



CAG NEWS

Quarterly Newsletter of the office of the CAG

Vol.1

Issue 1

January-March 2003

Asif Ali sworn-in as CAG



Asif Ali sworn-in as the CAG

Asif Ali was sworn-in as the 9th Comptroller and Auditor General of Bangladesh on 2 January 2003, by the Chief Justice of Bangladesh, Justice Mainur Reza Chowdhury. After assuming office, the CAG made courtesy calls on the Honourable President, the Prime Minister, the Speaker, the Finance Minister, the State Minister for Finance and the State Minister for Planning. A senior member of the BCS (Audit and Accounts) cadre, Ali has illuminating service records. He started his career as a lecturer of the University of Dhaka in the department of Political Science and later joined the erstwhile Pakistan Military Accounts Service (PMAS) on the basis of the then Pakistan Central Superior Services Examination of 1970. Subsequently he was encadred in B.C.S (Audit and Accounts) service. Prior to his appointment as the CAG of Bangladesh, he served as Asstt. Controller and Deputy Controller of Military Accounts,

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CAG calls on the President and the Prime Minister

The CAG Asif Ali paid a courtesy call on the President Professor Dr. Iajuddin Ahmed on 12 January, 2003 at Bangabhaban.



CAG calls on the President

Planning Cycle introduced in the Audit Department: New dimensions in working

The office of the CAG has recently launched a new phase of planning cycle for the Audit Department, effective from January, 2003. Planned targets are fixed at short-term (quarterly), medium-term (semi-annual), long-term (annual) and tenure-term categories. This is a new feature in the functioning of the Audit department and is expected to bring more coherence, integration and accountability, in all areas of activities. The four-phased planning cycle will cater to the different types of needs and objectives.

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The CAG paid a courtesy call on the Prime Minister Begum Khaleda Zia on 7 January, 2003 at her office. Principal Secretary to the Prime Minister Dr. Kamaluddin Siddiqui was present.



CAG calls on the Prime Minister

Audit Forum formed: Speed up quality and productivity

An Audit Forum was constituted on 29 January, 2003. The forum has been formed to support CAG's initiative to produce quality and timely audit reports. The Forum is aimed at ensuring exchange of ideas, information and techniques for improvement in Audit planning, quality assurance of audit reports, raising productivity in field audit and inspection and strengthening audit monitoring. The Forum will investigate into the underlying problems and will suggest remedial measures.

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Audit Forum formed

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The Forum consists of all the Directors General (DG) of the Audit Directorates as members and is chaired by all the DGs by rotation. Every activity of the Forum is time-bound and result-oriented and the progress has been satisfactory.

Asif Ali sworn-in as CAG

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Addl Director General of Commercial Audit, Addl Director General (Finance) of Bangladesh Railway, Director, Civil Audit, Addl Deputy CAG, Addl Accountant General (Civil), Addl Controller General of Accounts, Senior Finance Controller, Navy; Senior Finance Controller, Air Force; Director General, Audit and Accounts Training Academy, Director General, Financial Management Academy (FIMA) and Controller General of Accounts. Asif Ali was a member of the National Pay Commission Implementation Committee, 1991, member of the Martial Law Committee for evaluation of Bangladesh Agricultural Development Corporation (BADC), Member of the Committee for evaluation of Reforms in Budgeting and Expenditure Control (RIBEC), Chairman of the Task Force for Public Accounts Consolidation and Chairman of the Financial Management Training Task Force. Ali has participated in international professional training and seminars of ASOSAI and INTOSAI. Besides, he was a member of the UN team that audited the UNDP and UNICEF HQ in New York and UNEP HQ in Nairobi. He has authored book on auditing and accounting and has to his credit many publications in local and international journals. He earned B.A. (Honours) in Political Science, securing second position in order of merit, M.A. in Political Science and Degree of law (LL.B) from Dhaka University. He received training in India, Austria and Korea Republic.

