

Mr. Akhtar Buland Rana takes oath of the office of the Auditor General of Pakistan

Mr. Muhammad Akhtar Buland Rana took oath as the Auditor General of Pakistan on 27th August, 2011 for a four year term. Mr. Rana is the 17th Auditor General of Pakistan and brings to the department his rich experience and vision which covers the span of 36 years.

As head of the Supreme Audit Institution (SAI) of Pakistan, he is entrusted by the Constitution of Islamic Republic of Pakistan under Articles 168 to 171 with the responsibility of reporting to the Federal, Provincial and District legislatures on the results of the financial operations of the Federal, Provincial, District Governments, authorities and bodies under the control of Federal, Provincial or District Governments.

Prior to his appointment, Mr. Rana was the senior most officer of the Pakistan Audit and Accounts Service and served the department as Additional Auditor General. Earlier he also served as Additional Secretary (In charge), Ministry of Human Rights. He also held the charge of Deputy Auditor General of District Audit Wing. Mr. Rana started his career in the Pakistan Audit and Accounts Service in 1976. Since then, he has been rendering meritorious services to the department in various

capacities. He has attended various specialized trainings in Pakistan and abroad mainly in public financial Management. He also attended Advance Course on Management at National Institute of Public Administration (NIPA), Lahore and 83rd National Management Course at Pakistan Administrative Staff College, Lahore.

The vision of Auditor General of Pakistan is to focus on the challenges which are confronted by the SAI Pakistan. His aim is to improve the SAI Pakistan by incorporating reforms, best international practices and standards; supporting good governance and accountability; and effective, objective and credible reporting to the legislatures.

As head of the SAI Pakistan, Mr. Rana is committed to the international standards and general principles of audit. i.e. objectivity, integrity, quality, confidentiality, partnership, professional competence and behavior. With special focus on his strategic role as head of the SAI Pakistan, the new AGP aims at effectively serving the needs of the Parliament and Public Accounts Committees to make SAI Pakistan, “a model SAI adding value to the national resources.”

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Message from Mr. Asif Usman Khan, PD, PIFRA

PIFRA has introduced reforms in the public sector financial management system of Pakistan i.e. budgeting, accounting, financial reporting and auditing with the aim to achieve better fiscal management and facilitate effective parliamentary oversight.

Resultantly, credibility of financial information has improved leading to an effective decision support system (DSS) in the country. The reforms have now spread to the far flung areas of Baluchistan, Gilgit-Baltistan and AJK. In the extension phase, the

project is focusing on transition and ownership of the reforms by the respective stakeholders. This necessitates more involvement of the executive organizations concerned at the federal, provincial and district level in addition to the audit and accounts offices throughout Pakistan.

Hence, in the extension phase, two separate Steering Committees one each for Audit and Financial Auditing and Budgeting System (FABS) have been proposed in addition to Technical Committees each for audit and FABS. Through the new arrangement,

increased emphasis is laid on taking all stakeholders on board. For smooth transition and ownership of the project outcomes, we want all of you to take ownership of the infrastructure and knowledge base for a sustained and durable system.

I will urge all stakeholders to support transition of the system from PIFRA to their respective organizations so that fruits of reforms may reach the masses.

Editor's Note

Dear Readers!

Assalam-o-Alaikum

Very happy new year. We wish that the new year be the harbinger of peace, development and prosperity for our country.

Living to our traditions of keeping our stakeholders on board about the progress and achievements of PIFRA, the fresh issue of PIFRA Newsletter is now in your hands. The current issue contains articles on diversified themes including IT Auditing, Quality Management Framework, Audit Sampling and Bill Tracking system.

The periodical also highlights international news related with

activities of INTOSAI and ASOSAI and updates about PIFRA activities throughout Pakistan.

More specifically, this issue covers inauguration of Pension and GP Fund Facilitation Centres at AGPR, Islamabad. These centres will provide necessary guidance and facilitation to the serving and retired government employees for cases related with pension and GPF. Besides, a call center has also been established at AGPR, Islamabad to entertain queries of government employees and vendors.

We are confident that you will find a lot of useful information related with your professional and personal interests.

Let us inform you that from the next issue we are planning to include your letters which highlight issues specific to budgeting, accounting, financial reporting and auditing professions. You are requested to email your letters/messages as early as possible. Moreover, we also request you to communicate your valuable suggestions for improving usefulness of the Newsletter.

Happy reading!

Muhammad Salim Khan,
Director, Change Management
salim@pifra.gov.pk

Message from Mr. Tahir Saeed, Audit Component Chief



Reforms introduced by PIFRA in the area of government auditing have started producing dividends. Gestation period for submission of audited financial statements has gradually reduced from over 36 months to mere 8 months. Public Expenditure and Financial Accountability (PEFA) rating has also improved from D to C, which is a strong indicator of the impact of the reforms. PEFA Rating, an initiative of the World Bank, is based on good practices in Public Financial Management (PFM).

It is also heartening to note that DAGP has developed and implemented Quality Management Framework in line with ISSAI 40 in a bid to add value to the auditing system in Pakistan. Another initiative is the procurement of AMIS, for modernizing and automating the auditing practices.

Our vision is to guide the SAI Pakistan under leadership of the new AGP to the level of the most respected SAIs in the world on account of adding value to national resources. Now, one of the key milestones is to achieve a breakthrough in the area of Performance Auditing, so that SAI Pakistan can make a bigger impact on the socio-economic development of the country.

Message from Mr. Farhad Khan, FABS Component Chief



Effectiveness of a Decision Support System (DSS) mainly depends upon accuracy, credibility and timely availability of accounting data. On this front, Financial Accounting and Budgeting System (FABS) Component has made significant headways. Out of total targeted 143 sites (at three tiers of Government i.e. Federal, Provincial and District), 120 have been automated and integrated.

