and Jute | 1150 | 309.65 |
| 25. | Land | 53 | 0.87 |

Ministry Wise Settlement Of Audit Observations

| No. | Name of Ministry | Number | Amount Involved (In Crore Taka) |
|-----|---|--------------|------------------------------------|
| 26. | Law, Justice and Parliamentary Affairs | 106 | 6.26 |
| 27. | Local Government Division | 1194 | 178.22 |
| 28. | Road Division | 96 | 79.20 |
| 29. | Railway Division | 525 | 133.72 |
| 30. | Rural Development and Cooperatives Division | 103 | 21.62 |
| 31. | Liberation war affairs | 13 | 29.52 |
| 32. | Parliament Secretariat | 5 | 1.13 |
| 33. | Planning Division | 489 | 1.70 |
| 34. | Power Division | 157 | 36.41 |
| 35. | President's Secretariat | 4 | 0.48 |
| 36. | Primary and Mass Education | 568 | 33.23 |
| 37. | Prime Minister's Office | 9 | 1.42 |
| 38. | Post and Telecommunication | 1056 | 618.40 |
| 39. | Religious Affairs | 75 | 0.18 |
| 40. | Science and Technology | 86 | 8.49 |
| 41. | Shipping | 214 | 107.07 |
| 42. | Social Welfare | 44 | 0.79 |
| 43. | Water resources | 33 | 11.11 |
| 44. | Women and Children Affairs | 92 | 73.67 |
| 45. | Housing and Public Works | 99 | 28.17 |
| 46. | Youth and Sports | 38 | 3.60 |
| | Total | 30379 | 8,924.81 |

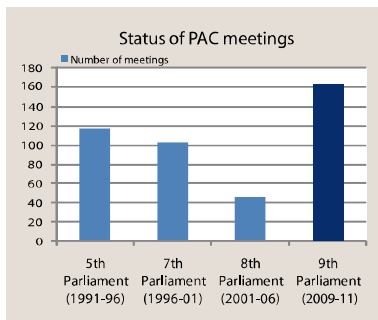
5. PUBLIC ACCOUNTS COMMITTEE ACTIVITIES



In accordance with Article 132 of the Constitution the Comptroller and Auditor General, after apprising the Prime Minister in compliance with the Rules of Business, submits the reports to the Hon'ble President of the Republic who causes them to be laid before the Parliament. Mandated by the Article 76 (1) (a) of the Constitution the Public Accounts Committee (PAC) examines the reports.

The PAC selects important observations of the audit reports for detailed examination and holds hearings to the Principal Accounting Officers i.e. the Secretaries of different ministries/divisions. It makes recommendations and submits reports to the Parliament. The OAG provides necessary support to the PAC in its effective functioning. During the full committee meeting, the CAG remains present as 'amicus curie' along with the related officers of the respective Audit Directorates. The officers of the OAG attached in the Parliament assist the committee in preparation of reports of the PAC. Concerned officers of the OAG remain present in the meetings of the Public Undertakings Committee (PUC) and Estimates Committee (EC) when they are requested to.

a. Public Accounts Committee (PAC) Meetings



The OAG submitted 939 reports to the Parliament since the independence of Bangladesh. Among those, 332 reports were discussed up to the 8th Parliament. The present PAC started with remaining 607 reports which include the 99 new reports that have been submitted to the Parliament during 2009-2011.

The Public Accounts Committee (PAC) of the 9th Parliament has undertaken an unprecedented step in resolving the existing un-discussed reports. Because of the proactive approach by the PAC a large number of audit observations included in these reports have been discussed during 2009-2011. These reports include more than ten thousand audit observations to be discussed by the PAC.

A total number of 163 meetings were held during the 9th parliament. In 2011 the Public Accounts Committee (PAC) and the sub-committees of the PAC of the 9th Parliament held 57 meetings to discuss the status of the audit reports of various ministries and divisions.

PUBLIC ACCOUNTS COMMITTEE ACTIVITIES

b. Second PAC Report of the 9th Parliament Tabled

Public Accounts Committee (PAC) of the 9th Parliament finalized its 2nd report in May 2011. The committee and its four sub-committees examined 1797 audit observations of 306 audit reports in 57 sittings. Among the 1797 audit observations, 1318 observations were settled for taking appropriate measures by the executing agencies. Tk. 2391 million was recovered and adjusted through audit recommendations and another Tk. 10460.8 million has to be recovered as per the PAC's instruction. The amount involved in the 1797 audit observations was Tk. 31195.10 million which relates to 38 ministries/divisions. Banking and Financial Institutions Division, Ministry of finance has the highest amount involvement in audit observations (Tk. 3129.9 million) as well as highest amount of money (Tk. 1168.2 million) recovered. Details regarding 16 ministries/divisions are depicted in the following table:

| Ministry/Division | Number of observations | Amount involved (in million Tk.) | Recovered and Adjusted (in million Tk.) |
|---|------------------------|----------------------------------|---|
| Education | 32 | 60.60 | 25.40 |
| Communication (Roads and Highways; Railway) | 151 | 3129.90 | 8.20 |
| Banking and financial Institutions Division | 267 | 5700.00 | 1168.20 |
| Internal Resources Division | 118 | 1237.20 | 197.10 |
| Works | 10 | 131.10 | 2.30 |
| Land | 20 | 143.20 | 3.80 |
| Power Division | 11 | 7164.40 | 11.80 |
| Energy and Mineral Resources Division | 42 | 54.00 | 15.00 |
| Local Government Division | 54 | 937.20 | 13.20 |
| Civil Aviation and Tourism | 37 | 1448.80 | 48.20 |
| Industries | 145 | 1502.70 | 7.10 |
| Textiles and Jute | 65 | 71.80 | 10.20 |
| Foreign Affairs | 99 | 26.70 | 3.90 |
| Water Resources | 27 | 701.40 | 51.50 |
| | | US \$2,71,382 | |
| Food and Disaster Management | 162 | 143.90 | 17.30 |
| Expatriate Welfare and Overseas Employment | 19 | 456.00 | 0.50 |

Public Accounts Committee (PAC) Meetings, January-June, 2012

The Public Accounts Committee (PAC) and the sub-committees of the PAC of the National Parliament held the following meetings during January-June, 2012 to discuss audit reports of various ministries and divisions:

| Public Accounts Committee | | | |
|---------------------------|---|--|---|
| No. | Meeting Date | Discussed audit reports | Audit Directorate |
| 1. | 88th meeting January 29, 2012 February 1, 2012 | Finance Division, Ministry of Finance (presently Banking and Financial Institutions Division) Audit Report on the accounts of Nationalized Commercial Banks and Financial Institutions, 2006-2007 | Commercial Audit |
| 2. | 89th Meeting February 8, 2012 | Ministry of Commerce (presently Banking and Financial Institutions Division, Ministry of Finance) (1) Special Audit Report on the accounts of Securities and Exchange Commission for the year 1993-1998 (2) Special Audit Report on Sadharan Bima Corporation (1991-95) and Head Office, Jiban Bima Corporation for the year 1997 | Local and Revenue Audit Commercial Audit |
| 3. | 90th Meeting February 9, 2012 | Bangladesh Post Office and Bangladesh Telegraph and Telephone Board under the Ministry of Posts and Telecommunications (1) Audit report on the on the accounts of Bangladesh Post Office and Bangladesh Telegraph and Telephone Board for the year 2003-2004 and 1997-1998 (2) Audit Report on telephone connection and revenue earnings of Bangladesh Telegraph and Telephone Board for the year 1994-95 to 1999-2000 | Post, Telegraph and Telephone Audit |
| No. | Meeting Date | Discussed audit reports | Audit Directorate |
| 4. | 91st Meeting April 9, 2012 | Bangladesh Post Office and Bangladesh Telegraph and Telephone Board under the Ministry of Posts and Telecommunications Audit report on the accounts of Bangladesh Post Office and Bangladesh Telegraph and Telephone Board for the year 2004-2005 and 1998-1999 | Post, Telegraph and Telephone Audit |
| 5. | 92nd Meeting April 10, 2012 | Bangladesh Jute Mills Corporation under the Ministry of Jute and Textiles (1) Special audit report on the accounts of Bangladesh Jute Mills Corporation for the year 1993-94 to 1997-98 (2) Audit report on government and semi-government commercial enterprises and nationalized industries under the Ministry of Jute for the year 1996-1997 | Commercial Audit |
| 6. | 93rd Meeting April 18, 2012 | Bangladesh Railway, Railway Division, Ministry of Communication Civil Surgeon Offices under the Ministry of Health and Family Welfare (1) Special audit report on the accounts of Bangladesh Railway Main Line Sections Rehabilitation Project (East and West) for the year 2001-02 to 2006-07 (2) Follow-up on the 34th meeting of the PAC regarding Audit Report on Medical and Surgical Requisites of Civil Surgeon Offices for year 1995-96 | Railway Audit Local and Revenue Audit |
| 7. | 94th Meeting May 9, 2012 | Ministry of Power, Energy and Mineral Resources - Dhaka Electric Supply Authority and Bangladesh Power Development Board Audit Report on the accounts of Dhaka Electric Supply Authority and Power Development Board for the year 2002-2003 and 2000-2001 | Works Audit |
| 8. | 95th Meeting May 10, 2012 | Ministry of Local Government, Rural Development and Cooperatives - Local Government Institutions (1) Audit Report on the accounts of City Corporation, Municipalities, Zilla Parishad and Upazilla Parishad Offices for the year 2006-2007 (2) Audit report on the accounts of 61 projects under government, semi-government and autonomous bodies under the Ministry of Local Government, Rural Development and Cooperatives for the year 1998-1999 | Local and Revenue Audit |
| 9. | 96th Meeting May 30, 2012 | Ministry of Defence and Armed Forces Division - Inter Services Organizations of the Bangladesh Army, Air Force and Navy Audit report on the accounts of Bangladesh Army, Air Force, Navy and Inter Services Organizations for the year 2006-2007 and 2003-2004 | Defence Audit |