CAG calls on the Speaker and the Finance Minister

The CAG Asif Ali paid a courtesy call on Speaker of Jatiyo Sangshad (National Parliament) Barrister Muhammad Jamiruddin Sircar on 20 January. Secretary, Parliament Secretariat, Kazi Raqibuddin Ahmed, was also present.



CAG calls on the Speaker

CAG Asif Ali called on the Finance Minister M. Saifur Rahman on 4 January at the office of the Finance Minister. The Finance Minister laid emphasis on a modern and issue-based Audit and requested for preparation of good quality Audit Reports. Finance Secretary Zakir Ahmed Khan was present.



CAG calls on the Finance Minister

CAG calls on State Ministers for Finance and Planning

CAG Asif Ali, called on State Minister for Finance, Shah Md. Abul Hossain, on 13 January at his Secretariat office. He also called on State Minister for Planning, Maj Gen (Rtd) M. Anwarul Kabir Talukdar on 21 January in his office at Shere Bangla Nagar.

Planning Cycle introduced in the Audit Department:

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Short-term plan of SAI Bangladesh aims at the following goals:

- To ensure punctuality and discipline at all levels
- To improve office environment
- To increase supervision, monitoring and inspection activities
- To distribute work rationally
- To maintain daily workbook
- To take stock of pending work and to settle those within prescribed time-frame.
- To improve quality of work.

Mid-term plan of SAI Bangladesh attempts to achieve the following objectives:

- To prepare strategic plan for all Audit Directorates
- To update the list of all auditee organizations and to set priority of national importance in selecting auditee organizations
- To rationalize mandays of audit teams
- To initiate effective audit briefing and in-house training
- To enforce effective monitoring, supervision and inspection on audit tasks
- To ensure timely submission of inspection report by the audit parties
- To enhance inspection report editing capabilities
- To directly involve senior and mid level officers in audit
- To ensure quality audit reports meaningful for the stakeholders.

Long-term plan of SAI Bangladesh aims to ensure the following goals:

- Constituting 'the Audit Forum' comprising all Directors General of the Audit Directorates
- Identification of reform areas in standards, methodologies and techniques
- Evaluation of the Railway Audit
- Modernising Training Academy and its course curriculum.
- Starting construction of new office building ("Audit Bhaban").

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Planning Cycle introduced in the Audit Department:

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The tenure plan (the tenure of the CAG) (June, 2006) aims at:

- ❑ Timely submission of audit reports
- ❑ Quality assurance of the audit reports
- ❑ Enhancement of the professional expertise of the auditors through intensive institutional and in-house training programmes.
- ❑ Strengthening and widening the sphere of performance audit
- ❑ Strengthening IT Audit
- ❑ Expanding and consolidating effective relationship with the overseas SAIs for achieving mutually beneficial objectives.

SAI, Bangladesh resolves to achieve the above mentioned goals of short-term, mid-term, long-term and tenure-term planning cycle by infusing dynamism, professionalism and effective international co-operation.

Important Studies made: Aimed at better performance

A number of important studies have been made during this quarter (January-March, 2003) as follows:

- **Internal Control System Survey** in the Office of the Comptroller & Auditor General has been conducted by a committee, which submitted its report on 15 March, 2003 to the CAG. Important recommendations made by the committee are under active consideration. All Audit Directorates have been instructed to carry out similar Internal Control Study within their respective offices followed by effective implementation.
- A committee was formed to **examine the existing curricula of departmental training course of Bangladesh Civil Service (Audit & Accounts) Probationary officers**. The terms of reference of the committee included revising and updating departmental academic course, incorporating training simulation model and short-term attachment to different

training institutes and CA firms. The committee has submitted the report on 28 April, 2003, which is circulated to all Heads of Departments for their comments. The syllabi is expected to be finalized soon and will go operational after necessary concurrence of the competent authority.

