STRATEGIC PLAN
2023-2026



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AUDITOR GENERAL OF PAKISTAN

OFFICE OF THE
AUDITOR-GENERAL OF PAKISTAN
CONSTITUTION AVENUE
ISLAMABAD

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Foreword

The Department of the Auditor-General of Pakistan (DAGP) has been playing its role in ensuring public accountability and transparency, and promoting good governance by adding value to national resources. To honor these responsibilities in a befitting manner, the department took various initiatives from time to time to upgrade its capabilities including aligning of audit independence, legal mandate, organizational and financial independence with Lima and Mexico Declarations; upgrading the DAGP audit methodologies; and improving DAGP's human resource capacities. These efforts were aligned and integrated in the Strategic Plan (2015-2021).

For a sustained impact of the achievements of previous strategic plan and to identify future needs, a comprehensive review exercise was undertaken. The review was conducted in accordance with the INTOSAI's Strategic Planning Handbook, framework that suggests needs assessment by a Supreme Audit Institution (SAI) before strategic planning. The DAGP completed needs assessment, according to the detailed roadmap given in INTOSAI's Capacity Building Needs Assessment (CBNA) 2009. This included taking stock of the prevailing situation and identification of gaps with the involvement and participation of all tiers of DAGP. The feedback received from various tiers and field offices was analyzed to identify gaps and weaknesses.

One of the challenges identified was ever changing complex governance environment including the growing reliance on Information and Communication Technologies (ICTs) employed in the public sector. Second challenge was widening of the scope of audit and emergence of new audit areas such as privatization, public debt management, disaster management, energy management, gender issues, and public private partnerships. The third challenge was the introduction of new cost-effective auditing techniques and technologies that produced better results. Lastly, the significant strategic issue is the continuous capacity development of DAGP employees to meet current and future challenges.

The current strategic plan may be viewed as a continuation of previous efforts but devised in the light of current situation analysis and future challenges and requirements. This Strategic Plan aims at:

i. Leveraging Emerging Audit Techniques (AMIS, Theme Based Audit, Impact Audit, and Citizen Participatory Audit etc)
ii. Transition to Accrual Basis of Accounting from Modified Cash Basis of Accounting
iii. DAGP Communication Strategy
iv. Upgrading the capacity of the staff to cope with emerging future needs

I would like to express my gratitude to all the officers, especially from HRM and Policy Wings, for their valuable contribution in preparing the Strategic Plan 2023-26.

Muhammad Ajmal Gondal
Auditor-General of Pakistan

(Dated) 27-12-2023

List of abbreviations/Acronyms

A&C	Administration & Co-ordination
ACCA	Association of Chartered Certified Accountants
ACFE	Associate of Certified Fraud Examiner
ACL	Audit Command Language
ACMA	Associate Cost and Management Accountant/Associate Chartered Management Accountant
AD	Assistant Director
ADB	Asian Development Bank
Addl.AG	Additional Auditor-General
AFROSAI-E	African Organization of English-speaking Supreme Audit Institutions
AGPR	Accountant General Pakistan Revenues
AMIS	Audit Management Information System
AML	Anti Money Laundering
APPM	Accounting Policies and Procedures Manual
AQMF	Audit Quality Management Framework
ARABOSAI	Arab Organization of Supreme Audit Institutions
ASOSAI	Asian Organization of Supreme Audit Institutions
B&A	Budget & Administration
CA&E	Commercial Audit & Evaluation
CAATs	Computer Assisted Auditing Techniques
CAEs	Centralized Accounting Entities
CAROSAI	Caribbean Organization of Supreme Audit Institutions
CBNA	Capacity Building Needs Assessment
CDNS	Central Directorate of National Savings
CFE	Certified Fraud Examiner
CFT	Combating Financing of Terrorism
CGA	Controller General of Accounts
CIMA	Chartered Institute of Management Accountants
CIPFA	Chartered Institute of Public Finance & Accountancy
CMA	Certified Management Accountant
CPA	Citizen Participatory Audit
CPD	Continuous Professional Development
CSO	Civil Society Organization
DAGP	Department of the Auditor-General of Pakistan
DC	Departmental Cadre
DD	Deputy Director
DG	Director General
Dy. AG	Deputy Auditor-General
Dy. CAO	Deputy Chief Accounts Officer
EAD	Economic Affairs Division
ECOSAI	Economic Cooperation Organization of Supreme Audit Institutions
ERP	Enterprise Resource Planning
FABS	Financial Accounting and Budgeting System

FAM	Financial Audit Manual
FAOs	Federal Audit Operations/Field Audit Offices
FAP	Foreign Aided Project
FC&DO	Foreign Commonwealth & Development Office
FD	Finance Division/Finance Department
HRM	Human Resource Management
HRMIS	Human Resource Management Information System
ICAP	Institute of Chartered Accountants of Pakistan
ICGFM	International Consortium on Governmental Financial Management
ICMAP	Institute of Cost and Management Accountants of Pakistan
ICTs	Information and Communication Technologies
IDC	Inter Departmental Cadre
IDI	INTOSAI Development Initiative
IFAC	International Federation of Accountants
IMF	International Monetary Fund
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
IR&C	International Relations & Coordination
IS	Information System
ISSAIs	International Standards of Supreme Audit Institutions
IT	Information Technology
JICA	Japan International Co-operation Agency
KPK	Khyber Pakhtunkhwa
MoU	Memorandum of Understanding
MSO	Manual of Standing Orders
NAM	New Accounting Model
NAO	National Audit Office
NGO	Non-Government Organization
P for R	Project for Results
PAAA	Pakistan Audit & Accounts Academy
PAC	Public Accounts Committee
PFM	Public Finance Management
PIFRA	Project to Improve Financial Reporting and Auditing
PIPFA	Pakistan Institute of Public Finance Accountants
QAIM	Quality Assurance, Inspection and Monitoring
QMF	Quality Management Framework
SAI	Supreme Audit Institutions
SAP	Systems, Applications & Products
SSA	Special Sector Audit
TFP	Training for Pakistan
UN	United Nations
USA	United States of America
USAID	United States Agency for International Development
USD	United States Dollar
VFM	Value for Money Audit

VISION, MISSION AND CORE VALUES

OUR VISION

A MODEL SUPREME AUDIT INSTITUTION ADDING VALUE TO NATIONAL RESOURCES

OUR MISSION

SERVING THE NATION BY PROMOTING ACCOUNTABILITY, TRANSPARENCY AND GOOD GOVERNANCE IN THE MANAGEMENT AND USE OF PUBLIC RESOURCES

OUR CORE VALUES

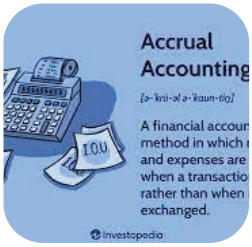
- INTEGRITY
- QUALITY
- PARTNERSHIP

STRATEGIC PLAN IN A NUTSHELL: STRATEGIC GOALS (2023-2026)



LEVERAGING NEW AUDIT TECHNIQUES AND METHODOLOGIES (AMIS, THEME BASED AUDIT, IMPACT AUDIT, AND CPA ETC.)

GOAL 1



TRANSITION TO ACCRUAL ACCOUNTING

GOAL 2



COMMMUNICATION STRATEGY

GOAL 3



CAPACITY BUILDING

GOAL 4

1. INTRODUCTION AND BACKGROUND

Department of the Auditor-General of Pakistan drafted its first Strategic Plan (2015-2019) comprising five (05) goals after conducting a comprehensive Need Assessment to identify gaps in achievement of strategic issues. The findings of the Needs Assessment Report revealed that the DAGP was already making progress on some of the strategic issues. The plan was extended for another 2 years and in 2021, an exercise was conducted for performance evaluation with reference to goals of the Strategic Plan (2015-2019). In addition to this, a situational analysis and need assessment was carried out by involving various tiers of DAGP, in particular its field audit offices. Building upon the progress of previous Strategic Plan and in light of situational analysis and future analysis, the strategic priorities and goals for the next four years were decided. The five goals of the Strategic Plan (2015-21) were; (i) Improving Financial and Organizational Independence (ii) Development of Professional and Institutional Capacity (iii) Development of Communication and Cooperation with Internal and External Stakeholders (iv) Use of Modern Audit Techniques and Technologies and (v) Improving Internal Governance.

Some significant milestones achieved in the implementation of Strategic Plan (2015-21) were approval and notification of Manual of Standing Orders (MSO), Human Resource Strategy and curriculum for induction course. After dysfunction of previous version, new Human Resource Management Information System was procured in 2022 and the data is being entered and updated by relevant wings of the office. 547 officers availed training in 2018 under Technical Assistance "Training for Pakistan (TFP)" Project through USAID in courses like GAO Fellowship Program, Risk Based Auditing, Certified Fraud Examiner (CFE) and Environmental Auditing etc. Continuous Professional Development (CPD) program of IDC officers was initiated and 326 participants attended these training sessions. For capacity building, MoUs with Institute of Chartered Accountants of Pakistan (ICAP), Association of Chartered Certified Accountants (ACCA), Institute of Cost and Management Accountants of Pakistan (ICMAP) and Pakistan Institute of Public Finance Accountants (PIPFA) were signed. Audit Management Information System was procured and trainings were conducted at Islamabad, Lahore and Karachi as a pilot project. E-communication in the form of zoom meetings and trainings took place. Audit Quality Management Framework (AQMF) was drafted by QAIM Wing with the consultancy of Earnest & Young after gap analysis and in the light of AMIS which has been approved. Moreover, the workplace environment was improved. The rooms in new building were allocated to the officers of DAGP. For the archiving of institutional memory, the "Archive Section" was established for maintaining institutional record. Office building renovation was also completed and separate female washrooms were constructed. Further, worship place on ground floor was established. Some issues and challenges hindering the implementation of strategic plan were the enactment of Audit Act and inclusion of DAGP from Schedule 3 to Schedule 2 of the Rules of

Business. The financial independence of DAGP also remained an unaccomplished goal. The re-deployment of staff on rotational basis, defining of career path was not followed in full spirit. The previous HRMIS established in DAGP became dysfunctional due to financial constraints.

2. STRATEGIC PLAN (2023-26)

The goals of Strategic Plan (2023-2026) build on the progress of Strategic Plan (2015 -2021) as well as the strategic direction of the department in future, keeping in view the mandate, present needs and future challenges of DAGP. The Steering Committee for development of new Strategic Plan established a Sub Committee to decide future goals based on need assessment exercise. The subcommittee identified four goals and constituted four (04) committees to submit a report on each goal.

Following are the four goals of the strategic plan (2023-2026):

Goal 1: Leveraging Emerging Audit Techniques (AMIS, Theme Based Audit, Impact Audit, and Citizen Participatory Audit etc.)

Goal 2: Transition to Accrual Accounting

Goal 3: DAGP Communication Strategy

Goal 4: Capacity Building

3. Goal 1: Leveraging Emerging Audit Techniques – AMIS, Theme Based Audit, Impact Audit, and Citizen Participatory Audit etc.)

