



Policy Wing

OFFICE OF THE  
**AUDITOR GENERAL OF PAKISTAN**  
CONSTITUTION AVENUE, G-5,  
**ISLAMABAD**

No. 238 Audit (P-II)/268-C/2022

Dated: 14<sup>th</sup> December, 2022

To

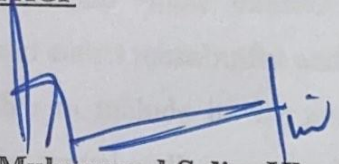
1. All Deputy Auditors General
2. All Directors General of Field Audit Offices (FAOs)

Subject: **DGs CONFERENCE, 2022-23**

Kindly refer to this office letter No.201/Audit (P-II)/268-C/2022 dated 22.09.2022 on the subject captioned above wherein agenda items pertaining to the subject matter were sent to all DAGs and FAOs.

2. The input received from the Dy.AGs and DGs have been collated along-with agenda item-wise directions of Auditor General of Pakistan and compiled in the attached report. The report is forwarded herewith for compliance in true letter and spirit.

**Encl: Report containing Agenda items wise directions of AGP**

  
(Muhammad Salim Khan)  
Director General (Policy)

Copy to:-

1. SPS to Auditor General of Pakistan.
2. SPS to Addl. AG-I & II.
3. APS to DG to AGP.

## Agenda Item No.1

### Significant paras in any type of Special Audit Report /Special Studies to be printed in annual audit report

S.No.	Name of Office	Comments
1.	DGA Water Resources	Currently two SSRs are in process of approval and thereby will be printed in report form. Significant paras raised in these reports may be included in annual Audit Report as per Authority's decision.
2.	DGA, PNR	PAC normally examines annual audit reports, therefore significant paras might be included in Annual Audit Report.
3.	DGA Works (Provincial) Lahore	Instructions shall be adhered to in ensuing reports. No special audit/study has so far been completed in Phase-I of Audit Plan 2022-23.
4.	DGA, KP, Peshawar	Specialized audits are conducted and its reports are printed and submitted separately to the competent forum. Regrettably, no matter how much serious is the nature of audit paras, they are hardly discussed in the PAC meetings that makes the whole exercise futile. To make the specialized audits meaningful and result oriented, it is desirable to include its serious nature audit paras in the main annual audit report and separate specialized audit reports may be printed and submitted as per routine.
5.	DGA, Local Council Sindh, Karachi	Significant Paras of Performance and Special Audit Reports may be printed with reference to the respective type of Audit Report in the relevant chapter/section of Annual Audit Report.
6.	DGA AJ&K	Printing of significant paras in AGP annual report would be effective to attract the concerned authorities to resolve the matter. It would also be helpful for policy makers in framing of policies for future.

7.	DGA Works Federal, Islamabad	Significant audit paras may be included in Regularity Audit Report as Audit Paras in Regularity Audit Reports are frequently discussed in PAC. For this purpose, an SOP should be devised whether these paras needs to be issued separately as Proposed Draft Para to sensitize the PAO or be included on Audit Report directly from Special Audit Inspection Report issued to the PAO, giving due opportunity of discussion in DAC meetings.
8.	DGA Power, Lahore	69 paras have been printed in annual report.
9.	DGA GB	02 Special and 02 Performance audit reports sent for external QCC. Significant paras will be identified once reports approved.
10	DGA Punjab, Lahore	There are few significant paras related to following specialized audit reports that maybe printed in annual audit report 2022-23, subject to approval of the competent authority. i- Special Study on Food Security in Punjab. ii- Forensic Audit of DAO Multan.
11	DGA Railways, Lahore	Currently 04 draft Special Studies (1. On Train Safety and Accidental Losses in Pakistan Railway, 2. On contract Management in Pakistan Railways, 3. On Credit of Revenue Earnings in Railway Fund 4. On Service Delivery & Revenue Generation in PR (Freight) in progress. DACs conducted and draft reports are in process of finalization.
12	DGA Sindh, Karachi	The Significant paras from Audit report of special audit/ special Studies & Performance audit conducted during Audit Year 2021-22 may be printed in the Annual Audit Report of Field Audit Office (FAO).
13	DG CA&E, South, Karachi	<ul style="list-style-type: none"> <li>▪ Loss due to irregular/unjustified payment of house rent allowance in addition to official accommodation – Rs.1,222.196 million (SAR –</li> </ul>

		<p>PSM 2019 -21)</p> <ul style="list-style-type: none"> <li>▪ Irregular and unjustified hiring of 369 employees on daily wages- Rs.54.495 million (SAR –PSM 2019-21)</li> <li>▪ Unjustified shortfall in social security contribution - Rs. 8,417.112 million (SSR – SESSI 2015 -20)</li> <li>▪ Loss due to unnecessary referral of patient cases to expensive private hospitals - Rs.77.323 million (SSR – SESSI 2015 -20)</li> </ul>
14	DGA Defence Services, Rawalpindi	<ul style="list-style-type: none"> <li>▪ OAGP constituted “Audit Reports Backlog Clearance Committee” vide AGP Chamber’s letter NO. 05-02/AGP Chamber/4264 dated 28.04.2022.</li> <li>▪ The Committee was apprised with backlog of 11 Special Audit Reports (DAC awaited or otherwise).</li> <li>▪ SARs presented before the Committee in meeting held on 24.08.2022 in AGP Office.</li> <li>▪ Minutes of the meeting / directions are awaited from AGP Office for implementation.</li> <li>▪ On the other side, Ministry of Defence has scheduled DACs on SARs presented to AGP Backlog Clearance Committee in October-November, 2022. The same has been postponed and fresh schedule is awaited.</li> </ul>
15	DG Audit, District Governments Punjab (North), Lahore	<p>In the light of directions issued vide AGP office letter No. 154/Audit (P-II)/269-C/2022 dated 01.08.2022, significant paras relating to compliance audit, performance audit, special audit and special studies have already been forwarded to office of DAG Central vide this office letter dated 16.08.2022.</p>
16	DG Audit Defence Services (South), Karachi	<p>22 significant paras in any type of Audit Report of Special Studies to be printed in the annual audit report.</p>

17	DG Audit Works Provincial, Karachi	Significant paras of such Special Studies which are not presented before the PAC may be incorporated in Annual Audit Report. e.g. reports prepared on the request of various organizations/donors (Foreign Aided Project Reports)
18	DG Audit Balochistan	Nil
19	DG Audit (Local Councils) Balochistan	Significant Audit Paras of 04 Special Studies will be printed in the annual Audit Report 2022-23 subject to recommendations by Clearance of backlog Committee in the AGP Office.
20	DG CA&E, Islamabad	Significant paras of the following 07 Special studies / Performance audit reports are to be printed in Annual Report <ul style="list-style-type: none"> <li>• Special Study Punjab SaafPani Company for the year 2020-21</li> <li>• Performance Audit Report – TEVTA for the period 2016-17</li> <li>• Performance Audit Report of PESSI for the year</li> <li>• Performance Audit Report of Punjab Education Foundation for the year 2016-17</li> <li>• Special Audit Report of NESPAK for the year 2009-14</li> <li>• Special Audit Report of NESPAK for the year 2009-13</li> <li>• Special Audit Report of Mughalpura Workshop for the year 2016-17</li> </ul>
21	Deputy Auditor General, South Karachi	Significant paras of Performance and Special Audit Reports may be printed with reference to the respective type of Audit Report in the relevant chapter/section of Annual Audit Report.
22	Deputy Auditor General, SSA/RRA Wing	Small reports containing a few paras, generally remain ineffective because these reports are not discussed in PACs. It will be more effective if small reports may be reported / added as a chapter in the main report.
23	DGA (District Govt.) South, Multan.	Agreed. As already circulated through final minutes of meetings on Audit Plan 2022-23 (Sr. No. 6).
24	DGA (CCE), Islamabad	Nil

25	DGA (District Govt.) KP	<p>The following significant paras have been selected for printing in annual audit report 2022-23</p> <ul style="list-style-type: none"> <li>i) 29 paras of Special Audit on “Funds transferred to &amp; expended by the Parents Teachers Councils in selected districts of Khyber Pakhtunkhwa” conducted in audit year 2022-23.</li> <li>ii) 08 paras of 07 Special Studies on “Computerization &amp; Updation of Land record” conducted in audit year 2021-22.</li> <li>iii) 54 paras of 07 Performance Audits on “To Evaluate That How Effectively Funds Are Utilized through Parent Teacher Councils (PTCs) At Higher Secondary, High, Middle and Primary Schools Levels.” Conducted in audit year 2021-22</li> <li>iv) 04 paras of Special Audit conducted on Covid-19 Audit Report conducted in Audit year 2021-22</li> <li>v) 10 paras of 07 Performance Audits on “Effectiveness of Water Supply &amp; Sanitation Program (WSSPs), in provision of Municipal Services at district level” conducted in Audit Year 2020-21</li> <li>vi) 43 paras of 07 Special Studies on “Revenue collection, realization and accounting mechanism in TMAs” conducted in Audit Year 2020-21</li> </ul>
26	DGA SSN, Islamabad.	Noted, to be complied at the time of Report preparation

### **Directions of the AGP:**

Special audit and special studies are required to be carried out as and when required. However, usually audit paras printed in such reports don't get the requisite attention. For effective coverage of significant paras of special audit /special studies, FAOs have to comply with the following instructions:

- i) Significant paras of Special Audits, Special studies, Performance Audit etc. will be added in the main Audit Reports of the respective years
- ii) The FAOs, Dy AGs and the QCC Fora to ensure that selection of the paras for inclusion in main audit report do qualify the conditions for inclusion in the main report intended for submission to the Parliament.
- iii) Before printing of the paras, they are to be marked as “Paras from special audit reports/ studies for inclusion in the main audit report” and submitted for approval along with the main audit report.
- iv) The FAOs concerned to retain reference of the paras to the specific reports for future reference especially for discussion in PACs and follow up phases.

## Agenda Item No.2

### FAOs to provide PAC details to respective Wings on the following pattern every month

- a. **No. of PAC meetings held (in a month & progressive total).**
- b. **No. of audit paras taken to PAC (in a month & progressive total).**
- c. **No. of audit paras discarded at PAC paras (in a month & progressive total).**

S.No.	Name of Office	Comments
1.	DGA Water Resources	a. No. of PAC meetings held <b>-02</b> b. No. of audit paras taken to PAC <b>- 14</b> c. No. of audit paras discarded at PAC paras- <b>0</b>
2.	DGA, PNR	a. No. of PAC meetings held <b>-17</b> b. No. of audit paras taken to PAC <b>- 301</b> c. No. of audit paras discarded at PAC paras- <b>Nil</b>
3.	DGA Works (Provincial) Lahore	a. No. of PAC meetings held <b>- 4</b> b. No. of audit paras taken to PAC <b>- 215</b> c. No. of audit paras discarded at PAC paras- <b>20</b>
4.	DGA, KP, Peshawar	a. No. of PAC meetings held <b>- 36</b> b. No. of audit paras taken to PAC <b>- 297</b> c. No. of audit paras discarded at PAC paras- <b>98</b>
5.	DGA, Local Council Sindh, Karachi	a. Schedule of PAC meetings were issued 21 times since July 2021 till date but all were postponed/cancelled due to non-submission of working papers by the department. b. 3047 paras relating to Compliance with Authority Audit and 206 Paras relating to Special Sector Audits have been submitted to the provincial PAC since establishment of this office in September 2012 c. 46 Paras relating to Compliance with Authority Audit have been settled by PAC so far.
6.	DGA AJ&K	To call the PAC meeting is the sole prerogative of legislatures, hence PAC sessions are not being held frequently. Therefore, quarterly or semiannual report on PAC detail would be enough.
7.	DGA Works Federal, Islamabad	Term “discarded” may be reconsidered as disposed of and bifurcated in (i) settled by PAC (ii) to be pursued at DAC level/to be pursued through Monitoring and

		Implementation Committee of PAC. Further, progressive total needs to be qualified for the year or other-wise.
8.	DGA Power, Lahore	a. No. of PAC meetings held - <b>10</b> b. No. of audit paras taken to PAC - <b>150</b> c. No. of audit paras discarded at PAC paras- <b>17</b>
9.	DGA GB	A. 01(July 2022) Nil (August 2022) 04 (September 2022) Total 05 since 1 <sup>st</sup> July 2022 to 30 <sup>th</sup> September 2022 B.63 C. Minutes awaited
10.	DGA Punjab, Lahore	a. No. of PAC meetings held - <b>5</b> b. No. of audit paras taken to PAC - <b>90</b> c. No. of audit paras discarded at PAC paras- <b>44</b>
11.	DGA Railways, Lahore	a. No. of PAC meetings held - <b>06</b> b. No. of audit paras taken to PAC - <b>74</b> c. No. of audit paras discarded at PAC paras- <b>0</b>
12.	DGA Sindh, Karachi	a. No. of PAC meetings held - <b>15</b> b. No. of audit paras taken to PAC - <b>85</b> c. No. of audit paras discarded at PAC paras- <b>0</b>
13.	DG CA&E, South, Karachi	a. 01 PAC meeting was held in a month & 13 PAC meetings were held in 2021- 22 on this office – related entities. b. 11 Audit Paras have been taken in a month & 133 in a year c. 3 Audit Paras & Audit Comments discarded in a month & 40 paras in a year.
14.	DGA Defence Services, Rawalpindi	a. No. of PAC meetings held - <b>1</b> b. No. of audit paras taken to PAC - <b>7</b> c. No. of audit paras discarded at PAC paras- <b>7</b>
15.	DG Audit, District Governments Punjab (North), Lahore	a. No. of PAC meetings held - <b>4</b> b. No. of audit paras taken to PAC - <b>124</b> c. No. of audit paras discarded at PAC paras- <b>51</b>
16.	DG Audit Defence Services (South), Karachi	a. No. of PAC meetings held - <b>1</b> b. No. of audit paras taken to PAC - <b>7</b> c. No. of audit paras discarded at PAC paras- <b>0</b>
17.	DG Audit Works Provincial, Karachi	a. No. of PAC meetings held - <b>3</b> b. No. of audit paras taken to PAC - <b>81</b> c. No. of audit paras discarded at PAC paras- <b>15</b>



18.	DG Audit Balochistan	a. No. of PAC meetings held - <b>6</b> b. No. of audit paras taken to PAC - <b>78</b> c. No. of audit paras discarded at PAC paras- <b>8</b>
19.	DG Audit (Local Councils) Balochistan	a. One PAC was held in September, 2022. However, Two PAC meetings scheduled on June 16 and September 15, 2022 but could not be held. b. Total 4 Audit Paras relating to Covid-19 expenditure report taken to PAC in September, 2022. c. 04 Audit Paras were finalized by PAC level.
20.	DG CA&E, Islamabad	a. No. of PAC meetings held - <b>3</b> b. No. of audit paras taken to PAC - <b>37</b> c. No. of audit paras discarded at PAC paras- <b>4</b>
21.	DGA (CCE), Islamabad	Nil
22.	DGA (District Govt.) KPK	PAC at none of the tiers of Local Governments has been operationalized since the promulgation of Local Government Act 2013. Therefore, no PAC meeting has been conducted.

**Directions of the AGP:**

- i) Audit reports are the final output of DAGP. Accurate record of the audit reports, paras in the reports, PAC meetings held on the reports and status of follow up is mandatory to be maintained by all FAOs and to be tracked by the respective Dy AGs and submitted to the o/o AGP.
- ii) FAOs to ensure submission of the information on the given format
- iii) Efforts must be made to use platform of AMIS for the purpose as well.

### Agenda Item No.3

#### **Focus on observations in AIR by DGs of FAOs**

In order to ensure quality of Audit Reports, the first step is a thorough scrutiny at observations/AIR levels.

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	Thorough scrutiny in light of FAM and any other instructions issued by O/o the Auditor General of Pakistan are strictly observed before processing for approval
2.	DGA PNR, Lahore	Agreed. Scrutiny team comprised of experienced Audit Officers has been constituted for scrutiny of AIRs. Scrutiny team will ensure that all relevant documents are attached with the AIR like rules & regulation, evidences, annexures etc. AIRs are presented through Deputy Director or Director to Director General for final approval.
3.	DGA Works, Provincial, Lahore	<p>i. The proposal is endorsed.</p> <p>ii. Uniform evaluation criteria and procedure for issuance of AIRs needs to be devised.</p> <p>Threshold amount of audit observation to be incorporated in Audit Report needs to be reviewed.</p>
4.	DGA KP, Peshawar	To improve the quality of audit reports, the audit activities of FATs are required to be closely monitored in the field. When AIRs are submitted, the concerned FATs may deliver a presentation to the DGs and Directors where each and every audit is discussed thoroughly. The FATs has to defend each para with documentary evidence. The structure of each audit para is required to be examined. During such presentation, PDPs and MAFDAC paras should be selected and irrelevant paras should be discarded. AIRs should be issued after its proper scrutiny during the

		<p>presentation. This practice will make the respective DGs to monitor the working of the FATs that will improve the quality of audit. Moreover, the ranking of FATs as good or bad can also be made possible through this exercise.</p> <p>DGA-KP has already stated this practice which has greatly improved the quality of audit.</p>
5.	DGA Local Council Sindh, Karachi	<p>The observations included in the AIR are reviewed and scrutinized in detail by the Auditors, Deputy Director, Director as well as the Director General. The issues relating to procurement, receipts, service delivery, recovery, development and establishment having material significance are focused to ensure quality of AIRs. While reviewing AIRs this office focuses on audit paras with reference to supporting documentary evidences, accuracy, objectivity, clarity and conciseness. This office lays special emphasis on following FAM guidelines in finalization of AIRs.</p>
6.	DGA AJ&K	<p>Scrutinization and grading of AIR in quantitative manner would be helpful to achieve the quality of Audit Report.</p>
7.	DGA Works, Federal, Islamabad	<p>Currently all Audit Inspection Reports are scrutinized in the office and issued to the Head of Department and PAO concerned over the signature of Director General. However, stringent timelines of finalization of Audit Reports and human resource constraints with increased volume of PAC/DAC meetings has unreasonably affected the scrutiny at AIR level to ensure quality and workload of DAC before finalization of Audit Report. Scrutiny mechanism needs to be strengthened by rationalizing volume of audit activities and diverting resources to quality assurance during field as well reporting phase. Scrutiny Committees at Supervisory</p>

		level be maintained in FAO.
8.	DGA Power, Lahore	In order to ensure quality of audit report, AIR(s) are initially scrutinized in AIR section and all AIR(s) evaluated/graded in accordance to “major areas of evaluation criteria for auditor’s performance” template. After the approval of DG, PDPs forwarded to Audit Report section for incorporation in Audit Report.
9.	DGA GB	Financial Management, Procurement and Contract Management.
10.	DGA Punjab, Lahore	<p>Observation Statements, uploaded on AMIS by IOs, are being examined and quality of AIRs is analyzed/scrutinized by Deputy Directors, Director and DG Audit through AMIS.</p> <p>The following directions have already been issued to all field audit teams for improvement of quality of audit:</p> <ul style="list-style-type: none"> <li>- Evidences in support of audit observations may be sufficient and complete</li> <li>- Observations should be material and taken from the sample</li> <li>- Framing of paras based on assumptions be avoided. Issue-base observations may be raised instead of highlighting governance and service delivery barriers.</li> <li>- The performance aspects of the formations should also adequately included in the AIRs.</li> </ul>
11.	DGA Railways, Lahore	<ol style="list-style-type: none"> <li>a. Scrutiny of observations is being carried out through AMIS during audit execution by Team Leads. Therefore, each observation has been deeply scrutinized before finalization. Effective use of AMIS ensures development of valid &amp; concrete audit observations on the basis of relevant criteria and sufficient audit evidence.</li> <li>b. All AIRs are being scrutinized thoroughly by DG Audit Railways with the assistance of a dedicated Inspection Report section under the supervision of Deputy Director and Director.</li> <li>c. As per directives of the AGP office, evaluation criteria in respect of AIRs is being followed by awarding marks and overall grade to each AIR.</li> </ol>

		<p><b>Suggestion:</b></p> <ul style="list-style-type: none"> <li>• It is suggested that top evaluation sheet of each AIR may be synchronized with level of use of AMIS during full audit activity.</li> <li>• Evaluation of AIRs may be shifted to AMIS over the period.</li> </ul>
12.	DGA Sindh, Karachi	<ul style="list-style-type: none"> <li>• <b>The focus is on:</b> <ol style="list-style-type: none"> <li>(i) Material/ serious violations &amp; irregularities.</li> <li>(ii) Ensuring Compliance of "Criteria, Condition, Cause, Effect &amp; Recommendation" (CCCER) Guidelines.</li> <li>(iii) Practicable &amp; implementable recommendations to address observations</li> <li>(iv) Observations fully supported with facts &amp; figures of the case.</li> <li>(v) Clarity in language and expression.</li> <li>(vi) Clarity in auditor's view/ opinion.</li> </ol> </li> </ul>
13.	DG CA&E, South, Karachi	Agreed. AIR is issued after approval of DG through Director concerned.
14.	DGA Defense Services, Rawalpindi	OAGP vide letter No. 218/23/P&C/1-C/2021 dated 27.12.2021 issued directions to all FAOs for approval of AIRs by respective DG Audit before issuance. The directions were accordingly implemented and AIRs are being issued with prior approval of DGADS (N) Rawalpindi.
15.	DG Audit, District Governments Punjab (North), Lahore	AIRs submitted by RDAs are scrutinized at HQ level and approved by the Director General as per directions received vide Director (FAO), o/o the AGP letter No.218/23/P&C/1-C/2021 dated 27.12.2021. After due scrutiny of AIRs, quality paras are segregated for further process and final inclusion in the Draft Audit Reports. Less significant paras and the paras not supported with proper/ relevant evidence are dealt separately.
16.	DG Audit Defence Services (South), Karachi	Quality is performing an audit effectively, following up all errors and deviations with a rigorous evaluation, and reporting clearly on the results, while at the same

		time respecting the resource and time constraints established by the budget. (Para 13.1.1 of FAM). We have to focus on each phase of the audit cycle starting from planning through reporting.
17.	DG Audit Works (Provincial), Sindh Karachi	The observations incorporated in the AIRs are scrutinized subsequent to their submission and quality of the same is also evaluated accordingly. However, detailed scrutiny is carried out at the time of preparation of PDPs by the DG. Whereas, the individual scrutiny of the observations at the time of audit execution is a time consuming activity, which would hamper other important obligations of the DG, including planning, execution, evaluation, reporting and follow-up of the audit report in order to ensure its quality.
18.	DG Audit Balochistan	Reports being approved by the DGA/Dir/DD after implementation of AMIS however there is no option of editing by DG/Dir.
19.	DG Audit (Local Council) Balochistan	Noted for compliance.
20.	DG CA&E, Islamabad	To ensure Quality of the AIR, the following steps are currently taken 1. Selection of balanced Audit Team (with required skills and experience) 2. Preparation of Planning File to identify the significant risk areas after knowing the business operations of the entity. 3. Focus on risk areas during execution stage of audit as per approved desk audit planning 4. Supervisory visits are performed by DGs/ Director/ Deputy Director to ensure quality of observations. 5. Checking of progress and quality by the Director General through follow-up meetings. 6. Scrutiny of Audit Paras in Audit Report Section with recommendations on each para regarding its quality. 7. Before compilation of ARPSE, further scrutiny of paras by constituting in-house clearance/ quality committees.

