



ANNUAL REPORT - 2011

Office of the Comptroller and Auditor General of Bangladesh

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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



The year 2011 brought with it many challenges as well as opportunities. In a challenging environment in 2011, we have continued to build upon our strengths and achieved major milestones.

Consistent with the historic 66th United Nations General Assembly Resolution on strengthening the independence of SAls and the principles set out in the Lima Declaration, an Audit Act has been drafted to operationalize and update the mandate of the OCAG. The enactment of the Act will enable the OCAG to emerge as a more independent organization. Accordingly, all reform initiatives have significantly focused on promoting independence of the OCAG.

This year we moved ahead with a World Bank managed technical assistance project named SPEMP-B (Strengthening Public Expenditure Management Program-B) focusing on organizational strengthening, enhancing the quality of audit and the institutional capacity of FIMA. These technical assistance projects are expected to further broaden the implementation of the ongoing initiatives and sustain their outcomes.

Another significant milestone has been the recruitment of audit staff. The recruitment of qualified audit staff has been a long felt challenge in the face of ever expanding workload. After a break of almost two decades, the OCAG finalized recruitment of around 800 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 the knowledge and skill to successfully cope with the demands of their challenging profession.

The accelerated development of new information and communication technologies, provides a valuable opportunity for the OCAG to become a high performance organization and modernize its service delivery. In line with the Digital Bangladesh vision of the government, the OCAG has adopted a digital audit management system. Accordingly, steady steps have been made towards going online in terms of computerized service delivery in our activities and operations.

Steps have also been taken to build up fruitful partnership with various professional bodies and the media. In collaboration with the development projects, OCAG has finalized a media handbook and internal and external communication policies.

Much has been achieved during the year and our strengths continue to win recognition. The OCAG is evolving with the changing times. Today, it is more efficient, more open and more interactive. But more positive changes are needed. As we proceed towards the coming years, OCAG has identified some of the challenges.

Structural changes in the organizational set-up is essential for bringing sustainable results. Besides, implementation of ISSAIs, introduction of risk based auditing and qualitative improvements in reporting may be considered as major areas for further improvement.

FOREWORD: IN RETROSPECT

The years ahead will be much demanding. Through continuous innovation to introduce more cost effective solutions and adapting them for greater effectiveness, we need to scale up our efforts for immediate and lasting change. We are pioneering a new kind of organisation, which integrates the benefits of human resource development, information technology and strategic partnerships. While using our knowledge and expertise, we are constantly learning from our stakeholders and other SAs.

In conclusion, I urge the readers of this report to rediscover the OCAG and join us in reaffirming our commitment to the citizens, taxpayers, as also other stakeholders.

January 1, 2012



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) 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 [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

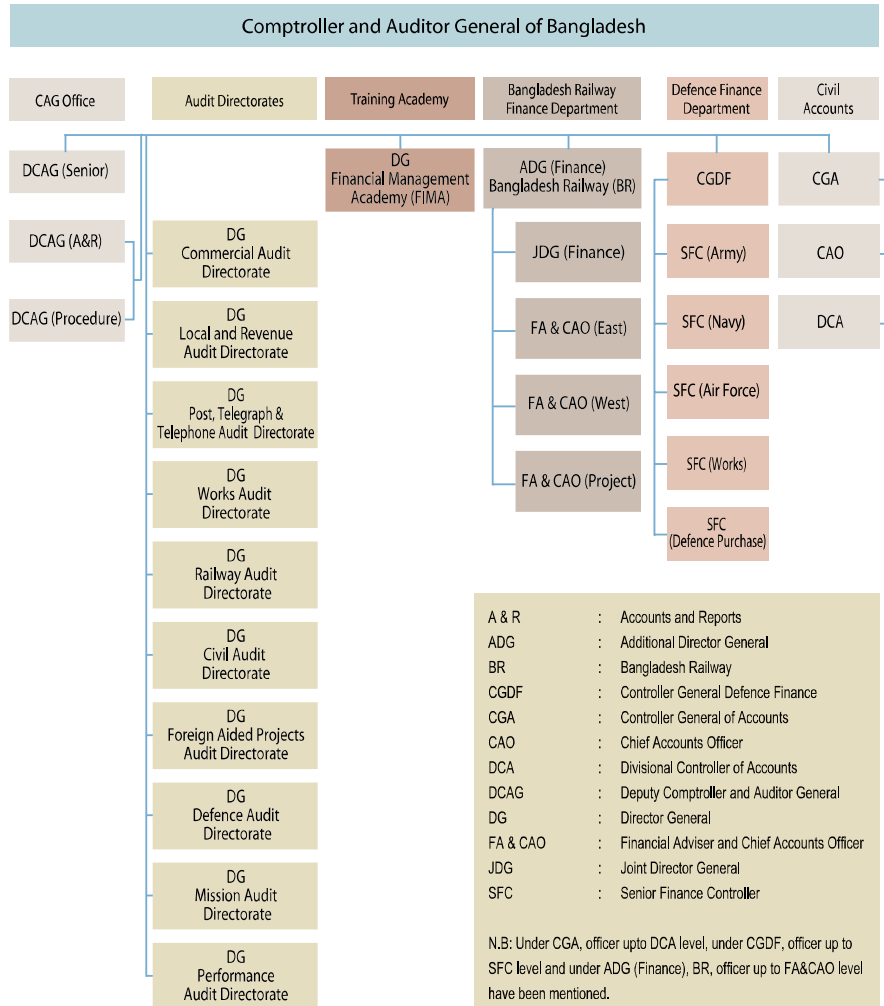
131. The public accounts of the Republic shall be kept in such form and in such manner as the Auditor-General may, with the approval of the President, prescribe

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

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

Operational Activities

Pre-auditing Responsibilities:

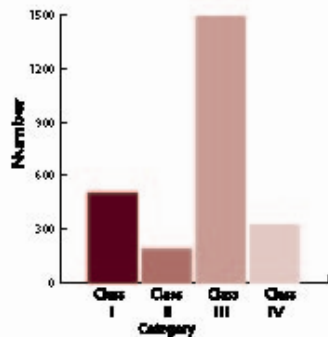
Pre-audit responsibilities are undertaken by the OCAG on the backdrop of prevalent control weaknesses and inadequate internal audit functions within the public sector organizations. The offices of the Controller General of Accounts (CGA), Controller General Defence Finance (CGDF) and Additional Director 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