| PAC Sub-committee 1 | | | |
|---------------------|--|--|---|
| No. | Meeting Date | Discussed audit reports | Audit Directorate |
| 1. | 26th Meeting February 15, 2012 | Development Authorities, Public Works Department, Housing and Settlement, Directorate of Government Accommodation under the Ministry of Housing and Public Works Audit report on the accounts of government offices and autonomous bodies under the Ministry of Housing and Public Works for the year 1992-93 and 1993-94 | Works Audit |
| 2. | 27th Meeting March 5, 2012 | Dhaka and Chittagong Water Supply and Sewerage Authority, Department of Public Health Engineering, City Corporations, Upazila Parishads, Municipalities and Thana Parishads under the Ministry of Local Government, Rural Development and Cooperatives. (1) Audit report on the accounts of Dhaka and Chittagong Water Supply and Sewerage Authority and the Department of Public Health Engineering for the year 1992-93. (2) Audit Report on the accounts of Local and Autonomous Bodies under the Ministry of Local Government, Rural Development and Cooperatives for the year 1992-93 | Works Audit Local and Revenue Audit |
| 3. | 28th Meeting April 3, 2012 | Ministry of Housing and Public Works, Ministry of Civil Aviation and Tourism and the Internal Resources Division, Ministry of Finance Development Authorities, Public Works Department, Civil Aviation Authority and offices of the Internal Resources Division. (1) Audit report on the accounts of Ministry of Housing and Public Works for the year 1994-95 and 1993-94 (2) Audit Report on the accounts of Civil Aviation Authority for the year 1993-94 (3) Audit report on the accounts of Internal Resource Division, Ministry of Finance for the year 1994-95 | Works Audit Local and Revenue Audit |
| 4. | 29th Meeting April 25, 2012 | Civil Surgeon Offices, Central Drug Store and Dhaka Medical College Hospital under the Ministry of Health and Family Welfare (1) Special Audit report on the accounts of Medical and Surgical Requisites (MSR) for 14 Civil Surgeon Offices for the year 1995-98 (2) Audit Report on the accounts of Central Medical Store Department for year 1993-98 (3) Special Audit report on the accounts of Dhaka Medical College Hospital for the year 1995-96 to 1998-99 | Local and Revenue Audit |
| 5. | 30th Meeting May 15, 2012 | Ministry of Local Government, Rural Development and Cooperatives - Foreign Aided Projects, Local Government Institutions and Bazar Fund (1) Audit reports on the accounts of Foreign Aided Projects under the Ministry of Local Government, Rural Development and Cooperatives for the year 1997-98 (2) Audit report on the accounts of Thana Parishad, Zila Parishad, Municipalities, City Corporations and Bazar Fund for the year 1995-96 | Foreign Aided Project Audit Local and Revenue Audit |
| 6. | 31st Meeting May 29, 2012 | Ministry of Health and Family Welfare, Ministry of Science and Technology- Foreign Aided Projects and the National Scientific and Technical Documentation Centre (1) Audit report on the accounts of Foreign Aided Projects under the Ministry of Health and Family Welfare for the year 1996-97 and 1997-98 (2) Special audit report on the accounts of National Scientific and Technical Documentation Centre for the year 1992-97 | Foreign Aided Projects Audit Local and Revenue Audit |
| PAC Sub-committee 4 | | | |
| No. | Meeting Date | Discussed audit reports | Audit Directorate |
| 1. | 42nd Meeting January 3, 2012 | Follow-up on the 17th Meeting of the PAC held on April 22, 2010 relating to Audit Report on the accounts of Bangladesh Road Transport Corporation under the Ministry of Communication for the year 2005-2006 | Commercial Audit |
| 2. | 43rd Meeting January 9, 2012 | Finance Division, Ministry of Finance, Ministry of Commerce, Ministry of Food and Disaster Management, Ministry of Agriculture, Ministry of Water Transport - Nationalized Commercial Banks and Financial Institutions, Jibon Bima Corporation, Trading Corporation of Bangladesh, Directorate of Food, Bangladesh Agriculture Development Corporation, Bangladesh Inland Water Transport Corporation Follow up on the 26th meeting of PAC held on October 14, 2010 relating to audit report on the accounts of Nationalized Commercial Banks and Financial Institutions for the year 2005-06 | Commercial Audit |
| 3. | 44th Meeting January 16, 2012 | Finance Division, Ministry of Finance - Nationalized Commercial Banks and Financial Institutions Follow up on the 29th meeting held on November 11, 2010 relating to audit report on the accounts of Nationalized Commercial Banks and Financial Institutions for the year 2005-06 and 32nd meeting held on January 6, 2011 | Commercial Audit |

| 4. | 45th Meeting January 17, 2012 | Ministry of Civil Aviation and Tourism - Biman Bangladesh Airlines and Bangladesh Parjatan Corporation Follow up on the 32nd Meeting held on January 6, 2011 relating to Audit Report on the accounts of Biman Bangladesh Airlines and Bangladesh Parjatan Corporation for the year 2005-06 | Commercial Audit |
|--|--|---|--|
| 5. | 46th Meeting March 13, 2012 | Ministry of Power, Energy and Mineral Resources and Ministry of Water Resources (1) Audit Report on the accounts of 7 foreign aided projects under the Ministry of Power, Energy and Mineral Resources for the year 2003-04 (2) Audit report on the accounts of 7 foreign aided projects under the Ministry of Water Resources for the year 2003-04 | Foreign Aided Projects Audit |
| 6. | 47th Meeting March 28, 2012 | Ministry of Education - Patuakhali University of Science and Technology Special audit report on the accounts of Patuakhali University of Science and Technology for the year 2002-2004 | Local and Revenue Audit |
| 7. | 48th Meeting April 16, 2012 | Internal Resources Division, Ministry of Finance Audit report on the accounts of 7 Deputy Commissioner of Taxes Company Circle Offices, 17 Customs and VAT Circles and Customs Bond Regional Office, Chittagong for the year 2004-2005 | Local and Revenue Audit |
| 8. | 49th Meeting April 30, 2012 | Ministry of Education - Patuakhali University of Science and Technology Follow-up on the 47th Meeting of the PAC relating to Special Audit Report on the accounts of Patuakhali University of Science and Technology for the year 2002-2004 | Local and Revenue Audit |
| 9. | 50th Meeting May 8, 2012 | Ministry of Commerce - Bangladesh Tea Board Special audit Report on the accounts of lease of 10 tea gardens of Bangladesh Tea Board for the year July, 1977 to December, 2004 | Commercial Audit |
| 10. | 51st Meeting May 16, 2012 | Ministry of Health and Family Welfare - Essential Drugs Company Limited Follow-up on the 41st meeting held on September 28, 2011 | Commercial Audit |
| Public Accounts Committee (PAC) Meetings, July-December, 2012 | | | |
| Public Accounts Committee | | | |
| No. | Meeting Date | Discussed audit reports | Audit Directorate |
| 1. | 97th meeting July 22, 2012 | Internal Resources Division, Ministry of Finance Special Audit Report on the accounts of Large Taxpayers Unit (LTU) for the year 2006-2007 | Local and Revenue Audit |
| 2. | 98th Meeting July 23, 2012 | Bangabandhu Sheikh Mujibur Rahman Medical University and Hospital, Ministry of Health and Family Welfare Special Audit Report on Bangabandhu Sheikh Mujibur Rahman Medical University and Hospital for the year 1998-1999 to 2005-2006 | Local and Revenue Audit |
| 3. | 99th Meeting August 13, 2012 | Ministry of Health and Family Welfare Appropriation Accounts (Civil) - Development and Non-Development 2005-2006 - Portion relating to Ministry of Health and Family Welfare | Civil Audit |
| 4. | 100th Meeting August 14, 2012 | Finance Accounts for the year 2005-2006 - receipts, Expenditure and loan and advances | Civil Audit |
| 5. | 101th Meeting September 6, 2012 | Public works Department, Ministry of Housing and Public Works Audit Report on the Public Works Department Wood Factory for the year 1994-2004 | Works Audit |
| 6. | 102nd Meeting September 10, 2012 | Finance Division, Ministry of Finance Audit Report on Cash Incentives and Export Subsidy against Export Agencies by 16 branches of 9 Commercial Banks under Bangladesh Bank for the year 2005-2007 | Local and Revenue Audit |
| 7. | 103rd Meeting | 3rd report of the Public Accounts Committee (PAC) | |
| 8. | 104th Meeting December 23, 2012 | (1) Finance Division, Ministry of Finance (presently Banking and Financial Institutions Division) Audit report on Nationalized Commercial Banks and Financial Institutions for the year 2007-2008 (2) Review on recommendation implementation of tripartite meetings on Audit Reports for the year 1971-72 to 2005 | Commercial Audit Local and Revenue Audit Posts, Telegraph and Telephone Audit Defence Audit, Railway Audit, Mission Audit, Civil Audit Foreign Aided Projects Audit |