3.1 Section 1: Introduction

3.1.1. Preamble:

Introduction of emerging audit techniques and technological advancements has always been on a high priority in the DAGP. There is a clear understanding at the top level that introduction of new techniques, processes and use of technology is essential for enhancing audit efficiency and effectiveness and bringing sustainable improvement in the performance of DAGP. In this regard the following strategic interventions are important to mention:

a) Audit Management Information System (AMIS)
b) Theme Based Audit
c) Impact Audit
d) Citizen Participatory Audit

3.1.2. Background:

DAGP is the constitutional institution that works to support parliamentary oversight at federal, provincial and local government level. It exercises its mandate with the support of audit technicians and audit managers. Its clientele consists of federal and provincial legislatures, federal, provincial and local governments, development partners/international organizations, civil society and public at large. The Federal Government is committed to addressing the institutional constraints that continue to hamper the delivery of services. It is implementing a holistic PFM Reforms Strategy (2016-2025) in collaboration with the World Bank, European Union, IMF and FC&DO. A major development on the PFM front has been the enactment of the PFM Act 2019 to overcome weaknesses and gaps in Pakistan's PFM framework followed by similar acts by the provincial governments.

DAGP aspires to develop itself as a model institution to play its critical role for the promotion of good governance, accountability and transparency. Under PIFRA reforms, DAGP has taken concrete actions to modernize Public Sector Auditing such as development of Financial Audit Manual (FAM), issuing sectoral audit guidelines, adoption of Computer Assisted Audit Technique (CAATs) for data analysis as well as for establishing a Special Sectors Audit (SSA) Wing to steer the shift from traditional compliance audit to issue-based and Theme Based Audits/Special Audits. For digitizing audit processes, DAGP has piloted Audit Management Information System (AMIS).

The World Bank sponsored 'Program for Results' (PforR) project for improved service delivery through better public financial management, included implementation of AMIS by DAGP as a key requirement. After piloting of AMIS under PforR, it is now a challenge to ensure replication, mainstreaming and sustainability of AMIS and its benefits.

Replication of AMIS at sites other than the pilot sites covered under PforR project in financial year 2020-21, and mainstreaming of AMIS and processes within relevant Field Audit Offices (FAO) through capacity enhancement and change management, are the main objectives of Goal 1 of strategic plan 2023-2026 on which the work has already been initiated in various FAOs. Such replication, mainstreaming, change management and capacity enhancement is essential for benefiting from the AMIS introduced under PforR project, as well as to meet the challenges of enhanced scope of work and overall capacity requirement of DAGP.

AMIS implementation involves configuration and activation of SAP Audit Management module powered by SAP HANA and SAP Business Objects at replication/roll-out sites. AMIS will enable real-time linkage of field auditors with audit managers, data-analytics for enriched audits, automated risk registers with risk profiling of Government organizations on the basis of financial risk, compliance risk, environmental risk, operational risk, system-based audit planning, budgeting, reporting and exit meetings, and facilitation in the working of Public Accounts Committees through system-based oversight of PAC directives.

Audit that answers cause and effect questions about the results attributable to an initiative and provide systematic knowledge and analysis is often not available or utilized by policy-makers. The initiative can be a new program or recent change to an existing program or policy; such change could be in resources, outputs, policies & procedures or in operations. Impact audits answer questions about the results attributable to an initiative. It focuses on positive and negative, primary and secondary, medium to long-term effects on final beneficiaries of an initiative. It assesses direct and indirect causal contribution of initiatives to effects whether intended or unintended and looks into how policy interventions contribute to an effect so that lessons can be learnt. Attention is also paid to intermediate effects, 'implementation trajectories' and 'shape' and speed along a causal pathway.

3.2. Section 2: Rationale for Proposed AMIS/Theme Based Audit Objectives: Stakeholders

Effective auditing has a critical role to play in holding federal, provincial and local governments responsible to the citizens for their utilization of resources and performance in improving the functioning of the economy and better service delivery. The following considerations have been taken into account in the proposed objectives:

3.2.1. Considerations in Proposed AMIS/Theme Based Audit Objectives:

The promulgation of 18th amendment to the Constitution and the PFM Act 2019, has increased the scope of work of Auditor-General to include all Federal and Provincial Government entities, and any authority or body established by, or under the control of the Federal or a Provincial Government inclusive of the autonomous bodies.

Moreover, DAGP as an independent, neutral, and constitutionally mandated authority is also time and again assigned various forensic audits, probes, inquiries and special inquiries by the Supreme Court, High Courts and Public Accounts Committees in addition to its routine audit work. Input from CSOs and public at large is also solicited for risk –profiling and audit planning in line with citizen participatory audit principles. Such multifarious assignments require theme-specific and sector-specific expertise to conduct such audits effectively.

In order to fulfill its responsibility for promoting good governance through improved accountability, the DAGP has been striving to add newer and varied areas of audit in its portfolio. The newer areas focused at DAGP include: Environmental Audit, AML/ CFT Audits, Energy Audit, Health and Occupational Safety Audits, Citizens Participatory Audit, Forensic Audit, and Sectoral Audits like those focused on Social-Safety Nets etc. DAGP would need to build its capacity in these new and emerging areas.

Lastly, as highlighted in the previous section, AMIS project was initiated under P for R project. It requires replication to ensure sustainability. In view of the above considerations, the following aspects have been

taken into account in the proposed framework:-

- Constitutional Role of DAGP
- Increase in Scope of Audit Work
- To conduct maximum audits within limited time-period by efficiently deployed available resource.
- DAGP vision to become a model SAI by applying latest audit techniques and methodologies
- To reduce time required to conduct audit
- To reduce corruption at various levels during the conduct of audit
- Need for replication of AMIS Pilot Project to ensure its sustainability
- Need for sectoral audit/thematic audit and emerging areas of audit
- Need for continuous professional development of its employees
- Alignment of DAGP's Audit Quality Management Framework with AMIS

3.3. Section 3: Proposed Framework

The proposed framework aims to improve Public Financial Management through following two objectives:

3.3.1. Digitization of all audit processes and ensuring their sustainability through replication of Audit Management Information System (AMIS)

As a move toward technological advancements, the DAGP had been striving hard to install an Audit Management Information System (AMIS) to automate the audit processes. The year 2021 witnessed landmark achievements in this regard with the approval of PC-1 and procurement, installation and rollout of AMIS pilot sites in DAGP. AMIS is a strategic move meant to computerize the reporting of all audit processes, including planning, scheduling, execution which were previously done manually. Under the new mechanism, all audit subsidiaries will be affiliated with the AGP office and the audit teams in the field will communicate in real-time with the audit management tiers of AGP to ensure transparency and quality.

The AMIS uses a SAP Enterprise Resource Planning (ERP)-based system.

The system is designed to enable the following:

1. **Audit Management:** the execution of the end-to-end audit management process.
2. **Automation:** digitization of all audit-related working papers, reports, data, evidence and follow-up actions for easy and quick access and retrieval; and
3. **Quality Control:** system-based quality controls, performance monitoring of auditors, and quality assurance of the entire auditing business processes.

The following End User Training Manuals for the system have been developed.

- Managing Master Data;
- Resource Management;
- Preliminary Survey Reports;
- Audit Planning;
- Audit Execution;
- Audit Reporting;
- Audit Follow-up;
- Departmental Accounts Committees; and
- Quality Control.

Being a commercially off the shelf (COTS) system, updating of many fields is under process and system is being updated as per requirements of end-users. Teething troubles are, of course, a common feature of all new systems. DGAP is committed to take the users feedback into account and put in place corrective measures. Significant improvements are needed for it to fully meet the DAGP needs which will be part of future four years plan.

3.3.1.1 Implementation Process

The implementation of AMIS involves the following:

- Configuration and tailoring of AMIS Software, templates, dashboard and reports as per DAGP, Executive and PAC requirements
- Implementation at roll-out/replication sites across the country (covering 30 field audit offices and about 500 audit teams)
- Training in implementation, operations, management, error handling/exceptions, and system administration of AMIS solutions
- Post Implementation System Support & Maintenance for three (03) years
- Alignment of AMIS and Audit Quality Management Framework (AQMF) to provide a structured approach to create an effective Audit Quality Management Information System that governs the entire audit cycle.

3.3.2 Establishing Theme Based Audits as a regular audit practice in DAGP

Theme Based Audit as an emerging technique was introduced in Audit Year 2021-22 as a new shift and

focus area, after having discussed the idea with different stakeholders like PAC, respective governments and auditee entities. A need was felt that audit reports of AGP should comment on the different activities of strategic importance and the focus of reports should be shifted from traditional transaction reporting to broader framework of issue based/theme based audits. The idea of Theme Based Audit can be seen from two different dimensions. One dimension of Theme Based Audit is that reports of the Auditor-General should highlight and discuss the thematic issues across the sector, entity and governments. Secondly, such audits should address any specific activity/program/project etc. which are executed and implemented by the auditee organizations for attainment of their strategic objectives and goals. The idea was to achieve the goal of smooth transition to thematic/issue-based audit topics in a phased manner, starting with Audit Reports of the Auditor-General of Pakistan for the year 2021-22. The theme-based audit technique will continue in the forthcoming Audit Years with substantial improvements and introduction of new ideas.

3.3.2.1. Thematic Areas

Nine specialised theme-based audit areas have been identified which are as follows:

- Forensic Audit
- IS/ IT audit
- Contract / Procurement audit / Asset management
- Power sector audit
- State owned enterprises / Extractive industries audit
- Education sector audit
- Health quality audit
- Public debt and revenue receipts audit
- Environmental audit / sustainability auditing

The objective is to build capacity of employees/auditors in the above thematic areas through trainings and professional certifications. For this, DAGP has signed a contract with CIPFA, UK according to which 800 auditors would be trained to get professional certifications in the above thematic areas. In addition to that, 800 auditors would be trained in International Public Sector Accounting Standards (IPSAS). Once capacity is developed, the trained employees would be provided practical experience of specialized audit themes by conducting audit in those themes through hand-holding support.

3.3.2.2 Hand-Holding Support

Hand-holding (or more formally “On-the-Job Training” or “Pilot Audits”) is an essential feature of any training programme to ensure that the detailed theoretical work has been fully understood and can be put into practice by the trainees. This is even more important with Performance Auditing (PA) as the type of

auditing does not readily align itself to a formulaic approach based around fixed templates.

The on-the-job training will be provided to a selected few after they have completed the theoretical training in the thematic area. These people will become the "champions" and help roll out the audits across DAGP. For this purpose, following steps will be taken:

- Development of Toolkits for Theme based Audits;
- Conduct of Thematic Performance Audits;
- On-the-Job Training Pedagogy;
- On-the-Job Training Needs Assessment; and
- New Entrants On-the-Job Training Requirements

The above initiatives commissioned in 2021, will go a long way in substantially improving the audit processes in DAGP. The goal is to properly implement the new techniques and to derive maximum advantage out of the initiatives.

3.3.3 Impact Audit:-

An impact audit, also known as a social or sustainability audit, is a systematic examination and evaluation of an organization's activities and their effects on various aspects of society and the environment. It aims to assess the positive and negative impacts that an organization generates, providing insights into its social, environmental, and economic performance.

The purpose of an impact audit is to measure and understand an organization's overall impact on stakeholders, such as employees, customers, communities, and the natural environment. It helps identify areas where the organization can improve its practices, mitigate negative impacts, and enhance positive contributions.