In terms of benefits, FABS Component is bringing about visible and positive changes in the financial governance, as the system is proving to be an effective tool for decision makers and public sector financial managers. Moreover, one-window facilitation centres have been set up in AGPR for pension/GPF for the convenience of government employees. Similar facilitation centres are to be established in offices of provincial Accountants General. On this account, Pakistan is indeed emerging as a leading nation in South Asia.

There are challenges ahead. One such challenge is the sustainability of the system, especially after termination of PIFRA. The office of CGA is working on a comprehensive strategy to accept this uphill task and to deal it with a great zeal and enthusiasm.

Message from Mr. Faqir Riaz Asif, Trg/HRM Component Chief



Charles Darwin once said, “It is not the strongest of the species that survives, nor the most intelligent, but the most responsive to change.” Adaptability to change requires acquisition of a set of new competencies (including knowledge, skills and attitudes). It is very relevant in the case of PIFRA.

PIFRA introduced technology-driven new business processes in budgeting, accounting and auditing. It was not an easy task to smoothly lead a large pool of human resource to abolish the existing practices, acquire new competencies and implement new processes. A set of comprehensive training programmes involving training of more than 40,000 people throughout the country, made it possible. Besides, a series of workshops were arranged for creating awareness among the stakeholders and addressing their concerns.

With the change in business processes, job descriptions at various levels in the OAGP and OCGA are being amended and adopted. Having passed through such rigorous processes, DAGP, OCGA and executive organizations have emerged as leading institutions on account of human capital in Pakistan.

Message from Mrs. Farah Ayub Tarin, AGPR, Islamabad

Mrs. Farah Ayub Tarin, AGPR, Islamabad termed the establishment of state of the art Pensioner and Employee Facilitation Centres in the office of Accountant General Pakistan Revenues, Islamabad as one of the major achievements in service-delivery, a joint effort by PIFRA and AGPR.

In her message, she stated that one of the greatest concerns was to address the woes of pensioners and GPF subscribers who are hard hit by lengthy processes and procedures. Establishment of Facilitation Centres will provide great convenience to employees / ex employees and their families.

The centers are well equipped with CCTV cameras, state of the art computers, photocopiers, scanners and professional staff who provide all relevant information and guidance on the spot regarding pension and GPF processes and procedures.

She further added that office of AGPR has re-engineered its business processes regarding pension and GPF for providing efficient & effective service delivery. AGPR Islamabad also intends to take the lead in transformation of other processes such as payroll and related payments.

Initiatives for facilitation of Government Employees

Establishment of Pensioners and GPF Facilitation Centres

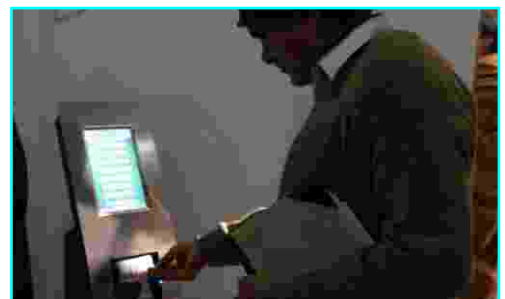
The Pensioners and Employees Facilitation Centres established in AGPR provide one window operation to facilitate the Government employees in GPF/Pension Cases. In order to ensure optimum delivery of the requisite services, the Government employees concerned may follow the steps as given below:-

Step-1

Electronic token and queuing system have been installed in AGPR for Pensioners/GPF subscribers where they can get token number.



Electronic Token and Queuing System



Issuance of token for GPF and Pension Cases

Step-2

Well-furnished waiting rooms are available for the employees/clients to wait for their turn.



Waiting room of GPF Facilitation Centre



Waiting room of Pensioners Facilitation Centres

Step-3

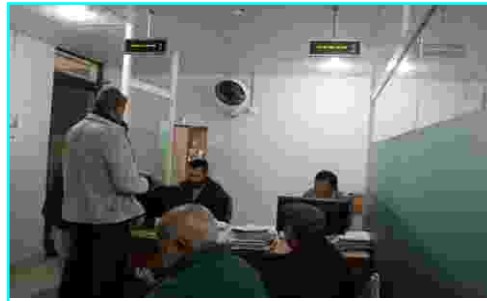
Reception Desks have been established where the clients/employees concerned are to submit, on their turn, their documents for the processing of GPF and Pension Cases.

Step-4

There are Data Processing Centres established for pre/post audit of the documents and efficient processing of Pension/GPF Cases.

All employees/clients concerned are requested to bring along with themselves all requisite documents for effective and efficient processing of their cases pertaining to GPF/Pension.

Facility for Photocopying and Scanning of documents pertaining to Pension and GPF Cases is available in the facilitation centers.



Reception Desk at Pension Facilitation Centre



Reception Desk at Pension Facilitation Centre



Data Processing Centre for GPF cases



Data Processing centre for pension cases



Photocopying Facility



Scanning Facility

Establishment of Call Centre in AGPR, Islamabad

AGPR, Islamabad has established a Call Centre for the benefit of all stakeholders. The purpose of Call Centre is to;

- Improve services delivery regarding payment to Government employees and Vendors.
- To monitor performance of different sections of AGPR.

- To entertain all types of queries and take requisite action.

AGPR is just a one dial away from all the stakeholders .