| PAC Sub-committee 1 | | | |
|---------------------|---|---|---|
| No. | Meeting Date | Discussed audit reports | Audit Directorate |
| 1. | 33rd Meeting July 11, 2012 | Roads and Highways Department, Ministry of Communications (1) Audit Report on the accounts of Foreign Aided Projects under the Roads and Highways Department for the 1996-1997 (2) Audit Report on the accounts of Executive Engineer, Roads Division, Pirojpur and Barisal under the Roads and Highways Department for the year 1997-1998 and 1998-1999 | Foreign Aided Projects Audit Works Audit |
| 2. | 34th Meeting July 25, 2012 | Bangladesh Post Office, Ministry of Posts and Telegraph (1) Special Audit Report on Dhaka GPO Pension Payment for the year 1995-1999 (2) Special audit report on Postal Savings Bank under the Bangladesh Post Office for the year 1994-1995 to 1999-2000 | Posts, Telegraph and telephone Audit |
| 3. | 35th Meeting August 5, 2012 | Ministry of Shipping (1) Audit Report on the accounts of 4 offices under the Ministry of Shipping for the year 1996-1997 (2) Audit report on the accounts of Foreign Aided Projects under 25 Ministries/Agencies (Ministry of Shipping) for the year 1995-1996 | Local and Revenue Audit |
| 4. | 36th Meeting November 4, 2012 | Bangladesh Railways, Ministry of Railways (1) Special Audit report on local and foreign purchases, sales and distribution management of the Railway Stores Division for the year 1995-1996 (2) Audit Report on the accounts of Bangladesh Railway for the year 1997-1998 | Railway Audit |
| PAC Sub-committee 4 | | | |
| No. | Meeting Date | Discussed audit reports | Audit Directorate |
| 1. | 52nd Meeting July 31, 2012 | Ministry of Communications Follow-up on the 42nd Meeting held on January 3, 2012 on Audit Report on Bangladesh Road Transport Corporation for the year 2005-2006 | Commercial Audit Directorate |
| 2. | 53rd Meeting August 7, 2012 | Power Division, Ministry of Power, Energy and Mineral Resources (1) Audit Report on the accounts of Bangladesh Power Development Board (PDB) and Dhaka Electric Supply Authority (DESA) for the year 2002-2003 (2) Follow-up on the 46th Meeting held on March 13, 2012 on Audit Report on the accounts of Ministry of Power, Energy and Mineral Resources for the year 2003-2004 | Works Audit Foreign Aided Projects Audit |
| 3. | 54th Meeting September 26, 2012 | Ministry of Housing and Public Works Banking and Financial Institution Division, Ministry of Finance Follow-up on the 36th Meeting held on May 26, 2011 on Audit Report on the accounts of Ministry of Housing and Public Works and 44nd meeting held on January 16, 2012 on Audit Report on the accounts of Banking and Financial Institution Division, Ministry of Finance | Commercial Audit Works Audit |
| 4. | 55th Meeting October 2, 2012 | Ministry of Communications Follow-up on the 33rd Meeting held on February 17, 2011 on Audit Report on the accounts of 31 Executive Engineer Offices of the Road and Highways Department | Works audit |
| 5. | 56th Meeting October 9, 2012 | Roads and Highways Department, Ministry of Communication Follow-up on the 55th Meeting held on October 2, 2012 on Audit Report on 31 Executive Engineer Offices of the Roads and Highways Department | Works Audit |
| 6. | 57th Meeting December 11, 2012 | Internal Resource Division (IRD), Ministry of Finance Follow-up on the 48th Meeting held on April 16, 2012 | Local and Revenue Audit |
| 7. | 58th Meeting December 13, 2012 | Roads and Highways Department, Ministry of Communication Follow-up on the 52nd, 55th and 56th Meeting held on July 31, 2012, October 2, 2012 and October 9, 2012 on Audit Report on 31 Executive Engineer Offices of the Roads and Highways Department | Works Audit |

6. OCAG'S PERFORMANCE MEASURES

The OCAG, Bangladesh continually assesses its own activities and reflects its performance through formal channels of reporting. The SAI determines annual targets for discharging various type of activities and compares what the SAI has achieved in terms of number and quality of audit in relation to its targets, its results and impact on the governance of the operations of the public sector entities. As part of our quality audit management the OCAG has undertaken different measures and steps towards internal review and evaluation of the quality of our audits. The reviews of audits are conducted on ex-ante, post-ante and on-going basis. The OCAG also looks into whether audits conducted meet accepted auditing standards, observed appropriate methodologies and predetermined objectives of audits. Through evaluation it is also ensured that audits are cost-effective and results in savings of public money and deterrence of wastage of resources. The different methods to measure its performance include the following:

- Two-tier quality assurance teams in each Audit Directorate and Central Quality Assurance Team at the OCAG secretariat.
- The internal evaluation of audit practices and internal control system of the SAI.
- The opinion of the Members of the Parliament are seriously taken into account made in different committee meetings, particularly in the PAC hearings.
- Opinions of civil the society.
- Media reports and opinions.

The OCAG has developed key performance indicators (KPIs) for measuring its performance and each year new indicator(s) is added to the existing ones. In 2011 six performance indicators have been considered, details of which are shown below:

| Sl. | Performance Indicators | Measurable Unit | Target | Achievement |
|-----|---|-----------------|--------|-------------------|
| 1. | Acceptance of primary audit observations | Ratio | 100% | 100% |
| 2. | Timely communicating the auditee about the observations | Ratio | 100% | 100% |
| 3. | Implementation of audit recommendations by the auditee | Ratio | 100% | 50% (approx.) |
| 4. | Acceptance of the observations by the PAC | Ratio | 100% | 100%* |
| 5. | Evaluation of costs to savings in audit | Absolute value | - | 43540 million Tk. |
| 6. | Reduction of backlogs of audit observations | Number | 50000 | 95% |

* In case of 2% audit observations, more information on quality of observations, scope of audit and supporting evidences are sought.

7. SAI BANGLADESH IN GLOBAL PERSPECTIVE



CAG Ahmed Ataul Hakeem addressing the 44th Governing Board Meeting held in Jaipur, India during February 25-March 4, 2012.



CAG, Bangladesh Re-elected member of ASOSAI Governing Board

CAG Ahmed Ataul Hakeem was re-elected member of Governing Board of the Asian Organization of Supreme Audit Institutions (ASOSAI) for 2012-15.

The election was held during the 12th Assembly of ASOSAI on March 3, 2012 in Jaipur, India where Bangladesh secured second highest number of votes. SAI representatives from 45 Asian countries attended the conference.

Bangladesh was earlier elected Governing Board member during the 8th, 9th and 11th assembly of ASOSAI and played an active role within the organization.