		8. Compliance of directives from AGP office issued from time to time in this regard.
21.	Deputy Auditor General (South), Karachi	The focus should be: (i) Material/ serious violations & irregularities. (ii) Ensuring compliance of “Criteria, Condition, Cause, Effect & Recommendation” (CCCER) guidelines. (iii) Practicable & implantable recommendations to address observations. (iv) Observations fully supported with facts & figures of the case. (v) Clarity in language and expression. (vi) Clarity in auditor’s view/opinion.
22.	Deputy Auditor General, SSA/RRA Wing	Nil
23.	DGA (District Govt.) South, Multan.	The observations in AIRs are being issued to the DDOs after scrutiny / review at RDA level as well as approved by the DG through AMIS. However, quality of audit observations at AIR level requires proper human resources at DG office level which in this DGA is limited. It is proposed that such supervision may be devolved to respective Regional Director for better input.
24.	DGA (CCE), Islamabad	This agenda point carries importance as generally during the audit activity, the AIRs are issued to the entities without proper scrutiny and input at the level of DD/Dir/DG. AIR is the final product arising out of the audit activity and value addition at senior level of management is essential to ensure the quality of observations. After implementation of AMIS, the OS are now approved by the DD/Dir/DG through the system, however the AMIS does not provide the option of ‘editing’ by Dir/DG. The same is required to be

		available so that the necessary value addition is done at the onset.
25.	DGA (District Govt.) KPK	All AIRs relating to Audit Plan 2022-23 till date have duly been issued with the approval of Director General Audit. However, keeping in view the spread and availability of regional directorates at divisional HQs, it is proposed that AIRs may be issued at the regional level with the approval of respective Directors to avoid unnecessary delays. DG Audit, District Governments would, however, ensure the quality of AIRs through field visits and deputing of M&E teams to RDAs. Director General would ensure 100 % quality of PDPs for inclusion in Audit Reports.
26.	DGA SSN, Islamabad.	Already being implemented as all AIRs are processed by Director after initial scrutiny and Director General also approves these reports after going through them.

**Directions of the AGP:**

- i) Since audit observation at the AIR level provide foundation on which the edifice of audit para is constructed, it is of utmost importance to ensure quality of the AIRs.
- ii) FAOs to ensure that AIRs are issued only after approval of the respective DGs as per the instructions issued by the FAO Wing in this regard.
- iii) DG(IT) to explore inclusion of *edit* function for the level of Director and DGs as well.



## **Agenda Item No.4**

### **Decision on Qualified Accounts**

(There are accounts of some Ministries/Departments which are qualified by the DAGP but the budget is being allocated to such Ministries/Departments without giving due consideration to the qualification of their Accounts. SOPs must be developed to take up the matter with the relevant stakeholders for appropriate actions.)

<b>S.No.</b>	<b>Name of Office</b>	<b>Comments</b>
1.	DGA Water Resources	Since establishment of this Directorate in 2018, no such case has come forth.
2.	DGA PNR, Lahore	<p>The accounts of public sector enterprises namely SSGC for the FYs- 2017-18 &amp; 2018-19 were qualified due to huge receivables from KE, WAPDA, SNGPL, PSML &amp; HCPCL. In case of SNGPL, external auditors issued qualified report on the accounts for the FY-2017-18 due to recognition of revenue on disputed amounts and its booking as receivables.</p> <p>Qualifications are examined for developing audit observations and are included in Annual Audit Report. (For instance, Para 2.50.6.24 of AR-2019-20). Further, removal of qualifications from SECP is required to be reviewed by Audit.</p>
3.	DGA, Works Provincial, Lahore	Matter pertains to Directorate General Civil Audit to the extent of Punjab Province.
4.	DGA KP, Peshawar	DGA KP conducts certification audit of the Appropriation Accounts of Environment Department. So far no qualified opinion has been conveyed on the above mentioned accounts. However, this office raised observations on the accounts of districts government of KP which were conveyed and put in the emphasis of matter in the certification audit reports of 2018-19 and 2019-20.
5.	DGA Local Council	This office does not conduct Certification Audit

	Sindh, Karachi	
6.	DGA AJ&K	Qualified accounts may be issued with the approval of honorable Auditor General after detail quality review.
7.	DGA Works, Federal, Islamabad	Existing Quality assurance relating to Qualified Accounts may be enforced i.e. clearing house meeting, DAC meeting, Internal QCC, External QCC, approval of AGP. Audit Paras regarding Qualified Accounts may be included in Regularity Audit Report under the chapter of issues relating to Financial management as well as relevant chapter relating to audit entity, in case of Departmentalized Accounts.
8.	DGA Power, Lahore	No qualified reports issued against local/foreign aided projects since 2018.
9.	DGA GB	Certification of GB Government, GB Council as well as FAP are under progress.
10.	DGA Punjab, Lahore	Certification audit execution is in progress
11.	DGA Railways, Lahore	<ul style="list-style-type: none"> <li>• <b>Decision on Qualified Accounts</b></li> <li>a) Pakistan Railways prepares two sets of accounts viz. Appropriation Accounts and Commercial Accounts/Financial Statements.</li> <li>b) Appropriation Accounts of PR had “Qualified” opinion for the period from 2010-11 to 2020-21 except Financial year 2012-13 which had “Unqualified” opinion.</li> <li>c) Commercial Accounts of PR had “Qualified” opinion for the period from 2010-11 to 2017-18 except Financial year 2012-13 which had “Unqualified” opinion. However, commercial accounts for the period 2018-19 to 2020-21 had “Adverse” opinion.</li> <li>• <b>Suggestion/Remarks:</b></li> </ul>

		Railway management has planned to shift PR's existing accounting and financial reporting from manual legacy system to ERP based computerized information system. Therefore, material errors resulting into qualified/adverse opinion may be addressed through implementation of new ERP based accounting and financial reporting system. It is however, suggested that Pakistan Railways' ERP system may provide more better results if it is synchronized with the existing SAP based Financial Accounting and Budgeting System (FABS) of the Federal Govt. of Pakistan managed by the CGA.
12.	DGA Sindh, Karachi	Decision on Accounts for Certification Audit of (Government of Sindh & Forest Department) is pending as their Audit Assignments have not been closed so far.
13.	DG CA&E, South, Karachi	Qualified Accounts of entities are highlighted in the Reports, discussed in DAC meetings for corrective actions and fixing of responsibility.
14.	DGA Defence Services, Kashmir Road, Rawalpindi	<ul style="list-style-type: none"> <li>• Financial Attest Audit of 17 CsMA (MAG Accounts for Defence Grant administrated by MoD&amp;MoDP) planned in 1<sup>st</sup> Quarter Audit Plan 2022-23 which is likely to be completed by mid of October, 2022.</li> <li>• Results of field audit will be scrutinized and incorporated in Management Letter for internal / external QCC as per approved timelines.</li> <li>• Fate of accounts will be finalized accordingly.</li> </ul>
15.	DG Audit, District Governments Punjab (North), Lahore	Qualified accounts, if any, are being dealt in accordance with provisions of Financial Audit Manual

		(FAM).
16.	DG Audit Defense Services (South), Karachi	<p>It is suggested that it may be re-phrased as "Decision on expressing a Qualified Opinion" or "Decision on Qualified Report". A qualified opinion is issued where the auditor is faced with a scope limitation, a departure from the government's accounting principles, or uncertainty. But the key questions which require professional judgment are to decide whether the matter at hand:</p> <p>a) is critical to an understanding of the financial statements or not, and</p> <p>b) Can it be explained clearly and concisely?</p>
17.	DG Audit Works (Provincial), Karachi	The agenda point is not relevant to DG Audit Works Provincial (Sindh) Karachi.
18.	DG Audit Balochistan	Nil
19.	DG Audit Local Councils, Balochistan	Nil
20.	DG CA&E, Islamabad	Audit Comments are prepared on the audited accounts of entities containing Qualified Opinion. The Qualifications pointed out by the Chartered Accountant in the audited accounts are included in the Audit Comments and the same are shared with entity to obtain their response. These audit comments are included in the Annual Audit Report. Later on these are discussed at forum like DAC and PAC.
21.	DGA (District Govt.) South, Multan.	Subsidiary Rules regarding consequences of decisions on Qualified Accounts, have not been made since. It is, therefore, suggested that the said Rules may be made as envisaged under Sections 21 and 22 of AGP's Ordinance, 2001, as well as in accordance with the

		Section 11 & 12 of CGA's Ordinance, 2001.
22.	DGA (District Govt.) KPK	Since last three years, all the 35 Local Governments have been given "Disclaimer of opinion" during Financial Attest Audits. The same issues are again reflected in the accounts of Local Governments during Financial Attest Audit of FY 2021-22 and it is expected that if these issues were not resolved in time, this office would recommend "Disclaimer of Opinion" in current audit year also.
23.	DGA SSN, Islamabad.	N.A

**Directions of the AGP:**

Accounts/financial statements are certified as qualified if they contain material misstatements and the misstatements are not pervasive. The basic purpose is to highlight the impact of the reported misstatements on the decisions by the relevant stakeholders on the basis of the financial position as depicted in the accounts/financial statements. Qualification of accounts/financial statements of an entity manifest issues of material nature to be addressed by the management on immediate basis. In order to adequately highlight the gravity of the matter, all FAOs to ensure the following:

- i) All aspects of the qualification of Accounts of an entity must be highlighted in respective PACs with recommendation to give clear directions to the PAOs concerned for corrective measures.
- ii) Non-compliance of the PAC directions to be linked with budgetary allocation/release of the entity by Finance Division/Departments.

## Agenda Item No.5

### Audit of Flood Relief Fund

S.No.	Name of Office	Comments
1.	DGA Water Resources	PAC briefing on recent floods was held on 20.09.2022. However, no directives/ decision/ minutes have been received so far. And no audit on Flood Relief Funds has been planned in Audit Plan 2022-23
2.	DGA PNR	Not applicable
3.	DGA Works Provincial, Lahore	The following flood related reports have been approved by AGP:  (i) Special Audit of Schemes under Implementation of Flood Protection Schemes taken under Normal/Emergent Flood Programme.  (ii) National Disaster Risk Management Fund.  During Audit Plan 2022-23 no such project has been planned. As and when such projects are taken up / executed by the department(s) shall be planned for audit.
4.	DGA KP, Peshawar	Draft TORs for the Audit of Flood Relief have been prepared.
5.	DGA Local Council Sindh, Karachi	The Audit will be conducted as per directives of AGP office if the funds in the relevant head of accounts are allocated to the entities falling under the audit jurisdiction of this office.
6.	DGA AJ&K	Audit of flood relief funds may be conducted on the directions of AGP office centrally.
7.	DGA Works Federal, Islamabad	No entity under auditorial jurisdiction of this office is directly involved in Flood Relief Fund. However, emergency restoration works of infrastructure especially in NHA, is being carried out by NHA with

		its own funds (Road Maintenance Account against restoration works as per operational emergency on NHA network and on direction of PM at other than NHA network). NHA has informed that for permanent rehabilitation, preliminary DNA has been shared with multilateral donor agencies and after finalization of DNA, approval of Global PC-I and loan negotiations with donors, permanent rehabilitation works will commence. Audit will be conducted accordingly.
8.	DGA Power, Lahore	No Audit on Flood Relief funds planned in Audit plan 2022-23
9.	DGA GB	Performance Audit on account of Gilgit-Baltistan Disaster Management Authority (GBDMA) have been approved in Audit Plan 2022-23. Audit of Flood Relief Fund (if any) will also be taken up at the time of Audit.
10.	DGA Punjab, Lahore	Data regarding allocation of Flood Relief Fund as well as its utilization including donations in kind, is being collected from concerned agencies/ departments which will be scrutinized for appraisal of OAGP. The following offices are engaged in flood relief activities in Punjab: <ul style="list-style-type: none"> <li>- Chief Minister Flood Relief Fund</li> <li>- Deputy Commissioners for distribution of cash/relief articles in Flood affected districts.</li> <li>- BISP for distribution of flood relief cash assistance to flood affected families.</li> </ul> The preparation of Audit Design matrix is under process.
11.	DGA Railways, Lahore	The Ministry of Railways was requested to provide relevant information in this regard vide this office letter No. CF/8-20/Misc/2018 dated 27.09.2022. It was informed by MoRs vide letter No. FD/B-II/Misc-

		<p>1/2022 dated 28.09.2022 that no fund regarding flood relief fund was allocated till date.</p> <ul style="list-style-type: none"> <li>• <b>Remarks:-</b> Audit of Flood Relief Fund would be included in the next Audit Plan, if any fund is received by Ministry of Railways in this regard and are in liaison with MoR.</li> </ul>
12.	DGA Sindh, Karachi	The audit of Flood relief fund falls under the jurisdiction of Director General (Environment& Climate Change.)
13.	DG CA&E, South, Karachi	N/A
14.	DGA Defence Services, Kashmir Road, Saddar Rawalpindi	<ul style="list-style-type: none"> <li>▪ Grant of Federal Government to Defence Forces for Flood Relief Activities is not yet shared by Ministry of Defence.</li> <li>▪ Same will be brought into notice of OAGP as and when information is received from MoD or MAG.</li> </ul>
15.	DG Audit, District Governments Punjab (North), Lahore	It would be conducted if any funds are allocated to the formations under Audit jurisdiction of this office.
16.	DG Audit Defence Services (South), Karachi	This Directorate may if so required include an audit of transactions out of allocation made to Defence Services from the Flood Relief Fund, in the annual plan for the next year.
17.	DG Audit Balochistan	<p><b>Limitations</b></p> <ul style="list-style-type: none"> <li>• Release being made to PDMA through grant in aid and improper accounting. Payment from Head G 12141 : No distinction whether local fund or donors fund.</li> </ul>
18.	Deputy Auditor General (South), Karachi	No comments.
19.	Deputy Auditor General,	Nil



	SSA/RRA Wing	
20.	DGA (District Govt.) South, Multan.	Audit of Flood Relief Funds will be carried out if the same have been allocated / spent by the entities under the audit jurisdiction of this Directorate General.
21.	DGA (CCE), Islamabad	A meeting on the issue is scheduled to be held in AGP office on 3 <sup>rd</sup> October, 2022. Preliminary concept paper on the audit of Flood Relief Fund is attached at Annex-A.
22.	DGA (District Govt.) KPK	Audit of Flood Relief Fund allocated to Local Governments, if released, would be audited accordingly as per instructions and guidelines provided by office of the Auditor General of Pakistan.
23.	DGA SSN, Islamabad.	Initial data/ information may be gathered / requested from concerned departments / organization(s). Related to Financial year 2022-23, proposed to be audited in next Audit year

**Directions of the AGP:**

All FAOs concerned to ensure the initial spadework for detailed planning of the audit of Flood Relief Fund in line with the requirements of the Donor Agencies as per best international audit practices. FAO Wing to lead the preparatory stage by coordinating among the relevant FAOs and finalization of a structured approach in the light of best international practices and requirements of the Donor Agencies.

## Agenda Item No.6

### Impact Audit – New chapter in Audit Report next year

S.No.	Name of Office	Comments
1.	DGA Water Resources	The impact of Audit i.e. recoveries made or improvements in the rules, regulations or procedures of various entities on the instance of Audit may be included in the Audit Reports according to decision of Policy Wing letter no. 87 Audit (P-II)/268-C/2022 dated 20.06.2022.
2.	DGA PNR, Lahore	Agreed. Chapter of Impact Audit will be included in the next Audit Plan for example, on completion of gas schemes, number of connections installed in new locality and supply of gas may be checked and results thereof may be incorporated in this chapter.
3.	DGA Works, Provincial, Lahore	The concept of Impact Audit will be a welcome addition to the department. Extensive and proper training sessions and capacity building workshops may be conducted before hand.
4.	DGA KP, Peshawar	Department of Auditor General of Pakistan is an established organization that performs a constitutional duty. In order to be relevant with time, besides improving the quality of audit, we must also focus on the outcome of audit. The impact of audit should be seen and felt by the government organizations and other stake holders. In the past few years DGA-KP raised several observations during audit of various sectors. The repetition of similar nature observations finally made the decision makers and policy makers to make amendments or change the policies in light of audit recommendations. For example at the pointation of Audit in the C&W department, the PAC constituted a sub-committee to discuss the appropriateness and

		<p>timeliness of granting Technical Sanctions (TS) and payments of non-schedule items (NSI) in the infrastructure related schemes. Moreover, systemic improvements such as e-bidding and e-billing were introduced; full recovery of disabled persons rehabilitation (DPR) charges ensured, and execution of NSI without rate analysis were minimized.</p> <p>Non-adjustment of electricity dues between the Peshawar Electric Supply Company (PESCO) and the Provincial Government has been a long-standing issue which was specially highlighted during audit of the Finance Department (FD). During the DAC meeting, FD issued strict instructions to the provincial administrative secretaries for immediate clearance of PESCO dues under intimation to Audit.</p> <p>Collection of Abyana, which used to be unrealized or short-realized previously, has now been shifted from Irrigation Department to Revenue Department on pointation of Audit. Similarly, when pointed by the Audit visible efforts were made to address irregularities observed in the assessment, calculation, and collection of capital value tax (CVT), mutation fee, and advance tax by the Revenue &amp; Estate Department. The responsibility of tax deposit has now been shifted to the sellers and purchasers.</p> <p>The impact of audit is mentioned in the audit reports regularly however, this office suggests adding impact audit as a separate chapter in the annual audit report.</p>
5.	DGA Local Council Sindh, Karachi	This office agrees with the idea of introducing new chapter of Impact Audit in the Annual Audit Report and will follow the guidelines of Policy Wing.
6.	DGA AJ&K	It is very important to highlight the efforts and progress of DAGP in the audit report through impact

		of audit.
7.	DGA Works Federal, Islamabad	Impact Audit would be launched with clear differentiating lines between all other audits like thematic audit, performance audits, special studies etc. For this purpose, planning parameters and reporting formats have to be will defined.
8.	DGA Power, Lahore	Being a rather new concept, it needs to be thoroughly deliberated for inclusion being a Chapter in next year AR.
9.	DGA GB	Devising of Staff Car Rules, Accommodation Allocation Rules, issued instructions on work done but not measured.
10.	DGA Punjab, Lahore	The Chapter regarding Impact of Audit would be developed in Annual Audit Report after consideration of all the relevant factors and its framework. Accordingly the compliance will be made during finalization of annual Audit Report.
11.	DGA Railways, Lahore	<p>New chapter may address the following broader parameters according to nature of entity on Impact of Audit may be spread around on the nature of audit coverage of each entity as follows:</p> <ol style="list-style-type: none"> <li>i. Impact of Certification of Accounts: <ul style="list-style-type: none"> <li>• Audit opinion (Qualified/Adverse) carrying negative or positive impact on funding from international donor agencies in respect of development projects.</li> </ul> </li> <li>ii. Compliance Audit Impact: <ul style="list-style-type: none"> <li>• Recoveries at the instance of Audit.</li> <li>• Improvement in public financial management e.g. transparent budgeting</li> </ul> </li> </ol>