Please feel free to call on :

051-111-002-477

for any query regarding AGPR. For further details, please visit website of AGPR at www.agpr.gov.pk



Information System Auditing

By Muhammad Usman Butt

Background

Information Technology (IT) has influenced every sphere of life. This enabling technology has also been embraced by government departments. However, the extent of the shift to IT environments varies from basic office automation to the development of decision support systems in a bid to achieve efficiency and reliability. In Pakistan also, more and more government organizations are relying on IT.

Need for expertise in IT auditing

The IT revolution has brought in new challenges for the auditing community in the world. In response to such challenges, the audit community constituted a body, the Information Systems Audit and Control Association (ISACA) in 1969. It is a specialized body which is taking an active part in the development and dissemination of Information System Auditing Standards. Currently, it has over 95,000 members worldwide.

ISACA has offered four types of certifications pertaining to IS auditing, which include CISA, CISM, CGEIT and CRISC.

IS Auditing in Pakistan

In the wake of new challenges, the department of the Auditor General Pakistan (DAGP) responded effectively.

Interventions by PIFRA

In order to build up capacity of DAGP in IS auditing, a multi-pronged strategy was propounded by PIFRA. The strategy comprised the following elements:

1. Extensive trainings on Basic,

- Intermediate and Advanced levels
2. Preparation of easy to understand IT Auditing Guidelines, Checklists and Manuals to facilitate field auditors.
 3. Exercising of IT audits by the trained staff under supervision of experts.
 4. IT Audit profiling of the offices falling in purview of the DAGP by experts.

Achievements:

Two IS Audit guidelines have been developed. Moreover, training was also imparted to the selected officers from the field offices. Trained officers have performed basic audits in simulated environments under supervision of the experts. Master Trainers have been trained and they are now co-opted in delivering further trainings. So far 110 officers have been trained in Basic level auditing of IT environments. These trainings have created awareness amongst auditors and many aspire to register for future Certified IS Auditor (CISA) Examinations. By the grace of God, we have reached a stage where we are now training the resources of other SAIs in IS Auditing. Recent training intervention is the IS audit courses conducted by DAGP resources for SAI Saudi Arabia. After reviewing the performance of OAGP trainers, the SAI Saudi Arabia has now requested the Auditor General of Pakistan for an advanced level IT Auditing Course.

Suggestions:

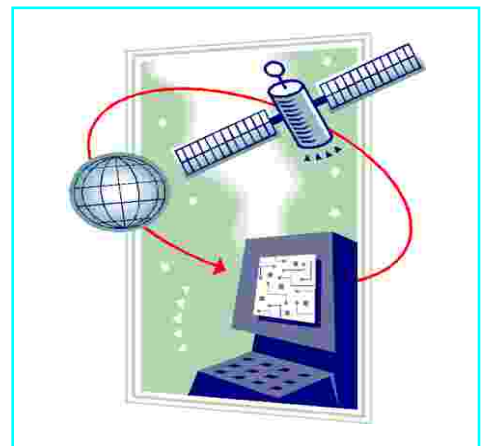
For future progress in IS auditing, following are some suggestions:

1. DAGP may get a pool of experts certified in IS Auditing. However, with the present skill set, DAGP can easily start the next process of

performing specialized IT audits. Its experts can begin the profiling of the auditee organizations and perform sample audits along with the master trainers and other promising trainees that have been identified during trainings.

2. A few week long training for DGs may be arranged to sensitize them of the standards of IS Auditing and the nature of IS audit observations.
3. Guidelines prepared by DAGP experts may be transformed into graphical and descriptive Manuals like GAO Manual to serve as reference material for the field auditors and for future audits in post PIFRA era.
4. OAGP may prescribe mandatory information technology audits for certain number of Audit Offices, based on the profiling done by the experts.

The Author is currently serving as Deputy Director, FABS and Chief Information Security Officer, at PIFRA.



IT revolution has offered several new challenges for the audit community across the globe.

PIFRA Initiatives for Quality Improvement By Tayyab Khan

According to the Oxford dictionary, quality refers to the standard of something as measured against other things of a similar kind. In other words, quality is the degree of excellence of something.

Government Auditing, which is a constitutional obligation for the DAGP has undergone comprehensive reforms under PIFRA, while aiming at improvement in relevant quality dimensions like timeliness, comprehensiveness and accuracy.

The quality of Audit Reports has improved significantly under the Quality Management Framework (QMF), incorporating the basic theme of Total Quality Management (TQM).

Efficiency: The reforms have yielded efficiency. Efficiency has two components i.e. process efficiency and the product efficiency. The process efficiency has been gained through Quality Assurance mechanism whereas product efficiency has been achieved through Quality Control Mechanism and Quality Improvement mechanism.

Timeliness is the core dimension of quality. A senior officer of PAAS in an interview with the PIPFA editorial team commented “An important criterion for the judgment of the effectiveness is the timeliness. Someone may submit best report in the world but if it comes too late then the relevance is diluted up to a great extent”. Audit reports which were earlier submitted 12 months after the close of financial year are now submitted to the respective governments within (8) eight months of the closing of the financial year. Timeliness of the Audit reports has increased the confidence of the

legislatures in the PIFRA reforms initiatives. The same has been appreciated by the donor agencies including World Bank Review Mission.

Accuracy of Audit Reports is another Quality dimension implemented under PIFRA. A comprehensive and detailed scrutiny of Audit reports at the level of the respective Directors, Directors General, Deputy Auditors General and Additional Auditors General through the Quality Control Committees (QCC), immensely contributed to the accuracy of Audit Reports. The Audit Reports are properly graded and only A and B category reports merit the approval of the Auditor General of Pakistan. Besides, audit offices are also contributing towards accuracy of Annual Appropriation Accounts and Financial Statements under comprehensive certification audit. The audit office award unqualified opinion on the annual accounts only when assurance regarding the accuracy and completeness of accounts is ascertained.