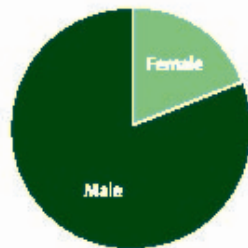


The Supreme Audit Institution requires special competence for its workforce to conduct widely varied auditing tasks. The OCAG considers the skills and expertise of its staff as the most important aspect to perform its duties. The office possesses a wide range of educational backgrounds among its employees 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 known 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 2011 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	Financial year	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	Financial year	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 2011, one performance audit report and two issue based audit reports were finalized. The summary is given below:

No.	Title of the report	Financial year	Financial year	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 commercial banks under the Bangladesh Bank	2005-2009	Banking Division, Ministry of Finance	Local and Revenue Audit

c. Audit Reports Highlighted

Ministry of Housing and Public Works

Report:

Report on the accounts of the Rajdhani Unnayan Kotripokhho (RAJUK) for the financial year 2005-2008 of the Ministry of Housing and Public Works includes eight audit observations amounting to Tk. 1788.3 million (m).

Major observations:

1. Undue favour to the contractor amounting to Tk. 1431.9 m through illegally approving designs of multi- storied buildings.
2. Loss of Tk. 108.8 m due to illegal handover of abandoned properties destroying the master files.
3. Loss of government revenue to the extent of Tk. 93 m due to non-realization of stipulated charges for allotment of government plots.
4. Revenue loss of Tk. 64.5 m due to non-realization of taxes for approving building designs as prescribed by the National Board of Revenue.

Significant observations elaborated:

1. Undue favour to the contractor amounting to Tk. 1431.9 m through illegally approving designs of multi- storied buildings.

While auditing the office of the Chairman, Rajdhani Unnayan Kotripokhho (RAJUK) for the year 2005-2008, it has been found that the respective authority has approved the design of 18 storied building illegally. The 31 feet access road in front of the building allows the authority to approve designs upto 9 stories. But the authority approved 18 storied building which gives the contractor a benefit of Tk. 238.9 m. Following the same illegal practice the authority approved designs for another four buildings which benefits the respective contractors to the tune of Tk. 899.2 m and 293.7 m. Undue benefit of total Tk. 1431.9 m was given to the contractor which has created road congestion and traffic mismanagement in the vicinity of the said four buildings.

2. Loss of Tk. 108.8 m due to illegal handover of abandoned properties destroying the master files.

While auditing the office of the Chairman, Rajdhani Unnayan Kotripokhho (RAJUK) for the year 2005-2006, it has been found that two plots in a residential area were illegally released from the abandoned property list and handed over to new buyers. The authority also destroyed the master files of the plots and prepared fake documents in support of releasing the plots from the list of abandoned properties. The audit team requested the authority to submit the master file, inheritance certificate of court, release certificate and Duplicate Carbon Receipt (DCR) of the two plots. But the authority could not provide the documents. As a result, Government incurred a loss of Tk. 108.8 m due to the illegal handover.

Audit Reports Highlighted

Power Division, Ministry of Power, Energy and Mineral Resources

Report:

Report on the accounts of 16 Manager (Technical) Network Operations and Customer Service of Dhaka Power Distribution Company, 12 Executive Engineers' (Sales and Distributions) offices, one Assets and Transportation Division office of Bangladesh Power Development Board and four Executive Engineers' offices (Sales and Distributions) of West Zone Power Distribution Company for the financial year 2007-2008 includes 12 audit observations amounting to Tk. 279.8 m.

Major observations:

1. Non-realization of unpaid electricity bill amounting to Tk. 124.8 M.
2. Loss of government revenue of Tk. 38.6 m due to system loss beyond the targeted percentage.
3. Non-realization of unpaid electricity bill Tk. 26.7 m from the customers whose lines have been disconnected.
4. Loss of government revenue of Tk. 57.9 m due to the failure in keeping the system loss within the targeted percentage.

Significant observations elaborated:

1. Non-realization of unpaid electricity bill amounting to Tk. 124.8 m.

While auditing the accounts of Manager (Technical), Network Operation and Customer Service under the Dhaka Power Distribution Company, it has been found that around two hundred customers did not pay electricity bill after the last date of payment. Despite bill remaining unpaid, the authority did not disconnect the lines. According to the timeline set by the authority, customers have to pay the bill within 30 days to avoid any disconnection. The accumulated amount in three years is Tk. 124.8 m which remains un-realized from the customers.

2. Loss of government revenue of Tk. 57.9 m due to system loss beyond the targeted percentage.

While auditing the accounts of two Executive Engineers' offices of the Power Development Board it has been found that huge system loss have been incurred despite setting the acceptable loss below 15%. In detail examination of records it was found that the targeted system loss level was raised to a range of 16-32%. For the period under audit, the systems loss was beyond the targeted range which caused a cumulative loss of Tk. 57.9 m.

Road Division, Ministry of Communication

Report:

Report on the accounts of 28 Executive Engineers' offices and one Additional Chief Engineer's office for the financial year 2007-2008 and 2008-2009 includes 18 audit observations amounting to Tk. 2379.9 m.

Major observations:

1. Loss of Tk. 1526 m due to unauthorized repair works by the Roads and Highways Department beyond the jurisdiction of respective office.
2. Non-realization of total installment of Tk. 116.8 m from the leaseholder for lease of bridge, ferry and ferry station.
3. Loss of Tk. 30.9 m due to non-realization of penalty from the contractors who have failed to complete the work and work orders were also cancelled.
4. Liability to government amounting to Tk. 571.9 m due to issue of work order without budget allocation.

Significant observations elaborated:

1. Loss of Tk. 1526 m due to unauthorized repair works by the Roads and Highways Department beyond the jurisdiction of respective office.

While auditing the office an Executive Engineer's office of the Roads and Highways department it has been found that a total of one hundred roads have been repaired in the fiscal year 2005-2006. In detail examination it has been found that there was no budget allocation for the repair works. It was also observed that the said 100 roads were not under the inventory list of the Roads and Highways department. Among the 100 roads 23 were under Local Government Engineering Department and 77 were not listed under any government authority. However, the Executive Engineer's office made payments of Tk. 420 m and Tk. 1106 m against these repair works. As a result government has incurred a loss of Tk. 1526 m.

2. Liability to government amounting to Tk. 571.9 m due to issue of work order without budget allocation.

While auditing the office of an Executive Engineer, Roads and Highways Department, it has been found that the respective office invited tender and issued work order amounting to Tk. 571.9 m. Detail examination revealed that, the office did not have the required budget allocation for the specific works. According to the Central Public Works Department (CPWD) code and General Financial Rules, tender invitation and issue of work order without budget allocation is irregular. As a result, government incurred a liability of Tk. 571.9 m.