		<p>and disbursement system, compliance of PPRA Rules</p> <ul style="list-style-type: none"> <li>• Augmenting internal control environment of the entity.</li> </ul> <p>iii. Performance Audit Impact</p> <p>Performance evaluation of specific projects/programs undertaken during few years and their impact assessment to achieve overall objectives and goals of an organization.</p> <p>iv. Impact of Special Studies</p> <ul style="list-style-type: none"> <li>• How the management of an organization or activity has been supported in decision making process on the basis of special studies.</li> <li>• Whether any initiatives taken by management on the recommendations made through special studies.</li> </ul> <p>v. Impact of Environmental Audit</p> <ul style="list-style-type: none"> <li>• Environmental effects, policy initiative assessment by implementing the operational activities of organizations</li> <li>• Collaborative audits with the DG Audit (Climate Change &amp; Environment).</li> </ul> <p>vi. Thematic Audit impact</p> <ul style="list-style-type: none"> <li>• Whether the audit entity aligned its strategic plan with the relevant Sustainable Development Goals (SDGs) and devised policies for their achievement in compliance with National Framework for SDGs.</li> </ul>
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12.	DGA Sindh, Karachi	The compliance will be made accordingly in light of instructions of DGs conference 2022-23.
13.	DG CA&E, South, Karachi	Agreed.
14.	DGA Defence Services, Kashmir Road, Saddar Rawalpindi	<ul style="list-style-type: none"> <li>▪ As per format of Annual Audit Report, this office included audit impact under executive summary.</li> <li>▪ Major impact is highlighted.</li> <li>▪ Any change in the prescribed format will be implemented upon directions of OAGP.</li> </ul>
15.	DG Audit, District Governments Punjab (North), Lahore	Compliance of directions received from the o/o Honorable Auditor General of Pakistan vide letter no. 203/Audit(P-II)/265-C/2022 dated 28-09-2022 would be made.
16.	DG Audit Defence Services (South), Karachi	Will need guidelines in this regard from the Policy Wing, especially with reference to planning and reporting.
17.	DG Audit Works (Provincial), Sindh, Karachi	Will need guidelines in this regard from Policy Wing, especially with reference to planning and reporting.
18.	DG Audit Balochistan	Nil
19.	DG Audit Local Councils Balochistan	The proposals for new chapter of Impact Audit in Audit Report of next year will be incorporated in light of recommendations in DG Conference 2022-23
20.	DG CA&E, North, Islamabad	Guidelines are awaited for inclusion of Impact audit Chapter in next year Audit Report.
21.	Performance Audit Wing	Nil
22.	Deputy Auditor General (South), Karachi	This office agrees with the idea of introducing new chapter of Impact Audit in the Annual Audit Report and will follow guidelines of Policy Wing.
23.	Deputy Auditor General, SSA/RRA Wing	Nil
24.	DGA (District Govt.)	An Impact Audit is an examination of the activities, content, messages and interventions conducted in the

	South, Multan.	pursuit of a social change long term outcome for which that campaign or project was created to achieve, and scrupulously measures the effectiveness of the activities against this vision. It is, therefore, proposed that a Policy Impact Audit& Risk Audit may be introduced in place of Impact Audit that could provide qualitative and quantitative impact of a policy for the policy maker as well as for the other stakeholders.
25.	DGA (CCE), Islamabad	Nil
26.	DGA (District Govt.) KPK	The instruction of the Policy Wing vide letter No. 203/Audit (P-II)/265-C/2022 dated 28.09.2022 shall be followed in letter & spirit. However, it is requested that guidelines in the matter may kindly be provided.
27.	DGA SSN, Islamabad.	Template not circulated so far

### **Directions of the AGP:**

A new chapter of Impact Audit will be added in the next year Audit Plan (2023-24) and the ensuing Audit Report. Performance Audit Wing (PAW) to develop a preliminary format for the chapter on Impact audit along with the requisite training course to be imparted to the DAGP auditors to equip them with the required knowledge and skills for such audit. The training course to be designed and submitted for approval by end December, 2022.

## Agenda Item No.7

### **Info graphics of Audit Reports – Template of DGA KP**

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	Info graphics may be incorporated in Audit reports for better presentation and easy understanding.
2.	DGA PNR, Lahore	Agreed. This office will add info graphics to present Sectoral information and MTBF results etc. in the next Audit Report.
3.	DG Audit Works (Provincial) Lahore	Template has not been received, the same is being requested.
4.	DGA KP, Peshawar	The annual audit report is a very lengthy document which makes it almost impossible for the stakeholders to read and comprehend it in a short time. Moreover, the annual audit reports are prepared for the consumption of specific forums and cannot be shared with general public. To enable all the stakeholders especially civil society to feel the importance of audit and appreciate its working, it is advisable to prepare gist of the specialized audit reports in a brief consolidated form and print an infographic report. This would enable the reader to get maximum information in the shortest possible time. Info graphic audit report will mention important audit observations and audit recommendations in the form of infographic visuals like charts or graphs etc. The report will also highlight the recovery pointed out during audit. DGA KP has already prepared its first annual info graphic audit report 2021-22.
5.	DGA Local Council, Sindh, Karachi	Info Graphics will be incorporated in the Audit Report on receipt of the prescribed template (where applicable)
6.	DGA AJ&K	Info graphics reports would be very easily



		understandable for executive and general readers of reports. Furthermore, it will complete the ingredient of Executive Information system (EIS) which is very important part of a report.
7.	DGA Works, Federal, Islamabad	Info graphics should be included in the reports for attraction of the user.
8.	DGA Power, Lahore	Info-graphic may be incorporated in Audit Reports as per requirement. The thematic Audit Report on Review of Circular Debt, to be incorporated into main AR 2022-23, has contained / depicted significant info-graphics.
9.	DGA GB	Will be prepared once finalized
10.	DGA Punjab, Lahore	The Audit Report Template will be adopted for future compliance during finalization of Annual Audit Report, sequel to approval in DGs Conference.
11.	DGA Railways, Lahore	To be discussed in DGs Conference
12.	DGA Sindh, Karachi	The compliance will be made accordingly in light of instructions of DGs conference 2022-23.
13.	DG CA&E, South, Karachi	Agreed.
14.	DG Audit Defence Services, Rawalpindi	Template may kindly be shared with this office to proceed further.
15.	DG Audit District Governments, Punjab, Lahore	Template of DGA KP was not circulated. However, this office has requested for the same from the concerned office vide this office letter no. DGA/Distt.Govts(N)/AR/F-17(vol-II)/CD-1149 dated 29-09-2022 for review and comments, if any.
16.	DG Audit Defence Services (South), Karachi	Info graphics will improve the overall look of the Report, but following auditing standards in preparing reports will be more important. Further comments after looking at the template.
17.	DG Audit Works (Provincial), Sindh,	Info graphics should preferably be applied to those areas which require comparative analysis as well as

	Karachi	where tabular format is not clearly comprehensible.
18.	DG Audit Balochistan	Nil
19.	DG Audit Local Councils, Balochistan Quetta	Noted for compliance.
20.	DG Commercial Audit & Evaluation, North, Islamabad	Compliance will be made as per the approval of the template by the Auditor General of Pakistan.
21.	Performance Audit Wing	Nil
22.	Deputy Auditor General (South) Karachi	No comments.
23.	Deputy Auditor General, SSA/RRA Wing	Nil
24.	DGA (CCE), Islamabad	Nil
25.	DGA (District Govt.) KPK	Technical Assistance will be sought from Director General Audit KP and the same will be complied in the audit reports for the year 2022-23. Additional funds requirement in this regard shall be assessed and taken up with the DG B&A O/o the Auditor General of Pakistan.
26.	DGA SSN, Islamabad.	Template not circulated so far

**Directions of the AGP:**

Info graphic version of the audit report to be prepared by the respective FAOs for quick comprehension of the relevant stakeholders. DGA KP to share the model info graphic report with all FAOs for their understanding. PAAA to arrange training, as and when required by the FAOs, to enable the audit HR for effective preparation of infographic reports.

## Agenda Item No.8

### Annual Report of AGP

S.No.	Name of Office	Comments
1.	DGA Water Resources	Not applicable
2.	DGA PNR, Lahore	This report includes statistical information and brief current issues highlighted by Audit. Correctives measures taken by executive authorities as well as PAC directives may also be incorporated.
3.	DGA Works Provincial, Lahore	Required information on AGP's Annual Report has already been sent vide this office letter dated 11.08.2022
4.	DGA KP, Peshawar	To be discussed at DGs Conference
5.	DGA Local Council, Sindh, Karachi	The relevant information pertaining to this office was shared with AGP office from time to time.
6.	DGA AJ&K	Impact of Audit should also be incorporated in AGP annual Audit Report.
7.	DGA Works Federal, Islamabad	No comments
8.	DGA Power, Lahore	Nil
9.	DGA GB	Material will be provided as per the requirement of AGP Office.
10.	DGA Punjab, Lahore	Annual Audit Report information related to this office is submitted every year to OAGP.
11.	DGA Railways, Lahore	Data for Annual Report of AGP provided to DAG (C&EA) on 15.08.2022
12.	DGA Sindh, Karachi	The compliance will be made accordingly in light of instructions of DGs conference 2022-23.
13.	DG CA&E, South, Karachi	There are strict timelines; restraining post-DAC directives follow ups by the management.
14.	DG Audit District Governments, Punjab	This office has already forwarded requisite information alongwith significant paras to office of DAG Central

	(North) Lahore	Lahore vide this office letter dated 16.08.2022 for their perusal and further necessary action
15.	DG Audit Defence Services (South( Karachi	Results of audit carried out by this office are incorporated as a separate chapter in the Audit Report on the Accounts of Defence Services.
16.	DG Audit Works (Provincial), Sindh, Karachi	The information as and when sought by the HQ to be incorporated in the relevant report is duly provided to the quarters concerned accordingly.
17.	DG Audit Balochistan	Nil
18.	DG Audit Local Councils, Balochistan, Quetta	Annual Audit Report of only PAO i-e. Secretary Local Government Balochistan, Quetta is prepared.
19.	DG Commercial Audit & Evaluation, Islamabad	The information regarding total amount audited, Recoveries made, amount placed under audit observations and breakup of nature of paras has already been shared with AGP office vide this office letter No.ARPSE/Compilation/2021-22/1313 dated 17-08.2022 .
20.	Performance Audit Wing	<ul style="list-style-type: none"> <li>• PAW is playing a pivotal role in capacity building of officers of Pakistan Audit &amp; Account Service (both IDC &amp;DC), officers of Executive Departments of the Federal and Provincial Governments and audit managers of other Supreme Audit Institutions (SAIs).</li> <li>• This office has trained 7243 officers till to date (from 1999): <ul style="list-style-type: none"> <li>▪ 590 PA &amp; AS officers (2013-14 to till to date)</li> <li>▪ 1836 Non-PA &amp; AS officers (2013-14 to till to date)</li> <li>▪ 146 officers of other provincial govt. (2012-13 to till to date)</li> <li>▪ 487 foreigners (1981 to till to date)</li> </ul> </li> <li>• During FY 2021-22, it conducted 23 courses and trained 482 officers including 157 IDC, 238 DC, 32 Provincial departments officers and 55 Foreigners from 18 SAIs.</li> </ul>

		<ul style="list-style-type: none"> <li>• PAW has been conducting the International Intensive Training Programs (ITPs) in Performance Auditing regularly for the last four decades for the audit managers of various SAIs. PAW has trained 457 foreign participants in 38 international ITPs from 40 SAIs.</li> <li>• During FY 2021-22 and FY 2022-23, this office conducted two ECOSAI Courses: <ul style="list-style-type: none"> <li>▪ ECOSAI course on “Financial Analysis in Performance Auditing” attended by 21 audit managers including 9 foreigners from 7 SAIs.</li> <li>▪ ECOSAI course on “Audit of Disaster Management” in which 45 participants were trained out of which 12 foreigners were from 5 SAIs.</li> </ul> </li> <li>• Status of PSRs is as follows: <ul style="list-style-type: none"> <li>▪ Vetted in 2021-22 : 70</li> <li>▪ Vetted in 2022-23 : 11</li> <li>▪ Pending: 0</li> </ul> </li> </ul>
21.	Deputy Auditor General (South) Karachi	No comments.
22.	Deputy Auditor General, SSA/RRA Wing	Nil
23.	DGA (District Govt.) South, Multan.	<ul style="list-style-type: none"> <li>• This office has proposed certain changes in Table 1 of the pro forma of the Annual Report to make the reported figures more accurate in the context of the Department’s Performance during the year under annual report, as well as to cater to the actual recoveries made by audit during the period under report.</li> </ul> <p>The same have been pointed out / explained in the Annual Report for the Year 2020-21 as well as 2021-22 submitted to the concerned wing / DAG (Central), Lahore. For instance, an amount of Rs. 31.892 Million has been reported in the AGP Annual Report 2020-21 (based on the amount reported in the Compliance Audit Reports only), whereas, actual recovery effected during July, 2019 to June, 2020 was Rs. 1,053.767 Million verified in</p>

		<p>respect of current and previous years recoveries effected during the year under report.</p> <ul style="list-style-type: none"> <li>• Also Table of classification summary of audit observations needs to be in accordance with the format being followed in Audit Reports</li> </ul> <p>Although, suggestions have not been implemented in the pro forma circulated by the policy wing. Proposed tables are appended at Annexure – B</p>
24.	DGA (CCE), Islamabad	Nil
25.	DGA (District Govt.) KPK	Timely data are regularly forwarded to the Offices of the Deputy Auditor General (North) and Auditor General of Pakistan for compilation of Annual Report of AGP
26.	DGA SSN, Islamabad.	Nil

**Directions of the AGP:**

(i) All the Wings of DAGP will ensure timely submission of relevant information on the prescribed format to Policy Wing AGP office for inclusion in the Annual Report of AGP office. Policy Wing to ensure submission of draft of DAGP's Annual Report by mid-November each year. On approval of the Annual Report, the B&A Wing to get it printed by mid-December for circulation to the relevant offices/departments.

(ii) All FAOs to ensure timely contribution in response to IR&C Wing requests to help build/strengthen soft image of SAI Pakistan within the country and abroad.

## Agenda Item No.9

### Audit jurisdiction principle

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	<ul style="list-style-type: none"> <li>• Constitutional mandate under Article 168-170.</li> <li>• AGP Ordinance, 2001.</li> <li>• Minutes of the Meeting regarding “ Rationalization Audit Jurisdiction” held on 11.09.2022 (source of funding )</li> </ul>
2.	DGA PNR, Lahore	This report includes statistical information and brief current issues highlighted by Audit. Correctives measures taken by executive authorities as well as PAC directives may also be incorporated.
3.	DGA Works Provincial, Lahore	The decision already circulated vide Audit Policy OAGP letter dated 05.09.2022 holds good.
4.	DGA KP, Peshawar	DG Audit KP endorses the directives of OAGP regarding audit jurisdiction principle communicated to all FAOs vide Policy Wing of OAGP letter No. 193/Audit (P-II)/268-C/2022 dated 05.09.2022 wherein source of funding was declared as the basis for deciding the audit jurisdiction of an FAO.
5.	DGA Local Council Sindh, Karachi	This office conducts audit of formations falling under the jurisdiction of Secretary Local Government, Housing & Town Planning Department excluding Development Authorities and Foreign Aided Projects which are being audited by the Director General Audit Works (Provincial), Sindh and the Director General Audit, Sindh respectively.
6.	DGA AJ&K	Jurisdiction principle among FAOs may be decided in line with budget, expenditure and service delivery level.
7.	DGA Works, Federal, Islamabad	Audit jurisdiction, especially in case of additional assignments or cross cutting areas, should be decided firstly on the basis of specialized nature of activity and then the overall workload of the FAO.

8.	DGA Power, Lahore	<ul style="list-style-type: none"> <li>Constitutional mandate under Article 168-170AGP Ordinance, 2001.</li> </ul>
9.	DGA Punjab, Lahore	The Audit jurisdiction principle is being observed in the light of OAGP guidelines and directions.
10.	DGA Railways, Lahore	This FAO received Minutes of Meeting on Rationalization of Audit Jurisdiction held on 11 <sup>th</sup> August, 2022 at AGP office, Islamabad vide Policy Wing's letter No. 193/Audit (P-II)/268-C/2022 dated 05.09.2022. The directions of the Auditor General of Pakistan on Audit Jurisdiction principle are fully endorsed.
11.	DGA Sindh, Karachi	The jurisdiction has varied from time to time with instructions from office of AGP except core functional jurisdiction of this office. However, the jurisdiction principle should be decided on (a) reliability of core function of the auditee formation and (b) structure of the auditee formation.
12.	DG CA&E, South, Karachi	This office conducts audit of commercial enterprises of Federal Govt. having Principal Offices in Karachi and also audits commercial entities of Sindh and Balochistan Govts.
13.	DG Audit Defence Services, Rawalpindi	<ul style="list-style-type: none"> <li>Audit of Defence Budgetary Grant administered by Ministry of Defence &amp; Ministry of Defence Production are audited by DGADS(N) Rawalpindi and DGADS(S) Karachi as per audit jurisdiction.</li> <li>Any jurisdiction issue is accordingly dealt with as per policy guidelines issued by the Policy Wing, OAGP vide letter No. 355/AP&amp;SS/43-C/09-Vol-IV dated 17.10.2019.</li> </ul>
14.	DG Audit District Governments, Punjab (North) Lahore	This office is conducting audit in the light of audit jurisdiction principles circulated vide AGP office letter No. 193/Audit(P-II)/268-C/2022 dated 05.09.2022.
15.	DG Audit Defence Services, (South) Karachi	Nature of transaction (Receipt or Expenditure), Ministry concerned with the transaction, territorial distribution.



16.	DG Audit Works (Provincial), Karachi, Sindh,	The principle of audit jurisdiction should be in conformity with the functional nature of each FAO. DG Audit Works (P) Sindh has the mandate to conduct audit of civil works within the province of Sindh, however capital /development works portfolio of certain entities like Health Department, Police and Prison & Universities etc. is still audited by DG Audit Sindh Karachi which is contrary to the jurisdiction principle.
17.	DG Audit Local Councils, Balochistan	Audit jurisdiction of this office includes on PAO i-e. Secretary Local Government Balochistan having 840 formations of Local Government and Local Councils.
18.	DG Commercial Audit & Evaluation, Islamabad	<p>Director General Commercial Audit &amp; Evaluation, Islamabad is a field audit office of the Department of Auditor General of Pakistan and has the mandate to conduct the audit of all commercial organizations under the control and funded by the Government of Pakistan, Government of Punjab and Government of Khyber Pakhtunkhwa including authorities or bodies, autonomous organizations, semi-autonomous organizations, development projects, PSDP projects and foreign funded projects etc.</p> <p>The office of Directorate General, Commercial Audit and Evaluation (DG CA&amp;E), Islamabad, carries out the audit of Public Sector Enterprises having their headquarters situated in the Federal Capital, Punjab and KP. This office fully corresponds to its mandate as mentioned in the Auditor-General's (Functions, Powers and Terms and Conditions of Service) Ordinance, 2001 through Section-7 (Certification Audit), Section-8(c) (Audit of all trading, manufacturing, profit and loss accounts, balance sheets and other subsidiary accounts kept by any Federal/Provincial Department), Section-9 (Audit of Authorities substantially financed by loans &amp; grants from the Consolidated Fund), Section-10 (Special Studies) and Section-15 (audit of Companies).</p>
19.	Deputy Auditor General (South) Karachi	The principle of audit jurisdiction should be in conformity with the functional nature of each FAO.

20.	Deputy Auditor General, SSA/RRA Wing	Needs to be decided to avoid overlapping of Audit by two FAOs.
21.	DGA (District Govt.) South, Multan.	This DGA carries out various audits of District Authorities, Local Governments and Public Sector Companies as provided for under definition of Local Government, in Local Government Act. However, the autonomous bodies such WASA, Parks & Horticultural, MDA etc are also performing their function within the ambit of Local Government Act but the audits of concerned authorities are being conducted by other offices of AGP such as DG Audit Punjab and DG Audit Works Lahore etc which need to be assigned to this DGA based on the provisions of Local Government Act and bring all local government under the ambit of single DGA.
22.	DGA (CCE), Islamabad	The Sectoral Audit approach has gained importance in the wake of establishment of FAOs on sectoral basis. This approach places entities having particular characteristics under one FAO. The idea was to conduct Audit of similar entities in a common sector/ area by a single FAO, enabling the FAO to review the whole sector in its audit report.
23.	DGA (District Govt.) KPK	In the light of the decision of the worthy Auditor General of Pakistan as communicated vide minutes of the meeting held on Audit Plan 2022-23 and Audit Policy Wing letter No. 193/Audit (P-II)/268-C/2022 dated 05.09.2022, DG District Audit shall forward the audit paras pertaining to re-aligned offices for the financial year 2022-23 to DG Audit KP for inclusion in their report.

**Directions of the AGP:-**

All FAOs must ensure compliance with decision on audit jurisdiction circulated vide Audit Policy OAGP letter dated 05.09.2022 to avoid any overlapping of jurisdiction. In case of anomaly, the FAO concerned to bring the matter through the respective Dy AG for decision.