- A Task Force was constituted to **recommend measures to update the existing manuals and codes of Bangladesh Railway** on different aspects of railway accounting including traffic, store, workshop and suspense accounts. The committee has submitted its report on 25 March, 2003, which is being reviewed by CAG.
- A five member Committee was formed to **identify the complications in the service matters of the Railway Accounts personnel** and to recommend suggestive measures. The Committee's report is submitted on 15 March, 2003, which is under consideration of CAG.
- A Committee was formed to **evaluate the Railway Audit Manual and to assess the effectiveness and appropriateness of the administrative and managerial aspects of the Directorate**. The Committee was also to look into the existing Auditing Approach. It is expected to submit its report within the stipulated time.
- A Committee has been working for **preparing a model of Inspection and Audit report** in order to ensure quality observations of audit observations, easily understandable and attractive to the various users.
- A detailed study report on the various **issues and potentialities of FIMA** was made by a one member committee, which has submitted its report on 18 February, 2003 and is under consideration.

- A Committee has conducted a detailed **review of the activities of the Missions Audit Directorate** including its programmes and reports. The report on the review is expected to be submitted on time.
- CAG office has issued a draft proposal to all its departments with a view to **formulating a policy and fixing up criteria for selection of officers for attending foreign training, seminar, workshop, missions audit etc**. The proposed policy is expected to ensure fairness and uniformity leading to a better career planning.

Financial Management Reform Programme (FMRP) to start: reform process to continue

The FMRP, funded jointly by the DFID, UK and the Royal Netherlands Embassy, has been launched under the management of the Ministry of Finance, to further improve the Government Auditing, Accounting and Budgeting system and maximize the use of Information Technology in related sectors. The programme has the following five major components:

- a) To provide better quality audit reports
- b) To enhance aggregate fiscal management of the Government
- c) To enhance resource allocation and utilization in the Government
- d) To enhance financial management reporting systems
- e) To build the capacity of Financial Management Academy (FIMA).

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Financial Management Reform Programme (FMRP) to start: reform process to continue

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The newly appointed Project Director of FMRP Quamrul Hai has already assumed his duties. The local and international consultants have already mobilized and Project Management Unit will shortly start working. The programme is at the stage of finalizing the inception report and preparing the work plan. This program is a continuation of earlier reform initiatives namely Reforms in Budget and Expenditure Control (RIBEC), Reforms in Government Auditing (RIGA), Strengthening of the CAG Office (STAG) and FIMA project. RIBEC, funded by the DFID, had been instrumental in strengthening and streamlining budgeting and financial reporting of the Government. RIGA was funded by the Government of Bangladesh (GOB) and DFID, UK and was aimed at modernizing the Civil Audit and Local and Revenue Audit areas. STAG was funded by the UNDP with a view to capacity building of the CAG office regarding effective and modern Audit practices. In the FIMA project, the thrust was on developing the institute into a center of excellence in public sector financial management development. All the projects were successful and produced desired results.

Checklist prepared for auditing: measures for professional working

In order to supplement the provisions prescribed in the Audit Manuals and Auditing Standards, separate checklists have been issued by the CAG office for field inspection on audit parties and audit party briefing by the respective DGs. The checklist would work as excellent tools for more professional functioning. The Inspection checklist gives the inspectors clear terms of reference for

their work. It covers almost all the parameters, which have to be looked into by the auditor. It covers such important parameters including checking of sample size, selection of areas of audit and items of expenditure, confirming evidence and arithmetic accuracy regarding the audit observations, confirming examination of important reports like financial statements, annual reports and Memorandum Of Understandings and Contracts wherever necessary. The audit parties by following the checklist are expected to produce more useful observations. A proper briefing from the Head Quarter is a necessary condition for an effective field inspection by the audit parties. The briefing checklist has been prepared by the CAG office that aims at a good audit planning and gives necessary guidelines for the audit parties. It focuses on an understanding of the organizations under audit and important instructions on the techniques for auditing.