CAG attends INTOSAI Working Group on IT Audit (WGITA) Meeting

CAG Ahmed Ataul Hakeem attended the 21st INTOSAI Working Group on IT Audit (WGITA) Meeting held in Kuala Lumpur, Malaysia during January 25-27, 2012. The meeting was inaugurated with the welcome address by Tan Sri Ambrin Buang, Auditor General of Malaysia. The opening remarks was made by Vinod Rai, WGITA Chairman and Comptroller and Auditor General of India. Following issues were discussed in the meeting:

- updates on - Into IT (WGITA journal) and working group website
- Reports on Projects (work plan 2011-2013)
 - Project 1: Development of IT performance indicators/index system about IT performance audit/performance measurement of IT solutions implemented in Government organizations
 - Project 2: IT audit planning and detailed audit procedures to review IT controls
 - Project 3: Optimizing IT value in government organizations
 - Project 4: Green IT
 - Project 5: Cloud computing and virtualization
- IDI's report on Cooperation with WGITA
- Country paper presentation
 - ERP System without specific CAATs - SAI Brazil
 - Poverty reduction through effective use of IT - SAI Pakistan
 - EUROSAI e-government audit algorithm - SAI Poland
 - selecting performance indicators for an audit of a state information system : Russian experience - SAI Russian Federation
- Tutorial film on INTOSAI Collaboration Tool
- Discussion on preparation for the 22nd meeting of WGITA
- Discussion on venue for the 23rd meeting of WGITA
- e-Government initiatives in Malaysia : Issues and Challenges



Auditors General during discussion at the INTOSAI Working Group on IT Audit (WGITA) meeting held in Kuala Lumpur during May 25-27, 2012 [L-R: Vinod Rai, CAG of India, Tan Sri Ambrin Buang, Auditor General of Malaysia, CAG Ahmed Ataul Hakeem and Benjamin Zymler, President Brazilian Court of Audit]

SAI BANGLADESH IN GLOBAL PERSPECTIVE



Participants at the INTOSAI Sub-committee on Internal Control Standards held in Warsaw, Poland during April 24-25, 2012



CAG Bangladesh with Lim Soo Ping, Auditor General of Singapore and other officials during his visit to Singapore on April 27, 2012

CAG Attends Meeting of the INTOSAI Sub-committee on Internal Control Standards

The 1st meeting of the INTOSAI Sub-committee on Internal Control Standards was held in Warsaw, Poland during April 24-25. Hosted by the Supreme Audit office of Poland (NIK), the meeting was attended by representatives from 14 SAIs representing Austria, Belgium, Bangladesh, Brazil, Chile, France, Georgia, Hungary, Lithuania, the Netherlands, Oman, Romania, Russia, South Africa and the representatives from the Institute of Internal Auditors (IIA) and COSO.

The chair of the sub-committee briefed the participants on the decisions taken at the Task Coordinators meeting held in November 2011, and on the progress of the action plan tasks implementation, as well as the future plans.

Cooperation with COSO and IIA were also discussed during the meeting. The IIA's survey on the definition was distributed among INTOSAI PSC members to gather opinion on the proposed revision of the definition.

Representative of the Institute of Internal Auditors presented the concept of risk management based on ISO 31000. The President of the SAI Belgium and representative from SAI Romania shared their respective experiences in the field of risk management in the public sector. SAI of Austria and NIK offered the participants the survey of the study of risk management in the public sector with the last version of the questionnaire.

Introduction to the discussion on reporting on internal control was delivered by NIK. The SAI of Lithuania and South Africa shared their experiences in the field of reporting on internal control. Representative of the SAI of the Netherlands also presented an update on the e-platform project. Participants were also engaged in a discussion on the sub-committee's future (2014-2017) action plan.

In his journey back to Bangladesh, CAG visited the Office of the Auditor General of Singapore on April 27, 2012. During his discussion with the Auditor General Lim Soo Ping areas relating to mutual cooperation and training facilities were discussed.

South Asia Regional Workshop on Advancing Public Participation and Accountability in the Budget Process

CAG attended the South Asia Regional Workshop on 'Advancing Public Participation and Accountability in the Budget Process' held in Kathmandu, Nepal on June 4-6, 2012. The World Bank Institute (WBI) in collaboration with the Programme for Accountability at Nepal (PRAN) and the Affiliated Network on Social Accountability - South Asia Region (ANSA SAR) organized the workshop.

World Congress on Justice, Governance and Law for Environmental Sustainability

CAG attended World Congress on Justice, Governance and Law for Environmental Sustainability held in Rio de Janeiro, Brazil during June 17-20, 2012. Keynote address was made on Environmental Sustainability and the Rule of Law, Justice and Governance : Challenges and Opportunities Facing the World Today.

7. SAI BANGLADESH IN GLOBAL PERSPECTIVE



President, Japan Board of Audit Hiroyuki Shigematsu with OCAG officials at the Audit Bhavan on September 16, 2012

OCAG and Japan Board of Audit to Work Together

The Office of the Comptroller and Auditor General of Bangladesh (OCAG) and the Japan Board of Audit will work together to develop professionalism among audit personnel of respective SAIs.

To achieve the target some decisions were taken in presence of CAG Ahmed Ataul Hakeem and the President, Board of Audit of Japan Hiroyuki Shigematsu on September 16, 2012 in a bilateral meeting at the OCAG. The President, Board of Audit of Japan led a four member delegation that arrived in Dhaka as part of a two-day official tour to Bangladesh.

The ASOSAI (Asian Organisation of Supreme Audit Institutions) training activities, election for the INTOSAI (International Organisation of Supreme Audit Institutions) Governing Board, ASOSAI Governing Board meeting to be held in February 2013 in Philippine, development of public accounting and audit in Bangladesh were the key discussion points of the meeting.

President, Board of Audit of Japan was impressed with the contribution of OCAG Bangladesh at INTOSAI and ASOSAI to develop the standards of audit.

Senior officials of OCAG Bangladesh and members of delegation Japan Board of Audit attended the meeting. The visiting Japanese envoy also planted a sapling at the Audit Bhavan premises.

Earlier, President, Board of Audit of Japan Hiroyuki Shigematsu visited the Financial Management Academy (FIMA) on September 15, 2012 to observe the infrastructure and related facilities. The delegation stressed on the importance of quality training for audit personnel during their visit to FIMA. Senior officials of OCAG Bangladesh were also present during the programme.



CAG Ahmed Ataul Hakeem with the President of the European Court of Auditors Vitor Manuel da Silva Caldeira on September 11, 2012 in Luxemburg

INTOSAI Capacity Building Committee (CBC)

Meeting

The INTOSAI CBC Sub-committee 3 meeting was held at the European Court of Auditors (ECA) in Luxemburg on 10-11 September 2012. The meeting was chaired by the Supreme Audit Office of Germany.

The meeting was attended by participants from 12 SAIs representing Bangladesh, Croatia, Estonia, European Court of Auditors, France, Morocco, Austria, Poland, Slovakia, Hungary and the United States of America.

Subcommittee 3 of INTOSAI's Capacity Building Committee (CBC) promotes best practices and quality assurance through voluntary peer reviews. Accordingly, 24 peer review projects have been successfully completed since 1999. More than 30 SAIs have participated in at least one peer review, either as the reviewed or reviewing SAI. Currently, five INTOSAI members are being reviewed by peers. In order to support interested SAIs, INTOSAI Sub-Committee 3 prepared a Peer Review Guide and Checklist.

7. SAI BANGLADESH IN GLOBAL PERSPECTIVE



OCAG delegates with the Chairperson, Commission on Audit, Philippines Madam Gracia M. Pulido Tan in Manila on July 18, 2012

CAG Visits OAG, New Zealand and COA, Philippines

CAG visited the Office of the Controller and Auditor General (OAG), New Zealand during July 23-24, 2012. The CAG was welcomed and received by the Controller and Auditor-General Ms. Lyn Provost. The discussion covered matters relating to mutual interest and cooperation.

Prior to the visit, the delegation visited the Commission on Audit (COA), Republic of the Philippines during July 18-21. The visit included a tour of the facilities available at the Professional Development Centre, COA. Presentations relating to training programmes on Integrated Results and Risk Based Audit (IRRBA) (financial and compliance audit, performance audit, fraud audit and Information Systems audit) were covered during the visit.

An exclusive meeting with the COA Chairperson Madam Gracia M. Pulido Tan also covered matters relating to mutual cooperation. Others present during the meeting were Commissioner Juanito G. Espino, Jr and Commissioner Heidi L. Mendoza.