Audit Reports Highlighted

Ministry of Local Government, Rural Development and Cooperatives

Report:

Report on the accounts of five Project Directors' offices and 22 Executive Engineers' offices of the Ministry of Local Government, Rural Development and Cooperatives for the financial year 2008-2009 includes 15 audit observations amounting to Tk. 342.5 m.

Major Observations:

1. Agreement signed with the contractor amounting to Tk. 44.4 m against fake tender advertisement.
2. Loss of government amounting to Tk. 26.6 m due to irregular approval of estimate and payment made to the contractor without following approved road design standards.
3. Liability to government amounting to Tk. 199 m due to tender invitation and issue of work order without sufficient budget allocation.
4. Loss of government amounting to Tk. 18 m by showing construction of sub-structure of the same bridge twice.
5. Loss of Tk. 13.6 m due to non-realization of the forfeited performance security and penalty fees from the contractors who have failed to complete the respective works within the stipulated time frame.

Significant observations elaborated:

1. Agreement signed with the contractor amounting to Tk. 44.4 m against fake tender advertisement

While auditing the office of an Executive Engineer of Local Government Engineering Department, it transpired that advertisements for six work packages were published in certain dailies with specific dates. Detail examination of the daily newspapers on those dates revealed that advertisements were not published at all. Audit has concluded that agreement amounting to Tk. 44.4 m was signed without any advertisement. As a result, each of the six works were awarded at a cost more than the estimated cost. According to Public Procurement Regulations (PPR) 2003 tender has to be advertised in a widely circulated Bengali and English newspaper which has not been followed in this case.

2. Liability to government amounting to Tk. 199 m due to tender invitation and issue of work order without sufficient budget allocation.

While auditing the offices of various Executive Engineers' offices of the Local Government Engineering Department, it has been found that tender was invited and work order issued exceeding respective budget allocation against those offices. In detail examination it was observed that, the offices did not have sufficient budget allocated for the specific works mentioned. According to the Central Public Works Department (CPWD) code and General Financial Rules tender invitation and issue of work order without budget allocation is irregular. As a result, government incurred a liability of Tk. 199 m.

Audit Reports Highlighted

Ministry of Water Resources

Report:

Report on the accounts of Water Development Board, Ministry of Water Resources for the financial year 2008-2009 includes 12 audit observations amounting to Tk. 141.7 m.

Major observations:

1. Loss of Tk. 11.1 m due to acceptance of tender from the 4th lowest bidder rejecting the responsive 1st lowest bidder.
2. Loss of Tk. 16.1 m due to non-realization of the forfeited performance security and penalty from the contractors failing to complete respective works.
3. Loss amounting to Tk. 41.7 m due non-recovery of targeted irrigation tax.
4. Liability to government amounting to Tk. 46.3 m due to tender invitation and issue of work order exceeding the budget allocation authorized by the Board.

Significant observations elaborated:

1. Loss of Tk. 41.7 m due to non-recovery of targeted irrigation tax.

While auditing the offices of the Executive Engineers' of Water Development Board it has been found that irrigation tax amounting to Tk. 41.7 m remained unrealized. According to Central Public Work Account (CPWA) Code and General Financial Rules, departmental officials are responsible for recovery of the said government revenue.

2. Liability to government amounting to Tk. 46.3 m due to tender invitation and issue of work order exceeding the budget allocation authorized by the Board.

While auditing the office of an Executive Engineer of Water Development Board it has been found that work order amounting to Tk. 486.3 m was issued against budget allocation of Tk. 440 m. Detail examination revealed that the offices did not have sufficient budget allocated for the specific works. According to the Central Public Works Department (CPWD) code and General Financial Rules tender invitation and issue of work order without budget allocation is irregular. As a result, government incurred a liability of Tk. 46.3 m.

Audit Reports Highlighted

Ministries of Industries; Defence; and Textiles and Jute

Report:

Report on the accounts of 12 organizations of Ministries of Industries; Defence; and Textiles and Jute for the financial year 2005-2008 includes 14 audit observations amounting to Tk. 402.4 m.

Major observations:

1. Loss of Tk. 59.7 m due to shortage of fertilizer stock.
2. Loss of Tk. 32 m due to shortage of rock phosphate at the store.
3. Loss of Tk. 21.6 m due to irregular payment of festival bonuses in excess rate.
4. Irregular expenditure amounting to Tk. 23.4 m due to direct purchase of goods without inviting tender.
5. Loss of Tk. 150 m due to cancellation of purchase guarantee by the buyer for failing to export goods as stipulated in the agreement.

Significant observations elaborated:

1. Loss of Tk. 59.7 m due to shortage of fertilizer stock.

While auditing the various offices of Bangladesh Chemical Industries Corporation it has been found that there was a shortage of buffer stock of fertilizer valuing Tk. 59.7 m. Physical stock verification revealed that there has been a difference of stock at various buffer stock storages. Respective amount distributed were not same as the amount registered in the books. Total value of fertilizer deficit was Tk. 59.7 m which is a loss to the government.

2. Loss of Tk. 150 m due to cancellation of purchase guarantee by the buyer for failing to export goods as stipulated in the agreement.

While auditing the office of the Bangladesh Jute Mill Corporation (BJMC) for the financial year 2007-2009 it has been found that cancellation of purchase guarantee by the buyer government has incurred loss amounting to Tk. 150 m. Further investigation revealed that BJMC failed to supply the agreed amount of goods within the stipulated time. As a result, respective buyer has cancelled the guarantee at a rate of 10% on the sold goods amounting to Tk. 150 m.

Audit Reports Highlighted

Banking and Financial Institutions Division, Ministry of Finance

Report:

Report on the accounts of Basic Bank Limited and Rajshahi Krishi Unnayan Bank for the financial year 2009-2010 includes 17 audit observations amounting to Tk. 1026.5 m.

Major observations:

1. Loss of Tk. 428.6 m due to distribution of loan without registered mortgage amount of Tk. 105.1 m.
2. Loss of Tk. 169.6 m due to collateral shortage and failure to recover the disbursed loan.
3. Loss of Tk. 136 m due to favouring the client by creating Transaction Over Draft (TOD) and Short Term Loan (STL) loans beyond the authority of the branch manager.
4. Loss of Tk. 134.8 m due to non-recovery of loan disbursed against work order despite expiry of completion deadline.