The process of conducting an impact audit typically involves the following steps:

1. Scope definition: Clearly define the boundaries and scope of the audit, including the specific activities, operations, and areas to be assessed.
2. Data collection: Gather relevant data and information related to the organization's operations, products, services, and supply chain. This may involve collecting internal data, conducting surveys, engaging with stakeholders, and reviewing relevant documentation.
3. Impact assessment: Analyze the collected data to evaluate the organization's impact across various dimensions, such as social, environmental, and economic as defined in its planning documents. This assessment may include factors like greenhouse gas emissions, energy consumption, waste generation, labor practices, community engagement, etc.

4. Benchmarking: Compare the organization's performance against industry standards, best practices, and relevant regulations. This helps provide context and identify areas for improvement.
5. Reporting: Prepare a comprehensive report that outlines the findings of the impact audit. The report should include both quantitative and qualitative data, highlight areas of strength and weakness, and provide recommendations for improvement.
6. Action planning: Based on the audit findings, develop an action plan that outlines specific steps and initiatives to address the identified areas for improvement. This plan should be practical, measurable, and aligned with the organization's goals and objectives.
7. Monitoring and review: Implement the action plan and establish a system for monitoring progress and reviewing the effectiveness of the initiatives. Regular monitoring helps ensure continuous improvement and accountability.

By conducting an impact audit, organizations can gain a better understanding of their social and environmental footprint, make informed decisions, enhance their sustainability efforts, and demonstrate their commitment to responsible practices. It also allows stakeholders, including investors, employees, and customers, to evaluate an organization's performance in terms of its impact on society and the environment.

3.4. Section 4: Planning and Implementation Matrix

The planning and implementation matrix of the stated goal is detailed as under:

Sr. No	Objectives	Key Activities	Output Indicators	Time Frame	Funding Source	Responsibility	Critical Success factors
1.	Complete rollout of AMIS in DAGP and ensure automation of all audit processes through AMIS	**a)** Digitization of DAGP Manuals and Integration with AMIS. **b)** Power user trainings. **c)** preparation of user manuals.	**a)** Manuals and guidelines digitized and integrated. **b)** Users trained. **c)** User manuals prepared and provided to users. **d)** Audit offices with AMIS implemented **e)** Audit reports prepared by AMIS **f) T**heme based audits	4 years: 2023-2026	DAGP/GoP	• SSA Wing	• Tone to be set at the top for complete rollout and implementation of AMIS among the identified users and stakeholders
2.	Shift from traditional transaction reporting to broader framework of issue based/ theme based audits/impact audits and citizen participatory audits.	**a)** Innovation Hub will bring together key stakeholders in the PFM space to share best practice, policy advice, higher level learnings and practical experience to develop new approaches to PFM challenges. The Innovation Hub is also described as a Learning/Knowledge Hub. **b)** Conducting a series of training programs on theme based audit by PAAA and PAW. **c)** Functional Specialized Audit Unit (SAU) **d)** Sectoral risk analysis and guidelines developed by SAU subject-matter experts	**a)** Themes identified. **b)** Theme based audits carried out in an Audit Year. **c)** Number of audit staff trained in theme based audit in a particular Audit Year.	4 years: 2023-2026	Primarily DAGP/GoP resources, however for training activities, the assistance of donor agencies can be sought.	• SSA Wing • All Audit Wings • Policy Wing • HRM Wing • PAAA • PAW	• Effective communication with stakeholders like PAC, respective governments and audit entities. • Enhanced sharing of knowledge and experiences within the department and outside.

4 Goal 2: Transition to Accrual Basis of Accounting

4.1. Section 1: Strategy for Transition of Accounting System from Cash Basis to Accrual Basis.

4.1.1. Objectives and rationale:

The primary objective of a government accounting system is to help users understand the size of the government, the nature and scope of its activities and its financial position; understand and forecast how the government finances its activities; understand and forecast the effects of the government's activities; and determine whether the government did what it said it would do, and the costs of its activities. The accounting system, as a decision support system, must be capable of providing detailed information to the decision makers for effective fiscal management including cash forecasting, working capital management, debt management and lending by the governments, and future financial projections.

It is evident that the present system of government accounting in Pakistan lacks information in key areas important for yielding a comprehensive picture of financial performance of the government. Such gaps in information pertain to reporting on total debt stocks, physical assets, and accrued interest on lending and borrowing, the equity share of the government in public sector enterprises, the financial sustainability of the autonomous organizations, the performance reports of the commercial departments of the government, etc.

There is, therefore, a need to ensure that the strategic plan of the DAGP for 2023-26 incorporates measures for bringing improvements in the accounting and reporting system to fulfill the objectives, and address the gaps outlined above.

Essentially, the accounting system of the government needs transition to accrual (IPSAS) based accounting over the next ten years, and the proposed strategic plan 2023-26 should be seen as part of that broader transition.

Transitioning to accrual-basis IPSAS will:

- Match the revenues and expenses of the government of the same period.
- Provide a holistic and accurate snapshot of the government's financial position;
- Enhance financial management transparency and accountability;
- Improve financial management and accounting through good governance and delivering value for money;
- Enhance the efficiency and effectiveness of the government's fiscal management;
- Result in effective measurement of policy outcomes through implementation of management accounting; and
- Provide better indicators for prudent financial management.

4.1.2. Approach and Key Features of Strategic Plan for Transition to Accrual Accounting Basis:

Proposed 04 (four) years Strategic Plan from 2023-2026 is part of the ten year road map for transition to accrual accounting. A phased approach will be adopted to implement the roadmap. The roadmap was initially outlined under PIFRA. Subsequently it was elaborated and made more comprehensive by the accounting wing of office of the Controller General of Accounts. Later, a committee at DAGP main office also adopted the roadmap.

The Strategic Plan 2023-2026, as well as the overarching roadmap, encompasses transition in a) the basis of accounting from cash to accrual; b) adoption of accounting standards; and c) automation of business processes and financial information for effective fiscal management.

There is no prescribed or preferred approach for transition from cash to accrual basis of accounting. There are certain road-maps and pathways based on recommendations by (a) countries that have experienced such transitions (b) CIPFA & IFAC (IPSAS- Accrual basis) and (c) IMF (which suggests a four-phased road-map).

In case of Pakistan, a model based on local context, adoption of IPSAS and phased approach on the pattern of IMF model has been proposed. The approach stresses:

a) Development of consensus among implementation agencies;
b) Compliance with the Statutory/ Legal Framework;
c) Implementation in a structured, orderly and deliberate manner·
d) Focus on economic entities for relevance and priorities;
e) Assessment of physical, human and financial resources; and
f) Delineation of different implementation phases, milestones, and timelines

The transition will be based on the four-phased roadmap as outlined in the table below. The phases comprise:

Phase1: Adoption of IPSAS and modified cash-basis of accounting

Phase 2: Elementary Accrual Accounting

Phase 3: Advanced Accrual Accounting

Phase 4: Full Accrual Accounting

PAKISTAN-TRANSITION STRATEGY TOWARDS ACCRUAL-IPSAS						
Implementation Phases	**Balance Sheet**		**Operating Statement**			**Institutions (Federal & Provincial)**
	Assets	**Liabilities**	**Revenues**	**Expenses**	**Other Flows**	
Phase 0 Cash Accounting	Cash Balance	Bank Overdraft	Cash Receipts	Cash Payments	None	General Govt; Autonomous Bodies
Phase 1 (NAM) Modified Cash Accounting	Lending Stocks and Flows, Fixed Assets Registers	Borrowing-Stocks and Flows, Public A/C and Grants	Cash Receipts	Cash Payments	FC Valuation Changes in Foreign Debt (Disclosure) 3rd Party Payments	General Govt. Autonomous Bodies & Commercial Entities
Phase 2 Elementary Accrual Accounting	Trade Receivables Prepayments	Trade Payable	Accrued Trade Revenue	Accrued Expenses Except Depreciation	None	General Govt. Autonomous Bodies & Commercial Entities
Phase 3 Advanced Accrual Accounting	Equity Investment	Other Financial Long Term Liabilities	Accrued non Tax Revenues	None	Valuation Charges in Fin. Assets and liabilities Provisions	General Govt. Autonomous Bodies & Commercial Entities
Phase 4 Full Accrual Accounting	Fixed, Intangible Assets, Inventories Tax Receivables	Monitory Financial Instruments	Accrued Receivables	Depreciation	valuation Charges in Fin. Assets and liabilities	

4.1.3. Strategic Plan-Phase 1 of Roadmap (2023-2026)

The 04 year Strategic Plan for transition to accrual accounting pertains to phase 1 of the four-phased roadmap (remaining phases are outlined in the above mentioned table). This phase will primarily involve:-

a. Updating and strengthening of NAM in centralized accounting entities

b. Extension of NAM to self-accounting and exempt entities

c. Preparation for transition to elementary accrual accounting capacity building of accounting offices in IPSAS accrual

While details of these measures would be worked out under the Operational Plan to be developed subsequently, the key actions involved are outlined below:

i). Updating and Strengthening of NAM in Centralized Accounting Entities (CAEs)

NAM includes Accounting Principles, Policies & Procedures which need to be updated in view of the fact that when NAM was introduced SAP-ERP based procedures at accounting offices were not fully

implemented. The Accounting Policies and Procedures Manual (APPM) now needs to accommodate SAP-ERP based processes and procedures. Chart of Accounts also needs updating by adding features like geographical element in it, to enable region- wise reporting of expenditure, Revenues, etc.

There are various features of existing NAM that are not being implemented properly. The four year strategy should ensure the following with regard to implementation of modified cash basis IPSAS under updated NAM:

a. Activation of Public Debt Sections and Public Asset Sections in AGPR, sub- offices of AGPR and Provincial AG offices, with the responsibility for coordination with CAEs to ensure recording of stocks and flows of debts, as well as recording of asset registers of CAEs into the SAP-ERP based FABS;
b. Mandatory receipt of 13-A and A13-8 forms (manual or system-based) along with claims from Ministries/ Division/ Departments (DDOs) for Maintenance of Asset Registers;
c. Mandatory receipt of Information (Manual/ through Interface with FABS) from EAD, Finance Division and CDNS for maintenance of Liabilities Register on 11-A forms (or their system-based alternatives);
d. Receipt and posting of opening balances of the Public Debt by the Federal and Provincial AGs in SAP-ERP System.

Extension of NAM to Self-Accounting Entities and Exempt Entities

To extend NAM's prescribed mandatory accounting principles and policies to subject entities, the following key measures would be required:

For Departmentalized/Self-Accounting Entities

- Maintenance of Memorandum Record of Physical/Fixed Assets
- Recording of daily summarized accounting data of Self-Accounting Entities into SAP-ERP-based FABS.
- Establishment of interface of FABS (AGPR Islamabad) with each departmentalized/Self-Accounting Entity for posting of accounting summarized data into ledger
- Extension of NAM to Self-Accounting Entities and Exempt Entities SAP-ERP system on daily basis instead of monthly.

For Autonomous Bodies/Exempt Accounting Entities

- Drafting, approval and implementation of Accounting Framework for Autonomous Bodies (all three types) of the Federal, Provincial and local governments with PFM Act-2019 and NAM by CGA;
- Approval of the said framework by AGP after consultation with Finance Division;
- Implementation of the accounting framework by the Autonomous Bodies and submission of monthly data to the respective Accountants General for consolidation;
- Development /configuration in the SAP-ERP system by FABS-CGA for data entry and annual consolidation;

ii). Capacity Building

Full adoption and extension of modified cash based accounting can be done within the available technical capacities of DAGP. The resource persons of CAEs, SAEs and autonomous entities will be trained, where required, through PAAA.