OCAG Bangladesh Delegation to NAO, UK and US GAO

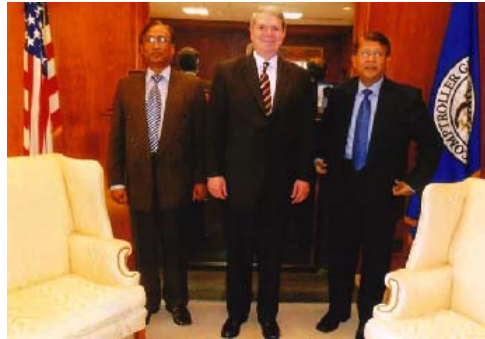
OCAG Bangladesh delegation visited the National Audit Office (NAO), UK and the United States Government Accountability Office (GAO) during November 26, 2012-December 5, 2012. The visit to NAO, UK and GAO was arranged by the SPEMP-B Project.

During visit to NAO, UK (November 26-30, 2012), the delegation met the Comptroller and Auditor General and other high officials. The visit discussed and exchanged views of mutual interest in relation to public audit. The CAG was welcomed and received by the Comptroller and Auditor-General Amyas Morse. A presentation covering various topics was also arranged for the delegates.

On return to Bangladesh, CAG visited the United States Government Accountability Office (GAO) on December 3, 2012. The knowledge sharing visit to GAO included discussion with Gene L. Dodaro, Comptroller General of the United States on December 3, 2012. Presentations were made on the audit approaches, planning and audit techniques in the field of IT audit, performance audit and financial audit prevalent at GAO. The audit reporting process in the GAO and relationship with the legislature, media and other stakeholders was also covered.



CAG with Amyas Morse, Comptroller and Auditor General, National Audit Office (NAO), UK in London on November 25-30, 2012



CAG Bangladesh with Gene L. Dodaro, Comptroller General of the United States at the Government Accountability Office (GAO) in Washington DC on December 3, 2012

7. SAI BANGLADESH IN GLOBAL PERSPECTIVE

OCAG, Bangladesh signs MoU with COA, Philippines

The Comptroller and Auditor General (CAG) of Bangladesh Ahmed Ataul Hakeem, FCMA and Chairperson, Commission on Audit (COA), Philippines Madam Gracia M. Pulido Tan signed a protocol on behalf of respective Supreme Audit Institutions (SAI) of the two countries on September 3, 2012 at Ulan Baatar, Mongolia.

The bilateral agreement intends to reinforce mutual exchange and cooperation in the field of public audit between the two SAIs. The MoU incorporates provisions for mutual exchange of experience, information and documentation, training activities, visits, organising internships, consultations, seminars and conferences. This will go a long way in consolidating the relationship between the two SAIs to the mutual benefit of both.

Senior dignitaries of the Office of the CAG, Bangladesh and COA, Philippines were present during the signing.

The signing of the MoU took place during the Needs Assessment Review Meeting and Strategic Planning Workshop for the IDI-ASOSAI Cooperation Programme on Development of Strategic Plan held from August 30 - September 6, 2012. The workshop was hosted by the Mongolian National Audit Office, in cooperation with INTOSAI Development Initiative (IDI) and the Asian Organisation of Supreme Audit Institutions (ASOSAI).



CAG Bangladesh signs Memorandum of Understanding (MoU) with the Chairperson, Commission on Audit, Philippines Madam Gracia M. Pulido Tan in Ulan Baatar, Mongolia on September 3, 2012

8. TRAINING AND PROFESSIONAL DEVELOPMENT

8. TRAINING AND PROFESSIONAL DEVELOPMENT

a. Financial Management Academy (FIMA)



Financial Management Academy (FIMA) is the training wing of the Supreme Audit Institution of Bangladesh. The academy is utilized as a platform for enhancing professionalism of the officers and staff of Audit and Accounts Department. FIMA is entrusted with the responsibility for imparting training to upgrade and enhance the auditing and accounting knowledge and skills of the OCAg officers through systematic and planned training programs. It also imparts training on various aspects of financial management to the officials and staff across the government. The training courses conducted in 2012 are shown in the following table.



Departmental Courses:

| Name of Course | Batch | Number of participants |
|--|------------|------------------------|
| Departmental Training of BCS: Audit and Accounts cadre | 30th Batch | 40 |
| SAS Part-I Training | 04 | 100 |
| SAS Part-II Training | 04 | 75 |
| Orientation Courses for Newly Promoted Audit and Accounts Officers | 02 | 66 |
| Orientation Courses for Newly Recruited Auditors | 08 | 215 |
| Orientation Courses for Newly Recruited MLSS | 04 | 141 |

Courses for Civil Servants across the Government:

| Name of Course | Batch | Number of participants |
|---|-------|------------------------|
| Gov. Accounting System for officers of Department of Passports & Immigration | 02 | 12 |
| Financial Management Course for PWD Officials | 02 | 48 |
| Course on PPR 2008 | 05 | 150 |
| Financial Management Course for Officials of Department of Environment | 02 | 46 |
| Financial Management Course for Officials of Emergency Cyclone Recovery and Restoration Project (ECRRP) | 01 | 28 |
| Training in Budgeting and Accounting System (TIBAS) | 04 | 101 |

TRAINING AND PROFESSIONAL DEVELOPMENT

Departmental Training of the B.C.S (Audit and Accounts) Cadre 30th Batch Inaugurated

The departmental training course of the 30th batch of Bangladesh Civil Service: Audit and Accounts cadre Assistant Accountant General (AAG) probationers inaugurated at the Financial Management Academy (FIMA) on July 16, 2012. CAG Mr. Ahmed Ataul Hakeem, FCMA inaugurated the course. Forty officials of different academic background and varied work experience joined in Finance Division, Ministry of Finance on June 03, 2012 and were subsequently placed to the office of the Comptroller and Auditor General of Bangladesh on June 06, 2012. Senior officials of the government and the audit department were present in the inauguration.



[Sitting: L-R] Director General Mr. Md. Abul Kashem, CAG Mr. Ahmed Ataul Hakeem, FCMA, and Course Director Mr. Bikash Chandra Mitra, FIMA, along with the Assistant Accountant General probationers on July 16, 2012.

Recipients of Overseas Training

| Participant | Course | Country and Duration |
|---|---|--|
| Md. Amir Khasru Deputy Comptroller and Auditor General (Senior) Manindra Chandra Datta Deputy Comptroller and Auditor General (A&R) A.K.M. Jasim Uddin Director General, Commercial Audit Directorate Md. Abdus Samad Director, Local and Revenue Audit Directorate Shariful Islam Additional Deputy Comptroller and Auditor General Samia Alam Additional Deputy Comptroller and Auditor General K.M. Serajul Munir Director, Works Audit Directorate A.S.M. Sohrab Hossain Deputy Director, Performance Audit Directorate Mirza Md. Tareq Ali Deputy Director, Commercial Audit Directorate Mosammat Shamim Ara Smriti Deputy Director, Civil Audit Directorate Md. Khademul Karim Iqbal Deputy Director, OACG Md. Alauddin Audit and Accounts Officer, SCOPE Project Md. Nuruzzaman Sarkar Audit and Accounts Officer, Commercial Audit Directorate Sudipta Ahsan Audit and Accounts Officer, Commercial Audit Directorate Md. Mojibur Rahman Audit and Accounts Officer, OACG | Training at National Audit Academy of Malaysia | Malaysia, 16-27 April, 2012 |
|  | | |
| | <i>Participants of the 'Training on Public Sector Auditing' at the National Audit Academy of Malaysia held during April, 16-27 2012</i> | |
| Tanveer Akter Hossain Khan, Deputy Director, Local and Revenue Audit Directorate | Environment Audit | India 9 Jan to 3 Feb 2012 |
| Abul Foyez Md. Abid Director General, Foreign Aided Project Audit Directorate | 7th Annual Summer Residency Programme for PACs | Australia 5-11 February 2012 |
| Akkas Ali PK, Deputy Director, Works Audit Directorate Mohd. Nurul Absar, Deputy Director, Local and Revenue Audit Directorate | Financial and Regularity Audit | India 13 Feb to 9 March 2012 |
| Mohammad Zakir Hossain, Director General, Post, Telegraph and Telephone Audit Directorate Md. Shofiul Alam, Deputy Director, Foreign Aided Project Audit Directorate | Project and Procurement Management Course | Philippines 5-16 March 2012 |
| Md. Motaher Hussain Controller General Defence Finance Mohammad Moslem Uddin Director General, Works Audit Directorate A S M Lukman Assistant Comptroller and Auditor General Rownak Taslima Deputy Director, Works Audit Directorate | SAI Needs Assessment Workshop under the ASOSAI IDI Cooperation Program "Development and Implementation of Strategic Plan" | Vietnam 19-26 April 2012 |
| Md. Delwar Hussain Additional Director General (Finance), Bangladesh Railway Md. Abul Kashem Director General, Financial Management Academy | Symposium on " Old Challenge, New Approach: Fighting Corruption in a Changing World" | Hong Kong 9-11 May, 2012 |
| Md. Aminul Islam, Deputy Director, Foreign Aided Project Audit Directorate | Training for PAC Secretariat Staff | Thailand 17-18 May, 2012 |
| Mohammed Iqbal Hossain Deputy Comptroller and Auditor General Zeenat Khan, Director General, Performance Audit Directorate Md. Kamrul Alam, Deputy Director, Posts, Telegraph and Telephone Audit | Seminar on "Performance Auditing: Challenges and Opportunities" | Bhutan 5-6 June, 2012 |
| Md. Mahbulul Huq Finance Controller, Bangladesh Ordnance Factory Md. Khademul Bashar, Assistant Comptroller and Auditor General | INTOSAI Capacity Building Committee-Sub-committee 1 meeting Performance Audit Course | Japan 14-15 June, 2012 Malaysia 18-29 June 2012 |