Significant observations elaborated:

1. Loss of Tk. 428.6 m due to distribution of loan without registered mortgage.

While auditing the accounts of various branches of Basic Bank Limited it has been found that loan amounting to Tk. 428.6 m has been distributed without registered mortgage amounting to Tk. 105.1 m. The Central Bank has classified it as default loan and possibility of repayment of loan becoming bleak.

2. Loss of Tk. 169.6 m due to collateral shortage and failure to recover the disbursed loan.

While auditing the accounts of the various branches of Basic Bank Limited it has been found that due to the failure of recovering the disbursed loan amount, bank incurred a loss amounting to Tk. 169.6 m. Further investigation revealed that parts of the loan has been rescheduled without any down payments.

Audit Reports Highlighted

Ministry of Industries

Performance Audit Report

Report:

Performance audit report on the Quality Control Activities of Bangladesh Standards and Testing Institution (BSTI), Ministry of Industries for the financial year 2007-2008 includes 11 audit observations.

Major observations:

1. BSTI testing laboratories without any international accreditation.
2. Legal action not taken against producer though sample testing confirmed products as sub-standard.
3. BSTI failed to establish consumer rights by ensuring accurate weight of goods purchased.
4. BSTI unable to operate in full capacity due to lack of adequate manpower and logistical supports.

Significant observations elaborated:

1. BSTI testing laboratories without any international accreditation.

While auditing the performance of the BSTI it was found that none of its laboratories had any international accreditation. As a result, standards set for a product by BSTI were not accepted in the international market. However, it was informed that BSTI is in the process of getting full accreditation with related international organizations.

2. BSTI unable to operate in full capacity due to lack of adequate manpower and logistical supports.

While auditing the performance of BSTI it has been found that there exists acute shortage of manpower and other logistics required for full functioning. Further examination revealed that 48% of the sanctioned posts remained vacant. At the same time, BSTI requires adequate logistics i.e. vehicles, equipments etc. At present only 13 vehicles are in use which are not at all sufficient to address the increasing demand.

Banking and Financial Institutions Division, Ministry of Finance

Issue Based Audit Report

Report:

Issue based audit report on Cash incentives programme of 20 branches of 12 commercial banks for the financial year 2005-2009 includes seven audit observations amounting to Tk. 321.5 m.

Major observations:

1. Irregular payment of cash incentives amounting to Tk. 120.2 m against repatriation of foreign currency for exported goods as the application for cash incentives was submitted after the deadline.
2. Loss of Tk. 60.2 m due to irregular cash incentives given against the export of locally purchased cigarettes.
3. Loss of Tk. 44.1 m due to cash incentives given against exported leather foot wear despite no fixed rate for cash incentives for foot wear.

Significant observations elaborated:

1. Irregular payment of cash incentives amounting to Tk. 120.2 m against repatriation of foreign currency for exported goods as the application for cash incentives was submitted after the deadline.

While auditing the cash incentives programme of seven branches of six commercial banks it has been found that application for repatriation of foreign currency against exported goods were submitted after the stipulated timetable of 180 days. According to the circular of the Foreign Currency Policy Division of Bangladesh Bank, cash incentives are not admissible for cases where application is submitted after the deadline. As a result, government has incurred a loss of Tk. 120.2 m.

2. Loss of Tk. 60.2 m due to irregular cash incentives given against the export of locally purchased cigarettes.

While auditing the cash incentive programme of a commercial bank it has been found that cash incentives were given against export of cigarettes which were purchased from local market instead of producing locally. According to the foreign exchange policy of Bangladesh Bank, cash incentives are entitled against the export of locally produced tobacco which is aimed to promote the export of agricultural products. As a result, cash incentives of Tk. 60.2 m was given against locally purchased product incurring loss to the government.

Audit Reports Highlighted

Ministry of Communication: Bangladesh Railway

Special Audit Report

Report:

Special audit report on the Tarakandi-Jamuna Bridge railway link project, under Bangladesh Railway, Ministry of Communication for the financial year 1999-2000 to 2008-2009 includes 14 audit observations amounting to Tk. 287.4 m.

Major observations:

1. Loss of Tk. 90.6 m due to separate purchase of guarder despite preliminary estimates already included guarder for construction of bridge.
2. Loss of Tk. 61.5 m due to cladding layer with sub-base work despite cladding layer work not required.
3. Loss of Tk. 18.2 m due to completion of work without invitation of tender.

Significant observation elaborated:

1. Loss of Tk. 90.6 m due to separate purchase of guarder despite preliminary estimates already included guarder for construction of bridge.

While auditing the records of the Tarakandi-Jamuna Bridge railway link project it has been found that 11 estimates were prepared for construction of bridges with guarders. Total estimated price was Tk. 350.6 m. Later the authority excluded the estimated price for guarder amounting to Tk. 48.8 m from the estimate of bridge construction and invited tender accordingly. However, audit revealed that 35 guarders were purchased separately at a cost of Tk. 139.5 m which resulted in excess expenditure of Tk. 90.6 m.

2. Loss of Tk. 61.5 m due to cladding layer with sub-base work despite cladding layer work not required.

While auditing the records of the Tarakandi-Jamuna Bridge railway link project it has been found that Tk. 61.5 m was paid against cladding layer work on the slopes. The work was required to be completed during land filling but it was done at a later stage by including it in the sub-base work. Had this work been unavoidable; it could have been done during the land filling work without spending the said amount. As a result, government incurred a loss amounting to Tk. 61.5 m.

Ministry of Power, Energy and Mineral Resources

Report:

Report on the accounts of 11 organizations under the Ministry of Power, Energy and Mineral resources for the financial year 2008-2009 includes 12 audit observations amounting to Tk. 1016.8 m.

Major observations:

1. Revenue loss of Tk. 65 m due to less deduction of Income Tax at source.
2. Loss of Tk. 95.3 m due to sale of unusual quantity of oil before the declaration of price increase.
3. Loss of Tk. 29.5 m due to initiation of car scheme project by the board of directors without approval of Ministry of Finance.
4. Loss of Tk. 175 m due to payment of allowances to officers and staff beyond entitlement.