With regard to preparation for the next phase of transition (phase 2: Elementary Accrual Accounting), capacity building of a pool of accountants of PA&AS would have to be done in areas like Accrual basis IPSAS, within phase 1.

iii). Technology

As mentioned in the previous section, interfaces and linkages of SAP-ERP based Financial Accounting & Budgeting System (FABS) with departmentalized accounting entities/SAEs as well as autonomous entities will have to be developed within the three years period. In this regard coordination with CGA/FABS, Finance Division and respective SAEs/autonomous entities would be critical.

To enable strengthening of NAM at CAEs as well, any system-based gaps in recording of asset registers and of commitments need to be resolved through coordination with FABS/CGA. Interfaces of FABS with EAD for capturing external debt and with SBP, CDNS, Pakistan Post for capturing stocks and flows of domestic debt would need to be ensured.

Institutional Arrangements

Implementation of technological solutions/linkages, as well as extension of NAM based book keeping and reporting practices to departmentalized and autonomous entities will require close coordination with respective entities, as well as with EAD, CDNS, PPOD and FD as indicated above. This will require constitution of an overarching coordination or steering committee under Additional AGP and comprising BPS-21 officers from FD, EAD, CDNS, PPOD and key autonomous entities. The following sub-

committees/teams may also be constituted under the steering committee for better coordination:

Sub-Committee for:

- General Government-Centralized Accounting Entities;
- General Government-Self Accounting Entities;
- General Government- Commercial Departments;
- Autonomous Bodies; and
- Public Sector Enterprises

4.2. Section 2: Subsequent Phases of Ten Year Transition Roadmap.

Phase-02 (2027-2029)

4.2.1. Elementary Accrual Accounting:

This second phase in the transition to accrual accounting involves developing a system for recording some "in transit" receipts and expenses in the operating statement, and recognizing the related stocks of unpaid invoices from suppliers as liabilities and unpaid bills issued to customers for services rendered as assets on the government's balance sheet. This Phase mainly includes:

1) Conversion of Chart of Accounts towards elements of accounts (IPSAS compliant);
2) Statement of Cash Flows (already being prepared)
3) Change in the basis of Recognition of capital/ revenue receipts and expenditure;
4) Limited Adoption of Accounting and Reporting Standards.

Pakistan has already adopted the format of Statement of Cash Flows given under IPSAS-2 accrual basis. Four elements of the chart of accounts have been codified according to the Elementary Accounting from Cash Accounting. The formats of the IPSAS-Cash basis have almost been adopted under the NAM. The following milestones are recommended for implementation in this phase.

i) All Centralized and Self-accounting entities and Autonomous Bodies:

a. Up-gradation of Chart of Accounts by CGA for

   i. Adding sixth element as "Location",
   ii. Insertion of new heads of accounts for 'Accruals and Deferrals', and
   iii. Line items to comply with the format of Statement of financial position;

b. Updating of accounting manuals (NAM) for Limited transition towards accrual basis

c. Change of 'recognition basis' for Capital Receipts and Capital Expenditure;

d. The following items of Operating Statement will be reflected on accrual basis:

   - Revenue from sales of goods and services only
   - Dividends and interest received
   - Salaries and interest accrued on Debt
   - Purchase of goods and services

4.3. Section 3: Phase -03 (2029-2030)

4.3.1. Advanced Accrual Accounting

The third phase of the transition completes the recognition of financial liabilities and financial assets in the balance sheet, records changes in the value of those stocks in the operating statement.

4.4. Section 4: Phase-04 (2030-2033)

4.4.1. Full Accrual Accounting:

During this fourth and final phase of the transition, governments will publish a complete set of accrual-based financial statements including a full balance sheet and operating statement, provide a full set of disclosures in the financial statement and expand the institutional coverage of the financial statements to the whole of the public sector. This will provide the government, parliament, and citizens a comprehensive overview of public sector revenues, expenditures, assets, liabilities, and net worth, The key features of adoption of full accrual accounting are:

a. This will be used by the General Government entities, only, The public sector enterprises and the Autonomous Bodies having enactments for otherwise will keep on following the IAS/IFRS as prescribed by the SECP under the Companies Act-2017;
b. The policies for frequent valuation of assets will not be adopted being an expensive, time taking and complex technical activity
c. The reporting for historical and natural assets will not be mandatory
d. The receipts of tax revenue will be mainly recognized on cash basis.
e. The early adoption of the revised and newly emerged standards will not be mandatory. The Auditor-General (on recommendation of relevant forum) may grant exemption to entities from such adoption;
f. All adoptions of the requirements of the accounting standards shall be subject to the approval of the Auditor-General of Pakistan.

The transition in the following areas will take place in this phase.

Adoption of Full accrual accounting with standard (DAGP):

a. Full adoption of accounting policies, principles and format of financial statements of IPSAS-Accrual basis;
b. Up-dating and approval of the Accounting Manuals;

All Centralized and Self-accounting entities and Autonomous Bodies:

a. Recognition of depreciation on assets, monitory financial Instruments and of intangible assets;
b. Recognition of Exchange revenue on accrual basis;

5. Goal 3: Communication Strategy

5.1. Section 1: Introduction

5.1.1. Preamble

The DAGP's end product is primarily an audit report and recommendations that have to be communicated to the right kind of audience through the right means. Additionally, it also has to continue to highlight its activities in all spheres for the stakeholders concerned to know and understand the DAGP and its work better. For this, the DAGP has to acknowledge the different functions, needs and interests of all entities it engages with to be able to properly address them and to achieve the ultimate goal of outreach. The aim is to have a well-tailored message for all the stakeholders that relays the actual intent of DAGP without any distortion.

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5.1.2. Background

The DAGP is the Supreme Audit Institution of Pakistan, entrusted under Constitution of the Islamic Republic of Pakistan, with the audit of all the revenues, receipts and expenditures of including but not limited to, Federal, Provincial and District/Local Government departments, autonomous bodies, corporations and institutions financed by or working under their administrative control. After the 18th Constitutional amendment, Auditor-General of Pakistan (AGP) is empowered to determine the nature and extent of audit (The details of functions and powers of AGP are described in the Auditor-General's (Functions and Powers) Ordinance 2001).

DAGP has always strived to have a meaningful interaction and communication with all stakeholders to improve effectiveness of audit. This improved liaison also leads to greater independence and relevance for DAGP. Currently, DAGP actively engages with Offices of the President and Prime Minister, Parliament, Public Accounts Committee, executive organizations and donors like World Bank, Asian Development Bank, UN Organizations etc., in addition to a two-way communication between DAGP and media on case-to-case basis. However, the existing communication mechanism is devoid of vibrant and effective communication with social sector, more pertinently, contact with citizens is missing in the current communication activities within DAGP.

This Communication Strategy is based on the stakeholders' engagement practice that was conducted by the DAGP and the main features of that practice are attached as Annex I to this Strategy.

There has been an extensive focus on improving communication with stakeholders in DAGP. In the pursuit of this objective, it has been guided by the following standards issued by INTOSAI

1. INTOSAI-P - 1 - The Lima Declaration
2. INTOSAI-P - 10 - Mexico Declaration on SAI Independence
3. INTOSAI-P - 12 - The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens
4. INTOSAI-P - 20 - Principles of Transparency and Accountability
5. GUID - 9030 - Good Practices Related to SAI Independence
6. GUID - 9040 - Good Practices Related to SAI Transparency

5.2. Section 2: Prologue

5.2.1. Rationale

Communication is all about message delivery. The message delivery is a fundamental part of the communication of the DAGP and is the cornerstone of a long-lasting, consistent and successful communication strategy. In the past decades the communication has become an integral part of the public accountability system especially where tactical communication not only supplements the efforts of the public audit institution, but often makes the difference between success and failure in reaching its overall goals for improvement of the accountability system. For this purpose, DAGP has to take into account the following important points:

1. DAGP is in a unique position to exercise expertise influence over all segments of the society - public sector, public finance management and autonomous bodies etc.
2. The importance of DAGP in public administration has increased vastly as it aims at providing the general public with accurate and reliable information on economy, effectiveness, efficiency and financial soundness through their activities, and should be accepted as an indirect tool for public participation in the administration
3. DAGP is key institution for sustainable development and improvements to the public administration in a more effective and efficient manner.
4. A well-designed communication strategy helps DAGP to achieve its predetermined goals and targets and thus contributes to promotion of good governance, transparency and accountability in the public sector
5. Proper communication with stakeholders is a functional asset for DAGP
6. DAGP should design communication policies and strategies in a tailored way to properly, accurately and convincingly address its stakeholders.

5.2.2. Functions

This Communication Strategy ensures the following functions:

1. Reducing risk of miscommunication, thus helping to ensure that the desired and intended information is expressed according to a previously set plan
2. Strengthening relations of DAGP with stakeholders and target groups through timely communication accuracy and reliability of information
3. Promoting concepts of governance, transparency and accountability throughout the public sector and society as a whole
4. Answering appropriately the question of "What is the purpose of audit?" and development of appropriate strategies, targets and aims
5. Improving DAGP's ability to convince the stakeholders and to mobilise them to help DAGP to develop strategies and plans for carrying Citizen Participatory Audit (or Social Audit).

5.3. Section 3: Stakeholders

5.3.1. Classification of stakeholders and audience

There are three types of stakeholders/audience with which the DAGP maintains regular communication channel

- Internal stakeholders
- External stakeholders
- International stakeholders

5.3.1.1. Internal Stakeholders

The internal stakeholders are those which are internal to the institution of the DAGP and includes
Officers and staff working within the DAGP
The mode of communication with these stakeholders/audience is written and verbal both.
The means used are letters, circulars, brochures, calls, emails, speeches, website publications and personal interactions.

5.3.1.2. External Stakeholders

The external stakeholders are those which are external to the institution of DAGP and they are

- The executive organizations
- The legislature
- The judiciary
- Citizens/CSOs/NGOs
- Media
- Academic/professional bodies etc.

The mode of communication with these stakeholders/audience is written and verbal both. The means used are letters, circulars, brochures, calls, emails, discussions, speeches, website publications and personal interaction.

5.3.1.3. International stakeholders

These are primarily external stakeholders and are international bodies, organizations and institutions with which the DAGP communicates from time to time. These are

- ICGFM
- INTOSAI/ECOSAI
- ASOSAI
- ARABOSAI
- CAROSAI
- AFROSAI
- UN
- Donor partners etc.

The mode of communication with these stakeholders/audience is written and verbal both.

The means used are letters, circulars, brochures, calls, emails, conference/workshops/seminar participation and website publications.

The special procedures for communicating with these stakeholders is defined in section 4.1.4 Special procedure for international communication.