Recipients of Overseas Training

Two groups of SAI Bangladesh officials participated in the two weeks 'Public Sector Auditing' course held in Kuala Lumpur from 3-15 September, 2012 and 19-30 November, 2012 respectively. Funded by the CIDA funded Strengthening Comptrollership and Oversight of Public Expenditure (SCOPE) Project, the training was arranged by the National Audit Department, Malaysia at the National Audit Academy. A total of 30 officials received the training in two batches. Earlier, the first batch comprising of 15 officers attended the course from 16-27 April, 2012.

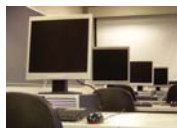


Participating officials in the 'Public Sector Auditing' course held in Kuala Lumpur from 3-15 September, 2012 and 19-30 November, 2012

Apart from the 'Public Sector Auditing' course at the National Audit Academy, Malaysia, following officials were sent abroad to attend training courses, workshops and seminars during July-December, 2012. Two IDI Certified training specialists of SAI Bangladesh also successfully involved themselves in the course design and development of various courses and demonstrated their commitment and professionalism.

| Participant | Course | Country and Duration |
|--|---|---|
| Md. Motahar Hussain Controller General Defence Finance Mohammad Moslem Uddin Director General, Works Audit Directorate Ms. Rownak Taslima Deputy Director, Works Audit Directorate | Review Meeting for SAI Needs Assessment and Strategic Planning Workshop as Team Leader | Mongolia 30 August to 6 September 2012 |
| Mohammad Emrul Kayes Khan Deputy Financial Advisor and Chief Accounts Officer Bangladesh Railway Md. Abul Hafaz Deputy Director, Civil Audit Directorate | Audit of Public Sector Enterprises | India 10 September to 5 October 2012 |
| K M Serajul Munir Director Works Audit Directorate Md. Zakir Hussain Assistant Comptroller and Auditor General | 10th ASOSAI Research Project on 'Audit to Detect Fraud and Corruption: Evaluation of the Fight Against Corruption and Money Laundering' | China November 15, 2012 |
| Mohammad Moslem Uddin , Controller General of Accounts - Team Member Ms. Rownak Taslima Deputy Director, Works Audit Directorate | Strategic Plan Review Meeting and Operational Planning Workshop | Phnom Penh, Cambodia 17-21 December 2012 |
| Syed Mustafa Mahub Ali Area Finance Controller (Army) | ASOSAI Workshop on Dealing with Fraud and Corruption | Manila, Philippines 9-18 November 2012 |
| Ms. Farmeen Mowla Director, Performance Audit Directorate Bikash C. Mitra Director, Financial Management Academy | Instructor, ASOSAI Workshop on Dealing with Fraud and Corruption | Manila, Philippines 9-18 November 2012 |
| Ms. Farmeen Mowla Director, Performance Audit Directorate Bikash Chandra Mitra Director, Financial Management Academy | Instructors' Design Meeting for the ASOSAI Workshop on "Dealing with Fraud and Corruption" | Japan 1-13 July, 2012 |

9. AUTOMATION IN AUDITING- A NEW HORIZON



With a view to achieving the national goal of 'Digital Bangladesh', the Office of the Comptroller and Auditor General (OCAG) is currently implementing an ambitious computerisation programme. Assisted by the SCOPE project funded by the Government of Canada, the OCAG has adopted an integrated action plan for automating its audit processes and for creating its own ICT (Information and communication technologies) infrastructure.

As the Supreme Audit Institution (SAI) of Bangladesh, the OCAG's mission is to provide high quality audit services to the National Parliament and its stakeholders. To achieve its vision the OCAG intends to organise available information by taking advantage of the latest developments in information and communication technologies. For this purpose an ICT strategic plan has been developed. The main objectives of this plan are as follows -

- To create an appropriate technology infrastructure comprising a local area network, provision of desktop and laptop computers and IT equipment
- To implement computerised solutions for audit management, automation of audit workflow and communications
- To create sustainable capacity in auditing in a computer environment
- To use advanced computer assisted audit techniques (CAATs) and electronic working papers (EWP) software
- To upgrade and modernize financial audit methodologies and processes in accordance with the international auditing standards

With a view to providing its audit staff with the right information technology resources to perform their work and to gather and share information, the OCAG has built an integrated and reliable information technology (IT) infrastructure comprising a modern state-of-the-art data centre and a wide area network (WAN) which connects the Audit Bhaban with the Audit Complex building located in Dhaka and branch offices located in other cities. Each of these locations has its own network infrastructure comprising using Gigabit Ethernet technology. The communication between the two buildings is achieved by using high speed fiber connectivity with full redundancy. The OCAG network has a capacity to accommodate up to 2500 users. A large number of desktop and laptop computers have been purchased and distributed for use by the network users.

Supported by the SCOPE project, a computer training programme called the "International Computer Driving Licence (ICDL)" is being implemented. More than 400 officers and staff including members of the OCAG senior management have already attended the training. The goal of the on-going ICDL training programme is to IT train all OCAG staff and to achieve full computer literacy by the end of 2013. Installation of the network and the ICDL training has fostered the creation of an IT culture in the OCAG whereby a large number of staff are regularly using email for internal and external communications and the Internet for professional reference purposes.

The Comptroller and Auditor General has accorded top most priority to capacity building for "auditing in IT environments". As computer technology has advanced, Government organizations have become increasingly dependent on computerized information systems to carry out their operations and to process, maintain, and report essential information. As a consequence, the reliability of computerized data and feasibility of auditing in a digital environment are a major concern to audit.

In order to effectively deal with this challenge, the OCAG has introduced computer-based auditing techniques. The OCAG staff are being trained in the use of two widely used audit software tools i.e. CAATs (Computer Assisted Audit Techniques) and TeamMate electronic working papers (EWP) software. Use of CAATs software enables the auditor to access and analyse financial data from the audited agencies computer systems resulting in vast increases in audit efficiency and effectiveness. A fibre-optic data link has been established between the OCAG network and the

AUTOMATION IN AUDITING- A NEW HORIZON

computer systems of the Controller General of Accounts (CGA). This will enable the OCAG to access government financial information in electronic format and use advanced data analytics technology. On the other hand, the electronic working papers (EWP) is a knowledge based system which helps the auditor to document the audit electronically and eventually move to a paperless audit environment.

To obtain the maximum benefit from the deployment of software tools like the TeamMate and CAATs, it is necessary to provide the users with facilities like mobile and networked computing, ability to share information and participating in collective planning exercises. Accordingly, a large number of OCAG officers and key staff have been provided with laptop computers to enable them to effectively utilize the various functionalities of the software. Laptop computers have been issued to each audit team to enable them to send the audit inspection reports from the field electronically to the OCAG using the Web.

Use of information and communication technologies (ICT) is enabling the OCAG to enhance the efficiency and effectiveness of the essential processes that support the delivery of the audit services (1) planning, performance and management of audits, (2) processing of the results of audit and (3) preparation of audit reports. For this purpose an important software application called the Audit Management and Monitoring System (AMMS) is being implemented over the OCAG network. The AMMS is a customised database application developed under the SCOPE project that will help the audit directorates to more efficiently plan and schedule audit assignments and monitor and track disposal of the large number of audit observations made by the OCAG. The AMMS also has a "audit field work module" which will enable to field audit teams to prepare audit reports using laptop computers from different locations and remotely communicate with the audit directorates located in Dhaka.