Significant observations elaborated:

1. Revenue loss of Tk. 65 m due to less deduction of Income Tax at source.

While auditing the accounts of a state owned oil company it has been found that income tax was deducted from M/S Super Refinery Co. Ltd. at a rate of 0.75% instead of 4%. Further investigation revealed that 4% rate of deduction is applicable for sale amount of more than Tk. 250 m. On the other hand, respective rate was 0.75% for distributors only. In this case, Super Refinery was illegally treated as a distributor and tax was deducted at a rate of 0.75%. As a result government incurred a loss amounting to Tk. 65 m.

2. Loss of Tk. 95.3 m due to sale of unusual quantity of oil before the declaration of price increase.

While auditing the accounts of a state owned oil company it has been found that the company sold unusually high quantity of oil before the expected declaration of price increase ignoring the directives of Bangladesh Petroleum Corporation (BPC). Anticipating such sale in advance, BPC has issued directives not to increase the selling quantity of oil. Also there was no extra demand in the market which requires such unusual sale of oil. Audit has found that respective sale was intended to create an illegal stock of oil for making profit after the price increase would be declared. As a result, government incurred a loss of Tk. 95.3 m due to sale of oil before the declaration of price increase.

Ministry of Health and Family Welfare

Report:

Report on the accounts of various organizations under the Ministry of Health and Family Welfare for the financial year 2008-2009 include 10 audit observations amounting to Tk. 137.9 m.

Major observations:

1. Loss of Tk. 93.9 m due to non-deposit of funds raised against user fee/commission and other charges to government exchequer and illegal transfer of fund to officer and staff welfare fund.
2. Loss of Tk. 32 m due to purchase of medicine from general suppliers instead of government enlisted pharmaceutical company.
3. Loss of Tk. 1.74 m due to non-deposit of money raised from postal order/pay order/bank draft submitted by the job applicants to the government exchequer.

Significant observation elaborated

1. Loss of Tk. 93.9 m due to non-deposit of funds raised against user fee/commission and other charges to government exchequer and illegal transfer of fund to officer and staff welfare fund.

While auditing the various organizations under the Ministry of Health and Family Welfare for the financial year 2004-2009 it has been found that different user fee, commission and other charges realized from hospital operations were not submitted to the government exchequer. According to Treasury Rules 7 (1) all government receipts are supposed to be submitted to the government exchequer. In this case a total amount of Tk. 93.9 m was not deposited to the exchequer incurring loss to the government.

2. Loss of Tk. 32 m due to purchase of medicine from general suppliers instead of government enlisted pharmaceutical company.

While auditing the accounts of two medical colleges, two Civil Surgeon offices and one institute under the Ministry of Health and Family Welfare for the financial year 2006-2009 it has been found that ignoring government instruction to purchase medicine from the Essential Drugs Company Limited (EDCL) medicine were bought from the general suppliers at a higher rate. According to Ministry directives 70% of the total medicine has to be purchased from EDCL. Due to the purchase of medicine at a higher price government has incurred a loss of Tk. 32 m.

Audit Reports Under Process

d. Audit Reports Under Process



Following audit reports are in the process of finalization by the OCAG. Five special audit reports and five annual audit 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 Ministry of Post and Telecommunication, 2009-2010	Annual audit	Ministry of Post and Telecommunication	Post, Telegraph and Telephone Audit
2.	Report on the Ministry of Health and Family Welfare, 2009-2010	Annual audit	Ministry of Health and Family Welfare	Local and Revenue Audit
3.	Report on the accounts of Dhaka City Corporation, 2007-2009	Annual audit	Ministry of Local Government, Rural Development and Cooperatives	Local and Revenue Audit
4.	Report on the accounts of Public Works Department, 2008-2009 and 2009-2010	Annual audit	Ministry of Housing and Public Works	Works Audit
5.	Report on the accounts of Chittagong Port Authority, 2009-2010	Annual audit	Ministry of Shipping	Local and Revenue Audit
6.	Special audit report on the revenue collection and accounts of Land and Customs Stations , 2006-07 to 2008-09	Special audit	Internal Resources Division, Ministry of Finance	Local and Revenue Audit
7.	Special audit report on information sharing among the various wings of the National Board of Revenue, 2006-2010	Special audit	Banking Division, Ministry of Finance	Local and Revenue Audit
8.	Special audit report on the Duty Exemption and Drawback Office (DEDO) and six branches of four commercial banks, 2009-2010	Special audit	Banking Division, Ministry of Finance	Local and Revenue Audit
9.	Special audit report on the Duty Exemption and Drawback Office (DEDO) and export subsidy of 12 commercial banks, 2005-2009	Special audit	Banking Division, Ministry of Finance	Local and Revenue Audit
10.	Special audit report on the Commissioner, Customs Bond Commissionerate, 2008-2009	Special audit	Internal Resources Division, Ministry of Finance	Local and Revenue Audit

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		

(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 Expenditure		73013,70,96
Total : Non-Development Loans & Advances	73988,90,22		Development Expenditure		
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 and 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 organizations 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 21,585 audit observations have been settled in 2010-2011 by the OCAg. The amount involved in these observations is Tk. 99680.20 m. The number of audit observations and the amount involved for the respective ministries is shown below.

No.	Name of Ministry	Number	Amount Involved (In million Taka)
1.	Agriculture	1768	1455.50
2.	Banking and Financial Institutions Division	1068	1440.50
3.	Chittagong Hill Tracts Affairs	40	219.10
4.	Cabinet Division	4	1.60
4.	Civil Aviation and Tourism	401	755.50
6.	Commerce	67	1481.60
7.	Cultural Affairs	3	1.00
8.	Defence	1695	1161.20
9.	Disaster Management	54	44.00
10.	Education	1086	665.30
11.	Election Commission	12	7.10
12.	Energy and Mineral Resources Division	225	4018.70
13.	Environment and Forest	200	388.50
14.	Expatriates' Welfare and Overseas Employment	2	0.70
15.	Public Administration	352	72.20
16.	Finance Division	154	176.10
17.	Fisheries and Livestock	1448	380.90
18.	Food	1345	807.80
19.	Foreign Affairs	192	30.10
20.	Health and Family Planning	995	2690.00
21.	Home Affairs	750	702.10
22.	Implementation Monitoring and Evaluation Division	1	0.10
23.	Industry	899	4560.60
24.	Information	64	48.90
25.	Internal Resources Division	141	630.00