5.3.2. The Audience/Stakeholders

When defining the recipients of its communication products, the DAGP has to carefully assess institutional goals of each audience. This step enables DAGP to separate the general audience from the stakeholders. A comprehensive list of stakeholders and organizational goals is given in the following table:

Stakeholder	Institutional Role
Officers/officials of DAGP	Provision of information and directives on the regular working and assignments of the DAGP Provision of directives and information for any special assignment assigned by the AGP
Parliament	It is mandated by the Constitution of Islamic Republic of Pakistan
Executive/auditee	It is required by the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001
Judiciary	It enhances credibility of DAGP in the eyes of public It improves service delivery by assisting judiciary in the form of professional reports / opinions regarding utilization of national resources and application of rules / regulations.
Anti-corruption agencies	It improves utilization of DAGP's technical expertise It enhances technical elevation in status
Citizens	Enhance transparency in public expenditure Ensure their participation which is crucial for Citizen Participatory Audit Receive feedback on DAGP's work and exert influence for supremacy of audit
Media	Highlight performance of DAGP Assists DAGP in realising public expectations
Donors	Provision of budgetary support and prioritize issues/problems Audit of Foreign Aided Projects (FAPs).
Professional bodies	Provision of information on recent trends in policies and laws related to audit
Academic bodies	Modernization of audit methodology adopted by DAGP
Civil Society Organizations	Enhance transparency in public expenditure Ensures their participation which is crucial for Citizen Participatory Audit Receiving feedback on DAGP's work and exert influence for supremacy of audit
Non Governmental Organizations	Enhance transparency in public expenditure Ensures their participation which is crucial for Citizen Participatory Audit Receiving feedback on DAGP's work and exert influence for supremacy of audit

5.4. Section 4: Good practice regarding communication with stakeholders

5.4.1. Introduction

The DAGP makes extensive use of multiple communication practices including but not limited to paper based, verbal, online and electronic mode and will continue to do so as they provide effective communication in their respective spheres.

5.4.1.1. Paper based communication

Traditionally, the DAGP follows paper-based communication within its offices, i.e. with internal stakeholders and with its external stakeholders. The rules for such communication are well defined through approved guidelines like 'Rules of Business,' 'Secretariat Instructions' and other directives. As part of the communication strategy, relevant part of the Rules of Business and Secretariat Instructions are being made part of this Communication Strategy.

5.4.1.2. Verbal communication

The DAGP engages with the stakeholders in the verbal form of communication like telephonic conversation, meetings, dialogues and conferences. The rules for engaging in such manner are pre-determined through practice and are brought in writing in the shape of record note and minutes of meeting, etc.

5.4.1.3. Online communication and electronic communication

Given that there is a change in the mode of communication and with the passage of time, new means of establishing and maintaining communication have emerged i.e. online and electronic communication. The DAGP has adopted the modern means of communication as well. The DAGP should make effective use of online communication including:

- Website
- A news portal
- Social media handles like Twitter and a Facebook page
- LinkedIn profile
- Official email addresses.

5.4.1.4. Special procedure for suitable communication

The following identified procedure should be followed while communicating with the international community. International stakeholders include SAIs of other countries and other multilateral organizations which include all those institutions recognized by DAGP. In this regard, the following process is to be observed:

5.4.1.5. Communication with Executive, Legislature and Judiciary

i) Communication with these stakeholders is an entrenched practice as per the guidelines already provided by the Government of Pakistan like 'the Rules of Business' and 'Secretariat Instructions' and other guidelines and directives on the subject issued from time to time.

5.4.1.6. Communication with media, citizens and CSOs

i) This area primarily covers aspects of communication with media and includes communication with people and their associations. For this, establishment of a Communication Cell, communication planning, the process for providing the communique for publishing, assessing the implementation level of the Communication Strategy and assessing the level of communication with the stakeholders is covered hereunder.

ii) DAGP is to deal with such communication within its own mandate while keeping in view requirements of the INTOSAI Principles as well.

5.4.1.7. Communication with international stakeholders

i) The medium of communication between international stakeholders is primarily emails. For this purpose, the official email of saipak@comsats.net.pk maintained by the International Relations and Coordination (IR&C) Wing of the DAGP is to be used.

ii) In case an officer has to communicate with an international organization or other SAIs, IR&C Wing will provide a Letter of Introduction that will help in establishing contact.

iii) For optimal communication experience, it is best that officers have their email addresses on the AGP domain, e.g. abc@agp.gov.pk. This ensures the authenticity of employment of the officers with DAGP.

5.5. Section 5: Institutional Communication Cell

5.5.1. Governance

Within the scope of this Strategy, the governance in communication is about the modalities of engaging with two broad groups of stakeholders. One is the Executive, Legislature and Judiciary and the second is the media, citizens and CSOs.

The organized content which will be the ultimate product is called 'communique' here, within the scope of this Strategy.

5.5.1.1. Establishing the Communication Cell - composition and responsibilities

There should be a Communication Cell within DAGP to maintain and ensure effective communication practices of DAGP with the external stakeholders like media, citizens, CSOs and NGOs.

5.5.1.2. Responsibilities

i) The Communication Cell will plan the message that has to be communicated and then communicates it according to the provisions of this Strategy.

ii) The Cell will monitor all the external communication planned/established with stakeholders like media, citizens, CSOs and NGOs both in a paper-based format as well as verbal and electronic forum. Additionally, it will also monitor the contents of the communique.

iii) It is the duty of the Cell to collect and monitor all the publications regarding DAGP in any media outlet/form. It will report this material to the AGP on a daily basis.

iv) The Communication Cell will compile the data on daily basis and will submit it to the AGP through proper channel.

v) The Cell will also be responsible for handling requests from the media. It will assess the request and give appropriate response after due process.

vi) The Cell is also responsible for arranging press briefings and inviting media to the events where it is deemed necessary to hold such briefing sessions.

vii) The Cell will also engage in promoting a positive image of the office of the Auditor-General.

vii) The Cell will also engage its resources in promoting general goodwill on audit and a positive perception of the work of the DAGP as well.

5.5.1.3. Hierarchy

i) This Cell should be manned by a Director/DG, an Editor/DD Communication, a Content Creator/AD Communication, a Print Media Coordinator and a Web Administrator. The Web Administrator will get approval from the senior officer responsible for handling communication of DAGP.

ii) The Director/DG will head the Communication Cell and will be the final authority on deciding the actions of Communication Cell. He/she will be the media contact point.

iii) Editor/DD Communication will ensure that every piece of information and publication going to any media outlet and platform is in line with the parameters set forth in this Strategy for the communique.

iv) Content Creator/AD Communication will be responsible for creating/writing the right kind of content/text as per the requirements of the situation and event both in English and Urdu languages.

v) The web administrator will be responsible for publishing information/news on the website of AGP and other social media/professional outlets.

vi) The media coordinator will be responsible for arranging press briefings when and where necessary. He/she will also send news to print and electronic media for publication.

5.5.1.4. Communication Planning

Communication should be dealt with in a strategic manner in accordance with the needs of the particular audience. For this detailed planning is required. While doing so, the concerned should consider the following points:

- What is the message, the expected reaction and reasons for DAGP to reach-out?
- What should the form of the message be?
- Which way to deliver the message?
- Will the audience understand the message?
- Will the audience react in the intended way?

5.5.1.5. How to provide information for publishing

Any Wing, sub office, department, Field Audit Office and other offices within the jurisdiction of DAGP can provide information for publication in different mediums. The process to be followed is as below:

1. Departments write a synopsis of the information to be communicated and provide this to the editor in the Communication Cell.
2. The editor formats it into a pre-determined format and submits it to a senior officer for approval.
3. The approved material i.e. the communique, will then go to the content creator, print media coordinator and web administrator for publishing on various platforms.
4. If an event is scheduled to take place, a subsequent press release and status upload should be pre-written so that there is no time lag between the actual event and its publicity.

5.5.2. Quality Assurance in Communication

The quality assurance mechanism includes communication risk management and guidelines on drafting the communique.

5.5.2.1. Handling Communications Risk

When creating the communique, DAGP should take into consideration the communication risks derived from corresponding comprehensibility issues, which can arise when addressing different audiences. The communication of DAGP should be drafted in such a way that it suits the needs of the targeted audience in order for the message to bring about its user the maximum benefit possible. In every communique, the responsible personnel should ensure the following:

- No loss of prestige of the DAGP
- No loss of prestige of auditee
- No loss of trust between the auditor and the auditee
- No loss of resources
- No deterioration of relations between DAGP and target audiences at different levels
- No inefficiency/repetition of works
- No misperception about audit, and
- Not to raise unwarranted expectations

5.5.2.2. Basic Guidelines on Drafting the Communique

It should be ensured that the information being provided is easy to comprehend, is provided in a timely manner, is reliable, convincing and result oriented. While communicating with the stakeholders, the following attributes are to be kept in mind:

i) Easy to comprehend
   - Use of simple language
   - Narrative language suitable for the target audience
   - Reader-oriented

ii) Reliable
   - Accurate
   - Objective
   - Non-accusing/disturbing
   - Directing and service- oriented
   - Well explained legal basis

- Supported with adequate evidence, sources
- Reflecting stakeholders' views and responses on the matter

iii) Convincing

- Clear and understandable
- Logical and well-structured
- Well-designed audit framework explained
- Reason for selecting audit area as the priority matter explained
- DAGP's expertise on the audit matter described
- Scope of analyses explained

iv) Result oriented

- Depicts the underlying actual/real situation problems
- Takes consideration of the positive aspects
- The benefit arising from the DAGP contribution explained
- Prescribes the possible means for solving the situation

5.5.3. Assessing the implementation level of the Communication Strategy

i) The HR Wing and the Policy Wing in the DAGP should periodically assess the implementation status of the Communication Strategy across the DAGP.

ii) For the purpose of assessment, a quantitative questionnaire should be used which would cover questions like

- Number of meetings held with stakeholders
- Number of media briefings given on publication of audit reports
- Number of requests received for website information/updates on website
- Number of sessions held with CSOs/NGOs for Citizen Participatory Audit

iii) The frequency of this assessment should be quarterly. The offices under DAGP should send a quarter-wise report on parameters identified above.

5.5.4. Assessing the level of communication with the stakeholders

i) It is important that the DAGP takes feedback from the stakeholders it engages with to gauge the effectiveness of its Strategy as well as to understand the changing requirements of the stakeholders and adopting them for future purposes.

ii) A questionnaire be devised in order to assess the stakeholders' belief that the DAGP is communicating effectively with them.

iii) This questionnaire should be circulated on an annual basis and the response should be analyzed.

5.5.5. Monitor the media's coverage of the DAGP

i) The Communication Cell will keep an eye on the media outlets, paper and electronic, to monitor any information that has been published by them about DAGP or any of its constituent offices.

ii) A daily report on this is to be compiled by the Communication Cell and be submitted to the AGP through DG/Director Communication.

5.5.6. Impact on audit

i) This Communication Strategy aims at enhancing awareness about audit amongst the stakeholders identified in this Strategy.

ii) The results of audit, including theme based audit, forensic audit and special audits conducted by DAGP are to be communicated to the relevant stakeholders using the guidelines given in this Communication Strategy.