## Agenda Item No.10

### CIPFA Nominations sparability & official engagement plan

S.No.	Name of Office	Comments														
1.	DGA Water Resources, Lahore	Sr. No	Name of Officer(s)	Engagement Plan												
		1	Arsalan Shahzad	Officers at Sr. 1&2 are CMA qualified and claiming exemption is allowed. They won't be relieved from office. Officers at Sr. 3&4 will be relieved as per class schedule. However, all officers will perform their official duties in off-class days.												
		2	Shahid Mumtaz													
		3	Faiza Shahid													
		4	Sumbal Shahzadi													
2.	DGA PNR, Lahore	Two officers namely Ms Munnaza Aisha, Director (HQ) and Mr. Muhammad Shafiq, Deputy Director are nominated for CIPFA. In compliance of AGP office letter dated 09.09.2022, the competent authority spares the said officers as and when required during the study period without affecting the office working.														
3.	DGA Works Provincial, Lahore	Nomination of ten (10) employees of this office has already been approved by AGP as under:														
		<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Designation</th> <th style="text-align: center;">No.</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Director</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">Audit Officer</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">Assistant Audit Officer</td> <td style="text-align: center;">1</td> </tr> <tr> <td style="text-align: center;">Senior Auditors.</td> <td style="text-align: center;">5</td> </tr> <tr> <td style="text-align: center;">Junior Auditors</td> <td style="text-align: center;">3</td> </tr> </tbody> </table>			Designation	No.	Director	1	Audit Officer	1	Assistant Audit Officer	1	Senior Auditors.	5	Junior Auditors	3
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Audit Officer	1															
Assistant Audit Officer	1															
Senior Auditors.	5															
Junior Auditors	3															
4.	DGA KP, Peshawar	The FAOs prepare their Audit Plan by allocating maximum human resource allocations in order to certify and audit maximum amount of expenditure to ensure transparency of public spending and fund. Every FAO assign a specific slot for trainings and accordingly														

		allocate mandays for trainings from their total available man days. FATs will be directed to prepare their upcoming audit plan keeping in view the availability of their available human resource. Moreover, CIPFA classes should be arranged in such manner that the routine office works should not be disturbed. Furthermore, CIPFA enrolled officers/officials will not be assigned any audit rather they should be posted in office if any FAO cannot afford its CIPFA enrolled officers to spare completely during their classes.
5.	DGA Local Council, Sindh, Karachi	This office nominated two Deputy Directors, two Audit Officers and one Assistant Audit Officer for CPFA training. Out of five officers two Deputy Directors were selected who subsequently have been transferred to other offices. However one deputy director has been nominated by this office. If selected will be spared for the said training.
6.	DGA AJ&K	CIPFA nominations and sparability should be taken into annual audit plan.
7.	DGA Works Federal, Islamabad	Since CIPFA programme will have a long term impact on professional development of the officers, the sparability & official engagement plan should support the officers for successful completion of their program/certificate and impact on regular functions of the FAOs/HQs may be adjusted by prioritizing and rationalizing the audit activities in the years when CIPFA programme is implemented.
8.	DGA Power, Lahore	The confirmation regarding CIPFA nominations in respect of this office has not yet received. Request of willing officer / officials have been submitted to grievance committee for CIPFA nominations vide letter No.HR/Misc/C. Corr/139 dated 26.09.2022.
9.	DGA GB	No nomination has yet been made.

10.	DGA Punjab, Lahore	One Deputy Director, four Audit Officers, one Assistant Audit Officer and two Senior Auditors of this office have been nominated for CIPFA qualification. The sparability & official engagement of such officers will be finalized in accordance with the time schedule of classes upon receipt from the university concerned.
11.	DGA Railways, Lahore	Six officers/officials have been nominated for CIPFA training. The nominated staff has been directed to regularly attend training course in accordance with the schedule of classes. The nominated officers/officials would not be disturbed during training hours: however, they have been directed to immediately inform their supervisors (Director/Deputy Director) in case of change in training schedule and office work should be planned accordingly by the participants.
12.	DGA Sindh, Karachi	Five (05) Officers/ officials have been spared by CIPFA Nominations who have already started taking classes & tests. Their Field Work in terms of person-hours shall be reduced whereas their engagement on office-related works will be apportioned accordingly.
13.	DG CA&E, South, Karachi	Officers of this office have been nominated for CIPFA training despite labour - intensive nature of work.
14.	DG Audit Defence Services, Rawalpindi	Office of the AGP vide letter No.565/Exm/PIPFA.CIPFA/03-2021 dated 09.09.2022 has nominated Mr.MirzaWaqarBaig (Director Audit Defence Services Rawalpindi) and Mr.Muhammad Imran (Director Audit Defence Services Lahore) for CIPFA training.  Mr.Muhammad Imran, Director Audit Defence Services Lahore has joined institute in addition of his own work.
15.	DG Audit District Governments, Punjab Lahore	Mr. Muhammad Usman is working as Deputy Director of RDA Rawalpindi. He was nominated for CIPFA certification during his previous posting as DAO Railway Rawalpindi. He will, however, manage his

		<p>classes by sitting in office as most of the classes are online and his official assignments will not be suffered. Further, Ms. Farkhanda Jabeen, Senior Auditor is working in Headquarter and Ms. Ghosia Abbas, Senior Auditor is working in RDA Rawalpindi and their official work will be supervised by their respective Section Incharges i.e., Assistant Audit Officers and Audit Officers. Mr. Imran Ali, Audit Officer of RDA Rawalpindi has been nominated for CIPFA Certification without the consent of this office. It is further added that disciplinary proceedings have been initiated by the Auditor General of Pakistan against Mr. Imran Ali, Audit Officer of RDA Rawalpindi.</p>																								
16.	DG Audit Defence Services, Karachi	This office had nominated 03 persons for the CIPFA, out of which 02 have been selected. They will be available for official engagement on days given as breaks during the training. However, when they will be attending the classes, we will be managing the work internally.																								
17.	DG Audit Works (Provincial) Sindh, Karachi	This office has nominated 03 persons for the CIPFA, out of which 02 have been selected. Their participation shall be ensured accordingly.																								
18.	DG Audit Balochistan	Officers nominated for CIPFA are being spared for the classes.																								
19.	DG Audit Local Councils, Balochistan, Quetta	Nil																								
20.	DG Commercial Audit & Evaluation, Islamabad.	<p>The following officer/official are nominated for CIPFA program from this office.</p> <table border="1"> <thead> <tr> <th>Sr. #</th> <th>Name</th> <th>Designation</th> <th>Station</th> </tr> </thead> <tbody> <tr> <td>01</td> <td>AlyasSarwar</td> <td>AAO</td> <td>Lahore</td> </tr> <tr> <td>02</td> <td>Aurangzeb</td> <td>AAO</td> <td>Lahore</td> </tr> <tr> <td>03</td> <td>ZubairShoukat</td> <td>Senior Auditor</td> <td>Islamabad</td> </tr> <tr> <td>04</td> <td>Attaullah Khan</td> <td>Senior Auditor</td> <td>Islamabad</td> </tr> <tr> <td>05</td> <td>Malik Awais Mumtaz</td> <td>Senior Auditor</td> <td>Islamabad</td> </tr> </tbody> </table>	Sr. #	Name	Designation	Station	01	AlyasSarwar	AAO	Lahore	02	Aurangzeb	AAO	Lahore	03	ZubairShoukat	Senior Auditor	Islamabad	04	Attaullah Khan	Senior Auditor	Islamabad	05	Malik Awais Mumtaz	Senior Auditor	Islamabad
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		06	Mujahidullah	Junior Auditor	Islamabad
		At present officer/officials are being spared for their classes, however the official work in the active period has been disturbed. It is proposed that CIPFA classes be scheduled at evenings or weekends.			
21.	Performance Audit Wing	03 officers (1 – IDC & 2 – DC) nominated for CIPFA training.			
22.	Deputy Auditor General (South), Karachi	No comments.			
23.	Deputy Auditor General, SSA/RRA Wing	In the next phase nominations for the IPSAS Diploma and Thematic audit certifications are to be made and FAOs are to ensure availability of the nominated resources.			
24.	DGA (District Govt.) South, Multan.	Ms. Abeera Sadaf, Director (HQ) and Mr. Sahab Rehmat RDA Faisalabad have been nominated for CIPFA.			
25.	DGA (CCE), Islamabad	Nil			
26.	DGA (District Govt.) KPK	This office nominated 01 officer for CIPFA. However, the officer has been transferred to CGA office.			
27.	DGA SSN, Islamabad.	New induction be allowed at regular intervals			

### **Directions of the AGP:**

The Officers/ officials nominated for CIPFA certification are required to get the requisite training completed within the specific time period. Heads of FAOs to ensure sparability of the nominated HR for the training. Any changes in the official engagements of the nominated officers/officials to be handled by DGs concerned locally. The DGs must also keep themselves abreast of the status of studies being pursued by the nominated officers/officials to ensure efficacy of the certification.

## Agenda Item No.11

### Yearly targets set by DGs and progress thereon

S.No.	Name of Office	Comments																		
1.	DGA Water Resources, Lahore	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2" style="text-align: center;">Audit Types</th> <th colspan="2" style="text-align: center;">Planned</th> <th rowspan="2" style="text-align: center;">Executed</th> </tr> <tr> <th style="text-align: center;">Phase-I</th> <th style="text-align: center;">Phase-II</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">Compliance</td> <td style="text-align: center;">40</td> <td style="text-align: center;">11</td> <td style="text-align: center;">23</td> </tr> <tr> <td style="text-align: center;">FAP</td> <td style="text-align: center;">16*</td> <td style="text-align: center;">-</td> <td style="text-align: center;">11*</td> </tr> <tr> <td style="text-align: center;">Performance</td> <td style="text-align: center;">-</td> <td style="text-align: center;">01</td> <td style="text-align: center;">-</td> </tr> </tbody> </table> <p>*01 loan does not pertain to auditee and 04 loans are under execution.</p>	Audit Types	Planned		Executed	Phase-I	Phase-II	Compliance	40	11	23	FAP	16*	-	11*	Performance	-	01	-
Audit Types	Planned			Executed																
	Phase-I	Phase-II																		
Compliance	40	11	23																	
FAP	16*	-	11*																	
Performance	-	01	-																	
2.	DGA PNR, Lahore	<p><b><u>One Year Plan</u></b>  <b><u>Identification of issues/areas</u></b></p> <ul style="list-style-type: none"> <li>• Price Differential Claims</li> <li>• Two Thematic Audits (Quality of Service Delivery by Gas Utility Company and Effectiveness of licensing regime of OGRA for Petroleum Products)</li> <li>• LNG/RLNG (take or pay clause issues, insufficiency of present infrastructure and development of infrastructure.</li> <li>• Slow exploration of Hydrocarbon &amp; Development of fields.</li> <li>• North South gas pipeline project.</li> <li>• Joint ventures operations by E&amp;P Companies.</li> <li>• Subsidy on RLNG to five sectors for exports</li> <li>• Subsidy on RLNG domestic sector in winter.</li> </ul> <p><b><u>E-filing</u></b>  E-Office server was installed/commissioned on 17.08.2022. However, installation of E-Office software, networking and training of officials/officers is being taken up with NITB, Islamabad vide letter No. 484-DGAPNR/Admn-II/26-2021 dated 28.09.2022.</p> <p><b><u>Capacity Building</u></b></p> <ul style="list-style-type: none"> <li>• Officers/officials got trainings in 30 different courses offered by PAW/PAAA.</li> <li>• On the basis of training need analysis, officers/official will be given opportunities to enhance their ability/skills.</li> </ul> <p><b><u>Implementing Audit Matrix for Quality Assurance</u></b>  Scrutiny / Review of AIRs, DPs, and preparation of draft Audit Report as per template</p>																		
3.	DGA Works	Targets of Audit Plan 2022-23 for the first quarter have been																		



	Prov, Lahore	achieved as per timeline approved.
4.	DGA KP, Peshawar	<p>Infographic reports : Done</p> <p>Geo Mapping : In process</p> <p>Quality assurance of AIRs: All Field Audit Teams make presentations of their audit assignment to Director and Director General after completion of every assignment. During discussion, the Director and DG guide FATs for improving the quality of reports.</p> <p>Restructuring of office: The whole office has been divided into 04 branches and each branch is headed by a Deputy Director and assisted by 04 branch officers who assist the concerned Deputy Director.</p> <p>Grooming of young PAAS Officers: 02 Deputy Directors and 02 Assistant Directors are currently in the Directorate General Audit KP. They are encouraged to carry out supervisory visits, attend DAC and PAC meetings. They are also nominated for training arranged at PAAA. Recently all of them were nominated for AMIS training. Moreover, they are being involved in the whole audit process including planning, execution, report preparation and follow up.</p> <p>Expediting follow up : The No of DAC meetings convened were increased by 40% during Audit Year 2021-22 as compared to 2020-21</p> <ul style="list-style-type: none"> <li>• Pending verifications are now being assigned to FATs during audit of that entity.</li> <li>• After making close liaison with PAC, its meetings were also increased by 21% during Audit Year 2021-22 as compared to 2020-21</li> <li>• A large No. of pending verifications and vetting of minutes were cleared by expediting it.</li> </ul>
5.	DGA Local Council, Sindh, Karachi	The majority of yearly targets set by this office have been achieved accordingly.
6.	DGA AJ&K	Yearly targets set by the DGs should be realistic and achievable and their progress should be monitored by the DAG concerned.
7.	DGA Works Federal, Islamabad	<p>Targets and status (To do Plan - Year) are as under:</p> <p><b>i. <u>Implementation of AMIS</u></b></p> <p>Audit Plan for the year 2022-23 has been prepared on AMIS.</p> <p>Audit of formations is also being executed on AMIS</p>

		<p><b>ii. <u>Reduce skill gap on thematic audit, AMIS, EPC, PPP/BOT mode of contracting</u></b> In-house training courses on AMIS, price escalation, PPP have been conducted. Weekly in-house meetings are also held to discuss issues.</p> <p><b>iii. <u>Dedicated resource allocation to focus on follow-up of previous Audit Reports, MFDAC</u></b> During the period from October 2021 to September 2022, 45 DAC meetings were held on Printed Audit Reports of previous years, 25 DAC meetings were held on unprinted Draft Audit Reports and 01 meeting on MFDAC. Total 71 DAC meetings have been held during last 12 months.</p> <p><b>iv. <u>Project management of construction of Federal Audit Complex</u></b> Tender of civil work was awarded in December, 2021 and funds released during 2021-22 (Rs 138.464 million) were fully utilized and civil work is completed up to ground floor level. Cash Plan and Work Plan for release of 1<sup>st</sup> Quarter has been submitted to Finance Division on 23.09.2022 and request for release has been made on 28.09.2022. Preparation of Bidding documents for award for remaining electromechanical &amp; misc. work are in process.</p> <p><b>v. <u>Improved Risk based Audit Planning and audit activity</u></b> Audit Plan 2022-23 was prepared in April-May 2022 on risk parameters under the advice of Additional AGP/DAG (DS).</p>
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8.	<p>DGA Power, Lahore</p> <p>YEARLY TARGET SET BY DGS AND PROGRESS THERON.</p> <table border="1" data-bbox="357 1249 1364 1864"> <thead> <tr> <th>Type of Audit</th> <th>No. of Audit Formations</th> <th>No. of Audit (s) executed / in process</th> <th>No. of Audit (s) pending</th> </tr> </thead> <tbody> <tr> <td>FAP Audits</td> <td>20</td> <td>17</td> <td>03</td> </tr> <tr> <td>Compliance Audits</td> <td>70</td> <td>58</td> <td>12*</td> </tr> <tr> <td>Performance Audit</td> <td>01</td> <td>0</td> <td>01**</td> </tr> <tr> <td>Special Study</td> <td>01</td> <td>01***</td> <td>0</td> </tr> <tr> <td>Special Audit (s)</td> <td>02</td> <td>01</td> <td>01****</td> </tr> <tr> <td>Thematic Audit</td> <td>01</td> <td>01</td> <td>0</td> </tr> <tr> <td><b>Total</b></td> <td><b>95</b></td> <td></td> <td></td> </tr> </tbody> </table> <p>*Planned to be executed in Phase-II</p>	Type of Audit	No. of Audit Formations	No. of Audit (s) executed / in process	No. of Audit (s) pending	FAP Audits	20	17	03	Compliance Audits	70	58	12*	Performance Audit	01	0	01**	Special Study	01	01***	0	Special Audit (s)	02	01	01****	Thematic Audit	01	01	0	<b>Total</b>	<b>95</b>		
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<b>Total</b>	<b>95</b>																																

	<p>** Performance audit of overbilling in FESCO is planned to be executed in Phase-II.</p> <p>*** Special Study on “installation of automatic meter reading (AMR)/advance metering infrastructure (AMI) meters and ABC cable in HESCO and SEPCO is partially executed i.e. in respect of HESCO, and same in respect of SEPCO is in process.</p> <p>**** Special audit on “review of distribution of compact florescent lamps (CFLs), non-return of incandescent bulbs (IBs) and non-distribution of CFLs in respect of PESCO/PEPCO” will be executed in Phase-I</p>																																																									
9.	DGA GB	203 formations were planned for Regularity Audit out of which 68 Audit has been completed and 14 audit in progress. Certification of GB Government & GB Council Accounts and 04 FAP Audit are in progress.																																																								
10.	DGA Punjab, Lahore	In Audit Plan 2022-23, 376 Nos. of audits were planned by this office. Audit activities regarding Certification Audit, FAP Audit and Compliance Audit are under process and proceeding smoothly in accordance with approved audit plan. This office is observing the guided timelines by OAGP regarding audit execution and report compilation within scheduled timelines.																																																								
11.	<p>DGA Railways, Lahore</p> <p style="text-align: center;">Targets and status of Audit Plan 2022-23</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th>S#</th> <th>Types of Audit</th> <th>Formations planned</th> <th>Phase-I July to Nov</th> <th>Phase-II Jan to June</th> <th>Current status</th> <th>Target date of completion</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Financial Attest Audit</td> <td>33</td> <td>33</td> <td>-</td> <td>Under execution</td> <td>15.11.2022</td> </tr> <tr> <td>2</td> <td>Compliance Audit</td> <td>53</td> <td>28</td> <td>25</td> <td>Executed = 20 Under execution = 08</td> <td>25.10.2022</td> </tr> <tr> <td>3</td> <td>Thematic Audit</td> <td>01</td> <td>01</td> <td>-</td> <td>Under execution</td> <td>25.10.2022</td> </tr> <tr> <td>4</td> <td>Performance Audit</td> <td>02</td> <td>01</td> <td>01</td> <td>01 under reporting</td> <td>30.09.2022</td> </tr> <tr> <td>5</td> <td>IS Audit</td> <td>01</td> <td>-</td> <td>01</td> <td>-</td> <td>16.05.2023</td> </tr> <tr> <td>6</td> <td>Special Study</td> <td>01</td> <td>-</td> <td>01</td> <td>-</td> <td>16.05.2023</td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Total</b></td> <td><b>91</b></td> <td><b>63</b></td> <td><b>28</b></td> <td></td> <td></td> </tr> </tbody> </table>		S#	Types of Audit	Formations planned	Phase-I July to Nov	Phase-II Jan to June	Current status	Target date of completion	1	Financial Attest Audit	33	33	-	Under execution	15.11.2022	2	Compliance Audit	53	28	25	Executed = 20 Under execution = 08	25.10.2022	3	Thematic Audit	01	01	-	Under execution	25.10.2022	4	Performance Audit	02	01	01	01 under reporting	30.09.2022	5	IS Audit	01	-	01	-	16.05.2023	6	Special Study	01	-	01	-	16.05.2023	<b>Total</b>		<b>91</b>	<b>63</b>	<b>28</b>		
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		<p>such as furniture, classrooms, drinking water, washrooms in the schools</p> <ul style="list-style-type: none"> <li>• Lack of clean and secured environment</li> <li>• Non-availability of teachers</li> <li>• No mechanism for professional development of teachers</li> <li>• Low budgetary allocations</li> </ul> <p><b>District Health Authorities:</b></p> <ul style="list-style-type: none"> <li>• Poor system of referring patients to other hospitals</li> <li>• Increase of private hospitals resulting in increase of medical costs</li> <li>• Health education is not research based</li> <li>• Non-availability of life saving drugs in public hospitals</li> <li>• Non-availability of high tech medical equipment in Public Hospitals</li> <li>• Low budgetary allocations</li> <li>• Political interference in appointment and transfer of doctors</li> <li>• Lack of supervision and monitoring of doctors working in public hospitals</li> <li>• Lack of physical facilities in Public hospitals</li> </ul>	
	Themes to be identified for next year Audit in DEAs, DHAs and Local Governments	The theme "Preventive Services (Health)", has been selected for audit for the Audit Year 2022-23.	
	NAM/COA be adopted across the board in Local Governments	NAM has been partially implemented by the Local Governments. This office is continuously pursuing the matter by highlighting the issues through certification	

			audit of local governments. Two meetings have also been held with the Provincial Director, Local Fund Audit Punjab to expedite the implementation of NAM and system automation.													
		Data collection for preparation of Desk Audit and updation of Master files.	Audit execution for compliance Audit of District Health Authorities has been completed. Data collection regarding certification audit of District Education and Health Authorities for the Financial Year 2021-22 is in progress.													
16	DG Audit Defence Services, Karachi	The certification audit is in the execution phase. The other audit activities are being completed as per the approved audit plan.														
17.	DG Audit Works (Provincial) Sindh, Karachi	The yearly targets as set by this office are being diligently pursued and majority of those have been attained; the details of which have already been shared during the last audit plan meeting.														
18.	<p>DG Audit Balochistan</p> <p>a. More emphasis on Performance Audit</p> <p><b>Trainings Given w.e.f October, 2022</b></p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Description of Training</th> <th>No. of official Trained</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Intensive Training Programme in Performance Audit</td> <td>Director-1 Audit Officer-1 Assistant Audit Officer-2</td> <td>04</td> </tr> <tr> <td>2</td> <td>Performance Audit (Short Courses)</td> <td>Director-1 Deputy Directors-5 Assistant Director-1 Audit Officers-21 Assistant Audit Officers-13</td> <td>41</td> </tr> </tbody> </table> <p>b. Implementation of AMIS</p> <p>Reports being issued from AMIS from this Audit Year.</p>				S. No.	Description of Training	No. of official Trained	Total	1	Intensive Training Programme in Performance Audit	Director-1 Audit Officer-1 Assistant Audit Officer-2	04	2	Performance Audit (Short Courses)	Director-1 Deputy Directors-5 Assistant Director-1 Audit Officers-21 Assistant Audit Officers-13	41
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19.	DG Audit Local Councils,	Yearly target has already been mentioned in Audit Plan 2022-23 and progress will be reported in the conference.														