Ministry Wise Settlement Of Audit Observations

No.	Name of Ministry	Number	Amount Involved (In million Taka)
26.	Textiles and Jute	1137	3043.10
27.	Labour and Manpower	13	124.70
28.	Land	66	1.10
29.	Law, Justice and Parliamentary Affairs	12	1.20
30.	Local Government Division	1754	3141.50
31.	Road Division	259	22785.40
32.	Railway Division	253	39.50
33.	Rural Development and Cooperatives Division	11	1.30
34.	Liberation war affairs	90	145.30
35.	Parliament Secretariat	1	0.10
36.	Planning Division	408	798.30
37.	Power Division	1626	1610.70
38.	President's Secretariat	1	0.10
39.	Primary and Mass Education	1250	330.70
40.	Prime Minister's Office	17	2.80
41.	Post and Telecommunication	485	43188.60
42.	Religious Affairs	1	0.30
43.	Science and Technology	389	412.70
44.	Shipping	41	1017.60
45.	Social Welfare	306	18.95
46.	Supreme Court	2	0.10
47.	Water resources	76	370.20
48.	Women and Children Affairs	159	69.10
49.	Public Works	225	833.80
50.	Youth and Sports	37	4.00
	Total	21585	99680.20

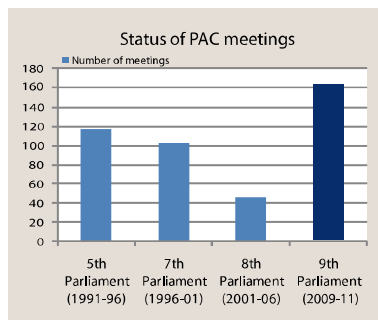
5. PUBLIC ACCOUNTS COMMITTEE ACTIVITIES



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

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 with the delegation of the 21st Commonwealth Auditors General conference in Windhoek, Namibia

21st Commonwealth Auditors-General Conference

CAG Ahmed Ataul Hakeem attended the 21st Commonwealth Auditors-General conference in Windhoek, Namibia from April 10-13, 2011. The conference brought together 38 representatives from the offices of the Commonwealth Auditors-General. The delegates were informed about the recent developments in INTOSAI including the INTOSAI initiative to strengthen SAI independence, the INTOSAI-Donor-Cooperation and made a brief summary of the XX INCOSAI in 2010.

'International Developments in Building Capacity in SAs -The Commonwealth's Role' was discussed in a workshop, which also covered the future role of the Commonwealth Auditors-General conferences.

Representatives of African and Pacific SAs raised their concern about SAI independence. This issue was addressed, through INTOSAI initiative to incorporate the Lima and Mexico Declarations in an UN resolution.

Open Government Partnership Meeting In Washington, DC, USA



CAG Ahmed Ataul Hakeem attended the Open Government Partnership meeting in Washington, DC, USA on July 12, 2011. The government of the United States of America and Brazil together with the International Steering Committee of the Open Government Partnership organized a high level meeting on 'Greater transparency, accountability and civic engagement in governance'. United States Secretary of State Hillary Rodham Clinton and Brazilian Foreign Minister Antonio Patriota attended the event and made remarks.

The Open Government Partnership (OGP) is a global effort to make governments perform better. It takes political leadership, technical knowledge, sustained effort, and investment and collaboration between government and civil society. The OGP is a new multilateral initiative that aims to secure concrete commitments from governments to promote transparency, empower citizens, fight corruption, and harness new technologies to strengthen governance.

Government representatives and members of civil society exchanged their views on the role of openness in improving responsiveness, fostering accountability, creating efficiencies, promoting innovation, fighting corruption, improving performance and capturing dispersed knowledge in support of smarter policies.

Countries that have made progress on a set of common commitments to open government developed by the International Steering Committee are mentioned in the meeting. Performance against these common commitments, as measured by the objective indicators- on fiscal and budget transparency, access to information, asset disclosure, and citizen participation - is the first step toward joining the OGP.

As part of the OGP, founding governments will 'embrace a set of high-level open government principles, pledge country-specific commitments for putting the principles into practice, and invite civil society organizations to assess their individual and collective progress going forward.' In the spirit of multi-stakeholder collaboration, OGP will be overseen by a steering committee comprised of nine governments and nine leading civil society representatives.

SAI BANGLADESH IN GLOBAL PERSPECTIVE



SAI Bangladesh delegation at the 1st ASOSAI-EUROSAI joint conference held in Istanbul, Turkey during September 22-24, 2011

43rd ASOSAI Governing Board Meeting, 1st ASOSAI-EUROSAI Joint Conference

43rd ASOSAI Governing Board meeting was held on September 19-21, 2011 in Istanbul, Turkey. Delegates from the Governing Board (GB) member SAIs as well as observers from INTOSAI Development Initiative (IDI) participated in the meeting.

Cooperation between ASOSAI and EUROSAI was first proposed by the then EUROSAI President at the 35th EUROSAI Governing Board meeting held in Kiev, Ukraine in July 2009. At the 41st ASOSAI Governing Board meeting held in Islamabad, Pakistan in October 2009, the Turkish Court of Accounts conveyed the intention of EUROSAI to establish the ASOSAI-EUROSAI cooperation arrangement. Based on this background from September 22-24, 2011 1st ASOSAI-EUROSAI joint conference was held in Istanbul, Turkey.

The Conference theme was, "Challenges for Ensuring Transparency and Accountability in Public Financial Management".



Sub-theme 1: Basic approaches and challenges for ensuring transparency and accountability

- Changes and challenges in management and accountability in the public sector
- The role of International Auditing Standards in strengthening transparency and accountability
- The role of SAIs for raising awareness in parliament and in the society for promoting the reinforcement of accountability and transparency in public management: importance of enhancing the performance of the SAIs and the impact of their reports
- Managing the challenges in communication facilities of SAIs and strengthening their relationship with the media and NGOs
- The impact of technological developments in strengthening public accountability and transparency
- The importance of enhancing accountability and transparency in the struggle against the financial crisis and the role of SAIs

Sub-theme 2: The challenges for ensuring transparency and accountability in specific areas of public financial management

- Ensuring accountability in defence expenditures
- Accountability and transparency in public procurement
- Accountability in public debt management
- Accountability and transparency in public aid and subsidies
- The role of SAIs in ensuring the accountability and transparency of the tax system
- The effect of E-Government applications on accountability and auditing practices in the public sector

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 OAG 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 2011 are shown in the following tables:



Departmental Courses:

Name of Course	Batch	Number of participants
Departmental Training of BCS: Audit and Accounts cadre	Batch 28	17
Departmental Training of BCS: Audit and Accounts cadre	Batch 29	02
Subordinate Accounts Service (SAS) Part-1	105	12
Subordinate Accounts Service (SAS) Part-1	106	32
Subordinate Accounts Service (SAS) Part-1	107	20
Subordinate Accounts Service (SAS) Part-1	108	24
Subordinate Accounts Service (SAS) Part-2	104	08
Subordinate Accounts Service (SAS) Part-2	105	07
Subordinate Accounts Service (SAS) Part-2	106	-
Subordinate Accounts Service (SAS) Part-2	107	08
13th Orientation Course: SAS Superintendent	1st	34
13th Orientation Course: Audit and Accounts Officer	1st	34
13th Orientation Course: Grade- 6	3rd	13

TRAINING AND PROFESSIONAL DEVELOPMENT

Courses for Civil Servants across the Government:

Name of Course	Batch	Number of participants
Training in Budgeting and Accounting System (TIBAS)	Batch 1	19
Training in Budgeting and Accounting System (TIBAS)	Batch 2	27
Training in Budgeting and Accounting System (TIBAS)	Batch 3	31
Training on Audit & Budget for Bangladesh Petroleum Institute	Batch 1	25
Financial Management - Palli Daridro Bimochon Foundation	Batch 1	30
Financial Management - Department of Environment	Batch 1	20
Financial Management - Department of Immigration & Passport	Batch 1	10
Accounting - Department of Immigration & Passport	Batch 1	08

Departmental Training of the BCS (Audit And Accounts) Cadre 28th Batch Inaugurated

The departmental training course of the 28th batch of Bangladesh Civil Service: Audit and Accounts cadre Assistant Accountant General (AAG) probationers was inaugurated at the Financial Management Academy (FIMA) on January 18, 2011. Dr. Muhiuddin Khan Alamgir, MP, Chairman, Public Accounts Committee (PAC) of the Parliament was present as the Chief Guest. CAG Ahmed Ataul Hakeem was present as the Guest of Honor.

Seventeen officials of different academic background and varied work experience joined in Finance Division, Ministry of Finance on December 1, 2010 and were subsequently placed to the office of the Comptroller and Auditor General of Bangladesh on December 6, 2010. Former CAGs, senior officials of the government and the audit department were present in the inauguration.



[Sitting: L-R]: CAG Ahmed Ataul Hakeem, Dr. Muhiuddin Khan Alamgir, MP, Honorable Chairman of the PAC and Director General, FIMA, Md. Nurun Nabi Khan with the Assistant Accountant General probationers on January 18, 2011

b. Professional Development - International Training

As part of continuous professional development, more emphasis has been given on advanced auditing skills. 27 officials were sent abroad to attend training courses, workshops and seminars in 2011 as shown in the following table. IDI Certified training specialists of SAI Bangladesh also successfully involved themselves in the course design and development and demonstrated their commitment and professionalism.

No.	Name of the Training/ Workshop/ Seminar	Country and Duration	Name of the Participant
1.	Study Tour organized by the SCOPE Project	Malaysia and Australia 13-26 February, 2011 Thailand and Australia 13-26 February, 2011	Abul Foyez Md. Abid Director General, Foreign Aided Projects Audit Directorate Md. Abdul Baset Khan Director General, Local and Revenue Audit Directorate A H M Shamsur Rahman Additional Project Director, SCOPE Project Md. Nurul Absar Deputy Director, Local and Revenue Audit Directorate Md. Shahjahan Deputy Director, Works Audit Directorate Sri Nibash Chandra Shahji Audit and Accounts Officer, Commercial Audit Directorate Md. Moslem Uddin Director General, Works Audit Directorate Nurun Nahar Director General, Civil Audit Directorate Abul Kalam Azad Director, Post, Telegraph and Telephone Audit Md. Khurshid Alam Patwary Finance Controller, Army, Pay-II Bikash Chandra Mitra Director, Financial Management Academy Md. Shamsuddin Audit and Accounts Officer, Mission Audit Directorate
2.	Audit Review Meeting of the IDI-Transregional Public Debt Audit Management Audit	The Philippines 23-30 March, 2011	A K M Jashim Uddin Director General, Commercial Audit Directorate Md. Abdus Samad Additional Controller General of Accounts, CGA office Fardeen Mowla Director, Performance Audit Directorate
3.	IDI-ASOSAI Quality Assurance in Performance Auditing (QAPA) Review Meeting	Thailand 28 April - 7 May, 2011	Fardeen Mowla Director, Performance Audit Directorate Tanveer Akter Hossain Khan Deputy Director, Local and Revenue Audit Directorate Md. Shamsur Rahman Audit and Accounts Officer, OACG

International Training

No.	Name of the Training/ Workshop/ Seminar	Country and Duration	Name of the participant
4.	Study Tour on "Public Expenditure, Auditing & Financial Management of Local Government Institutions" organized by Local Government Support Project (LGSP)	Australia and New Zealand 13-26 June, 2011	Sayed Md. Asaduzzaman Deputy Director, Foreign Aided Projects Audit Directorate S M Manjur Ahmed Assistant Comptroller and Auditor General, OCAG
5.	Annual Conference of Canadian Committee of Legislative Auditors (CCOLA) and the Canadian Committee of Public Accounts Committee	Canada 28-30 August, 2011	Wazir Ahmed Fateh Director General, Defence Audit Directorate
6.	Wrap-up Meeting on Transregional Programme for Public Debt Management Audit	Portugal 21-29 September 2011	Farmeen Mowla Director, Performance Audit Directorate
7.	IDI-INTOSAI WGEA Audit Review Meeting on "Transregional Capacity Building Program on Performance Audit of Forestry"	Tanzania 7-14 October, 2011	Md. Kamal Anwar Director, Local and Revenue Audit Directorate Md. A K Azad Khan Deputy Director, Defence Audit Directorate Mohammed Amimul Ehsan Kabir Assistant Director, Financial Management Academy
8.	ASOSAI Seminar on "How to Integrate Ethics and Integrity into the Auditing Practices of a SAI"	Seoul, Korea 11-14 October, 2011	Md. Nurul Islam Director General, Mission Audit Directorate
9.	DANIDA Fellowship on Financial Management and Good Governance	Denmark 10 October - 4 November, 2011	Md. Naoshad Hossain Addl. Deputy Comptroller and Auditor General, OCAG
10.	ASOSAI Workshop on "Audit of Public Debt"	China 7-18 November, 2011	Md. Abdul Baten Fakir Director, Commercial Audit Directorate
11.	Meeting on Developing Web-based Courseware on Risk-based approach in Financial Auditing	Denmark 17-28 October, 2011	Md. Shofiquel Islam Director (MIS), OCAG
12.	Course Design of ASOSAI Workshop on "Audit of Public Debt"	China 4-19 November, 2011	Md. Shofiquel Islam Director (MIS), OCAG
13.	8th Debt Management Conference	Switzerland 14-16 November, 2011	Farmeen Mowla Director, Performance Audit Directorate
14.	IT Audit Course	Malaysia 14-26 November, 2011	Md. Amirul Islam Director, Railway Audit Directorate

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

Communication is the most important phenomenon to make an organization transparent. To establish an effective network with the stakeholders the OCAG has formulated internal and external communication policies. It is hoped that this would enhance the image of the OCAG and make it more accessible to the people.