5.6. Section 6: Planning and implementation

5.6.1. Planning and Implementation Matrix

The following matrix is to be followed for this purpose:

Sr. No.	Objectives	Key activities and output	Time frame	Funding	Responsibility	Critical success factors
1	a. Formulation	- Drafting and agreeing to the text and main features of the strategy	1 month	None required unless honoraria is paid for the work beyond regular duties	1. DG Policy 2. Dy. CAO 3. Dy. Director	Submission of draft
	b. Approval and implement-ation	- Changes to be made - Approval of the text of the strategy - Approval to implement it DAGP-wide	2 months	None required	Approval: AGP implementation: all officers	Approval note and letter for implementation

Sr. No.	Objectives	Key activities and output	Time frame	Funding	Responsibility	Critical success factors
	c. Circulation	- Strategy to be circulated DAGP-wide	1 month	Nothing extra required. Can be met from approved budget	DG HRM Wing	Every office under DAGP has the policy for implementation by the end of the month
	d. Institutiona-lizing the existing communi-cation channels (oral as well as written)	- formally declaring the existing books (like Rules of Business) as part of the communication strategy	3 months	None	DG Communication	Identifying and incorporating the existing documents of federal government as internal and integral part of this Communication Strategy
2	a. Setting up of a communi-cation cell	- Identification of space - Provision of office space and amenities	1 month	As per requirement	DG B& A	Office space, table, air conditioning, heating, internet service, office supplies and computers
	b. Personnel of the Comm-unication cell	Identification of personnel - DG/Director Communication - Editor (or DD Communication) - Content creator (or AD Communication) - Web developer/ administrator - Print media coordinator	3 - 5 months	As per requirement Regular pay and allowances	DG to AGP Director Admin Director Establishment	- Deputation of a seasoned officer from Information Service as Editor (or DD, BPS 18)* - Hiring of a content creator (or a BPS 17 on deputation from Information Service) - A person with IT expertise (available in house)
3	a. Engaging with the stakeholders	- Identifying and approving the office bearers of stakeholders enlisted in strategy	An on going activity		Communication cell and other offices which are relevant	The list is updated whenever there is a change

Sr. No.	Objectives	Key activities and output	Time frame	Funding	Responsibility	Critical success factors
	b. Maintaining regular contact	Conducting targeted - Seminars - Workshops - Meetings - Training sessions - Corporate lunches - Invitation to various activities - Sending of greeting cards	An ongoing activity	As per requirement For - Brochures - Meetings - Seminars - Refresh-ments - Other associated costs	Communication cell and other offices which are relevant	Conducting - Seminars - Workshops - Meetings - Training sessions - Invitation to various activities - Sending of greeting cards
	c. Periodic assessment of implement-tation of Communi-cation Strategy	Implementation status and level of the Communication Strategy in the offices under DAGP	Half yearly	None extra	Communication cell	Regular publications Sessions with media personnel Updates on website Regular 'good will' meetings with stakeholders
4	a. Incorporating Citizen Participatory Audit in the Communi-cation Strategy	Conducting with the CSOs/NGOs - Seminars - Workshops - Meetings - Training sessions	An on going activity	As per requirement For - Brochures - Meetings - Seminars - Refreshments - Other associated costs	Communication cell SSA Wing All Field Audit Offices	- Screening of NGOs/CSOs/ Citizens - Incorporating the ideas of screened CSOs/NGOs/ Citizens - Conducting an audit - Publishing the audit results as part of the Annual Audit Report
	b. Incorporating communi-cation in theme based audit	The audit paras and audit reports on themes identified under thematic audit are communicated with relevant and key stakeholders	With every audit	As per requirement	All Field Audit Offices	Effective communication of the results and impacts of theme based audit
5	a. Feedback from all engagement partners of this Communi-cation Strategy on its effective-ness	- Feedback sessions - Conducting Surveys/Question naires	Any time after 2 years of impleme ntation	As per requirement	Policy Wing Communication cell	- Feedback sessions - Surveys/quest ionnaires - Evaluation of feedback - Incorporation of feedback in the new Communicati on strategy

Sr. No.	Objectives	Key activities and output	Time frame	Funding	Responsibility	Critical success factors
	b. Reassessing the Strategic Plan of DAGP in light of feedback received	Revisiting - Mission - Vision - Strategic objectives/goals - Core values	Last year of the strategic plan	As per requirement	HR Wing Policy Wing	Updated - Mission - Vision - Strategic objectives/ goals - Core values

* An alternative to hiring people on deputation or fresh hiring is that some of the select few officers of PA&AS who are good at writing be given an additional training on content writing and appointed there. However, specialized work should be left to the professionals who do it best.

5.6.2. Roll out strategy

Phase 1

The Communication Strategy is approved.

The Communication Strategy is distributed to the offices under DAGP

If necessary, a feedback from offices is asked for on the Communication Strategy

Phase 2

Evaluation of the feedback

Incorporation of the feedback in Communication Strategy if necessary

Final approval by AGP of the content and implementation of the Communication Strategy

Phase 3

Establishing the Communication Cell

Phase 4

Initiating contact with the stakeholders

Regular updating of content on website, media and social/ professional media outlets

Phase 5 (an on going basis)

Targeted workshops, trainings etc. for all stakeholders

Targeted workshops, trainings etc. for participants of Citizen Participatory Audit

Phase 6

Feedback from engaged entities as well as offices of DAGP

Evaluation of feedback

Incorporating changes in the strategy

Incorporating changes in the Strategic Plan

Phase 7

Re-implementation of the strategy

Regular update on the implementation level.

6. Goal 4: Capacity Building

6.1. Section 1: Introduction

6.1.1. Preamble

The capacity building of human resource is an essential component of DAGP's future goals as it ensures that the staff of DAGP is well-equipped to implement goals in letter and spirit. The Capacity Building proposal for strategic plan 2023-2026 therefore aligns with other strategic goals of DAGP for the future.

6.1.2 Background

ISSAI 40 stipulates that the SAI's human resource policies and procedures should include, amongst other things: recruitment, professional development, performance evaluation and promotion. The DAGP through its HR Wing and Pakistan Audit and Accounts Academy (PAAA) plans the continuous professional trainings and development of its staff and employees at Lahore and regional institutes in Islamabad, Karachi, Quetta and Peshawar.

A pre-service training is imparted to the officers joining PA&AS through competitive exam which introduces them to the SAI, policies, procedures and communication, writing, analytical, and other management skills. The support staff also gets orientation training when they join the department and is supplemented by PIPFA (PS) program.

The DAGP maintains an Annual Training Plan for human resource development aligned with the its DAGP's strategic plan. It caters for all aspects of the working scope of the DAGP, the various streams of audit and other management and finance related trainings. The schedule of trainings is made in advance for the whole year and can be tailored according to the needs of the Department. The areas of trainings are mutually decided after conducting need assessment. Collectively there is a Course Design and Material Development Unit to develop/update existing courses based on the needs of the PAAS officers and lower staff.

There are trainings specific to Performance Audit only which are organized by a specialized unit, the Performance Audit Wing (PAW) of DAGP. This Wing imparts an annual Intensive Training on Performance Auditing in which other SAIs also participate. Apart from this there are refresher courses

arranged on a regular basis. PAW is assigned the responsibility of Performance Audit related trainings and it has established a competency niche in this. The trainings imparted by PAW cover the Performance Audit Manual of DAGP as well as the INTOSAI standards and guidelines. Furthermore, during trainings, the participants are given an audit of an entity for which the Wing appoints a mentor as well. Since 2021, PAW has started simulation exercises for Public Accounts Committee in order to prepare the officers to present their findings to the committee in a coherent manner. The national as well as international training plans show a continued professional development strategy of DAGP with regards to Performance Auditing.

DAGP is a member of various academic bodies like PIPFA. The PIPFA certification training for frontline Accountants and Assistant Audit Officers also enhances the capacity of the department as a whole.

6.1.3. Status Report of Strategic Plan 2015-2019 (extended till 2021)

The 'Goal 2' of the strategic plan 2015-2019 had envisioned the 'Development of professional and institutional capacity' of DAGP to address current, emerging and future audit challenges; to build in-depth understanding of departmental audit methodologies, manuals, guidelines and quality assurance mechanism across all the tiers. In compliance of the above goal, HRM wing has taken the following initiatives in the preceding years:

6.1.4. Capacity Building Through USAID Funded Programs

DAGP has been pursuing the capacity building of its officers/personnel as envisaged in DAGP Strategic Plan 2015-19. However, financing for the planned capacity building remained a challenge. In order to resolve it, DAGP approached USAID for financing the Goal 2: Development of Professional Capacity Institution. USAID being a Development Partner showed interest and allocated USD $ 2 million for Capacity Development of DAGP officers under Technical Assistance "Training for Pakistan Project" (TFP). After mutual discussions of USAID and DAGP, eighteen (18) training courses were selected. 547 officers of Department of the Auditor-General of Pakistan, Controller General of Accounts & Military Accountant General benefited from these trainings which were conducted either locally or at selected premier institutions abroad under the USAID, Training for Pakistan Project/ Pakistan.

6.1.5. PFM-Accreditation Program Between AGP, ACCA and three Provincial Governments

To strengthen the Public Financial Management practices and procedures at all levels in the Governments of Balochistan, KP, erstwhile FATA and the DAGP (the stakeholders), a Public Accreditation Program (PFM-PAP) was got developed by the stakeholders from ACCA, one of the leading international Professional Accountancy Organizations, through the Governance and Policy Project (GPP). The PFM-

PAP is a knowledge and skills enhancement initiative based on international best practices comprising of three stages, each stage culminating into award of a professional Certificate, a Diploma and an Advance Diploma.

6.1.6. Engagements with Professional Accounting Bodies

An MOU was signed between AGP & ACCA in April 2018 which covered a number of development areas and collaboration on professional front which has recently been renewed. An MOU between PAAA & ICMAP for the continuous professional development of DAGP employees was formalized in 2020.

6.1.7. Development of Professional Capacity of DC cadre employees of DAGP through engagement with PIPFA

PIPFA Syllabus was revised keeping in view the emerging accounting and auditing needs from 2015 to 2018. Moreover, HRM wing collaborated with PIPFA to design the PIPFA syllabus for restructured offices and got it approved from the Competent Authority in 2021. Training of 3677 Senior Auditors has been successfully completed till Dec, 2022 and 2185 have qualified PIPFA till Dec, 2021.

6.1.8. Continuous Professional Development (CPD)

In compliance of Goal 2 of the Strategic plan, a flagship project for Continuous Professional Development of PAAS officers was initiated by identifying the mandatory skills requirements and emerging needs of the department. The courses were developed accordingly and PAAA was assigned the task of providing CPD trainings to PAAS officers as part of its Annual Training Plan. From July 2022 to June 2023, 262 officers have been trained under CPD program.

6.1.9. Introduction of Incentive Schemes of Study

The Department took extraordinary steps to encourage its officers to obtain professional certifications. For this purpose, DAGP has introduced Incentive Study Schemes under which financial expenses are reimbursed to qualifying candidates.

DAGP's incentive scheme comprises of following certifications:

- Associate Cost and Management Accountant (**ACMA**) from the Institute of Cost and Management Accountants of Pakistan (**ICMAP**);
- Associate Chartered Management Accountant (**ACMA**) from the Chartered Institute of Management Accountants (**CIMA-UK**);
- Certified Management Accountant **(CMA)** from the institute; Chartered Professional Accountants of **Canada**.
- Certified Fraud Examiner (**CFE**) from the Association of Certified Fraud Examiner (ACFE), USA;

6.1.10. NOCs for Foreign Scholarships/Fellowships

PA&AS and departmental cadre officers/staff are encouraged to enhance their educational capabilities. Therefore, NOCs are granted for several foreign scholarships such as Australia Award, Hubert H. Humphrey and Fulbright, Chevening, Chinese Government Scholarship, Japanese Grant Aid/GRIPS/Joint Japan-World Bank Scholarships, etc. NOCs issued to attend Short-term foreign trainings which are held in different countries such as China, Indonesia, Malaysia, Singapore, Thailand etc. From July 2022 to June 2023, 99 NOCs were also granted for attending short courses/seminars.