	Balochistan, Quetta			
20.	DG Commercial Audit & Evaluation, Islamabad.	<b>Audit Plan 2022-23</b>	<b>Active Period</b>	<b>Lean Period</b>
		<b>Target</b>	<b>40</b>	<b>20</b>
		Audit Completed till 05 <sup>th</sup> October, 2022-23	14	0
		Audits are under Process	19	0
		Yet to be conducted in active period	7	20
21.	Performance Audit Wing	Planned 25 courses for financial year 2022-23. Targets of Annual Training Program (2022-23) are as follows: <ul style="list-style-type: none"> <li>▪ Two Intensive Training Programs (1 Local and 1 International)</li> <li>▪ 19 Short Courses on different topics of Performance Auditing</li> <li>▪ 3 Simulation Exercises to improve presentation skills of PA&amp;AS officers</li> </ul> Till to date, this office has conducted 7 courses and trained 157 officers (58 IDC, 87 Non-IDC & 12 Foreigners).		
22.	Deputy Auditor General (South), Karachi	Yearly targets of all FAOs are being monitored periodically		
25.	DGA (CCE), Islamabad	This office has maintained an Excel based record for one and two year targets, plans and achievement according to the specified timeline. Regular meetings are held to assess the achievement of targets and steps are taken to align the activities.		
26.	DGA (District Govt.) KPK	Majority of the targets have been achieved.		
27.	DGA SSN, Islamabad.	All targets being met during preparation of Draft Audit Report(s). The same will be implemented during preparation of Audit Reports.		

### **Directions of the AGP:**

Being a constitutionally mandated assignment, the audit activity must be accomplished as per the given timelines and quality parameters. Dy AGs to closely monitor the progress of audit activities of the FAOs under their control. Any expected delay must be brought to the knowledge of the Addl AG-1/ Addl AG-II along with practicable options as way forward.

## Agenda Item No.12

### Format of Audit Paras

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	In case of repetitive nature of Audit Paras of an entity during consecutive years, the second last paragraph of the Audit Para may give the chronology of occurrence of the same irregularly in previous year Audit Reports so that the issue can be considered with complete previous effect instead of in isolation according to decision of Policy Wing lette No. 87/Audit (P-II)/268-C/2022 dated 20.06.2022.
2.	DGA PNR, Lahore	Agreed. There should be a separate paragraph after condition for previous paras, current status and compliance thereof.
3.	DGA Works, Provincial, Lahore	There should be specific timeline for consolidation of such paras, for instance (03) three years or (05)five years etc.
4.	DGA KP, Peshawar	To be discussed at DGs Conference.
5.	DGA Local Council, Sindh, Karachi	In the light of General Decision at Sr. No. 1 of the minutes of meeting held on Audit Plan 2022-23 issued vide letter dated 20.06.2022, chronology of occurrence of same irregularity shall be given in second paragraph of the Audit Para so that the issue can be considered with complete previous 3 years effect instead of in isolation. Instructions will be implemented while preparing AAR 2022-23.
6.	DGA AJ&K	Instead of printing of same nature paras in Audit Reports every year, the same may be highlighted in audit report in commentary form with previous history to executives for remedial measures.
7.	DGA Works, Federal, Islamabad	This aspect may be indicated in “Effect” or “Conclusion/Implication” part of the CCCECR Model.



		Besides the format of the para, it should also to be decided that how many years to be taken in to account to qualify repetition of an irregularity and other factors may also be considered like same incumbent, etc.
8.	DGA Power, Lahore	Suitable comments highlighting repetitive / recurring nature audit observations may be given in the format of audit paras.
9.	DGA GB	Land Compensation, Opening of Accounts in Commercial Banks and Mobilization & Secured Advance
10.	DG Audit Punjab, Lahore	<p>Audit Paras of following nature were observed as repetitive nature (detail is attached as Annexure "D"):</p> <ul style="list-style-type: none"> <li>- Violation of PPRA Rules</li> <li>- Mis-management of State owned land</li> <li>- Over / irregular payment of Pay &amp; Allowances</li> <li>- Non / less recovery of Government dues</li> <li>- Irregular appointment / recruitment</li> </ul> <p>In the Annual Report a template is proposed to be evolved highlighting systemic issues for follow up by executive management to improve internal control structures.</p>
11.	DG Audit Railways, Lahore	Pakistan Railways has certain repetitive irregularities/issues of non-compliance e.g. Blockage of capital, mis-procurement/violation of PPRA Rules, inventory mismanagement etc. Previous 10 years' reports would be referred in order to map complete previous effect of recurring irregularities. Audit reports of last 10 years have been uploaded on AMIS and this database was referred during planning stage. For the current year's Audit Report, dedicated staff is assessing complete previous effect of repetitive nature of audit paras from last ten years reports.
12.	DG Commercial Audit &	Paras are repeated in category of Accounts

	Evaluation (South) Karachi	Receivables/Payables, Recoveries, Investment, HR appointments and promotions.
13.	DG Audit Defence Services, Rawalpindi	Directives have been noted for strict compliance.
14.	DG Audit District Governments, Punjab, Lahore	An additional paragraph may be added in the audit paras where required, after the “Condition Paragraph” giving details about the issue highlighted in previous years alongwith its complete effect.
15.	DG Audit Defence Services (South), Karachi	This may be reflected as a separate chapter in the audit report specifically defining the period in years for inclusion in that chapter. This will help to strengthen the audit observation. In this case, following up on the previous paras separately might result in duplication of work. A policy decision in this regard will be important
16.	DG Audit Works (Provincial), Karachi Sindh,	This may exclusively be reflected as a separate annexure in audit report, specifically mentioning the years of such paras. The number of previous years to be considered may be decided during discussion.
17.	DG Audit Balochistan	Nil
18.	DG Audit Local Councils, Balochistan	The formal needs to be discussed in the conference.
19.	DG Commercial Audit & Evaluation, Islamabad	It is proposed that a separate paragraph may be included in the Audit Paras of repetitive nature by mentioning the occurrence of this irregularity and its effect, in previous reports.
20.	Performance Audit Wing	Nil
21.	Deputy Auditor General (South), Karachi	This may exclusively be reflected as a separate annexure in audit report, specially mentioning the years of such paras. The number of previous years to be considered may be decided during discussion.
22.	Deputy Auditor General, SSA/RRA Wing	Nil

23.	DGA (District Govt.) South, Multan.	Nature of violations over the years have been same given that auditee organization do not take corrective actions and it would not be practicable to highlight the previous year's irregularities. Thematic Audit had been introduced during Audit Year 2021-22 and serves almost the same purpose.
24.	DGA (CCE), Islamabad	Nil
25.	DGA (District Govt.) KPK	Additional note could be given in the body of the para to highlight the recurring nature of the irregularity along with historical trajectory, management response and its overall impact.
26.	DGA SSN, Islamabad.	To be incorporated in Audit Paras during preparation of Draft Audit Report(s). The same will be implemented during preparation of Audit Reports.

**Directions of AGP:**

To keep PAC and management aware of the repetitive nature of paras showing systemic weakness, all FAOs must ensure that in case of a repetitive para, the second last paragraph outlining the effect of the violation to include previous occurrence of the non-compliance with year of occurrence and financial impact.

## Agenda Item No.13

### Meetings of DACs

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	01 DAC held and 30 audit paras discussed. Further, DAC meetings on SSRs were scheduled to be held on 04.08.2022 and 05.09.2022 but both were postponed due to flood situation.
2.	DGA PNR, Lahore	DAC meeting pertaining to this office needs to be conducted more frequently.
3.	DGA Works, Provincial, Lahore	Presently SDACs meetings are being conducted locally at Lahore. However, due to space problem this office is unable to accommodate/make sitting arrangements for staff of executive departments. Further due to shortage of fund under head TA, outstation SDAC meetings cannot be held. This office is also facing shortage of staff particularly in the cadre of Senior Auditors due to which pace of holding SDAC meetings is being affected. Sufficient funds under head TA may be allocated to hold outstation SDAC meetings as well, in addition to making good the shortage of staff. This will boost the pace of and frequency of SDAC meetings.
4.	DGA KP, Peshawar	DAC meetings play a significant role in the whole audit cycle where our AIRs are tested. Audit paras are discussed, scrutinized and filtered. Only strong audit paras stand and are converted into DPs and printed in the Annual Audit Report. Moreover, its filtration process also saves the time of PAC where only important paras are discussed. Keeping in view the importance of the DAC meetings, FAOs should expedite the DAC meetings by personally contacting the PAOs for arranging the DAC meetings. FAOs should also strongly pursue the decisions of the DACs. The PAOs often complain about the delay in vetting of the minutes of DAC meetings and verification of record by audit in light of DAC decisions. Not only expedited the DAC meetings but also has expedited the vetting of minutes. The verification of record has also been expedited by abolishing the VOR cell and making every

		branch head(DD) responsible to expedite verification of record without delay. It has now further been decided to assign verification of record of an entity to the concerned FAT who will carry out verification during audit of that entity. A detailed SOP regarding verification of record has been prepared and circulated. The no of DAC meetings convened were increased by 40% during Audit Year 2021-22 as compared to 2020-21.
5.	DGA Local Council, Sindh, Karachi	No DAC meeting has been convened by Principal Accounting Officer (PAO) despite repeated written requests by this office.
6.	DGA AJ&K	Due to change of top management in organizations, DAC meeting are not convened regularly. Policy should be framed through Government to bound the organizations to convene the DAC meetings on priority basis.
7.	DGA Works, Federal, Islamabad	Response of PAOs for DAC meetings was reasonable. During the period from October 2021 to September 2022, 45 DAC meetings were held on Printed Audit Reports of previous years, 25 DAC meetings were held on un-printed Draft Audit Reports of current & previous years and 01 meeting on MFDAC. In total 71 DAC meetings have been held during last 12 months.
8.	DGA Power, Lahore	No of DACs held 18 and 11 DACs of Special/Performance/IS Audit held to date.
9.	DGA GB	One
10.	DG Audit Punjab, Lahore	This office has arranged 410 nos. of DAC meetings of various departments during year 2021. . Moreover, during current year 2022 this office has convened 251 nos of DAC meetings uptill September, 2022.
11.	DG Audit Railways, Lahore	31 DACs held
12.	DG Audit Sindh, Karachi	The DAC meetings are not convened regularly by all forty-two (42) Principal Accounting Officers (PAOs).

		The details of DAC meetings held during Audit Year 2021-22 are attached as (Annex-D).
13.	DG Commercial Audit & Evaluation (South) Karachi	41 DAC meetings have been conducted in 2021-22.
14.	DG Audit Defence Services, Rawalpindi	<ul style="list-style-type: none"> <li>▪ 02 DACs held from July, 2022 onwards.</li> <li>▪ Scheduled of 15 DACs meetings from Oct-Dec, 2022 is available with this office.</li> </ul>
15.	DG Audit District Governments, Punjab, Lahore	DAC meetings of District Education Authorities and District Health Authorities are held regularly. However, in case of Local Governments /public sector companies falling under audit jurisdiction of this office, DAC meetings could not be convened despite repeated requests / efforts made by this office.
16.	DG Audit Defence Services (South), Karachi	<ul style="list-style-type: none"> <li>• 6<sup>th</sup>&amp; 7<sup>th</sup> July 2022: Special Audit Report Conservancy Services (Southern Region) &amp; DPs of 2021-22</li> <li>• 28<sup>th</sup> July 2022: ARDS 2019-20</li> <li>• 29<sup>th</sup>&amp; 30<sup>th</sup> Sep 2022: Leftover paras for the year 2021-22</li> </ul>
17.	DG Audit Works (Provincial), Karachi	DACs of Irrigation Department, Works & Services Department and Public Health Engineering, Education Works and one Development Authority have been held.
18.	DG Audit Balochistan	<p>Status of DAC meetings held from January, 2022 to September, 2022</p> <p>Compliance Audit :17</p> <p>MFDAC : 08</p> <p>Special /Performance Audit : 07</p>
19.	DG Audit Local Councils, Balochistan	Two DAC Meetings were held in the month of July and September, 2022 to discuss the Audit Paras
20.	DG Commercial Audit & Evaluation, Islamabad	26 DACs held.
21.	Performance Audit Wing	Nil
22.	DAG (South), Karachi	No comments
23.	Deputy Auditor General, SSA/RRA Wing	FBR is not implementing the decision taken by DACs meeting. The steps may be taken to implement DACs

		decisions / directions in letter and spirit.
24.	DGA (District Govt.) South, Multan.	PAOs / Conveners of DAC meetings have been contacted time and again by the RDAs regarding convening of DAC meetings. However, in case of non-convening of DAC meeting by the concerned PAOs, no Statutory Rules exist binding PAO to the consequences for non-convening of DAC meetings. It is, therefore, suggested that the said Rules may be made as envisaged under Sections 21 and 22 of AGP's Ordinance, 2001, as well as in accordance with the Section 11 & 12 of CGA's Ordinance, 2001.
25.	DGA (CCE), Islamabad	DAC meetings are fruitful when proper verification of record is conducted. The office has notified proper SoPs for verification of record. The result of verification are scrutinized at senior level and the approved verification reports are issued to the entity before the DAC meeting . (SoPs are attached at Annexure-C)
26.	DGA (District Govt.) KPK	Letters to all PAOs for holding of DAC meetings on AIRs for the Audit Year 2022-23 have been issued, followed by two reminders. Efforts shall be made for the arrangement of the DACs by PAOs before finalization of audit report.
27.	DGA SSN, Islamabad.	Implemented during preparation of minutes of the DAC meeting(s). Early finalization of the minutes of meeting could minimize the chances of any change in the minutes.

**Directions of AGP:**

Regular meetings of DACs with respective PAOs are must for ensuring management response in audit reports as required under the auditing standards and the core values of the DAGP. Heads of FAOs to ensure that all DACs are attended by them personally. In case of other official engagements, the meetings of DACs, if possible, may either be re-scheduled or at least Director-level representation from audit side be ensured. Effective liaison with management for accurate and timely finalization of the DAC minutes to be ensured by the DGs of FAOs.

## Agenda Item No.14

### The budget to meet audit activities

S.No.	Name of Office	Comments										
1.	DGA Water Resources, Lahore	Budget Head : TA/DA Budget Demanded : 12.00 million Budget Granted : 9.14 million										
2.	DGA PNR, Lahore	Analysis of TA budget for 04 years shows declining trend despite upward inflationary situation as given below: <table border="1" style="margin: 10px auto;"> <thead> <tr> <th style="text-align: center;">FY</th> <th style="text-align: center;">Budget (Rs in million)</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2019-20</td> <td style="text-align: center;">13.077</td> </tr> <tr> <td style="text-align: center;">2020-21</td> <td style="text-align: center;">13.575</td> </tr> <tr> <td style="text-align: center;">2021-22</td> <td style="text-align: center;">12.665</td> </tr> <tr> <td style="text-align: center;">2022-23</td> <td style="text-align: center;">11.842</td> </tr> </tbody> </table> While new types of audit are being conducted every year besides performing additional assignments on directives of Government, PAC, Court etc.	FY	Budget (Rs in million)	2019-20	13.077	2020-21	13.575	2021-22	12.665	2022-23	11.842
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2019-20	13.077											
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3.	DGA Works, Provincial, Lahore	<b>Budget Position</b> <table border="1" style="margin: 10px auto;"> <tbody> <tr> <td style="text-align: center;">Estimated TA/ DA required as per Audit Plan</td> <td style="text-align: center;">Rs 27,555,000</td> </tr> <tr> <td style="text-align: center;">TA / DA budget allocated</td> <td style="text-align: center;">Rs 16,690,000</td> </tr> <tr> <td style="text-align: center;">Funds utilized to clear the TA/DA liability (2021-22)</td> <td style="text-align: center;">Rs 2,879,106</td> </tr> <tr> <td style="text-align: center;">Funds available</td> <td style="text-align: center;">Rs 13,810,894</td> </tr> <tr> <td style="text-align: center;"><b>Additional funds required</b></td> <td style="text-align: center;"><b>Rs 13,744,106</b></td> </tr> </tbody> </table> To execute audits planned during audit year 2022-23 additional funds of Rs 13.744 million would be required.	Estimated TA/ DA required as per Audit Plan	Rs 27,555,000	TA / DA budget allocated	Rs 16,690,000	Funds utilized to clear the TA/DA liability (2021-22)	Rs 2,879,106	Funds available	Rs 13,810,894	<b>Additional funds required</b>	<b>Rs 13,744,106</b>
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4.	DGA KP, Peshawar	At the planning stage, resource allocation is also planned, keeping in view the requirements of audit activities. To carry out audit activities efficiently and effectively, sufficient budget allocation is required. For the execution of Audit Plan 2022-23, an amount of Rs 217.807 million was requested. However, an amount of Rs 171.175 million was allocated which is 21% less than the requested budget. Moreover, this office is also assigned additional special tasks/audits that cost this office in terms of human and financial resources. Deficient budget										



		allocation adversely affects the quality of audit. This office requests to allocate sufficient budget for carrying audit activities smoothly
5.	DGA Local Council, Karachi	An amount of Rs. 10.255 million has been allocated to meet planned audit activities against demand of Rs. 12.00 million for the Financial Year 2022-23.
6.	DGA AJ&K	Keeping in view the financial position of Government. Audit activities should be with the budget. Furthermore, by using advance technology (CAATs, AMIS, SAP) most audit activity can be completed from headquarter.
7.	DGA Works, Federal, Islamabad	Total TA/DA budget as per approved Audit Plan has been estimated at Rs 25.0 million. However, a sum of Rs 13.768 million has been provided so far, requiring further provision of Rs 11 million for successful implementation of Audit Plan.
8.	DGA Power, Lahore	Total budget of Rs. 195.329 million was allocated to this Directorate to meet operational and administrative expenditures, including Rs. 15.100 million on account of Traveling Allowance for field audit activities.
9.	DGA GB	30 million
10.	DG Audit Punjab, Lahore	The budget allocation for TA / DA regarding Audit Year 2022-23 is Rs.22.440 million against the amount requested for Rs. 26 million in Audit Plan 2022-23.
11.	DG Audit Railways, Lahore	Directives of the AGP office issued vide Policy Wing letter No. 198/Audit(P-II)/268-C/2022 dated 07.09.2022 and Director Budget's letter No. 35/BT(A)/5-2021-22 dated 22.09.2022 are being followed strictly. Audit activities have been aligned with budget allocated under head TA/DA (A03805). However, additional demand may be made in case of any new assignment.
12.	DG Audit Sindh, Karachi	It is Rs55.840 million as per approved Annual Audit Plan 2022-23.
13.	DG Commercial Audit & Evaluation (South) Karachi	Rs.25 million Budget (estimates) / approved Rs. 11.220 million
14.	DG Audit Defence Services,	Audit Plan 2022-23 was approved with financial impact of Rs. 35 million under the head of TA/DA. However, this office has been

	Rawalpindi	allocated Rs. 29.406 million by OAGP. Hence, shortage of funds under TA/DA head of account for FY 2022-23 will effect overall audit activities planned in annual audit plan 2022-23.																				
15.	DG Audit District Governments, Punjab, Lahore	This office is making all efforts to complete the current Audit Plan within the allocated budget of this office for the financial year 2022-23. However, liability of Rs 7.990 million on account of TA/DA would remain pending																				
16.	DG Audit Defence Services (South), Karachi	Summarized position is as under: <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th colspan="2">Object Classification</th> <th>Rs. ('000)</th> </tr> </thead> <tbody> <tr> <td>A01</td> <td>Employees related expenses</td> <td>77,465</td> </tr> <tr> <td>A03</td> <td>Operating expenses *</td> <td>17,255</td> </tr> <tr> <td>A04</td> <td>Employees retirement benefits</td> <td>56</td> </tr> <tr> <td>A13</td> <td>Repair and maintenance</td> <td>208</td> </tr> <tr> <td colspan="2" style="text-align: center;"><b>Total</b></td> <td><b>94,984</b></td> </tr> </tbody> </table> <p style="text-align: center;">* Includes Rs. 5.66 million on account of Traveling Allowance</p>	Object Classification		Rs. ('000)	A01	Employees related expenses	77,465	A03	Operating expenses *	17,255	A04	Employees retirement benefits	56	A13	Repair and maintenance	208	<b>Total</b>		<b>94,984</b>		
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17.	DG Audit Works (Provincial), Sindh, Karachi	Maximum efforts will be put in to utilize the budget as per the recent policy chalked out by the HQ.																				
18.	DG Audit Balochistan	Nil																				
19.	DG Audit Local Councils, Balochistan	Sufficient budget has been allocated to met Audit activities.																				
20.	DG Commercial Audit & Evaluation, Islamabad	<table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Description</th> <th>Original budget Rs.</th> <th>Released budget Rs.</th> <th>Expenditure Rs.</th> <th>Released budget balance Rs.</th> </tr> </thead> <tbody> <tr> <td>A03805-TRAVELLING ALLOWANCE (DGCA&amp;E)</td> <td>7,012,000</td> <td>2,804,800</td> <td>366,380</td> <td>2,438,420</td> </tr> <tr> <td>A03805-TRAVELLING ALLOWANCE (DCA Wah Cantt)</td> <td>5,961,000</td> <td>2,384,400</td> <td>51,440</td> <td>2,332,960</td> </tr> <tr> <td>A03805-TRAVELLING ALLOWANCE (DCA Lahore)</td> <td>6,498,000</td> <td>2,599,200</td> <td>1,199,850</td> <td>1,399,350</td> </tr> </tbody> </table>	Description	Original budget Rs.	Released budget Rs.	Expenditure Rs.	Released budget balance Rs.	A03805-TRAVELLING ALLOWANCE (DGCA&E)	7,012,000	2,804,800	366,380	2,438,420	A03805-TRAVELLING ALLOWANCE (DCA Wah Cantt)	5,961,000	2,384,400	51,440	2,332,960	A03805-TRAVELLING ALLOWANCE (DCA Lahore)	6,498,000	2,599,200	1,199,850	1,399,350
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21.	Performance Audit Wing	Nil																				
22.	Deputy Auditor	Maximum efforts should put in to utilize the budget as per the recent policy chalked out by the HQ.																				