Directors General, Directors and Deputy Directors of the Audit Directorates to go for field Audits: Senior officers' involvement in field audit to raise quality and effectiveness

Following a decision by the CAG; Directors General, Directors and Deputy Directors will now be directly involved in field audit. This aims at effective audit. Other senior officers of the Audit and Accounts cadre including Railway Accounts and Defense Finance departments will also be included in the process.

In-house training: Steps to increase personnel efficiency

The Audit Department is now preoccupied with in-house training, probably the 'least cost' but the most appropriate module for human resource development.

A number of programs has already been chalked out and the whole process is in full gear.

A single standardized In-house Training Module for the Audit Directorates has been developed. The training program is now being regularly conducted in all the Audit Directorates. Besides, presentation sessions on various audit reports of the National Audit Office, UK have been organized at PT & T Audit Directorate, Local and Revenue Audit Directorate, Defense Audit Directorate and Works Audit Directorate. A single standardized module is being prepared by the CAG office for maximizing the benefits of this program. The module has taken into account important issues, both on Financial Audit and Value For Money Audit. The major issues incorporated in the module are emphasizing VFM, compliance of different Audit Manuals and Standards, presentation and discussion on selected Audit reports, presentation and discussion on report writing, preparation and examination of General Financial Statements, discussion on procurement procedures and audit of internal controls. The different sessions take recourse to presentation and open discussion on relevant issues. Subjects of day-to-day necessity like office attendance, Conduct rules, Discipline and Appeal Rules, Secrets Act, Rules of Business, Establishment Manual, File Management, Time Management, Note and Draft writing, Ethical Standards, Human relationship etc. are also included in the in-house-training Programmes.

CAG's new functional approach: drive for change management

The approval process of Audit reports by the CAG has experienced a changed and direct/non-bureaucratic approach. Audit reports are now directly approved by the CAG in his office, after a detailed discussion with the concerned DG of the Audit Directorates. The CAG personally goes through draft audit reports and gives immediate responses. This changed management has resulted from the CAG's thrust on accountability and effectiveness.

Presentation on Reports of National Audit Office (NAO), UK: Knowledge dissemination

As part of dissemination of knowledge, a number of presentations were made in some Audit Directorates. The program started at the PT&T Audit Directorate with a presentation on "Using Call centers to deliver public services" by Shafiul Alam, DG of the Directorate on 3 March. The presentation was based on the captioned audit report of the NAO, which was published on 11 December, 2002 and was discussed in the House of Commons in its 134th session. It was followed by another interesting presentation on "Reaping the Rewards of Agricultural Research" at the Local and Revenue Audit Directorate on 12 March.

The presentation was on a report of the NAO, made by Md. Mesbahiddin Khan, DG of the Directorate. The subject focused on the commercialization benefits of researches made in the agricultural sector. The next session took place at the Directorate of Defense Audit on 16 March. Nurunnabi Khan, DG, presented a paper on "Construction of nuclear submarine facilities at Davenport". The paper is based on an interim study report of the NAO in the performance of the said project, which is still ongoing. The project aims at improving the refitting and

re-fuelling facilities of the Royal Navy submarine fleet by Davenport Management Ltd (DVL). The first phase of the presentation program ended with one at the Works Audit Directorate. Shahad Chowdhury, DG of the Directorate, presented a paper on "Maximizing Impact in the Water Sector". The paper highlighted the lasting impacts of DFID financed projects relating to basic sanitation and safe drinking water in UK. All the sessions were attended by CAG Asif Ali, who actively participated in the deliberations.

New Public Relations (PR) Cell starts functioning in the CAG office

In yet another attempt at better management, a PR Cell has been working in the CAG office since 2 February. Iqbal Hossain, Director (MIS), has been looking after the Cell.

Operationalising the STAG Press

The office of the CAG has taken initiatives to put the Press equipment, procured under the STAG project, to use. A proposal of contracting out the equipment to put it to best use is under consideration in the Ministry of Finance.

