4. Auditor General of Pakistan (AGP) Office

The following package of reforms in respect of Office of the Auditor General of Pakistan was proposed by Adviser to PM on Institutional Reforms & Austerity to the Finance Minister on 3rd October 2019.

Salient Features

1.   Department of Auditor General of Pakistan (DAGP) is at present an attached department of the Ministry of Finance unlike other constitutional bodies which are autonomous bodies. Separation of accounts and audit has further necessitated that the audit function should be performed independently. It is proposed that the DAGP should be made an autonomous body with administrative and financial powers delegated to the Auditor General. DAGP operates 32 field audit offices located across the country where about 4000 officials and staff are serving as public auditors for all the three tiers of the government. The accounting processes have been overhauled and two modules of an ERP, the SAP/R3 have been partially adopted. Accounting and budgeting systems have been computerized on SAP/R3 ERP.

2.   Greater operational and financial autonomy would enable the shift from transactional audit to reports on public service delivery, timely completion, cost effectiveness and integrity of infrastructure projects, regulatory performance and to introduce new audit methodologies for this purpose.

3.   The workforce of DAGP is presently preoccupied with maximization of audit paras, some of which are trivial and peripheral in nature. Untrained accountability officials use these paras for instituting inquiries and investigations and the media play up the procedural lapses pointed out in the audit paras as financial misappropriation. It is necessary therefore that in order to execute the new audit strategy (Para 2 above) to   align skills of workforce with expertise required to attain the goals and mission of transparency, value for money and good governance in public sector. This can be possible if the following changes are brought about in the entire value chain of Human Resource management policies and practices.

(i)   Building capacity, upgrading of skills and professionalization of technical cadre staff recruited by observing stringent entry standards including requirement of professional qualifications.

(ii)   A new competency framework to be administered through Continuous Professional Development (CPD) and revision in the syllabus and assessment methods.

(iii)   Performance Management System to be based on agreed objectives to be achieved during the year with quantifiable key performance indicators.

(iv)   Promotions and career progression to be driven by on-the-job performance and CPD outcomes, Integrity and observance of code of ethics.

(v)   An incentive system to reward outstanding performance.

4.   Sectoral and thematic specialization among the Audit staff in critical emerging areas such as Information Systems Audit, Debt Audit, Energy Sector Audit, Forensic Audit etc. Teams to be headed by well trained and qualified specialists.

5.   Across-the-board automation of processes, digitization of records, documents, data and introduction of Audit Management Information System (AMIS) along with Business Process Reengineering by carrying out the following tasks

(i)   Bridging the gaps in FABS and SAP/R3 which has been partially implemented; Extending Functional coverage to areas such as Asset management, Procurement Management, Integrated Debt management and including all autonomous entities and public sector enterprises within the SAP/R3 system.

(ii)   FABS currently focuses on monthly and annual reporting and is of little value in decision support and needs to be upgraded to provide real time or end of the day reporting. Dash boards should be made available to the Principal Accounting officers (PAOs) containing up to date reports and data.

(iii)   a dynamic interactive web portal to be set up for use by both internal and external users and for citizens' complaints convenience and feedback.

(iv)   Adoption of E-office suite would improve the efficiency and turnaround time of the Auditors in preparing their reports.

(v)   A Human Resource Management Information System (HRMIS) would be procured to operate the HR system.

6.   Strengthening of the technical staff supporting the Public Accounts Committee (PAC) and the Departmental Accounts Committees (DACs).

7.   Reducing the backlog and bringing the audit Cycle to completion with minimum time lag.

8.   Relocation of payment function from AGPR TO THE Ministries/Division cutting down the long delays in Government disbursements.

Proposed Activity Plan and Timelines – Automation & BPR

Sr.	Activity	Duration
01	**Audit Management Information System**	
	Bidding process	July 19 to Sept 19
	Inception Report/ Requirement gathering/ Updation of BPR reports	Oct 19 to Nov 19
	Development of Prototype	Dec 19 to Feb 20
	Development And Testing of Software	Mar 20 to May 20
	Piloting on 03 Sites	June 20 to Aug 20
	Establishment of AMIS Center	May 20 to June 20
	Replication to All FAQS	Sep 20 to Sep 21
02	**Citizen Participatory Audits**	
	2.1. Policy And Guidelines	July 19 to Sep 19
	2.2. Invitation, Selection and Registration of CSOS	Oct 19 to Nov 19
	2.3. Workshops	Nov 19 to Dec 19

		2.4. Website Development	Jan 20
03	**IS audit**		
		3.1. Identification of Resources For Training	July 2019 to Aug 2019
		3.2. Training of Resources For CISA Certification	Sep 2019 to Dec 2019
		3.3. CISA Certification of 20 Officers	Jan 2020 to June 2020
		3.4 Approval of Incentive For CISA Qualified Officers	June 2020
04	**Forensic Audit**		
		4.1. Identification of Resources	July 2019 to Aug 2019
		4.2. Creation of Forensic Audit Directorate At HQs	Sep 2019
		4.3. Development of One/Two Week Training Course on Forensic Audit By PAAA	Dec 2019
		4.4. First Batch of Training	Jan 2020
		4.5. Second Batch of Training	Feb 2020
		4.6. Issuance of Guidelines For Planning, Execution And Reporting of Forensic Audit	Mar 2020
		4.7. Issuance of Guidelines For Planning, Execution And Reporting of Forensic Audit	Apr/May 2020
05	**General Automation**		
5.1	Website		
		5.1.1 Finalization of User Requirements	July 2019 to Aug 2019
		5.1.2 Bidding Process	Sept 2019
		5.1.3 Development And Testing	Oct 2019 to Nov 2019
		5.1.4 Acceptance Testing	Dec 2019
		5.1.5 Go-Live	Jan 2020
5.2	HRMIS		
		5.2.1 Finalization Of User Requirements	July 2019 to Aug 2019
		5.2.2 Bidding Process	Sep 2019
		5.2.3 Development And Testing	Oct 2019 to Nov 2019
		5.2.4 Acceptance Testing	Dec 2019
		5.2.5 Go-Live	Jan 2020

5.3	Email Management And E-Office	
	5.3.1 Carryout Hardware Availability Assessment	July 2019 to Aug 2019
	5.3.2 Procurement of Necessary Hardware	Sep 2019 to Oct 2019
	5.3.3 Selection of Office Automation And Email Software	Nov 2019 to Dec 2019
	5.3.4 Automation of Pilot Wing In AGP Office	Jan 2020

DECISION

9.   The Cabinet at its meeting held on 12th January, 2021 accorded the approval to submit a bill for new legislation titled "the Auditor General's (Functions, Powers and Terms & Condition of Service) Act, 2020" and repeal of "the Auditor General's (Functions, Powers and Terms & Condition of Service) Ordinance, 2001". The Cabinet further directed the office of AGP to continuously submit progress report on the reform pillars to the Cabinet Committee on Institutional Reforms (CCIR).

CURRENT STATUS

10.   Accordingly, the draft Act has been vetted by the Law Division. It will be now submitted by the Finance Division to CCLC for approval and presentation to the Parliament

11.   On the other side, the six (6) Reform Pillars are under active implementation. Audit Management Information System for automation and Business Process Reengineering has been piloted and the roll out is in progress. Continuous Professional Development for enhancing HR competencies has been launched. CCIR was last briefed about the progress by the office of AGP in its meeting held on 17th June 2021.