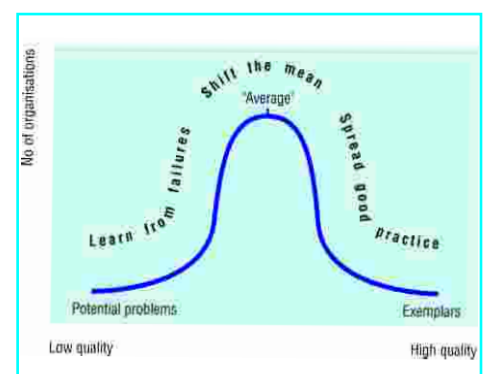
Comprehensiveness of, both certification and Compliance with Authority Audit Reports has been properly ensured under Audit Component of PIFRA. The certification audit scope is no more restricted to the correct disclosure of facts and figures in annual accounts. Application of Computer Aided Audit Techniques (CAATs) through Audit Command Language (ACL) on the SAP data by the audit offices has contributed to a comprehensive review of accounts. The contents of the Draft Management Report (Certification), communicated by audit offices to the respective Accountants General and Secretaries Finance Department, are quite

comprehensive covering all aspects of a model Certification Audit. Besides, the Compliance with Authority Audit Reports prepared under the revised report template cover all the aspects of regularity audit i.e. embezzlement, mis-appropriation, non production of record etc.

A business entity is known for the product it sells. Its corporate image is closely related to the quality of product that it sells in the market. The same principle applies to the DAGP. Good quality audit reports reflect good governance in the Department of the Auditor General of Pakistan. PIFRA has, no doubt, a profound impact on the improvement of the corporate image of the Department.



The quality of Audit Reports has improved significantly under the Quality Management Framework (QMF), incorporating the basic theme of Total Quality Management (TQM).



Sampling Techniques in Audit

By Dalila Kiran Shakil

Background

The Financial Audit Manual (FAM) implemented by SAI Pakistan in 2006 was designed on the basis of best international auditing practices as defined in the INTOSAI auditing standards. The purpose of FAM is to provide a set of modern auditing standards and quality assurance arrangements.

In FAM, the need of audit sampling is based on the fact that accounting population in public sector is often very large, a detailed examination of which is not possible. Hence, sampling offers a viable solution.

Types of Sampling

Sampling is either statistical or non statistical. Both are discussed below:

Non statistical or judgmental sampling

It is often called as haphazard selection but it does not mean that sampling is reckless. Auditor should select sample without deciding to include or exclude certain items and should project the sample results to the population and collect sufficient evidence to support a valid conclusion.

It is criticized on the ground that probability of the selection of individual items can not be ascertained, which results in inconsistent and unreliable estimates.

Audit experts agree that judgmental sampling is an acceptable method as long as the auditor is satisfied that the sample is representative of the entire population. FAM clearly lays down guidelines for non-statistical sampling. Different types of non statistical sampling used in FAM are DDO selection, page selection from the filing etc.

Statistical sampling

In statistical sampling, each sampling unit has an equal and known chance of selection. Its types includes simple random, systematic random and stratified random sampling techniques.

It is preferred over the non statistical sampling techniques because it gives a representative sample since in it each sampling unit has an equal and known chance of selection.

**An Internal control deviation is the result of the failure to properly perform a particular internal control.*

There are two common methods of statistical sampling in auditing: 1) Probability Proportional to Size (PPS) sampling [also known as monetary unit sampling (MUS)]; 2) Attribute Sampling.

In case of PPS, the likelihood of a unit being selected is proportional to its size. Auditors use a systematic sampling approach to select every thousand rupee in the population after a random start.

MUS is used to obtain monetary estimates of the total error amount or confidence limits for the total error amount in a particular account.

In substantive testing, sampling involves detailed examination of the monetary value of the account balances to determine their accuracy and to draw conclusions about the materiality of the error amounts in the accounts.

MUS are not used as frequently as attribute sampling for compliance tests. However, it has an advantage over attribute sampling – unlike attribute sampling; larger transactions have a greater chance of selection using MUS. This is because the internal control deviations* in large monetary items are more significant than internal control deviations in small monetary items.

Attribute sampling involves the selection of a sample of physical units (supplier invoices, for example), as opposed to individual monetary units (Rupees). In this case, all physical units, regardless of their size, will have an equal chance of selection. In effect, the auditor is taking the position that internal control deviations (unapproved supplier invoices, for example) in small monetary items are just as significant as internal control deviations in large monetary items.

A myth about sampling

There is a myth among the auditors that the sampling techniques result in inaccurate analysis of financial statements and therefore, leads to misstated results. In this way, auditors are unable to produce audit paragraphs.

In fact if the sampling techniques used by the auditor are in accordance with the guidance

of FAM, the sampling results would show the true picture of the validity of financial data and will result in the accurate estimate of population misstatements. In fact, if any auditor fails to produce an audit objection despite the fact that problems exist, this anomaly could be attributed to number of factors like wrong selection of sample, inappropriate size of sample, and so on.

Use of Softwares

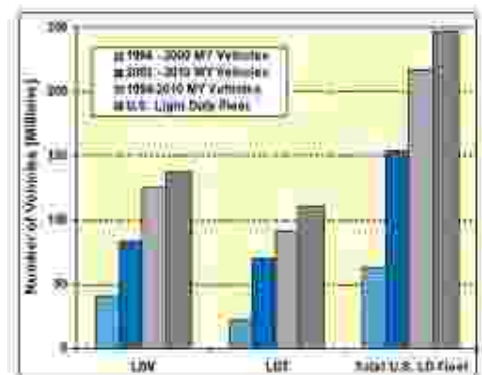
FAM recommends the use of Computer Aided Audited Techniques (CAATs) for determining sample size calculation and error evaluation.