CAG visits important offices

Immediately after joining his office on 2 January, the CAG of Bangladesh, Asif Ali visited various offices of the Audit Department.

The Auditor General's visit program began with his visit of the Works Audit Directorate on 11 January and was followed by visits to all other Audit Directorates. This phase ended with his visit of Railway Audit Directorate at Chittagong on 23 January. The CAG met the officers and staff of the Audit Directorates during his visit and gave specific instructions on office management, quality of auditing and reporting, man- power planning and monitoring system. During his visit to the Commercial Audit Directorate on 13 January, the CAG asked the Directorate to evaluate the quality of accounts compilation in the concerned organizations and to see whether the deficiencies are reflected in the Audit Reports. During his visit to the Missions Audit Directorate on 12 January, the CAG emphasized the need to examine the quality of audit reports, to frame principles for selection of officials for audit of the Missions and also to look into the cost-effectiveness of such audit programs. During his visit to the Local and Revenue Audit Directorate on 14 January, the CAG instructed the office to look into the effectiveness of the pre-audit concurrent audit parties. During his visit to the Defense Audit Directorate on 21 January, the CAG highlighted the necessity of co-ordination and homogeneity among audit parties during audit. He instructed to launch integrated and homogenous auditing which will cover both the defense formations as well as the defense accounts offices.

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CAG visits important offices

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Visiting Works Audit Directorate on January 11, he emphasized upon auditing the fund balancing activities of the self-cheque issuing departments with respect to remittance, suspense and deposits in the public accounts as well as irregular fund from transfer from public accounts to revenue budget. He stressed upon the importance of intensive auditing prepared by the accounts offices and auditing of the accounts while he visited the Civil Audit Directorate on 20 January. The CAG while visiting Foreign Aided Projects Audit Directorate (FAPAD) on 18 January, underscored the necessity of inclusion of proper project accounts and special fund accounts in the monthly accounts of the Republic and to check whether the Financial Management Units (FMU) in selected Ministries and Divisions are working properly. During his visit to the PT&T Audit Directorate on 19 January, he emphasized upon proper accounting for the revenue receivables in the Postal Department.

CAG visits Audit Party: A new precedence

In a very unique move, the CAG made a field visit to Pabna and held an Audit coordination meeting with the audit parties auditing different Silos, CSDs and LSDs located in Bogra, Dinazpur, Jaipurhat, Pabna and Serajganj under the Food Ministry. The Auditor General reviewed the audit findings and gave important guidelines and directions for further improving quality of audit. The CAG also visited a CSD at Muladuli, Pabna, the largest go-down in the region, to make an on-the-spot review of the audit conducted by the audit party.

Foreign Aided Projects Audit Directorate (FAPAD) gets appreciation from world bodies

FAPAD has been highly appreciated by the UNDP for quality audit of the UNDP-aided projects in Bangladesh. The Directorate has also received letters of appreciation from the ADB, UNFPA and the World Bank for successfully conducting six workshops on project financial management. 251 personnel from 23 ADB aided projects got training through this program.

CAG addresses senior officers: Guidance for future

After joining his office, Asif Ali, the CAG of Bangladesh, addressed the senior officers of the Audit Department. In the meeting, the CAG underscored the necessity to raise the quality of job. He urged upon the officers to be dedicated to their respective assignments and to be time-bound and asked for the best from them. He requested them to cooperate whole-heartedly to achieve the common goals.

Director General, Railway Audit has a new office at Dhaka: attempt at resolving audit issues

In an attempt at enhancing audit and fast resolving the unsettled audit issues with Bangladesh Railway, the DG, Railway Audit has been working at Dhaka on a regular basis. This has become imperative with the shifting of the head offices of Bangladesh Railway to Dhaka.