	General (South), Karachi	
23.	Deputy Auditor General, SSA/RRA Wing	Nil
24.	DGA (District Govt.) South, Multan.	There is a short fall of approximately 50% under the operational heads like Stationery, Electricity, POL for vehicles and generators and repair & maintenance of machinery & equipment, furniture & fixture etc despite fact that there is complete ban / austerity has been imposed during the F.Y.2022-23 on procurement of physical assets, furniture & fixture etc. Hence, there exist more burden to repair the existing items as new ones cannot be purchased. The object head wise detail of budgetary shortfall has been appended as Annexure- E.
25.	DGA (CCE), Islamabad	Nil
26.	DGA (District Govt.) KPK	Audit activities are carried out as per approved Audit Plan 2022-23. This office sent the TA/DA requirement of 24.4 million whereas only 16.8 million has been allocated for the financial year 2022-23. Furthermore, additional funds are required under the object head TA/DA to clear the previous years' liabilities of Rs. 9.9 million.
27.	DGA SSN, Islamabad.	During Audit Year 2021-22 all assignments were completed within available budgetary allocation and no funds under the head TA/DA were additionally required. Instructions will be complied with during Audit year 2022-23. In case of any shortage of the TA/DA, the same will be reported immediately.

### **Directions of the AGP:**

The FAOs to align their audit activities with the allocated budget especially under the head TA/DA. Effective use of CAATs/ AMIS and desk audit be employed to optimize the available budget for accomplishment of the planned audit output.

## Agenda Item No.15

### Rationale and reasons for selecting audit formations

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	<p>Following points are to be considered while selecting the audit formations:</p> <ul style="list-style-type: none"> <li>• Auditable expenditure &amp; revenue</li> <li>• Number of observations in last 03 years Audit Reports</li> <li>• Priority areas of Government</li> <li>• Risk analysis on the basis of past experience</li> <li>• Formations not audited in previous years</li> <li>• Risks to good management</li> <li>• Media Reports / Complaints / Citizen feedback</li> </ul>
2.	DGA PNR, Lahore	<p>The Auditee formations have been selected on the basis of following consideration.</p> <ol style="list-style-type: none"> <li>a. Materiality/Budget outlay</li> <li>b. Risk assessment</li> <li>c. Issue of public importance</li> <li>d. Complaint received against the organization.</li> <li>e. Entities which were not audited during previous audit years</li> </ol>
3.	DGA Works, Provincial, Lahore	<ol style="list-style-type: none"> <li>i. High expenditure formations</li> <li>ii. PCP/complaints received from individuals</li> <li>iii. Un audited since last three/five years</li> <li>iv. AGP's directions</li> <li>v. Auditee's request</li> <li>vi. Media reports</li> <li>vii. Public importance</li> </ol>
4.	DGA KP, Peshawar	<ul style="list-style-type: none"> <li>• Expenditure</li> <li>• Risks involved</li> <li>• Track record</li> <li>• Importance</li> <li>• Impact</li> <li>• Complaints</li> <li>• Repeated audit observations</li> </ul>

5.	DGA Local Council, Sindh, Karachi	<p>Audit formations are selected keeping in view their significance in several dimensions such as:</p> <ol style="list-style-type: none"> <li>i. Risk Assessment</li> <li>ii. Financial size of the entity</li> <li>iii. Impact of the performance of the audited entity on the public at large</li> <li>iv. Service delivery issues</li> <li>v. Issues highlighted in Media</li> </ol>
6.	DGA AJ&K	<p>Formations may be selected for audit on the basis of risks, expenditure, nature of business, request of departments and directives of Government.</p>
7.	DGA Works, Federal, Islamabad	<p>Selection criteria may include:</p> <ol style="list-style-type: none"> <li>i. budget outlays (high money value);</li> <li>ii. significant audit observations in previous audits;</li> <li>iii. socio-economic significance;</li> <li>iv. Government priorities/programmes;</li> <li>v. public service/public importance;</li> <li>vi. media visibility;</li> <li>vii. frequency of audit;</li> <li>viii. requests of the PAOs/auditee organizations.</li> </ol> <p>It is suggested that a risk model with scoring tool may be devised.</p>
8.	DGA GB	<p>Budgetary allocation and functions.</p>
9.	DG Audit Punjab, Lahore	<p>The auditee organizations are selected on the basis of following criteria:</p> <ol style="list-style-type: none"> <li>i) Directions of :- <ol style="list-style-type: none"> <li>a. Office of the Auditor General of Pakistan.</li> <li>b. Honorable Courts</li> <li>c. Public Accounts Committees (PACs)</li> </ol> </li> <li>ii) High volume of Budget / Expenditure</li> <li>iii) Complaints against formations</li> <li>iv) Formations not audited for last 05 years</li> <li>v) Departmental Audit Requests</li> <li>vi) Theme based Audits</li> </ol>

10.	DG Audit Railways, Lahore	Formations have been selected for Audit Plan-2022-23 in the light of AGP Office instructions. Rationale and reasons for selecting audit formations from a universe has been applied in an objective manner through awarding scores/marks to each formation on the basis of (i) Auditable Outlay (ii) Previous Audit findings (iii) Media hype
11.	DG Audit Sindh, Karachi	The Selection of formations for annual audit plan are primarily based on: i. Entities frequently involved in Service Delivery for general public. ii. Budget & expenditure volume of entities. iii. Sample Coverage of various Departments of the Government of Sindh.
12.	DG Commercial Audit & Evaluation (South) Karachi	Risk-based large entities are selected yearly. Small entities are selected for audit almost every three years.
13.	DG Audit Defence Services, Rawalpindi	As per available human & financial resources, this office will focus on units / formations in terms of budget allocation and high risk areas during audit year 2022-23.
14.	DG Audit District Governments, Lahore Punjab,	<ul style="list-style-type: none"> <li>a. Risk assessment – High risk entities are included (Weak internal controls, high expenditure, incapable HRM, failure to achieve targets, etc.)</li> <li>b. Budget size and allocation to activities.</li> <li>c. Complaints forwarded by AGP office.</li> <li>d. PAO's and Citizens advice for conduct of audit.</li> <li>e. Leftover auditee entities for reasonable time period.</li> <li>f. Public service delivery – inclusion of organizations delivering public service.</li> </ul>
15.	DG Audit Defence	While developing the annual audit plan for the year

	Services (South), Karachi	2022-23, the selection of auditee formations, several factors were considered and risk scores were assigned to each. On the basis of cumulative risk, scores were worked out for each auditee. An entity with a high ranking with the limitation of available man-hours was selected.
16.	DG Audit Works (Provincial), Karachi Sindh,	While developing the annual audit plan for the year 2022-23, the selection of auditee formations was made on the basis of volume of budget and high risks involved.
17.	DG Audit Balochistan	<ul style="list-style-type: none"> <li>• PAO's request</li> <li>• Risk assessment</li> <li>• Budget Size</li> </ul>
18.	DG Audit Local Councils, Balochistan	Audit formations are selected on the basis of their size of expenditure and receipts.
19.	DG Commercial Audit & Evaluation, Islamabad	<p>The following key factors were observed in selecting formations for audit Plan 2022-23.</p> <p>Size of the entity: Mostly large entities with A Category are considered for including in audit plan on annual basis, B Category on bi-annual basis and C Category on tri-annual basis.</p> <p>Budget: Approved budget and actual expenditure against the approved budget for the last three years are based while selecting the entity.</p> <p>Audit Risk: Entities were high audit risk and scope were considered for audit plan 2022-23.</p> <p>Audit plan is prepared as per the strength of the office.</p>
20.	Performance Audit Wing	Nil
21.	Deputy Auditor General (South), Karachi	<p>Audit formations should be selected keeping in view their significance in several dimensions such as;</p> <ol style="list-style-type: none"> <li>i. Risk Assessment</li> <li>ii. Financial size of the entity</li> <li>iii. Impact of the performance of the audited entity on the public at large</li> </ol>

		iv. Service delivery issues. v. Issues highlighted in Media.
22.	Dy AG, SSA/RRA Wing	Nil
23.	DGA (District Govt.) South, Multan.	<ul style="list-style-type: none"> <li>▪ Risk management by Audit Entity</li> <li>▪ Risk assessment by Audit</li> <li>▪ Budget size and allocation to activities</li> <li>▪ AGP directives</li> <li>▪ Performance / Service delivery by Audit Entities</li> <li>▪ Issue or entity highlighted in Media</li> <li>▪ Assessing internal controls</li> <li>▪ Assessing Financial Management Practices</li> </ul>
24.	DGA (CCE), Islamabad	The nature of the entities under jurisdiction of respective FAO and risk associated with those vary from FAO to FAO. A common principle are approach cannot be applied towards selection of entities for audit. However, a general guidance for selection of entities can put in place in DAGP).
25.	DGA (District Govt.) KPK	Entities are selected for audit and planned in annual Audit Plan on the basis of Audit Risk, Budget of audit entities, complaints etc.
26.	DGA SSN, Islamabad.	This office applied the instructions while selection of formations during the preparation of audit Plan for the Audit Year 2022-23. A comprehensive mechanism is being formulated for awarding scores to all formations and will be applied while preparation of Audit Plan for next Audit Year i.e 2023-24.

**Directions of the AGP:**

Being a constitutionally mandated task, audit must be carried out in a standardized form. Selection of entities for audit through a professionally drawn risk-assessment framework leads to reliability of our audit output. Any subjective approach towards selection of an entity for audit is against the audit ethics and our core values and must never be resorted to by any FAO



## Agenda Item No.16

### Issues faced during implementation of AMIS and their solutions

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	There are multiple issues / problems being faced by our office while using AMIS software.
2.	DGA PNR, Lahore	<ul style="list-style-type: none"> <li>i. Only 20 user IDs have been issued to this office which are insufficient to cover audit activity in DGA, PNR, Lahore as well as its sub-offices in Karachi and Islamabad. Hence, 33 more user IDs are required.</li> <li>ii. Not have functionality to revise target dates</li> <li>iii. Not user friendly</li> <li>iv. AMIS does not allow clubbing of audit observations or draft paras.</li> <li>v. AMIS does not prompt relevant user about required action through its email inbox functionality.</li> <li>vi. PAC app provides for selection of only one option for NAB, FIA, and Court Case etc.</li> <li>vii. Non provision of High Speed internet is a major bottle neck implementation.</li> </ul>
3.	DGA Works, Provincial, Lahore	<ul style="list-style-type: none"> <li>i. There is a weak area for generating Audit Report from AMIS. Therefore, capacity building trainings for developing PDPs, regarding clubbing / grouping of audit paras and SDAC meetings in AMIS needs to be arranged.</li> <li>ii. There is an acute shortage of hardware resources i.e Laptops, Multi-function Printers and internet devices. These may be provided for each Field Audit Team for better and smooth working.</li> <li>iii. Graphic presentation is lacking in AIMS system.</li> <li>iv. GUI should be part of FIORI.</li> <li>v. Working required to be done on SAP GUI should be integrated into SAP FIORI.</li> </ul>
4.	DGA KP, Peshawar	One of the most important issues related to implementation of AMIS is the limited No. of user IDs provided to FAOs. This office needs at least 30 user IDs for execution of audit plan through AMIS. However, only 10 user IDs have been provided to this

		office which are insufficient. Moreover, for the implementation of AMIS effectively, computer hardware and connectivity is required which have not yet been provided. Furthermore, this office has also pointed 34 observations in the AMIS GUI and Fiori which along with suggestions have already been communicated to Office of Auditor General of Pakistan.
5.	DGA Local Council, Sindh, Karachi	<p>This office has uploaded Master Data on AMIS and after creation of Auditable Items, the Audit Plan 2022-23 was prepared through AMIS and forwarded to DAG South. However, the implementation of AMIS depends on provision of infrastructure.</p> <ol style="list-style-type: none"> <li>a. The internet connectivity was the major issue faced during preparation and uploading of Audit Plan.</li> <li>b. During preparation of Audit Plan 2022-23 limitation in inserting words upto 100 characters for field of title is insufficient.</li> </ol>
6.	DGA AJ&K	Urdu language utility in AMIS--- issue is being resolved with the help of consultant of AMIS. User authorization for support staff (SA, JA) is required for input of historical data in AMIS.
7.	DGA Works, Federal, Islamabad	<ol style="list-style-type: none"> <li>1. Non-provision of IT equipment</li> <li>2. Planning of audit assignment takes extensive time on AMIS as repeated tasks were performed in creating controls, risks their assignments to each other.</li> <li>3. IDs requested were not created so far.</li> <li>4. Information provided for creation of PAO/Executive responsible were still not been created in the AMIS.</li> <li>5. There is a huge gap in familiarization of online audit environment.</li> <li>6. There are internet connectivity/availability issues in the field especially due to floods in the field offices of auditees.</li> </ol>

		<p>7. There is shortage of time to complete the AMIS related tasks and more focus paid to complete the audit assignment on priority basis.</p> <p>8. My inbox app/Email management system creating alert on tasks to be performed by the audit lead, audit manager and chief audit executive is not active so far.</p> <p>9. Data related to other FAOs are accessible creating confusion.</p> <p><b>Solutions and Suggestion:</b></p> <ul style="list-style-type: none"> <li>• Risk Registers and Control Register may be created through consultants.</li> <li>• IDs of teams lead and Executive Responsible may be created in AMIS</li> <li>• More sessions of training at all levels like Audit Manager, Chief Audit Executive and field users, based on practical approach for creating &amp; updating the data may be conducted.</li> <li>• If there are internet issues in the field, the same activity may be done after returning back to office.</li> <li>• Extra time for AMIS related activity may be provided to FAT involving TA/DA cost.</li> <li>• My Inbox App/Email management system may be started.</li> </ul> <p>Accessibility to data may be restricted to relevant FAO only.</p>
8.	DGA Power, Lahore	<p>1. Lack of proper training</p> <p>2. AMIS server was very slow</p> <p>3. It was daunting task to scan and upload evidences</p> <p>4. In AMIS, findings need to be submitted one by one which is laborious task</p>
9.	DGA GB	<p>Non availability of Director &amp; Deputy Directors</p> <p>Creation of IDs,</p> <p>Delayed response by the PAOs to furnish the requisite information</p> <p>Non creation of PAOs IDs</p> <p>Connectivity issues.</p>
10.	DG Audit Punjab, Lahore	Detail attached as Annexure "G".
11.	DG Audit Railways, Lahore	In compliance with directives of the AGP Office received to implement AMIS under the AGP's

		<p>initiative, this FAO has initiated implementation of AMIS for the Audit Year 2022-23 by establishing a dedicated AMIS Cell. AMIS will bring systemic change in the FAOs in compliance of SAI/IPSAS standards to monitor FATs (Field Audit Teams) during the course of Planning at desk audit, execution in field and reporting phases to maintain transparency during 1<sup>st</sup> Audit Cycle carried during August-September, 2022. Moreover, this is first time the auditee is being engaged to incorporate the responses of observations through generation of specific USER ID of each PO. AMIS will indeed bring a paradigm shift in behavioral culture of the auditor and the entity being audited. In this regard,</p> <p style="padding-left: 40px;">This FAO made strenuous efforts in implementation of AMIS, however, certain issues were confronted during planning and execution phase and referred to DG/IT, office of the Auditor General of Pakistan. Some of the audit issues have been addressed during planning &amp; execution stage and some are under process as shown in (Annexure – 4)</p>
12.	DG Audit Sindh, Karachi	<ul style="list-style-type: none"> <li>(i) Input of words are limited upto 100 characters for field of “title”.</li> <li>(ii) Searching interface is problematic as each query responds with various unwanted results comprising common acronyms and misspellings.</li> <li>(iii) During the initiate of audit program some fields of numeric values cannot remain empty as data input is mandatory i.e. assets, liability, revenue, expenditure etc.</li> <li>(iv) Lack of Automated Risk Calculation in the Auditable Items. Risk Calculation is possible after making few selections through edit option which should automatically be made during creation of auditable item.</li> <li>(v) During initiate of audit program, the input of names of audit team members are not possible.</li> </ul>

13.	DG Commercial Audit & Evaluation (South) Karachi	Availability of Laptop, High Speed Computer system, User ID, Technical issues, internet and upload AIR in system
14.	DG Audit Defence Services, Rawalpindi	<p>Process of implementation of AMIS was started in July, 2022 with initial trainings to staff of field offices. However, it is not actually implemented due to non-cooperation by the Executive. Matter was taken up with GHQ time and again and still pending due to technical &amp; security issues raised by major stakeholder GHQ.</p> <p>The same was referred to SSA wing AGP office for provision of technical support for deliberation with GHQ. Response is awaited so far.</p>
15.	DG Audit District Governments, Punjab, Lahore	<p>In order to make AMIS more user friendly, the following modifications / additions may be considered;</p> <ol style="list-style-type: none"> <li data-bbox="852 955 1446 1312">i. Linkages may be added among applications like “Audit Universe” and “Initiate Audit” so that similar information can be fetched from one application to another on the basis of IDs generated in the “Audit Universe” application.</li> <li data-bbox="852 1333 1446 1585">ii. Number of findings uploaded and their audit year may be displayed in the list of formations in the application under the headings of “My Ongoing Audits” and “Track Ongoing Audits.”</li> <li data-bbox="852 1606 1446 1858">iii. The fields of “Audit Year from” and “Audit Year to” be substituted with “Financial Year from” and “Financial Year to”. Moreover, separate field for “Audit Year” may be added in the</li> </ol>

		<p>“Initiate Audit” application.</p> <p>iv. Separate field for “Year wise budget” and Year wise expenditure” may be added with bifurcation into Salary and Non-Salary budget in the “Initiate Audit” application.</p> <p>While adding audit findings under the “My ongoing audits” application, tables ranging from 2-7 rows may be inserted in the para or at the end of the para instead of a separate attachment, if required.</p>
16.	DG Audit Defence Services (South), Karachi	Currently, AMIS has not been implemented due to concerns shown by the Ministry of Defence regarding the system.
17.	DG Audit Works (Provincial), Karachi Sindh,	<ul style="list-style-type: none"> <li>• There is no provision to enter tabular data in body of para under “<i>My On-going Audit Application</i>”. However, the same provision is provided in “<i>Audit Report Application</i>”.</li> <li>• System does not accept more than 100 characters in any field, whereas such provision is essentially required against “Title of para”.</li> <li>• To ensure efficient implementation of AMIS, refresher trainings on complete audit cycle for Power-Users may be arranged on “Live Server”.</li> </ul>
18.	DG Audit Balochistan	<ul style="list-style-type: none"> <li>• No field for recovery pointed out and recovery made at the instance of audit.</li> <li>• Audit manager and CAE remain unaware, if any finding is submitted to them by the team leader.</li> <li>• When an audit is conducted on different dates than planned, the affect is not recorded/ displayed in Auditor’s calendar.</li> <li>• Top sheet as per template of AIR and Incumbency of DDO is not available in AMIS.</li> <li>• Template for Thematic Audit Report is not available.</li> <li>• The template of AIR in AMIS is bold and the font size is 11. Whereas, as per AIR and Audit Report, the font is Times New Roman regular and 12.</li> <li>• No role of AIR sections in AMIS.</li> </ul>

		<ul style="list-style-type: none"> <li>• Single Application authorization shall be made for DAC and PAC Sections instead of power user authorizations for the sake of data integrity and unwanted access rights to other users.</li> <li>• Tables are not included when report is generated.</li> <li>• No intimation to the Audit Manager and CAE in My Inbox App. for any activity.</li> <li>• Questions and procedures get locked with errors in the Work Program.</li> <li>• Updating/ modification in the Master Data may be restricted to Power Users only.</li> </ul>
19.	DG Audit Local Councils, Balochistan	<ol style="list-style-type: none"> <li>i. Non availability of laptops and lack of expertise.</li> <li>ii. Connectivity issues in remote areas.</li> </ol>
20.	DG Commercial Audit & Evaluation, Islamabad	<p>This office is facing the following issues during execution of AMIS:</p> <ol style="list-style-type: none"> <li>1. Data Integration b/w approved audit plan and actual audit execution.</li> <li>2. Non-provision of dashboard in AMIS to monitor audit plan with actual execution.</li> <li>3. Non-provision for processing of request for extension by the audit lead through AMIS</li> <li>4. Non-access of the auditee on AMIS and resultant issue of intimation letter, exit meeting and management reply.</li> <li>5. No provision for supervisory visits and report during audit execution.</li> <li>6. Frequent link down of main server and data connectivity.</li> <li>7. Non-availability of laptops to the audit lead.</li> <li>8. Limited number of User IDs. User IDs for Assistant Audit Officers are not available.</li> <li>9. Error messages are not understandable to users.</li> <li>10. Increase the characters of subject in the tab “Title”</li> <li>11. Tables are not copied in the findings.</li> <li>12. Linkage of auditable items with risk, control and organization should be available to audit team level.</li> </ol> <p>Option to delete the uploaded work program should be available to audit team in order to upload the new work program</p>

21.	Performance Audit Wing	<ul style="list-style-type: none"> <li>• Creation of User IDs for this office</li> <li>• Separate dimension for DG (PAW)</li> </ul>
22.	Deputy Auditor General (South), Karachi	The issues highlighted by FAOs need to be discussed in meeting.
23.	Deputy Auditor General, SSA/RRA Wing	<p><b><u>Issues faced during implementation of AMIS and their solution.</u></b> Through change management workshop, live online sessions and correspondence by the DGs and officers of the respective FAOs, changes in the AMIS system have been suggested and issues faced by them in use of AMIS have been highlighted. As a result a development road map has been prepared to cater to the needs and suggestions of FAOs. The timelines of the road map has been agreed with TMC and development work is underway and the same will be completed by November 30, 2022.</p> <p><b><u>Issues in AMIS implementation</u></b></p> <ul style="list-style-type: none"> <li>• There are system (SAP, AMIS) limitations to certain changes proposed by the client and this needs to be understood by FAOs.</li> <li>• Delayed delivery of hardware required for AMIS implementation. Vendor is facing problems in opening of LC due to SBP restrictions (Annex-C).</li> <li>• DG FAOs need to access and chalk out a plan to upload its historical data in AMIS Software.</li> </ul>
24.	DGA (District Govt.) South, Multan.	Multiple issues are being faced by our FAO.
25.	DGA (CCE), Islamabad	This office took lead role in identifying issues relating to AMIS and suggesting improvements in the system. Some of the pointed out issues were resolved, however, majority stand un-resolved. Important issues faced by the FAO have been shared with DG (IT)/SSA Wing.
26.	DGA (District Govt.) KPK	Audit Plan 2022-23 of DG Audit District Governments KP prepared & uploaded on AMIS.