CAATs offers higher level of assurance which is conspicuously missing in manual calculations.

The DAGP has introduced ACL for data analysis where computerized data is available. A number of audit officials have been trained in ACL during past few years by the PIFRA Training Wing. PIFRA has also produced master trainers of ACL who are engaged in extensive training of field audit officers. Three ACL guidelines have been prepared and shared with FAOs for applying ACL in accordance with the best international practices.

Conclusion

Sampling is very useful tool of auditing. With less efforts, higher effectiveness can be obtained. The guidelines of sampling as introduced by FAM, if truly implemented will result in complete, accurate and valid financial analysis and will also fulfill the vision of the DAGP of developing the auditing and accounting capabilities to establish the department as a credible professional institution that promotes good governance and public accountability.



Bill Tracking by Hassan Kazmi and Tariq Mahmood

Due to phenomenal advancements in technology, the use of Enterprise Resource Planning (ERP) systems in organizations has increased. An ERP System is a business management system that integrates all facets of the business, including activities such as inventory control, order tracking, delivery, budgeting, accounting, billing, customer service, financial needs and so on. Hundreds of software's are available for ERP Systems, most commonly used are the SAP, Oracle and PeopleSoft.

As part of reforms in government budgeting, accounting and auditing in Pakistan under PIFRA, SAP R/3 system has been implemented. In all the accounts offices (AGs, AGPRs, DAOs) thousand of bills are presented daily for payment and accounting purpose. These bills follow a specific work flow i.e. token entry, level 1(pre-audit), level 2 (review /verification) and level 3 (final verification and posting) and creation of cheque, by various sections.

YP Bill is a management tool used for tracking of vouchers (bills) during the workflow of Accounts offices. It facilitates the users and executives in tracking the status of bills from anywhere in Pakistan

The users can easily check the status of their bills at AGPRs/AGs/DAOs by simply logging on to SAP R3 system and running YPBILL report.

YPBILL report contains different information regarding processing of bills i.e. section code, levels, redeem date, rejection date, posting date and number of days spent on different levels etc.

Advantages of Bill Tracking:-

The first and foremost important benefit of bill tracking is that the

management can watch progress of bill at any stage during the workflow process which was not possible before implementation of ERP.

Bill tracking reports can also be used to measure the performance of each office, section and individual. This may help management in managing the work load of different sections, and individuals.

The employees/ executive departments/ contractors can also check the status of their claims/bills in Accounts offices at the web or receptions/counter of the AG office.

Moreover, the bills whose processing is delayed can easily be identified through this report and suitable measures can be taken in this regard.

Recently, Training wing PIFRA carried out a survey to assess the practice of bill tracking in the AG Offices. Objectives of the study included: assessment of the existing level of system use for bill tracking; identification of relevant issues; and proposing measures for improving use of bill tracking. Data were collected from officers in the ranks of AAGs and above working in offices of AGPR and provincial AGs.

The study has found significant impact of training on the use of bill tracking system. Those who got training had higher level of proficiency in the use of BTS (3.50 on scale of 5.00) than those who did not receive any formal training in BTS(3.00). Similarly, there is positive and significant relationship between proficiency and actual use. As formal training has been given to only a small proportion of the officers, hence, it is proposed that a series of formal training on BTS should be offered to the officers working in AG offices.

The study has also found that training is not the only factor leading to usage of BTS. Though competence in BTS is a significant determinant of its use but it explains only 34 percent of the actual use of BTS. It means competence is not enough to persuade the officers to use BTS. It implies that a multi-pronged strategy is needed to promote use of BTS. Firstly, training designs should be amended to include attitudinal dimensions by laying greater emphasis on the benefits of BTS. Secondly, some administrative measures may also be taken. e.g. Monitoring the use of BTS by officers and issuing report on monthly basis. Thirdly, interface of BTS should be made more user-friendly by including icons for all types of reports (which can be generated) on the menu of YP Bill. Hard core reports include the following;

- 1) Outstanding bills
- 2) Section-wise performance;
- 3) User wise performance;
- 4) Level-wise performance;
- 5) Vebdor-wise;
- 6) Amount-wise;
- 7) Cheque-wise;
- 8) Bills which are now overdue (over 7 days);
- 9) Bill-wise;
- 10) Rejected– bills;
- 11) Reasons of rejection; and 11)DDO-wise payment.

Fourthly, regular and frequent orientation workshops should be organized for the officers at accounts offices.

Bill tracking reports can also be used to measure the performance of each office, section and individual.

International News

INTOSAI-Donor Steering Committee urges upon SAI Capacity Development

Third meeting of INTOSAI-Donor Steering Committee was held in July, 2011 in Washington D.C. It was hosted by the World Bank.

The committee decided to call for proposals across the INTOSAI community, for SAI capacity development initiatives. The INTOSAI-Donor Secretariat will facilitate the process in close cooperation with the INTOSAI Regional and Sub Regional Secretariats.

The INTOSAI-Donor Steering Committee is led by co-chairs and co-vice chairs from the donors and INTOSAI respectively. SAI Saudi Arabia and SAI USA represent the INTOSAI, while the World Bank and DFID represent the donors.

Functions of committee are: 1) To provide Strategic Guidance and Counseling; 2) To establish and provide leadership vis-à-vis the INTOSAI-Donor Secretariat; 3) To develop and implement Joint Work

Programme; 4) To establish operational guidelines; 5) To encourage mobilization of financial resources to implement Joint Work Programme; 6) To monitor and evaluate the Partnership; and 7) Serve as ambassadors for the Partnership.