An intranet is an effective tool for improving internal communications and providing staff with access to important resources. The OCAG intranet which is being developed to contain all audit reference materials such as audit manuals and supporting materials and will be accessible by staff over the network. It will improve office-wide communication as it will have an electronic notice board, staff, contacts, and information about training courses and meetings.

The implementation of office wide automation and use of IT based audit tools like CAATs, TeamMate and AMMS promises to significantly increase the efficiency of OCAG operations. In particular use of computer assisted audit techniques will enable the OCAG to track virtually all expenditure thereby enhancing its effectiveness as an agency which enforces accountability and transparency in the use of public resources.

10. REACHING THE PEOPLE- MEDIA AND COMMUNICATION CELL

The OCAG has taken various steps to facilitate the effective utilization of the provision under the Right to Information (RTI) Act 2009. The OCAG also considers that interaction, conversation and flow of information are the keys to build relationship with its diverse stakeholders.

To disseminate information as required under the Right to Information Act, the OCAG includes a 'Right to Information' menu in the official website www.cag.org.bd. Information officers were also appointed to assist in discharging the duties under this Act at all field offices under its jurisdiction. A list of all information officers and their contact details have been provided in the official website as well. The procedure for filing of an application for information required, format of application, fee, procedure and time limits for providing information has also been mentioned in the website in detail.

Audit reports tabled in the Parliament are regularly published in the website. Under the RTI, journalists, researchers may require further information on the audit reports as well matters they find important for public interest.

The Media and Communication Cell at OCAG addresses all kinds of information dissemination regarding the activities of public sector auditing. The Cell maintains the proper flow of information in which Right to Information Act - 2009 is one of the legal mandates.



OCAG 'Media Handbook' and 'Communication Strategies and Terms of Reference for the Communication Cell' was launched in July 2012. The handbook and strategies were developed by the CIDA funded Strengthening Comptrollership and Oversight of Public Expenditure (SCOPE) Project. The Media Handbook will go a long way to fill the gap that currently exists among auditors, spokespersons and the media. The handbook provides guidelines for auditors and spokespersons for developing better media relations. On the other hand, the communications strategy is intended to enhance internal communications within the OCAG.

The World Bank administered multi-donor funded 'Strengthening Public Expenditure Management Communication Campaign Programme' (SPEMP CC) has been providing comprehensive communication support to the SPEMP-B project. The accomplished activities include - press advertisements, TV talk shows, university debate competitions, street theatre shows, banners, posters, stickers, nationwide SMS campaign, radio campaigns, documentary film, workshops and focus group discussions.

In observance of the Right to Know Day, 2012 OCAG participated in a fair organised by the RTI Forum on September 27, 2012 at the Bangladesh Shishu Academy Auditorium, Dhaka. The day long programme included various events that ensured the participation of mass people in practicing their right to information. Twenty one government and non-government RTI practicing organisations including the OCAG participated in the programme. The OCAG stall displayed various audit reports and publications of the OCAG.

"CAG-JATRI Fellowship 2012" was announced to encourage journalists and media professionals to create investigative reports. Six fellows, three mentors and representative from PROGATI attended a orientation programme in this regard. Journalism Training and Research Initiative (JATRI), BRAC University is devoted to improve the state of journalism in Bangladesh by providing training and support to journalists and to researchers investigating social and economic issues of importance to society. JATRI, in collaboration with PROGATI-USAID, has been implementing the fellowship programme to encourage midcareer journalists and media professionals to create investigative reports on government audit reports.

11. YEAR IN REVIEW

CAG Apprises Honourable Prime Minister of Audit Reports

Honourable Prime Minister Sheikh Hasina emphasised on enhancing the effectiveness of audit to maintain financial discipline and minimising wastage of public resources of the country. She mentioned these while CAG Ahmed Ataul Hakeem apprised her of 41 audit reports for the fiscal years 2008-09 to 2010-2011 at her office on December 23, 2012. These reports include 605 audit observations involving Tk. 48,110 million relating to 22 ministries. The audit reports will be submitted to the Honourable President for causing them to be laid before the parliament.



CAG apprising Honourable Prime Minister of audit reports on December 23, 2012

The Honourable Prime Minister stressed on implementing advanced auditing approaches and techniques to ensure transparency and accountability in public financial management. CAG informed the Honourable Prime Minister that the present Public Accounts Committee (PAC) of the parliament alone realised about Tk. 80,000 million in recovery and adjustment this year. The CAG further mentioned that initiatives have been taken at OCAg for bringing in qualitative changes in the audit process so that maximum utilisation of public money could be ensured.

CAG Calls on Hon'ble Prime Minister

Ahead of observing Audit Day, the Comptroller and Auditor General (CAG) of Bangladesh Ahmed Ataul Hakeem called on the Prime Minister Sheikh Hasina at the Prime Minister's Office on May 10, 2012.

CAG apprised the Hon'ble Prime Minister about the recent developments in the OCAg. The Hon'ble Prime Minister reiterated that proper utilization of taxpayers' money must be ensured for sound public financial management. Effective audit is, therefore, the best tool for managing the scarce resources of the country as also for achieving good governance. She further emphasized on the need for incorporating best practices in audit to ensure better accountability and transparency. The CAG informed the Hon'ble Prime Minister of the immense contributions of the Public Accounts Committee of the 9th Parliament in discussing the audit reports and reducing the backlog. He also apprised the Prime Minister on the observance of Audit Day on May 11, 2012. The Hon'ble Prime Minister lauded the efforts made by the OCAg.



Signing of Management and Implementation Support Consultant (MISC) contract for SPEMP-B at OCAAG Conference room on May

Signing of MISC contract for SPEMP-B

A signing ceremony of Management and Implementation Support Consultant (MISC) contract was held on May 28, 2012 for SPEMP Project B: Strengthening the Office of The Comptroller and Auditor General) with PKF (UK) LLP. The ceremony was held in the presence of the Comptroller and Auditor General and World Bank representatives at the OCAAG conference room.

OCAAG Senior Management Retreat

OCAAG Senior Management Retreat was held at the Rural Development Academy, Bogra during March 30, 2012 - April 1, 2012. The opening session was addressed by A.K.Nasim Hyder, Deputy Field Manager while the welcome address was made by Peter Armstrong, Field Project Manager, SCOPE. Others who spoke were A.K.M. Jashim Uddin, Project Director, SCOPE, Michael Eastman and Omar F. Khan, Senior Development Adviser, Canadian High Commission, Dhaka. CAG made the formal inauguration.

Signing Ceremony of Memorandum of Understanding (MoU) between OCAAG and ICAB

The signing ceremony of Memorandum of Understanding (MoU) between the Office of the Comptroller and Auditor General (OCAAG), Bangladesh and the Institute of Chartered Accountants of Bangladesh (ICAB) and was held on November 7, 2012. The MoU represents a milestone marking the start of a concrete journey in fostering closer cooperation between public and private sectors services delivery through audit quality assurance for the economic growth. The partnership agreement was initiated under the World Bank supported project on Promoting Public Private Partnership for Improved Audit Quality Assurance.



Memorandum of Understanding (MOU) between the Office of the Comptroller and Auditor General of Bangladesh and the Institute of Chartered Accountants of Bangladesh (ICAB) on November 7, 2012

Under this MoU both the Institutions will be arranging training programmes, knowledge sharing seminars, educational and professional skill development researches.

A presentation on 'Public Private Partnership for Improved Audit Quality Assurance' Policy Note was earlier made by Ms. Suraiyah Zaanat Khan, FCA, Senior Financial Management Specialist, South Asia Region, the World Bank. Bob Shambler of the National Audit Office (NAO), UK and Vermon Soare of the Institute of Chartered Accountants of England and Wales (ICAEW) also made a presentation on existing PPP arrangements between NAO and the ICAEW.

Mr. Syful Islam FCA, President, ICAB stressed on the importance of establishing alliances and partnership between private and public sector auditors to improve accountability and transparency in auditing practices.

A.K.M. Jashimuddin, Director General, Foreign Aided Projects Audit Directorate clarified certain issues and mentioned that private sector auditors were appointed by the shareholders. On the other hand, public sector auditors are mandated as per provision of the Constitution of the Republic. The responsibility relating to private sector auditor was more towards financial audit. Whereas the public sector audit coverage is on financial audit, compliance audit and value-for-money audit. As a result, partnership is essential and infeasible for both the parties.

CAG Ahmed Ataul Hakeem FCMA mentioned that the two institutions would work together in institutionalising sharing of knowledge and experience.