Construction of Audit Bhaban, the office of the CAG, is underway

The preliminary design and estimate of the proposed 8 storied "Audit Bhaban", meant for the accommodation of the CAG office has been finalized. Project Concept Paper (PCP) for the proposed project has already been submitted to the Planning Commission. The project cost is estimated to be 100 Million TAKA. The construction is expected to commence from the beginning of Financial Year (FY) 2003-2004 the 1st phase is expected to be completed by December, 2004. It may be mentioned here that the CAG held a meeting with the Chief Architect of the Department of Architecture and senior officers of the Public Works Department on 15 January, 2003. The CAG conveyed his concern over constructing an attractive building in the light of modern architectural design, which could be least-cost and could optimize space at the same time. The officers of the concerned departments assured the CAG of their full cooperation.

B.C.S (Audit and Accounts) Association accords reception to the incumbent and farewell to the outgoing CAGs

B.C.S (Audit and Accounts) Association accorded a hearty reception to Asif Ali, for his being appointed as the CAG of Bangladesh and bade farewell to Ahsan Ali Sarkar, his predecessor, who went on retirement, on 31 December, 2003. It was attended by former CAGs, Golam Kibria, K.M. Hosain and M. Hafizuddin Khan, Finance Secretary Zakir Ahmed Khan, Commerce Secretary Shohel Ahmed Chowdhury, Secretary for Textiles Syed Tanvir Hossain and senior officers of the Government. Officers of all levels of the department were present. The program ended with a dinner.

B.C.S (Audit and Accounts) service officers made Deputy Secretaries

Six officers of the Audit and Accounts Cadre of the BCS batch of 1982, were recently inducted as Deputy Secretaries to the Government. They are ATM Murtoza Reza Chowdhury, Ranajit Kumar Chakravarti, Mrs. Shahin Khan, Shamsul Alam Khan, Kazi Shafiqul Azam and Ekram Ahmed.

Promotion to grade II and III

Mahmud Hasan Mansur, Director General in the Prime Minister's Office (PMO) and Waliul Haq Khandakar, Deputy CAG (senior) got promoted to grade II. Delwar Hossain, Private Secretary to State Minister for Local Government Engineering Department and Delowar Hossain, Senior Finance Controller (Defense Purchase) got promoted to grade III.

Farewell reception accorded to senior outgoing officers

A farewell reception was accorded to Kuamrul Hai, ex Deputy CAG (senior), Md. Shahjahan Mian, ex Controller General Defense Finance and A.M. Zahurul Islam, ex SFC (Air), for their going on LPR, after long serving the Audit and Accounts department. The reception was held on the 5th February at the conference room of the CAG office, which was well attended by officers of the department. The CAG Asif Ali was present as the chief guest.

CAG speaks

The Office of the Comptroller and Auditor General of Bangladesh has the onerous responsibility of facilitating the enhancement of the transparency and accountability of the governance of the country. "CAG News" is an attempt at to ensure transparency of the CAG office's activities towards producing quality audit reports, meaningful to the users, e.g., the Parliament, the Executive, the Tax payers and other stakeholders. I welcome the first publication of the "CAG News" and thank the editor and all others who worked so hard. I wish them all success for their sustained efforts to continue the endeavor. Absolute perfection is very difficult to achieve, but sincerity of efforts is what is important to be pursued.

Asif Ali
Comptroller and Auditor
General of Bangladesh

Editorial

CAG News is a modest venture of the Office of the Comptroller and Auditor General of Bangladesh, a brainchild of the CAG, Asif Ali. The newsletter is the mouthpiece of the office of the CAG and apprises the stakeholders of the activities and the plans of the office. The present newsletter, which is the first of its kind, focusses on important events and developments relating to the future and planned activities of the Office. The present CAG has undertaken series of steps with a view to making improvement in all the auditing and accountability issues. Quality auditing and thereby image-building of the Department have been the major areas of thrust. It is important that as an SAI, this office properly discharges its responsibilities and the stakeholders are aware of the initiatives of the Office. Other SAIs should be kept abreast of all developments that take place in this office. We welcome responses from all readers, including the officers of the Department and any suggestion for further improvement will be appreciated.

CAG News

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