Outcome of ASOSAI-EUROSAI conference held in Istanbul in 2011 is adoption and signing of the “Istanbul Memorandum”.

1st ASOSAI-EUROSAI Conference held in Istanbul

The 1st ASOSAI-EUROSAI (European Organisation of Supreme Audit Institutions) Joint Conference from 22 to 24 Sep 2011 was held in Istanbul, Turkey. The theme of Conference was “Ensuring Transparency and Accountability in Public Financial Management –Challenges and Approaches”. Around 20 representatives from European and Asian SAIs participated in the conference. Auditor General of Pakistan Mr. Muhammad Akhtar Buland Rana and DG (IR&C), Mr. Junaid Mushtaq Qureshi represented Pakistan.

Major emphasis of conference was on quality and visibility of SAIs’ work. The outcome of the conference was adoption and signing of the “Istanbul Memorandum”. It was signed by Chairman ASOSAI (Auditor General of Pakistan) and President EUROSAI (d’Oliveira Martins). The agreement is to reinforce interregional cooperation between both Regional Working Groups.



Fresh issue of Asian Journal of Government Audit

The fresh issue of the Asian Journal of Government Audit has been published and available on the website of ASOSAI. It covers the reports on INTOSAI and ASOSAI activities.

It contains a brief report on the XX INCOSAI held in November 2010 in Johannesburg, South Africa under INTOSAI.

Articles cover variety of areas on

Environment Audit, Institutionalization of Performance Audit, Procedures and Techniques for Audit Evidences and Role of SAIs in Promoting Transparency, Accountability and Fighting Corruption.

Earlier issues are available at http://www.asosai.org/documents/doc_journal_list.jsp



Visit of World Bank Mission to Pakistan



A World Bank review mission visited in Pakistan in October, 2011. The visit was intended to review PIFRA implementation progress through its various components. The mission held meetings with various stakeholders of the project including PIFRA team, senior management of DAGP and CGA, selected ministries, Provincial Finance Departments and AGs to review budgets, payments and account module integrations, project accounts, progress on civil accounts and economic classification reporting, commitment accounting and implementation of pensions, GPF payment mechanism. Moreover, the mission also discussed interfacing with SBP, FBR, NBP and EAD besides extension of FABS to foreign funded projects.

Controller General of Accounts, Provincial AGs and DGs Audit in addition to Provincial Secretaries of Finance for facilitating implementation of the project.

Besides, the Mission visited Planning Commission, EAD, Secretary Finance and Special Secretary Finance Division.

The Mission concluded its visit on 13th October. The Aide Memoire 10 covering progress of PIFRA components for further achievements has been issued to all stakeholders.



The Mission visited the Pension and GPF Facilitation Centres, established at AGPR, Islamabad.

The Mission held meetings with Auditor General of Pakistan,



A Glance at PIFRA Activities

Audit Competency Centre Activities

IS audit team of Audit Competency Center is working hard and has achieved several milestones. This was possible due to the support of management and coordination of FAOs. The goal of the activities were to impart and transfer the IS audit knowledge to FAO staff and enable them to conduct IS audit in complex IT environment. The activities performed were:

- Conducting of IS Audit training Phase II for master trainers

- Development of IS audit guideline volume II
- Delivering of Onsite support of ERRAIS audit
- Conducting of 4 weeks IS audit training (CISA preparatory course) at AATI Lahore
- Conducting of 3 weeks training each at AATI Islamabad, AATI Lahore, and AATI Karachi

The AMIS team at Audit Competency Centre is in the process of arranging

Audit Management System for better planning, monitoring & control of audit process.

Quality Management Framework (QMF) has been developed by AP&SS Wing of AGP with the input of Quality Management Specialists. The QMF is aimed at quality assurance of auditing processes rather quality control of the final product.

Series of training for staff of federal ministries launched

A series of training courses for the ministerial staff of federal ministries have been launched at AATI. Objective of these courses was to build capacity of the line ministries / departments for using system for budgeting and reporting.

Training of the first batch commenced on 26th Sep at AATI, Islamabad, second on 3rd Oct, 3rd batch on 10th Oct and 4th batch on Nov 21, 2011. The course was attended by 53 officers / officials representing various Ministries / Departments including Planning and Development Division, Finance, FBR, Ministry of Religious Affairs, Housing & Works, S&T, Interior, IHC, Commerce etc.

The participants were imparted data entering (budget/supplementary

budget, reappropriation etc.) into the system (SAP R/3), and to generate budget and expenditure related reports for internal decision making. Besides, the participants were also given exposure to NAM, Asset Accounting etc.

The participants showed keen interest in training. It is requested that the services of the trained human resource may be utilized for the work for which they were trained.