The Constitution of the Republic ensures people's right to know [Articles 39(1) and 39(2)]. Major objectives of the Right to Information (RTI) Act 2009 are influencing by gaining information and advice, resolving by accommodating the eligible complaints who think that their rights have been breached and by enforcing legal sanctions against the persons who refuse to accept their obligations in divulging information to the general people.

The OCAG has taken various steps to facilitate the effective utilization of the provision under the RTI. The OCAG believes in transparency and accountability and also values the importance of openness in democratic culture. 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 - 2009 the OCAG includes a 'Right to Information' menu in the official website www.cag.org.bd. Person seeking information from the OCAG can get necessary assistance from this menu.

The OCAG has appointed Information Officers 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. To facilitate these needs along with the provisions of RTI, the OCAG has established a Media and Communication cell. Hon'ble President Md. Zillur Rahman inaugurated the cell on May 11, 2011.

The Media and Communication Cell is well equipped with required staff to address 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.

The OCAG gets regular feedback from the citizens on many different issues through the website. These feedbacks/queries are also addressed on the basis of RTI. With all these initiatives the OCAG is trying to sustain an accountable and transparent environment with the stakeholders as well as the people at large.

In 2011, the OCAG arranged several trainings, presentation sessions and workshops for its officials on communication. The USAID funded PROGATI-BEI organised day long workshops and presentation sessions on social audit findings, the CAG media relationship, citizen score card synthesis, presentation skill development etc. CIDA funded SCOPE project also organised workshop on media and communication for the OCAG officials.

11. YEAR IN REVIEW

38th founding anniversary of the Office of the Comptroller and Auditor General (OCAG) of Bangladesh and inauguration of the OCAG Media and Communication Cell

The 38th founding anniversary of the Office of the Comptroller and Auditor General (OCAG) of Bangladesh and inauguration of OCAG Media and Communication Cell was held on May 11, 2011 at Audit Bhaban.

Hon'ble President of the People's Republic of Bangladesh Md. Zillur Rahman was present as the Chief Guest and inaugurated the OCAG Media and Communication Cell. Adviser to the Hon'ble Prime Minister Dr. Mashiur Rahman; Chairman, Public Accounts Committee Dr. Muhiuddin Khan Alamgir MP; US Ambassador James F. Moriarty and Canadian High Commissioner Robert McDougall attended the program as special guests.



Md. Zillur Rahman, Hon'ble President, People's Republic of Bangladesh at the 38th founding anniversary of the Office of the Comptroller and Auditor General on May 11, 2011

Hon'ble President mentioned that the government officials should be more pragmatic and responsible while spending public money and stressed on promoting transparency and accountability in public financial management to safeguard the tax payers' money. To establish a sound financial management, exemplary measures should be taken against those engaged in misappropriation of public money.

Members of the Parliament, former Adviser of the Caretaker government, former CAGs, Secretaries to the government, high officials, members of the civil society were present in the program. A documentary on the activities of the OCAG was presented at the end of the programme.

Comptroller And Auditor General Submits Audit Reports to the Hon'ble President



CAG submits audit reports to the Hon'ble President on August 29, 2011

The Comptroller and Auditor General (CAG) of Bangladesh Ahmed Ataul Hakeem called on the Hon'ble President Md. Zillur Rahman at Bangabhaban on August 29, 2011 and submitted eight Annual audit reports, two Performance audit reports and 11 Special audit reports.

The CAG informed the Hon'ble President that the audit reports include 318 audit observations relating to 13 ministries involving approximately Tk. 3939 (Three thousand nine hundred thirty nine) crores. The audit observations highlighted cases of non-recovery of time-barred loan, defalcation, financial losses, stock deficit, undue advantage to contractors, irregular expenditure, less deduction of Income Tax (IT) and Value Added Tax (VAT) etc.

The Hon'ble President mentioned that proper utilization of taxpayers' money must be ensured for sound public financial management across the government. Effective audit is the best tool for managing the scarce resources of the country as well as achieving good governance, he added. According to Hon'ble President efforts made by the office of the Comptroller and Auditor General are laudable. He emphasized on the need for incorporating the best practices in audit to ensure better accountability and transparency. The Auditor General apprised the Hon'ble President of the immense contributions of the Public Accounts Committee of the 9th Parliament in discussing the audit reports and reducing the back log.

OCAG Senior Management Workshop at Hope Foundation, Savar

Strengthening Comptrollership and Oversight of Public Expenditure (SCOPE) project organized the OCAG senior management workshop during March 3-6, 2011 at the Hope Foundation, Savar. The purpose of the workshop was to create awareness about the International Standards of Supreme Audit Institutions (ISSAIs) and the functionalities of the Interactive Data Extraction and Analysis (IDEA) software. Also, to develop an action plan for implementing IT based audit techniques.

The workshop was inaugurated by CAG Ahmed Ataul Hakeem. In his speech, the CAG emphasized on implementation of IT audit using CAATs. He urged all the officials to enhance individual capacity following the workshop sessions. He hoped that the workshop would bring the expected positive improvement in the audit practices of the OCAG. Project Director A K M Jashim Uddin in his welcome speech mentioned about the steps taken by the project regarding IT auditing and IT infrastructure in OCAG. He mentioned that through this workshop awareness of officials on IT and ISSAIs would be increased.

In the hands-on sessions all participants undertook practical lesson on the functionalities of the data analysis software IDEA. The ISSAIs were discussed and the features of the important ISSAIs were explained. Also the change management requirements for implementing the ISSAIs and CAATs with relation to financial management process were discussed. Omar Faruq Khan, Senior Development Adviser, Canadian International Development Agency (CIDA), SCOPE project officials, and officials of the audit department attended the workshop.

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 SAs 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

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