Special Guest and Acting Country Director, World Bank Salman Zaidi expressed that the World Bank was honoured and privileged to be part of the partnership.

The Chief Guest Honourable Minister for Commerce Ghulam Muhammed Quader appreciated the efforts of the two prestigious institutions in working together for a greater interest of the nation.

12. CHALLENGES AND WAY FORWARD

The greatest challenge that the OCAG is facing at present is to ensure public accountability by responding to the society - the changing environment in which audits are conducted and needs of stakeholders, as well as maintain its independence. Therefore, the Office has formulated a draft Audit Act and put it in the process of being enacted by the Parliament. The main focus of the proposed act is on enhancing its independence so that the potential value and benefits of the OCAG can be realized. The Office also recognizes that mere enactment of the legislation is not enough; it also needs to address several issues that together will provide the OCAG with a solid foundation it needs to achieve its full potential.

- The first of these challenges is to address the changing environment in which audit is conducted. Several fundamental changes have been made in the public financial management structure of the country in the last few years. The national development strategy Vision 2021 was launched. The 5 year rolling medium term budget (MTBF) was introduced to create a link between Vision 2021 and annual expenditure. Ministry wise key performance indicators were set up in MTBF to measure their performance and to make the executives accountable. Focus on environmental issues, social sector spending, gender equity and sustainable development were also enhanced. All these initiatives have created the need to diversify and enhance its scope of audit.
- The OCAG needs to uphold public interest by making the government accountable for using resources legally and responsibly. The products and services provided by the Office are required to provide assurance and credible information and to help in the continuous improvement of government activities. In order to achieve high quality in its audit and other services, the Office needs to revisit its current business process and structure and take necessary measures to acquire desired institutional and professional capacity.
- Empowering the people to hold government accountable and responsive is another vital challenge of the Office. Effectiveness of the OCAG largely depends on how well it can fulfill the expectations of its key stakeholder. The OCAG needs the capacity to provide the people and key stakeholders with objective information with simplicity and clarity of message. It is also vital to make the audit reports public in a timely fashion and to ensure appropriate access by all stakeholders.
- The partnership with the OCAG and the Parliament, especially the Public Accounts Committee, as they mutually support each other in ensuring effective governance. The OCAG is working to maintain its strong relationship with the PAC by enabling them to better understand audit reports and conclusions and to take appropriate actions. However, the level of executives' response to the PAC and audit recommendations and conclusions is yet to be satisfactory. The OCAG also needs to support the PAC by providing a more effective follow up mechanism for audit findings and implementation of recommendations.
- Sharing learning and knowledge both within the organization and with peers and stakeholders is essential for ensuring that quality products and services are provided by the Office. Establishing an efficient method of sharing learning and knowledge within the organization would help the OCAG to better respond to issues that confront it, its auditee and its stakeholders. Learning from and sharing with peer SALs is also important in this regard.

In order to fulfill its mandate and enhance its potential value and benefits to the citizens, the OCAG is putting all its efforts in becoming an effective, trustworthy and credible organization. The reform initiatives focuses on improving the credibility, independence and accountability of the Office. Currently, the OCAG is implementing two technical assistance projects.

SCOPE **Strengthening Comptrollership and Oversight in Public Expenditure-** SCOPE implemented by the OCAG with the assistance from the Canadian International Development Agency (CIDA). The project commenced in 2009 with the tenure of five years. The project's objective is to provide the OCAG with necessary institutional and professional capacity to adequately perform its constitutional mandate. Three interrelated components of the project - organizational strengthening, human resource development and strengthening partnership with stakeholders. The major outputs of the project are:

CHALLENGES AND WAY FORWARD

- Development of performance audit, financial audit and IT audit core groups. The group members have received both theoretical and on the job trainings to attain the skills and knowledge to conduct audits fulfilling national standards and international best practices.
- To ensure a critical number of professional staff in the office, SCOPE has provided scholarships and trainings for certified accountants, IT auditors and fraud examiners.
- A media and communication cell has been established with the assistance from SCOPE. The project has also helped to develop the internal and external communication strategies from the office. Trainings were also provided to OCAG staff to deal with the media more effectively.
- Development of IT infrastructure in OCAG and the audit directorates would enable the OCAG to use the internet to communicate in the real time. The development of the Audit Management and Monitoring System (AMMS) and the facility to use computer assisted audit techniques and electronic working papers are also expected to substantially reduce audit time and help improve the quality of audit reports.



Strengthening Public Expenditure Management Project- SPEMP B is implemented by the OCAG with the assistance of a multi donor fund and administered by the World Bank. The two year project commenced its operations in 2012. The objective is to enhance the capacity of the OCAG better achieve the expectations of its stakeholders by effectively performing its constitutional mandate. The objectives of the project are to (1) strengthen institutional and legal framework of the office, (2) enhance the scope of its audit functions and (3) support the Financial Management Academy (FIMA) to become a model training institute.

OCAG also recognizes that it continuously needs to strive to responsively respond to the changing environment and expectations of the stakeholders.

- Improvement of the quality of its products and services is vital for the OCAG. To understand how and where the Office needs to address this, the OCAG has volunteered itself as a test case for the draft Performance Management Framework developed by the INTOSAI.
- The Office is in the process of developing a new organizational structure that would be conducive to implementing both audit and comptrollership functions following international best practices.
- Further development of the skills and knowledge base of its staff is essential for the Office. Therefore, the OCAG plans to review and update its HRD policy and strategy with the help of the SPEMP-B projects.
- OCAG views FIMA as a center of excellence in the future for providing training in auditing, accounting and public financial management. The Office is also being assisted by the SPEMP - B project to build FIMA's capacity so that it can become a well recognized institute capable of hosting national and international training programmes.
- To further enhance the relationship between Public Accounts Committee and OCAG, the Office needs to strengthen its current level of secretarial and follow up support. The office is actively working to develop a computerized follow up system for the Committee, so that implementation of recommendations can be efficiently tracked.
- Gaining the trust of the stakeholders and the citizens is the ultimate objective of the OCAG. To enhance its credibility and trustworthiness, the OCAG pledges to reliable, timely and good quality audit reports on the functioning of the government, address stakeholder expectations and communicate its results to the people clearly and objectively.

13. ACRONYMS

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| ADG | Additional Director General |
| AIR | Audit Inspection Report |
| AMMS | Audit Management and Monitoring Systems |
| ASOSAI | Asian Organization of Supreme Audit Institutions |
| BCS | Bangladesh Civil Service |
| BEI | Bangladesh Enterprise Institute |
| BR | Bangladesh Railway |
| BSTI | Bangladesh Standards and Testing Institution |
| CAAT | Computer Assisted Auditing Techniques |
| CAG | Comptroller and Auditor General |
| CAO | Chief Accounts Officer |
| CDPU | Central Data Processing Unit |
| CGA | Controller General of Accounts |
| CIDA | Canadian International Development Agency |
| CISA | Certified Information System Auditor |
| CPWD | Central Public Works Department |
| DCA | Divisional Controller of Accounts |
| DCAG | Deputy Comptroller and auditor General |
| DEDO | Duty Exemption and Drawback Office |
| DG | Director General |
| EC | Estimates Committee |
| EDCL | Essential Drugs Company Limited |
| ERD | Economic Relations Division |
| EUROSAI | European Organization of Supreme Audit Institutions |
| FA&CAO | Financial Advisor and Chief Accounts Officer |
| FIMA | Financial Management Academy |
| IDI | INTOSAI Development Initiative |
| INTOSAI | International Organization of Supreme Audit Institutions |
| IRD | Internal Resource Division |
| ISSAI | International Standards of Supreme Audit Institutions |
| JDG | Joint director General |
| MOD | Ministry of Defence |
| NGO | Non Government Organizations |
| OCAG | Office of the Comptroller and Auditor General |
| OGP | Open Government Partnership |
| PAC | Public Accounts Committee |
| PPR | Public Procurement Regulations |
| PROGATI | Promoting Governance, Accountability Transparency and Integrity |
| PUC | Public Undertakings Committee |
| RAJUK | Rajdhani Unnayan Kotripakha |
| RTI | Right to Information |
| SAI | Supreme Audit Institution |
| SAS | Subordinate Accounts Service |
| SCOPE | Strengthening Comptrollership and Oversight of Public Expenditure |
| SFC | Senior Finance Controller |
| SPEMP | Strengthening Public Expenditure Management Project |
| STL | Short Term Loan |
| TOD | Transaction Over Draft |
| UN | United Nations |
| USAID | United States Agency for International Development |

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