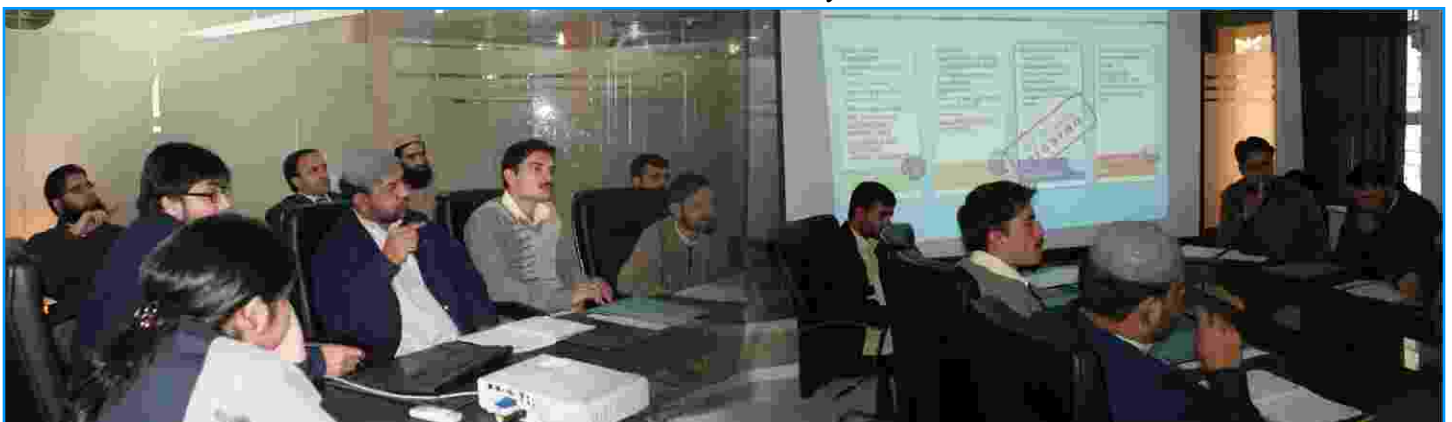
Training for Officials/Officers of the Pensioners and Employees Facilitation Centers

PIFRA arranged training in AGPR for staff of the newly established Pensioner & Employees Facilitation Centres to enable them carry out their

A series of training courses for staff of federal ministries has been launched at AATI, Islamabad. Objective of the training is to enable them use the system and take benefits from the connectivity to the FABS



duties in accordance with the re-engineered business processes.



News from RD, Quetta

Shifting to Pakistan Audit and Accounts Complex



The offices of the accounts and audit department situated at Quetta are presently working in hired buildings scattered in various parts of the city. These offices have been paying huge amount on account of rent. Moreover, security concerns were also high. Keeping in view these issues, PIFRA has constructed a complex for all accounting and auditing related offices. Construction work has been completed. All the minor work at partitioning area at basement in Audit and Accounts Block has been completed. Electricity and gas connections have installed. The Complex has been handed over and offices are being shifted to the Complex.

The Complex consists of two Blocks:- Audit & Accounts Block and Academic Block. According to the plan, the audit offices will be housed at 1st and 2nd floors and the Accounts offices at Ground Floor and Basement of the Audit and Accounts Block. The construction work has also been finalized at Academic Block. Electricity connection has been provided while the case of gas connection is under process. The Academic Block will be handed over to the Pakistan Audit and Accounts Academy Quetta.

Development of Priority Sites



After successful implementation of workflow, computerized payment involving built-in budget check in 14 priority sites (Pishin, Mastung, Uthal, Nasirabad, Khuzdar, Kalat, Nushki, Jafferabad, Sibi, Dhadar, Turbat, Killa Abdullah, Zhob and Loralai), the work of HR Payroll Module has been initiated.

Now HR Payroll Module stands implemented in AG Balochistan Office at Quetta, AGPR (SO) Quetta, DAOs Uthal, Pishin, Mastung, Sibi, Dahdar, Jaffarabad and Nasirabad Districts. The employees of Kalat District have started getting computerized pay since October,

2011.

The work of two more sites i.e. Killa saifulla and Awaran has also been completed. Local Area Network Connectivity has also been provided. An outstanding issue of Ziarat site has been resolved successfully and the site has been handed over to the Treasury Officer, after provision of connectivity. These sites are ready for work flow implementation. Finance Department, Government of Balochistan has been requested to provide a schedule for implementation of workflow.

DAO/TO Sites



In Balochistan, construction work at remaining 10 sites (Harnai, Sherani, Washuk, Kharan, Kohlu, Musa Khail, Jhal Magsi, Panjgur, Gawadar and Barkhan) has been completed. 11 more sites of Balochistan have also been completed and all of them, except (Sherani, Washuk, Panjgur and Dera Bugti) have been handed over to the respective DAOs/TOs. LAN work has been provided to these offices. The WAN work will be initiated after handing over the sites to DAOs concerned.

The construction work at Dera Bugti site

is underway and expected to be finished. Construction work at Dalbandin (the only remaining site), has not yet started due to land dispute. The relevant authorities have been approached and the matter is expected to be resolved soon. The Regional Directorate PIFRA Balochistan is arranging training courses for the staff of DAOs/TOs, where construction work is in progress so that when work finishes, the staff can start operations. In this connection, nominations of Officers/Officials for HR and FI from each office have been requested from the Finance Department.

Workshop on Commitment Accounting

PIFRA conducted a Workshop on Commitment Accounting in Civil Secretariat Balochistan Quetta. Chief Secretary Balochistan, Mr. Ahmed Bukhsh Lehri was the Chief Guest. All the Provincial Principal Accounting Officers/Provincial Secretaries were invited.

The Workshop started with the recitation of Holy Quran. The Chief Guest during his speech emphasized that the officers should have a comprehensive knowledge of the financial matters of the government. He further stated that PIFRA has given ease to the financial discipline in following the rules and regulations. Improvement of the accounting procedures through computerized system provided by PIFRA has minimized the financial irregularities.

The Accountant General Balochistan Mr. Mehfooz Ali Khan briefed the participants about the PIFRA System. He further added that PIFRA will improve the financial systems and in time payments will be made in accordance with the budget provision of the relevant departments. Moreover many of the federal and provincial employees in Balochistan have been brought on Computerized Pay Roll system and soon the remaining employees will also be brought on Computerized Pay Roll system. Thus all the District Accounts Offices/Treasury Offices will be connected to this system.