		<p>Master data creation is in progress. 63 audit reports of previous years have been uploaded on AMIS. Currently PDPs for the audit year 2022-23 uploading on AMIS is in progress. While implementing AMIS the following issues have been faced.</p> <ol style="list-style-type: none"> <li>i. Deficiency of AMIS users. Only 11 users have been allotted to DG Audit District Governments KP against the requirement of 46 users. With current number of users this office is handicapped to work on AMIS on real time basis. Therefore additional users may be allotted to this office.</li> <li>ii. Refresher trainings at all levels may kindly be arranged.</li> <li>iii. The requisite hardware as requested vide this office letter No. F01/IT&amp;C/Gen.Corres/2018-19/1901 dated 22.01.2021 may kindly be provided.</li> <li>iv. Internet connectivity issues at Northern and Southern districts of KP</li> <li>v. Change Management</li> </ol>
27.	DGA SSN, Islamabad.	<p><u>Issues</u></p> <ol style="list-style-type: none"> <li>i. Hardware issues/ provision of laptops alongwith Internet devices</li> <li>ii. A training session be arranged within office for all officers/officials.</li> <li>iii. Regular training session be arranged.</li> </ol>

**Directions of the AGP:**

AMIS project is the flagship initiative of DAGP to digitize our audit processes and have effective liaison with the management for its input and with the PAC for efficient tracking of compliance of the PAC's actionable points. We will have to make AMIS a success. Keeping in view the issues highlighted by the FAOs, DG (IT) / SSA Wing must devise a plan for redressal. The plan to be submitted for approval by 26th December, 2022.

## Agenda Item No.17

### Audit of receipts of the auditee formations by the DGA concerned

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	Total Formations 113 Total Receipts 71,253.04 Formations Planned 51 Receipts Planned 49,457.39* *Amount of receipts is as per approved Audit Plan 2022-23.
2.	DGA PNR, Lahore	Agreed. This office has already been conducting the Audit of receipts of the auditee formations.
3.	DGA Works, Provincial, Lahore	<ul style="list-style-type: none"> <li>i. Necessary instructions have already been issued to all filed audit teams to conduct audit of receipts of the auditee formations.</li> <li>ii. Audit of receipts is especially focused in revenue earning organizations such as development authorities, WASAs.</li> </ul>
4.	DGA KP, Peshawar	DGA KP conducts audit of revenue receipts of the Government of Khyber Pakhtunkhwa. Separate Revenue Receipt Reports were used to be prepared and submitted. However, revenue receipt report was made part of the consolidated annual audit report (Expenditure). Furthermore, FATs of this office also check receipts of entities during their audit e.g. receipts side of Hospitals, Universities, Mines and Minerals Department etc. A large no of paras on receipts of these entities have already been included the annual audit reports.
5.	DGA Local Council, Sindh, Karachi	This office conducts audit of receipts relating to Local Councils, KW&SB, KMC and other formations and observations thereof are incorporated in the Annual Audit Report.
6.	DGA AJ&K	Audit of receipts of a formation may also be conducted by

		the DG Audit concerned to avoid the repeat visits of audit teams in a formation again and again in same financial year.																
7.	DGA Works, Federal, Islamabad	Entities under jurisdiction of this office involve in self-revenue generating activities on the basis of their operations/functions and audit coverage also includes estimated receipts of Rs 213,640.128million.																
8.	DGA Power, Lahore	Planned to be audited in Audit Plan (2022-23) <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Name of Organization</th> <th>Revenue / Receipts</th> </tr> </thead> <tbody> <tr> <td>GENCOs (I &amp; II)</td> <td>65,586.23</td> </tr> <tr> <td>NTDC</td> <td>29,380.30</td> </tr> <tr> <td>DISCOs</td> <td>613,728.84</td> </tr> <tr> <td>CEO PPIB Islamabad</td> <td>854.00</td> </tr> <tr> <td>CPPA (G)</td> <td>1,707.00</td> </tr> <tr> <td>NEPRA</td> <td>1,989.02</td> </tr> <tr> <td style="text-align: center;"><b>Total</b></td> <td style="text-align: center;"><b>713,245.39</b></td> </tr> </tbody> </table>	Name of Organization	Revenue / Receipts	GENCOs (I & II)	65,586.23	NTDC	29,380.30	DISCOs	613,728.84	CEO PPIB Islamabad	854.00	CPPA (G)	1,707.00	NEPRA	1,989.02	<b>Total</b>	<b>713,245.39</b>
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<b>Total</b>	<b>713,245.39</b>																	
9.	DGA GB	NATCO, Civil Supply, Water & Power and Excise Department.																
10.	DG Audit Punjab, Lahore	This office has planned audit of 59 Nos. of formations for Revenue & Receipt Audits in the Audit Plan 2022-23. Audit of 13 entities has been completed during 2022-23 upto September 2022. The Audit execution of 15 formations is under process. Department-wise detail is attached as Annexure "H".																
11.	DG Audit Railways, Lahore	This office has reasonably planned audit of receipts of Pakistan Railways (Rs 60.257 billion) for the year 2022-23. Ten (10) formations covering 30% revenue earnings have been planned for compliance audit activity during audit year 2022-23. Special Study on Service Delivery and Revenue Generation (Freight Business) was also conducted during lean period of 2021-22 which has been issued to PAO on 22.06.2022 for discussion in DAC meeting. 5% sample from revenue receipts is also being audited during Certification Audit.																
12.	DG Audit Sindh, Karachi	The entities which are engaged in Receipts are audited annually which are Sindh Board of Revenue (SRB), Board																

		of Revenue (BoR), Excise & Taxation Department and few others. The entities which are partially engaged in receipts are not properly audited due to less-emphasis on one hand, and lack of provision of detailed auditable record on the other hand.
13.	DG Commercial Audit & Evaluation (South) Karachi	Receipt, Revenue and expenditure is subjected to audit along with other areas of auditability.
14.	DG Audit Defence Services, Rawalpindi	Receipt of auditee / formations is being observed during field audit. Substantial results are also incorporated in annual audit report.
15.	DG Audit District Governments, Punjab, Lahore	Audit of receipts is carried out alongwith expenditure audit of formations where required. Mostly, local governments & public sector companies, falling under Audit jurisdiction of this office collect receipts on account of commercialization fee, map fee, sanitation fee, rent of shops, TTIP Tax, water rates, auction of collection rights of parking, bus/ taxi stand fee, Bakarmandi fee, etc.
16.	DG Audit Defence Services (South), Karachi	Currently, the main focus is on the audit of expenditure. The quantum of receipts is not significant. However, with reference to Cantonment Boards, the topic "Financial Management in Cantonment Boards" for thematic audit has been included in the Audit Plan, under which receipts will also be audited.
17.	DG Audit Works (Provincial), Karachi Sindh,	The receipts of Development Authorities are being duly audited and paras related to those are incorporated in the report.
18.	DG Audit Balochistan	Carried out regularly.
19.	DG Audit Local Councils, Balochistan	Audit of receipts collected by Local Councils under the Audit jurisdiction of this office.
20.	DG Commercial Audit & Evaluation, Islamabad	O/o the DGCA conducts audit of expenditure and receipts of the entities under jurisdiction of this office as per FAM Toolkit.
21.	Performance Audit Wing	Nil
22.	Deputy Auditor General	No comments.

	(South), Karachi	
23.	Deputy Auditor General, SSA/RRA Wing	Nil
24.	DGA (District Govt.) South, Multan.	Compliance has been made and receipts have been included in the total auditable outlays of the formations planned for the audit during Audit Year 2022-23. The same have also been exhibited separately in the Audit Plan 2022-23.
25.	DGA (CCE), Islamabad	Nil
26.	DGA (District Govt.) KPK	Director General Audit, District Government conducts audit of receipts of the TMAs, VCs/NCs, and Water Supply & Sanitation Companies and the findings are reported in Compliance Audit Reports.
27.	DGA SSN, Islamabad.	This office is conducting audits of both Receipts and expenditures (in case of Entities having receipts) e.g Zakat, EOBI, OEC, Bureau of Emigration and Overseas Employment.  Where applicable as mentioned in approved Audit Plan.

### **Directions of AGP:**

Audit of receipts is a mandatory part of the audit function of DAGP. The FAOs have to plan and carry out audit of receipts, if any, of the audited entities. A certificate to this effect is required to be submitted by each FAO to the Policy Wing for record. Compliance of the direction is to be ensured by the internal and external QCCs.

## Agenda Item No.18

### Standardized policy for printing of Audit Reports

S.No.	Name of Office	Comments										
1.	DGA Water Resources, Lahore	A standard policy for printing of Audit Reports is much more suitable and may be implemented according to decision Policy Wing letter No.87/Audit (P-II)/268-C/2022 dated 20.06.2022.										
2.	DGA PNR, Lahore	Directives will be complied with subject to availability of budget.										
3.	DGA Works, Provincial, Lahore	<ol style="list-style-type: none"> <li>i. Standardized policy should be adopted for printing.</li> <li>ii. Printing process should be de-centralized.</li> <li>iii. Open bidding should be adopted for transparency. Government printing press may also participate in this process as a bidder.</li> <li>iv. Impact: <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>Centralized</th> <th>De-centralized</th> </tr> </thead> <tbody> <tr> <td>• Cost effective +</td> <td>• Time saving +</td> </tr> <tr> <td>• Time consuming -</td> <td>• Quality Assurance +</td> </tr> <tr> <td>• Over Burdened -</td> <td>• Ease of Transportation +</td> </tr> <tr> <td>• Logistics -</td> <td>• Budget constraints -</td> </tr> </tbody> </table> </li> </ol>	Centralized	De-centralized	• Cost effective +	• Time saving +	• Time consuming -	• Quality Assurance +	• Over Burdened -	• Ease of Transportation +	• Logistics -	• Budget constraints -
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• Logistics -	• Budget constraints -											
4.	DGA KP, Peshawar	To be discussed at DGs Conference.										
5.	DGA Local Council, Sindh, Karachi	Audit Reports are being printed from Printing Corporation of Pakistan as per practice. If any further policy is issued in the matter will be complied as per guideline.										
6.	DGA AJ&K	Policy of printing of Audit Report on compliance audit report has already been laid down. However, policy for printing of other specialized audit reports is required to be framed.										
7.	DGA Works, Federal, Islamabad	As per existing policy, this office gets its Audit Reports printed from Printing Corporation of Pakistan Press. Almost every year the printing job is delayed by the Press, which causes embarrassing situation. A Standard										

		Policy may be adopted whereby PAO should give NOC for printing through private press after observing other codal requirements and secrecy. Further, number of reports to be printed may also be rationalized, if constitutional requirement so permits.
8.	DGA Power, Lahore	Audit reports are being printed in standardized manner as per approved format.
9.	DGA GB	In accordance with approved timeline.
10.	DG Audit Punjab, Lahore	Government Printing Press shown its inability to print audit reports within scheduled timelines. NOC was obtained from Government Press and contract was awarded to contractor after open tender floated on PPRA, for printing of audit reports.
11.	DG Audit Railways, Lahore	The FAO may be guided with regard to printing parameters e.g. Color Scheme, Page Size and type etc.
12.	DG Audit Sindh, Karachi	Standardized policy of printing of Audit Reports as per timeline of approval of Audit Reports are set by AGP is in February and July each year. The correspondence in this regard may be made by AGP with MD Printing Corporation of Pakistan (PCP) Press to print AAR in April and other reports i.e., Special Audit/Special Studies/Performance Audit in September every year.
13.	DG Commercial Audit & Evaluation (South) Karachi	Audit Reports are printed as per standard defined by AGP office.
14.	DG Audit Defence Services, Rawalpindi	Pertains to OAGP.
15.	DG Audit District Governments, Punjab, Lahore	The Auditor General office directed that printing of audit reports should be done from the Printing Corporation of Pakistan. The rates charged by the Printing Corporation of Pakistan are almost double than the prevailing market rates. Further guidance in this

		regard is solicited.
16.	DG Audit Defence Services (South), Karachi	No comments
17.	DG Audit Works (Provincial), Sindh, Karachi	Audit Reports are being printed from Pakistan Printing Press. Any further policy guideline issued with respect to the matter concerned will be compiled with accordingly.
18.	DG Audit Balochistan	Nil
19.	DG Audit Local Councils, Balochistan	Policy for printing exists.
20.	DG Commercial Audit & Evaluation, Islamabad	Standardized policy for printing of Audit Reports is awaited
21.	Performance Audit Wing	Nil
22.	Deputy Auditor General (South), Karachi	Audit Reports are being printed from Printing Corporation of Pakistan as per practice. If any further policy is issued in the matter will be complied as per guideline.
23.	Deputy Auditor General, SSA/RRA Wing	Nil
24.	DGA (District Govt.) South, Multan.	In the light of the discussions made during various meetings on Audit Plan 2022-23, this office has taken up the matter to the concerned quarters.
25.	DGA (CCE), Islamabad	The PCP neither print the reports nor issue NOC to the FAO for printing from open market which causes delays in the printing of Audit Report. This office has issued repeated reminders (09) and personal visits to PCP for printing of Audit Reports, however the response of PCP is not positive. To address this issue the PAO should give specific approval for printing of reports from open market as per serial No. 21 of Schedule of Financial Powers delegated to PAOs contained in the Financial Management and Powers of PAOs Regulations, 2021.



26.	DGA (District Govt.) KPK	The printing of Audit Reports is done through the private vendor due to time and financial constrain. Adequate allocation under the printing head may kindly be made.
27.	DGA SSN, Islamabad.	Detail of Past years pending Audit Reports was compiled. Report thereof will be submitted to office of the Auditor General of Pakistan for directions regarding further necessary action. AGP office to take up issue with PCP and print report of all DGs directly.

**Directions of the AGP:**

The policy pertaining to printing of audit reports to be complied with by all FAOs in letter and spirit. Heads of FAOs to ensure effective coordination with the Printing Corporation of Pakistan for printing of reports timely. Any issues that may arise in the process is to be promptly brought into the notice of the Dy AGs/ Addl AGs for redressal.

## Agenda Item No.19

### Review of format of Risk Area Digest

S.No.	Name of Office	Comments														
1.	DGA Water Resources, Lahore	The format of Risk Area Digest is still awaited from Policy Wing in compliance of decision of Policy Wing letter No.87/Audit (P-II)/268-C/2022 dated 20.06.2022.														
2.	DGA PNR, Lahore	Risk assessment is being done in audit working paper files as per FAM.														
3.	DGA Works, Provincial, Lahore	<p>Following format is proposed for maintenance of Risk Area Digest</p> <table border="1" style="margin-left: 40px;"> <thead> <tr> <th>Sr. No</th> <th>Department</th> <th>Formation</th> <th>Issue</th> <th>Source *</th> <th>**Action Taken</th> <th>Status of Actions</th> </tr> </thead> <tbody> <tr> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> <td> </td> </tr> </tbody> </table> <p>*Source may be media reports, complaints, transparency reports, departmental request, OAGP directives, requirement of legislature etc.  **Action taken may include examination of such matters during audit of concerned formations.</p>	Sr. No	Department	Formation	Issue	Source *	**Action Taken	Status of Actions							
Sr. No	Department	Formation	Issue	Source *	**Action Taken	Status of Actions										
4.	DGA KP, Peshawar	To be discussed at DGs Conference.														
5.	DGA Local Council, Sindh, Karachi	The revised format of Risk Area Digest will be implemented once circulated by Policy Wing as per General Decision at Sr. No. 30 of minutes of meetings held on Audit Plan 2022-23 issued vide letter dated 20.06.2022.														
6.	DGA AJ&K	Format and process to identify the risk area is required to be revised and simplify.														
7.	DGA Works, Federal, Islamabad	<p>Risk Area Digest should be based on:</p> <ol style="list-style-type: none"> <li>1. Consultation with Principal Accounting Officers/Head of Audited Entities</li> <li>2. Media Reports</li> <li>3. Transparency International Pakistan website, civil society organizations</li> <li>4. Public Procurement Regulatory Authority website, significant procurements, violation of PPRA, Bid Evaluation Reports, blacklisting of firms</li> <li>5. Auditee's website – Minutes of meetings of Boards</li> </ol>														

		<p>to identify significant issues, Annual Procurement Plans</p> <p>6. Complaints/Citizen Portal</p> <p>7. Past Audit findings on financial management, human resource management, procurements</p> <p>8. PAC directions</p> <p>Format of Risk Area Digest should cover above categories separately with instructions for the guidance of the auditors.</p> <table border="1"> <thead> <tr> <th>S. No.</th> <th>Description of Issue/Risk</th> <th>Source/Reference</th> <th>Formation / Entity</th> <th>Instructions for Audit Team/method to examine</th> </tr> </thead> </table>	S. No.	Description of Issue/Risk	Source/Reference	Formation / Entity	Instructions for Audit Team/method to examine
S. No.	Description of Issue/Risk	Source/Reference	Formation / Entity	Instructions for Audit Team/method to examine			
8.	DGA Power, Lahore	Nil					
9.	DGA GB	Policy issue.					
10.	DG Audit Punjab, Lahore	This office is customizing the potential risks on AMIS, specific to auditee organizations. The format for Risk areas regarding auditee entities is provided in AMIS system (Annexure " I").					
11.	DG Audit Railways, Lahore	<p>Risk Area Digest (RAD) was earlier developed for the Audit Year 2018-19 as per directives of the AGP office. The format of RAD was based on the document developed by DG Audit (Works). The RAD (Railway Audit) has been updated on the bases of following information:</p> <ol style="list-style-type: none"> <li>1. Consultation with Principal Accounting Officer/Head of Audited Entity</li> <li>2. Media Reports</li> <li>3. Transparency International Pakistan website</li> <li>4. Public Procurement Regulatory Authority website</li> <li>5. Financial Audit Manual/ Audit Working Papers Kit</li> <li>6. Railway Audit Guidelines</li> <li>7. Risk Assessment</li> <li>8. Complaints</li> </ol> <p><b>Suggestion:</b></p> <p>It is suggested that a standard format of Risk Area Digest may be developed and interlinked in AMIS;</p>					

		therefore, a tab for developing RAD should be provided in the AMIS which will facilitate planning and execution of Audit.
12.	DG Audit Sindh, Karachi	In Audit Assignments, audit risks such as High Risk, Moderate Risk, & Low Risks are identified and thereupon assignments are executed. In Financial Attest Audits (Certification Audits), this model is used properly whereas in Compliance Audit this model is not adopted completely. There is need to review format of Risk Areas due to expansion of audit scope of Thematic Audit, Special Studies etc
13.	DG Commercial Audit & Evaluation (South) Karachi	Format of Risk Area Digest may be revised.
14.	DG Audit Defence Services, Rawalpindi	The matter was discussed in presentation meetings held on annual audit plan 2019-20. Minutes issued vide letter No. 176/Audit(P-II)/222-C/2019 dated 27.05.2019 involved a decision at SL 44 that all FAOs must prepare risk digest with a review & follow up by QAIM wing. Further, directions on the matter are awaited. However, this office has started work on a risk digest.
15.	DG Audit District Governments, Punjab, Lahore	In the existing format, a new column may be added to describe the tentative impact of each risk area.
16.	DG Audit Defence Services (South), Karachi	Risk areas are identified and documented in permanent files.
17.	DG Audit Works (Provincial), Sindh, Karachi	Revised instructions pertaining to Risk Area Digest subsequent to its approval shall be followed accordingly.
18.	DG Audit Balochistan	Nil
19.	DG Audit Local Councils,	The issue will be discussed in the conference and

	Balochistan	compliance be made accordingly.
20.	DG Commercial Audit & Evaluation, Islamabad	Risk areas are also identified during the course of Desk Audit Planning by understanding the complete structure, business operations of the entity and analyzing the last audited accounts.  Moreover, as per Current practice of this Directorate General office, complaints are compiled and provided to Audit Plan section to be examined in coming audits.
21.	Performance Audit Wing	Nil
22.	Deputy Auditor General (South), Karachi	The issue will be discussed in the conference and compliance be made accordingly.
23.	Deputy Auditor General, SSA/RRA Wing	Nil
24.	DGA (District Govt.) South, Multan.	Existing format of risk area digest needs to be reviewed in the context of departmental overview, risk management by audit entity and risk assessment by the Audit.
25.	DGA (CCE), Islamabad	Nil
26.	DGA (District Govt.) KPK	Any directions of worthy AGP will be complied with in this regard
27.	DGA SSN, Islamabad.	Format when received from the Policy wing will be adopted.