6.1.11. Local Training Related Matters

Training Section of HRM Wing issue NOCs to officers/staff members to pursue local degree programs. From 2015 to 2022, 8116 officers and staff members have received trainings conducted by Pakistan Audit & Accounts Academy, in different disciplines. On the other hand, 60 officers have received trainings conducted by PPMI, NITB, PMI etc.

6.1.12. Revision of Eligibility Criteria and Enhancement of Priority Areas of Study:

Prior to Strategic Plan 2015-21, Training Policy 2010 was in place which was formed mainly for the courses being offered out of PIFRA funding. After PIFRA project ended, a need was felt to revise the training eligibility criteria. Therefore, eligibility criteria for foreign long term and short term and local trainings were revised in 2019 and again in 2021. Not only the eligibility criteria, but also priority areas of study were enhanced in 2018 from 17 disciplines to 48 disciplines in the categories of Audit, Accounts, IT and General areas.

6.2. Section 2: Rationale for Proposed Capacity Building Goals for the Strategic Plan 2023-2026

The capacity-building goal for the strategic plan has been developed keeping in view the overall direction of the department for the next 04 years, other major goals of the strategic plan, the mandate of the department and its future needs, and the requirements of internal and external stakeholders. Moreover, the proposed future goals build on the present capacity development initiatives to ensure sustainability and continuity of DAGP's HR capacity enhancement.

The details of the considerations in developing capacity development goals are listed as below:

6.2.1 Compliance of Constitutional and Legal Responsibilities as well as Strategic Goals of DAGP as the Internal Stakeholder

a. Certification of financial statements conducted
b. Compliance with authority audits conducted
c. All Standards and related guidelines issued by INTOSAI
d. Initiatives taken by DAGP as part of its Strategic Plan

6.2.2 Catering to the diverse needs of the external stakeholders

a. Federal and provincial legislatures
b. Federal, Provincial and local Governments
c. State Owned Enterprises
d. Autonomous bodies and authorities etc
e. INTOSAI, ECOSAI, ASOSAI

6.2.3. International commitments of the DAGP

a. Commitments of the DAGP with the donor agencies

The AGP-led accountability gives confidence to the public that their resources are rightfully utilized and assets are well guarded. Donors like USAID, World Bank, JICA and ADB will be approached to fund activities like Consulting Services, Foreign Trainings, Fellowship Programs, Seminars, High level Exchange Program, Joint Audits with SAIs. The donor organizations, countries and international development partners also repose their trust in the AGP for the accountability of their loans and grants. The donors, both in cases of grants and loans, rely on the accountability mechanism of the DAGP. Thus, a surge in donor related audit activity is imminent.

b. **Foreign Aided Projects Audit:-**

Foreign Aided Projects (FAPs) are projects either wholly financed through foreign assistance from a development partner or contain an element of counterpart funding wherein partial foreign assistance is from a development partner. Foreign assistance may entail any of the modes of funding either in the form of credits, loans or grants.

A manual on FAP was designed and approved in 2018 by Policy wing of DAGP. The manual was intended to assist in meeting development partner expectations regarding audit of FAPs. These audit requirements are laid out in the relevant legal agreements underlying the FAP. These legal agreements include project agreement and related loan covenant/grant agreement.

The principle under which development partners require an audit of FAPs is to draw assurance over effective financial management for the achievement of program objectives. Therefore, using audit as a tool for oversight and consequently to increase the development partner's confidence in the financial information prepared and presented by the project. This confidence emanates from opinion issued by the auditor that is a reflection of reasonable assurance obtained about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error. Opinion is part and parcel of audit report on the financial statements that communicates the results of the audit, in accordance with the auditor's findings. Development partners ostensibly accept audits performed in accordance

with the ISSAI and ISA. Audit methodology and requirements purported in the aforementioned auditing standards have also been adopted and aligned within the type of audits and underlying audit objectives defined in the FAM, i.e., regulatory audit that includes attestation of the project financial statements and performance audits.

c. Peer Review under INTOSAI:-

The term "peer review" refers to an external and independent review of one or more elements of the organization and/or operation of a SAI by a team of professional peers from one or more SAIs. or to be involved in the peer review of another SAI. A peer review is not an audit but an assessment and advice provided voluntarily by peers.

The INTOSAI guidelines for peer review are available on the official website of INTOSAI. The purpose of the INTOSAI1 GUID 1900 Peer Review Guidelines is to serve as a source of good practice and guidance to Supreme Audit Institutions (SAIs) on the planning, implementation and evaluation of peer reviews.

The purpose of peer reviews and framework in which they are conducted can and will vary, depending on the legal, professional, organizational contexts of the reviewed SAI, and the circumstances in which it operates. The specific objectives and scope of each peer review are determined on the basis of the needs and wishes of the reviewed SAI. This also implies that the objectives of any subsequent peer review of a SAI can vary as strategic priorities and organizational requirements change and evolve.

d. Cooperative Audit with other SAIs:-

Cooperative audit is conducted by one audit team comprising of auditors from two or more autonomous auditing bodies who usually prepare a single joint audit report.

In the international arena, significant achievements have been made for standardization of audit at local level and cooperation with other Supreme Audit Institutions. Memorandum of Understandings for cooperation in public sector auditing have been signed with the Supreme Audit Court of Iran, Turkish Court of Accounts, China National Audit Office and State Audit Office of Viet Nam for conducting cooperative audits and other capacity building programs.

6.3. Section 3: Proposed Framework

The proposed framework for Capacity Development has **two major objectives** keeping in view the considerations highlighted in section 2.

6.3.1 Building Upon the Ongoing Capacity Development Initiatives of DAGP

All the future capacity building initiatives will capitalize on the existing trainings being imparted to the DAGP personnel by the training establishments.

a. Continuous Professional Development Trainings

PAAA is implementing CPD trainings since the first half of 2020 which is a flagship initiative of the DAGP. As the name suggests, it is a continuous training programme and will be carried forward in the next strategic plan. It is linked to ISSAI 12 which states that SAIs should promote continuing professional development that contributes to individual and organizational excellence.

b. Expanding the Scope of Short-Term Trainings of PAAA and PAW

PAAA and PAW provide short-term trainings as per their Annual Training Plan. The scope of these trainings has been enhanced by printing a brochure of month-wise training schedules and shared with federal as well as provincial ministries/departments to get advantage of free of cost trainings. The response so far has been quite positive reflected in the number of participants from different ministries. This activity will be continued in future.

c. Incentive Study Schemes for Professional Development of Employees

The HRM wing has conducted an exercise to gauge the relevance of exiting certifications as part of incentive study scheme. As a result of this exercise, the expired schemes having little benefit to the department are being replaced with new certifications. For this purpose, a cost-benefit analysis was conducted to identify relevant and financially feasible certifications which will be made part of Incentive study scheme after approval of Finance Division.

d. Encouraging officers to get Foreign Exposure through Deputations and Trainings

Officers are encouraged to apply international deputations and trainings and information regarding these trainings are regularly updated on official website of DAGP. Moreover, three linguistic courses (Arabic, French, Chinese) have also been made part of incentive study scheme.

e. Engagements with Professional Accounting Bodies

As highlighted in section 1, DAGP has signed MOUs with various professional accounting bodies for training development of its employees. Currently, HRM wing has engaged with ACCA to get its Approved Employer (AE) Status for the department. This status would provide a continuous training development programme for employees of the department through ACCA. Furthermore, the department has also engaged with CIPFA, UK for professional certifications and thematic trainings.

6.3.2. Building Capacity to Achieve Goals/Targets of New Strategic Plan

This goal relates to major components of Strategic Plan which provide basis for training interventions in specific areas to accomplish those targets.

a. AMIS Implementation

DAGP is currently undergoing a major programme of reform, with significant resource and effort being put into the professionalization and modernisation of its functions through the implementation of an Audit Management Information System. This project has already commenced, and as a result, DAGP now has the technological capacity to execute the entire audit management process through an ERP-based AMIS, to automate and digitise critical documentation for improved security and access; and to carry out better quality controls, performance monitoring and quality assurance of the entire audit process.

With the installation of any new system comes the need to develop the capacity of the staff to take full advantage of the possibilities it shall bring. Implementation of AMIS would require a comprehensive training plan which is already approved being part of the PC-I project. This specifically cover the IT based specific trainings/certifications considered essential for success of the project.

b. Change Management Trainings under AMIS

To support the roll-out of AMIS in the manner intended, it is critical that support is provided for change management. This activity is a cross-cutting measure which will lay the foundations for DAGP staff to accept and adapt to the new audit methods being introduced through AMIS. CIPFA, UK has been assigned the task to develop a tailored change management programme based on the current situation and anticipated future shape of DAGP, which will be delivered to a number of change management "champions" who will then cascade the learning to their colleagues. The" cascade" training approach facilitates the training of great numbers of final recipients in a time- and cost-effective manner, whilst also improving relevance since the trainers already have an in-depth knowledge of the situation within their organizations.

c. Training of 150 employees in Professional Accounting Qualification to become Chartered Public Finance Accountants

To meet capacity development needs – both general and specific – DAGP has designed a programme of support which combines the certification of a significant cohort of auditors in an internationally-recognised professional qualification. Under this objective, Professional Accounting Qualification will be delivered to 150 selected candidates who after qualifying all levels would get designation of Chartered Public Sector Finance Accountants from CIPFA. The candidates have already been selected and training is under process.

d. Basic Accounting Qualification: IPSAS Diploma

In addition to 150 candidates who undertake 2 years professional accounting qualification, 500 candidates would be nominated to undertake IPSAS training who after qualifying the exam will be awarded International Public Sector Accounting Standards (IPSAS) diploma by CIPFA.

e. Theme based audit Trainings

One of the largest and most strategically important components of the AMIS project is the design and delivery of nine specialised theme based audit training programmes. The DAGP theme based audit initiative has two parts: cross cutting themes (procurement, forensic, Public Private Partnership) and sector specific themes (pertaining to energy, health, education, environment, disaster, debt, etc). The good thing is that many of these are already part of the CPD run by the PAAA. However, these trainings do not culminate into any professional certifications. For this purpose, DAGP has engaged with CIPFA, UK to train 800 auditors in 9 thematic areas identified as under:

- Forensic Audit
- IS/ IT audit
- Contract / Procurement audit / Asset management
- Power sector audit
- State owned enterprises / extractive industries audit
- Education sector audit
- Health quality audit
- Public debt and revenue receipts audit
- Environmental audit / sustainability auditing

CIPFA has committed to develop training courses that are fully aligned with the needs of DGAP as well as international best practice. Qualifying candidates will be awarded CIPFA level 4 diploma.