The Secretary Finance Department, Government of Balochistan, Mr. Dostain Khan Jamaldini, informed the participants about the benefits of the computerized system of PIFRA and

said that it will have long lasting effects in improving the age old financial systems.

The participants were informed that PIFRA has introduced reforming the budgeting and accounting systems. All the payments to Federal, Provincial and District Governments, its budgets and accounts are made through the System i.e. SAP R3. The payments through system have the benefits of accuracy and transparency in financial reporting. All the participants showed keen interest and discussed various issues about the PIFRA activities during the workshop and in the Question Answer Session. Director FABS and the Regional Deputy Director PIFRA Balochistan thanked all the participants for their participation and keen interest throughout the sessions.



Our Distinguished Master Trainers

Malik Imran Ali

Malik Imran Ali is a Master trainer/Resource Person of SAP/FI. He is M.Com and PIPFA Qualified professional working in O/o AG, Balochistan.

He has a long list of contributions for PIFRA reforms. He has imparted training (to more than 500 officers/officials in SAP/FI) and contributed significantly in the implementation of workflow, commitment accounting, and bank reconciliation at several DAOs (Quetta, Mustung, Qalat, Khuzdar, Uthal, Turbat, Dhadar, Sibi, Nasirabad, Jaffarabad, Nushki, Pishin, Killa

Abdulllah, Zhob, Zairat, Jhal Magsi, Barkhan and Loralai) and organizations like Geological Survey of Pakistan, Quetta, Balochistan Small Scale Project, Quetta and Line Departments of Balochistan. Currently he is providing support to afore-mentioned DAOs in submission of accounts.

PIFRA awarded him the Certificate of Achievement in recognition of his services provided in the implementation of FABS in Baluchistan.



Sarfraz Ahmad Sirohey

Sarfraz Ahmad Sirohey is a Master Trainer of SAP(HR). He is MBA and has a master degree in Mass Communication. Besides, he is also SAP HCM Certified Functional Consultant.

He is associated with PIFRA since September 2003. Since then he has rendered services in different capacities like FABS Resource Coordinator, Assistant Manager Helpdesk and Functional HR Consultant. He facilitated in the implementation of system at AG Office

Muzaffarabad, AJK and DAO Neelum and in uploading of payroll data of PARC into SAP System. He has imparted training to hundreds of accounts related staff. Besides, he is a visiting faculty member for AATI Islamabad.



Shahzad Ahmed Iqbal

Shahzad Ahmed Iqbal is a Master Trainer of SAP(FI). He is MCS and MA in Economics. He got SAP FI Certification (Func. Consultant) in 2009.

He is providing support to Finance Department of Government of Punjab for catering report requirements of end users. It includes detail line items wise reporting of budget and expenditures, aggregate reporting of department / DDO / object

and function wise with each month / quarter wise and progressive reports etc and preparation of Provincial budget. He is resolving different issues of Development and Non Development expenditure while punching the expenditure and booking of budget in DAO / AGs and FDs/EDOs. He has provided support in improving the reporting and booking of budget and expenditure.



Muhammad Yousuf

Muhammad Yousuf is a Master Trainer of FAM and ACL. He is CA Finalist and ACL Certified Data Analyst (ACDA). Presently, he is working as Audit Officer in AATI, Karachi.

He has delivered trainings on Audit Command Language and Financial Audit Manual to field auditors stationed at Sindh and Baluchistan. He also worked as a team member of the Audit

Competency Centre for developing guidelines for using ACL in the audit work.

Mr. Yousuf has been very effective in imparting trainings of FAMS & ACL to the officers & Staff of different Field Audit Offices (FAO's) in Sindh



TRANSFERS & POSTINGS

A number of key transfer and posting were made as mentioned below;

- Mr. Rana Asad Amin was promoted to BPS-22 and posted as Special Secretary, Finance Division, Islamabad.
- Mr. Muhammad Junaid was promoted to BPS-22 and posted as Controller General of Accounts, Islamabad
- Mr. Asif Usman Khan was promoted to BPS-22 and posted as Project Director, PIFRA, Islamabad.
- On promotion to BPS-22, Mr. Ghulam Abbas Nakai has been posted as Additional Auditor General, AGP Office, Islamabad.
- Mr. Zafar Hasan Reza (BPS-21) serving as Consultant, Policy Research Wing, Prime Minister's Secretariat (Public) has been posted as Deputy Auditor-General, AGP Office, Islamabad.
- Mr. Faqir Riaz Asif has been promoted to BPS-21 and posted as Deputy Auditor General (A & C), AGP Office, Islamabad.
- Mr. Najibullah Khan has been promoted to BPS-21 and posted as Additional Secretary in Ministry of Interior, Islamabad.
- Mr. Khadim Hussain was promoted to BPS-21 and posted as Military Accountant General Rawalpindi.
- Mr. Tahir Mahmud has been promoted to BPS-21 and post as Accountant General of AJ&K, Muzaffarabad.
- Mrs. Naghmana Ashfaq Sheikh has been posted as Deputy Auditor General, (Distt Audit) AG Office, Islamabad.

PIFRA Directorate

Project to Improve Financial Reporting and Auditing (PIFRA)

House No. 745, Ibn-e-Sina Road, G-11/2, Islamabad.

Website: www.pifra.gov.pk.

Email: change@pifra.gov.pk

FOCAL PERSON:

Muhammad Salim Khan, Director (Change Management)

Phone: 051-9266794, Fax: 051-9266790, Mobile: 0332-9484436

Email: salim@pifra.gov.pk