f. Making PAAA an Accredited Training Partner of CIPFA

It is critical for DAGP that above professional capacities are developed in a sustainable manner. To this end, it is one of the objectives to ensure that DAGP's training centre, PAAA attains the quality required to become a CIPFA Accredited Training Provider (ATP), which will enable it to deliver and examine the CIPFA Professional Accounting Qualification (PAQ) independently. However, because of its status as an ATP, students would still receive the CIPFA PAQ qualification and have access to membership opportunities. Incentives for staff to continue on their lifelong learning journey even after the completion of the funded programme will also be developed under this project.

g. Innovation Hub

Another objective is to develop an Innovation Hub which will bring together key stakeholders in the PFM space to share best practice, policy advice, higher level learnings and practical experience to develop new approaches to PFM challenges. The Innovation Hub is also described as a Learning/Knowledge Hub. It would be a central (both physically and virtually) resource located in the Academy that can act as a repository of knowledge with regard to PFM generally and auditing and accounting more specifically; that will build outward relationships with the rest of government as well as with the regional institutes, SAIs in other countries, the International Organisation of Supreme Audit Institutions and with centres of education, training and learning around the world.

h. Accrual Accounting

The DAGP under Article 170 of the Constitution adopted Cash Basis IPSAS under the Project to Improve Financial Reporting and Auditing (PIFRA). Now the Federal Government, all Provincial Governments and District Governments are presenting their annual financial statements on Cash Basis IPSAS. The compliance with the Cash Basis IPSAS is seen as a transition path towards presenting the full accrual information and adoption of some 40 accrual accounting standards. Implementation of Accrual accounting would require a comprehensive training plan which may be proposed by the sub-committee on accrual accounting headed by DAG SSA.

i. Enhanced Communication with Stakeholders

Under P for R project, the DAGP has initiated the Citizens' Participatory Audit. Senior management of the DAGP at head quarter and FAO level needs to be trained in this critical area to reap the benefits in the first place.

6.4. Section 4: Implementation Matrix

S. N.	Objectives	Key Activities	Output Indicators	Time Frame	Funding Source	Responsibility	Critical Success factors
1.	Building upon ongoing capacity development Initiatives of DAGP	**a.** CPD **b.** Expanding the scope of PAAA trainings **c.** Incentive Study Schemes **d**. Engagement with professional accounting bodies **e**. Foreign Deputations and trainings	**a)** Number of CPD trainings conducted **b)** Number of candidates trained from other ministries, divisions/departments **c)** Number of Incentive Study schemes approved **d)** MOU with ACCA, CIPFA & ICAP **e)** Number of NOCs issued and number of officers who acquired foreign deputations/ trainings	04 years (2023-2026)	DAGP	a&b) HRM Wing/ PAAA c) HRM wing d) HRM wing / SSA Wing/ Policy Wing e) HRM wing	a. Active participation, willingness from officers b. Positive Response from Ministries c. Positive Response from Finance Division
2.	Building Capacity to Achieve Goals of New Strategic Plan	**a)** AMIS Trainings **b)** AMIS change management trainings **c)** Training of 150 candidates in CIPFA Professional Qualification **d)** Conducting a series of training programs on theme based audit at PAAA by CIPFA/UOL **e)** IPSAS trainings to 500 employees **f)** CIPFA ATP status for PAAA **g)** Establishing Innovation Hub at PAAA **h)** Preparation of Training Plan to train employees in Accrual basis of accounting **i)** Inclusion of Communication Strategy in PAAA's annual training plan	**a)** Number of officers trained in AMIS **b)** Number of CIPFA PAQ certified **c)** Number of theme-based audits carried out in an Audit Year. **d)** Number of audit staff trained in theme based audit in a particular Audit Year **e)** Number of employees with level 4 certifications **f)** Number of employees having IPSAS diploma **g)** PAAA has acquired CIPFA ATP status **h)** Innovation Hub established **i)**Communication Strategy and Accrual Accounting incorporated in PAAA's ATP	04 years (2023-2026)	Primarily DAGP/ GoP sources, however for training activities, the assistance of donor agencies can be sought.	a) SSA Wing b to e) SSA wing/ HRM Wing/ PAAA/ PAW f &g) SSA wing/ PAAA h & i) Policy wing/HRM wing/ PAAA	a. Active participation of employees b. Enhanced sharing of knowledge and experiences within and outside the department

Annex-I

Stakeholders Engagement

Current Status of Stakeholder Engagement

At present following methods are used in engaging with the stakeholders:

i. Regular sessions of Public Accounts Committee
ii. Holding of Departmental Accounts Committees (DACs)
iii. Provision of information to anti-corruption agencies on need basis
iv. Issuance of Press Releases

Factors supporting current status of stakeholder engagement

1. The status of Department of Auditor-General of Pakistan has been defined in Constitution of the Islamic Republic of Pakistan as a Supreme Audit Institution (SAI) which provides an exclusive domain to perform audit of Government assets and operations.

i. There is willingness on part of DAGP and its stakeholders to have a meaningful engagement with each other.
ii. Generally, there is acceptance of information provided by DAGP as reliable, so all concerned prefer to have liaison with it.
iii. Privatization of media has ushered in an era of unhindered flow of information to each corner of the country.
iv. The advent of social media has set in more urgency on part of DAGP to provide, timely and quality based information to its stakeholders

Annex-II

SWOT analysis

In order to assess the reality of DAGP's real position, following SWOT analysis has been carried out;

Strengths

i. Strong historical legacy
ii. Intellectual and academic qualifications of officers and staff
iii. Possibility of further funding (PforR Project)
iv. Status of Department of Auditor-General of Pakistan as an SAI
v. Tradition of nominating Leader of Opposition as Chairman of PAC
vi. Acceptance of information provided by DAGP as reliable

Weaknesses

i. Non-existence of culture of regular and frequent engagement with all stakeholders
ii. Limited freedom in legal framework to freely engage with all stakeholders
iii. Non-provision of charged budget as enshrined in constitution
iv. Denial of granting formal status of a division to DAGP
v. Absence of Communication Strategy
vi. Limited means of e-communication
vii. Lack of capacity building to manage stakeholders engagement

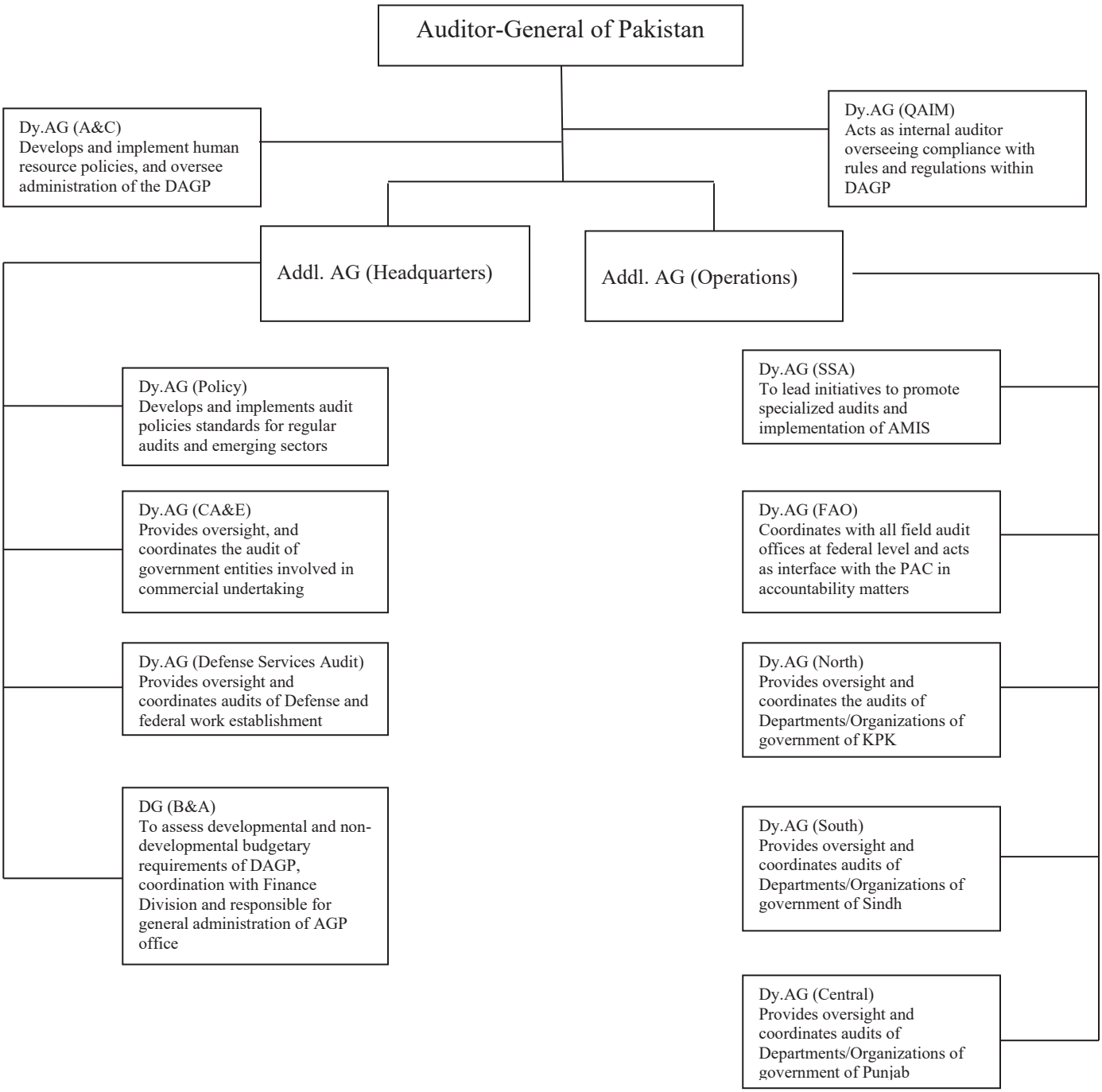
Opportunities

i. Willingness of DAGP and stakeholders to engage
ii. Rise of social media

Threats

i. Political pressure to maintain status quo
ii. Non-maintenance of change momentum
iii. Non-prioritization of favorable audit act by incoming parliament
iv. Non-availability of sufficient financial resources

Annex-III


Auditor-General of Pakistan
Dy.AG (A&C)
Develops and implement human resource policies, and oversee administration of the DAGP
Dy.AG (QAIM)
Acts as internal auditor overseeing compliance with rules and regulations within DAGP
Addl. AG (Headquarters)
Addl. AG (Operations)
Dy.AG (Policy)
Develops and implements audit policies standards for regular audits and emerging sectors
Dy.AG (CA&E)
Provides oversight, and coordinates the audit of government entities involved in commercial undertaking
Dy.AG (Defense Services Audit)
Provides oversight and coordinates audits of Defense and federal work establishment
DG (B&A)
To assess developmental and non-developmental budgetary requirements of DAGP, coordination with Finance Division and responsible for general administration of AGP office
Dy.AG (SSA)
To lead initiatives to promote specialized audits and implementation of AMIS
Dy.AG (FAO)
Coordinates with all field audit offices at federal level and acts as interface with the PAC in accountability matters
Dy.AG (North)
Provides oversight and coordinates the audits of Departments/Organizations of government of KPK
Dy.AG (South)
Provides oversight and coordinates audits of Departments/Organizations of government of Sindh
Dy.AG (Central)
Provides oversight and coordinates audits of Departments/Organizations of government of Punjab



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