### **Directions of the AGP:**

The prevalent format of Audit Risk Register (ARR) must be followed by all FAOs. Any shortcomings in the ARR must be shared with DAGP headquarters for consideration.

## Agenda Item No.20

### Way forward to conclude the MFDAC paras

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	Paras of MFDAC section are scrutinized as per instructions of O/o the AGP. In this regard, a committee should be formed by Director General for examination and scrutiny of MFDAC Paras. After DAC meeting the fate of Para should be decided by competent authority i.e. either the para will remain in MFDAC section or be forwarded to PAC section.
2.	DGA PNR, Lahore	At least one DAC meeting regarding MFDAC paras will be conducted in a month
3.	DGA Works, Provincial, Lahore	<p>i. Following paras may be summarily deleted:</p> <ol style="list-style-type: none"> <li>a. Paras less than Rs 25,000/- pertaining to period prior to 2010.</li> <li>b. Paras related to enhancement of agreement, revision of PC-I and estimate prior to 2010.</li> <li>c. Paras relating to release of security prior to period 2010 where projects have been completed satisfactorily.</li> <li>d. Paras relating to non-mentioning of locations in the MBs.</li> </ol> <p>ii. Follow up process should be expedited. Phase-II of Audit Plan may be utilized such that more outstation SDAC meetings are held to clear previous backlog of MFDAC paras. Adequate financial resources will have to be allocated by AGP office for this activity.</p>
4.	DGA KP, Peshawar	Separate cell with named as MFDAC Cell may be established in every Field Audit Office that will pursue meeting on the MFDAC paras with the PAOs. The MFDAC Cell will pursue to schedule special DAC meetings with the PAOs on the MFDAC Paras. The MFDAC Cell will be required to submit monthly progress report on the status of MFDAC paras.
5.	DGA Local Council, Sindh, Karachi	A committee be constituted to devise a mechanism for deciding the fate of old MFDAC Paras.

		Moreover, PAO should be asked to convene DAC meetings frequently for this purpose.
6.	DGA AJ&K	MFDAC Paras are printed in next year's audit report as Draft paras according to the policy of AGP office.
7.	DGA Works, Federal, Islamabad	Backlog of MFDAC paras is increasing year by year as major focus remains on follow-up of printed audit reports and current Draft Audit Report, mainly due to resource constraints in FAOs and other priorities of the Executives. Concept of introducing Special Committees/Sub-Committee of DAC (involving top hierarchy other than Secretary and Additional Secretary) may be considered for approval of appropriate authorities for disposal of MFDAC paras subject to endorsement of PAO. Further, MFDAC needs to be re-defined as all un-printed paras may not be part of MFDAC, requiring intervention of PAO rather another category of paras for resolution at management level may also be considered
8.	DGA Power, Lahore	(i). On spot verification may be conducted to conclude the decades old MFDAC paras. For the purpose either the teams who are formally assigned audit may be allowed extra time for verification of record of concerned entity or independent/separate teams may be formed. (ii). Verification Cell may be established
9.	DGA GB	Case already been taken-up with PAOs to hold DAC for disposal.
10.	DG Audit Punjab, Lahore	DAC meetings are being convened on MFDAC Paras for clearing of backlog / pendency. However, due to shortage of Deputy Directors (3 available against 7 posts) sufficient numbers of DACs on old MFDAC Paras could not be convened to decide their fate.
11.	DG Audit Railways,	This office has twenty four (24) outstanding

	Lahore	<p>MFDAC reports since 1996-97 having total 2,480 outstanding paras. As discussed vide Sr. 10(c) above, only three DAC meetings held on MFDAC reports despite regular issuance of reminders.</p> <p><b>Suggestion:</b></p> <ul style="list-style-type: none"> <li>a) It has been apprehended that weak scrutiny of AIRs may result in increasing number of MFDAC paras. Therefore, proper scrutiny of AIR will lead towards less quantum of MFDAC paras.</li> <li>b) The DAC may constitute sub-committees for discussion of MFDAC reports.</li> <li>c) MFDAC paras may be prioritized on the basis of materiality and significance and discussed with DAC sub-committees for resolution.</li> </ul>
12.	DG Audit Sindh, Karachi	<p>The Last quarter of the Audit Year should be fixed to conduct verification of MFDAC Paras of Last 03 years initially, without convening of DAC meeting. As regular DACs are also not being convened by the department. The DDOs may be directed by PAOs concerned to submit nominations of focal persons for verification. The MFDAC paras which could not be verified may be included in AAR accordingly.</p>
13.	DG Commercial Audit & Evaluation (S) Karachi	<p>DAC meetings on significant paras may be conducted after approval from the DAG concerned.</p>
14.	DG Audit Defence Services, Rawalpindi	<p>Bulk of MFDAC paras (5202 from 2000-01 to 2021-22) are available with this office. Fresh directions of DGs conference if given will be</p>



			implemented. A central on FAO level mechanism may be considered to conclude paras beyond certain cut of date.
15.	DG Audit District Governments, Punjab, Lahore		<p>This office has adopted dual approach in this regard. First, is to minimize accumulation of MFDAC paras and second is target based approach for expeditious conclusion of MFDAC paras through holding of DAC meetings on regular basis. In this regard, following directions have been issued for strict compliance by all the RDAs:</p> <ul style="list-style-type: none"> <li>• Before initiating field audit, RDAs should arrange orientation sessions with the field teams by directing that they should focus on quality rather than quantity of audit paras.</li> <li>• All PDPs submitted by the field teams should be duly scrutinized instead of issuing all to the concerned PAOs. Only report worthy paras should be issued to the PAOs.</li> <li>• All MFDAC Reports should be issued within a month time after the concerned compliance audit report is approved by the honorable Auditor General of Pakistan.</li> <li>• In the first instance, all pending MFDAC Reports pertaining to the Audit Year 2017-18 onwards should be issued to the PAOs within three months.</li> <li>• Personal efforts should be made for holding of DAC meetings of</li> </ul>

		MFDAC paras. After issuance of all pending reports as stated above the MFDAC reports pertaining to the period prior to AY 2017-18 would be focused and issued to the concerned for further action.																								
16.	DG Audit Defence Services (South), Karachi	Most of the paras involving control weaknesses, non-compliance of tax laws, PPRA laws, etc. have lost their weightage with the passage of time and have reached to a point where only regularization action is required. It is suggested that a standardized policy be developed to examine the current status of compliance with the laws and consider the old paras for settlement if the entity has put in place the necessary controls to ensure compliance. The paras relating to recovery pointed out by the audit may, however, be pursued vigorously.																								
17.	DG Audit Works (Provincial), Karachi Sindh,	This office has reviewed three years MFDAC paras and the potential paras shall be converted into PDPs for discussion in DAC.																								
18.	<p>DG Audit Balochistan</p> <p style="text-align: center;"><b>Status of MFDAC Paras from Audit Reports 2015-16 to 2020-21</b></p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Audit Report Years</th> <th style="text-align: center;">Total Paras</th> <th style="text-align: center;">Paras Discussed in DAC</th> <th style="text-align: center;">Paras Settled</th> <th style="text-align: center;">Paras Stand</th> <th style="text-align: center;">Outstanding Para</th> </tr> </thead> <tbody> <tr> <td style="text-align: center;">2015-16 to 2020-21 (Works Audit)</td> <td style="text-align: center;">380</td> <td style="text-align: center;">34</td> <td style="text-align: center;">18</td> <td style="text-align: center;">16</td> <td style="text-align: center;">346</td> </tr> <tr> <td style="text-align: center;">2015-16 to 2020-21 (Civil Audit)</td> <td style="text-align: center;">1,433</td> <td style="text-align: center;">123</td> <td style="text-align: center;">55</td> <td style="text-align: center;">68</td> <td style="text-align: center;">1,310</td> </tr> <tr> <td style="text-align: center;"><b>Total</b></td> <td style="text-align: center;"><b>1,813</b></td> <td style="text-align: center;"><b>157</b></td> <td style="text-align: center;"><b>73</b></td> <td style="text-align: center;"><b>84</b></td> <td style="text-align: center;"><b>1,656</b></td> </tr> </tbody> </table>		Audit Report Years	Total Paras	Paras Discussed in DAC	Paras Settled	Paras Stand	Outstanding Para	2015-16 to 2020-21 (Works Audit)	380	34	18	16	346	2015-16 to 2020-21 (Civil Audit)	1,433	123	55	68	1,310	<b>Total</b>	<b>1,813</b>	<b>157</b>	<b>73</b>	<b>84</b>	<b>1,656</b>
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19.	DG Audit Local Councils, Balochistan	The MFDAC paras needs to be finalized in the SDAC meetings and either settled or printed in the annual audit report in light of DAC directives.																								

20.	DG Commercial Audit & Evaluation, Islamabad	Regular DAC meetings needs to be convened to decide the fate of MFDAC Paras.
21.	Performance Audit Wing	Nil
22.	Deputy Auditor General (South), Karachi	A committee be constituted to devise a mechanism for deciding the fate of old MFDAC Paras. Moreover, PAO should be asked to convene DAC meetings frequently for this purpose.
24.	DGA (District Govt.) South, Multan.	The Rules / Procedures have not been laid down for clearing backlog / conclude the MFDAC paras so far. It is, therefore, suggested that the said Rules may be made as envisaged under Sections 21 and 22 of AGP's Ordinance, 2001, as well as in accordance with the Section 11 & 12 of CGA's Ordinance, 2001.
25.	DGA (CCE), Islamabad	As a principle, the DACs should be conducted on AIRs and not the PDPs, as the MFDAC paras are part of AIRs. The classification of observations as PDP even after the printed reports creates confusion as it is the AIR which is to be perused and follow-up. The process of follow-up of the issued AIRs is required to be strengthened and DACs be conducted on a regular basis to so that the observations are discussed and resolved.
26.	DGA (District Govt.) KPK	With the approval of the worthy Auditor General of Pakistan, in a meeting held with the DG Audit District Government on 31.10.2021 at O/o the Auditor General of Pakistan, themes have been selected out of the previous years MFDAC paras and were communicated to PAOs concerned for their information and necessary action. However, no response from any PAO has so far been received till date.
27.	DGA SSN, Islamabad.	MFDAC Paras from Previous Years Audit Reports be compiled separately, be reviewed and significant paras (if any) be printed in Audit Report(s) of next year. Remaining MFDAC paras be pursued with PAOs for compliance.

### **Directions of AGP:**

As is evident from the nomenclature, all MFDAC paras are a memorandum for the DAC. The forum of DAC be effectively utilized for consideration of the MFDAC paras. As per policy, in case where the management fails to address the issues highlighted in the MFDAC paras, the paras must be included in the next year audit report provided they fulfil criteria for inclusion in the audit report.

## Agenda Item No.21

### Clarification on ToRs for special audits/special studies & thematic audits

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	Clarification on TORs for Special Audit/ Special Studies & Thematic Audit is not required so far. However, will be sought as and when required.
2.	DGA PNR, Lahore	Guidelines issued by SSA wing in January, 2020 do not cover Thematic Audit, therefore comprehensive guidelines are required to be issued. Approval / review process is lengthy and takes more time.
3.	DGA Works, Provincial, Lahore	ToRs for special audit/study circulated vide SSA Wing letter dated 28.01.2020 are comprehensive however at serial A(iii) "Objectives" may be replaced with "Audit Objectives".
4.	DGA KP, Peshawar	Template of TORs for Special Audit, Special Studies have already been approved by the competent authority and communicated to FAOs vide letter No. SSAW/SAU/Spl-Studies/F-45/PF-II/135 dated 28.01.2020 (Annexure-C). FAOs prepare TORs for special audits, special studies and IS audits on the approved template. However, Template for TORs of Thematic audit has not yet been communicated.
5.	DGA Local Council, Sindh, Karachi	The TORs of Special Audits/ Special Studies are prepared and sent for approval to SSA Wing of AGP office as per SOPs. Whereas, the TORs of Thematic Audit are prepared in Section-III of approved template of Audit Plan.
6.	DGA AJ&K	ToRs for special audit/special studies & thematic audit should be finalized with the help of Principal Accounting Officer and previous audit reports.
7.	DGA Works, Federal, Islamabad	No comments

8.	DGA Power, Lahore	TORs are being developed to conduct special audits/Special Studies and Thematic Audits, and the same are being approved from SSA Wing.
9.	DGA GB	Already incorporated in annual audit plan, however, if special audit other than audit plan requested by the department then ToRs will also be provided by them.
10.	DG Audit Punjab, Lahore	<p><b><u>Special Audit</u></b> Special Audit is initiated covering a specific area of the organization's activities. The scope of audit is derived from the directives of the authorities i.e. PAC, OAGP, honourable Courts etc. Instances of grave financial indiscipline highlighted by media or public complaints also become the basis for initiating Special Audit.</p> <p><b><u>Special Study</u></b> Special Study is an academic / systemic research based study for a specific activity performed by FAO. The scope of Special Study allows tracking of the specialized approach or distinct practices regarding workflows.</p> <p><b><u>Thematic Audit</u></b> Thematic Audit is an in-depth examination of a selected area, which may involve more than one public sector entity. Thematic audit embraces issues related to a specific sector and sub-sectors, and may involve government ministries, organs of state, capturing roadmap for governance improvements within the paradigm of issue based auditing. TORs of the special audit, special study and thematic audits are derived from the objectives and scope of audit / study, with regard to functions, goals and performance indicators of the entities.</p>
11.	DG Audit Railways, Lahore	a) ToRs for Special Audits/Special Studies are being developed on prescribed format provided by

		Special Sectors Audit Wing . b) Template of Thematic Audit including ToRs was provided as section III in Revised Audit Plan template for the year 2021-22.
12.	DG Audit Sindh, Karachi	ToRs are designed with a view of scope of the audit topics with an emphasis to scrutinize risk areas.
13.	DG Commercial Audit & Evaluation (South) Karachi	Training of field officers is required for the clarification & wider perspective.
14.	DG Audit Defence Services, Rawalpindi	As per approved annual audit plan 2022-23, this office will undertake 02 special studies. ToRs again each study are incorporated in annual plan which will be implemented. It may kindly be noted that as per decisions on Special Audits of defence sector the important paras of these reports may be included in annual Audit Report only (ARDS).
15.	DG Audit District Governments, Punjab, Lahore	TORs for special audits/ special studies & thematic audits are prepared as per requirements on case to case basis.
16.	DG Audit Defence Services (South), Karachi	The position will be clarified as required.
17.	DG Audit Works (Provincial), Karachi Sindh,	ToRs of Special Audits/Special Studies/Thematic Audit are developed according to the nature of assignment and risks involved. The same are prepared as per the prescribed template.
18.	DG Audit Balochistan	Nil
19.	DG Audit Local Councils, Balochistan	The issue will be discussed in the conference.
20.	DG Commercial Audit & Evaluation, Islamabad	TORs should be defined in the light of the following descriptions: Special Audit is conducted for a specific period and involve the scrutiny of 100% revenues and expenditure incurred for the special activity and

		<p>specific period.</p> <p>Special study is any structured analysis of data or information collected for the purpose of providing findings to improve conditions or resolve problems.</p> <p>Thematic audit is an in-depth examination of a selected area, which may involve more than one public sector entity.</p> <p>TORs should be approved as early as possible for timely execution of audit assignment.</p>
21.	Performance Audit Wing	Nil
22.	Deputy Auditor General (South), Karachi	ToRs of Special Audits / Special Studies / Thematic Audit should be developed according to the nature of assignment and risks involved. The same are prepared as per the prescribed template.
23.	Deputy Auditor General, SSA/RRA Wing	Nil
24.	DGA (District Govt.) South, Multan.	The said TORs are being prepared in the light of the SOPs for preparation / approval of TORs as circulated by the SSA wing of AGP office for Special Audit / Special Study. TORs regarding Thematic Audits are being prepared in the Section-III of approved template of Audit Plan.
25.	DGA (CCE), Islamabad	Nil
26.	DGA (District Govt.) KPK	The ToRs for special Audit, Special Study and Thematic Audit have been developed and duly approved in Audit Plan 2022-23. As per the approved ToRs the respective audit are being conducted.
27.	DGA SSN, Islamabad.	N.A

**Directions of the AGP:**

The existing TORs for special audit, special study and thematic audit as circulated by the SSA wing are to be followed by all FAOs. In case any clarification is required by an FAO, it must approach the SSA Wing of DAGP.

## Agenda Item No.22

### Template of Special Audits and Special Study to clarify the confusion regarding their nature and scope

S.No.	Name of Office	Comments
1.	DGA Water Resources, Lahore	Template of Special Study Report/ Performance Audit Report has been developed and communicated by O/o the Auditor General of Pakistan and same template is also being followed for special Audit.
2.	DGA PNR, Lahore	Special Audit & Special Study both are conducted to look at a specific set of activities within an organization. Special Audit is conducted on the request/directives of the PAOs/ PAC/Court with given nature & scope. Special Study is planned by the Field office itself to find root causes& effects of problematic area and its nature & scope is determined by itself.
3.	DGA Works, (P), Lahore	Thematic audit and Impact audit need clarity which may also be included under this agenda item.
4.	DGA KP, Peshawar	To be discussed at DGs Conference
5.	DGA Local Council, Sindh, Karachi	<ul style="list-style-type: none"> <li>• <b><u>Special Audit:</u></b> It is conducted on the directives of PAC or on the request of Executive etc. Special Sector Audit Wing processes the request of Special Audit and TORs are being approved from AGP. 100% of audit coverage is carried out according to the approved TORs.</li> <li>• <b><u>Special Study:</u></b> It is conducted when thorough knowledge of the processes and controls of the organization is to be studied. The purpose of special study is to provide useful information to the parliament.</li> </ul>
6.	DGA AJ&K	During the planning stage the FAOs under the supervision of DAGs concerned should clarify the nature and scope of special audit and special study.
7.	DGA Works, Federal, Islamabad	Although DGAP is mainly concerned with audits, yet special studies of a certain issue can be undertaken in terms of Section 10 of Auditor General Ordinance, which states that the Auditor-



		<p>General shall, in so far as the accounts enable him so to do give to the Federal Government, the Provincial Governments and the District Government, as the case may be, such information and to undertake such studies and analysis as they may, from time to time, require. Further, Article 170(2) of the Constitution of Islamic Republic of Pakistan, audit of the accounts shall be conducted by Auditor General of Pakistan who shall determine extent and nature of such audits.</p> <p>The objective of special studies should be to get a reliable information about an area and policy suggestions to be made for the government for improving regulatory functions and financial management. It should be a structured analysis of data or information collected for the purpose of providing findings to improve conditions or resolve problems. On the other hand, special audit can be termed as a detailed audit of a specific area of an organization's activities/whole project covering period more than one year or since inception of the project/programme.</p>
8.	DGA Power, Lahore	Special study template has been developed by the AGP; the same template is also being followed for special audit. Sometimes the both i.e., special studies & special audits are finalized and even reports are being printed in a mixed template i.e., by using performance audit template and special study template.
9.	DGA GB	Special Audit is compliance with authority base on specific ToRs whereas special studies is carried out to evaluate socio economic benefit the impact of investment made in specific sector. Moreover no standardized temple has been formulated.
10.	DG Audit Punjab, Lahore	<b><u>Special Audit</u></b> Special Audit is initiated covering a specific area of

		<p>the organization's activities. The scope of audit is derived from the directives of the authorities i.e. PAC, OAGP, honorable Courts etc. Instances of grave financial indiscipline highlighted by media or public complaints also become the basis for initiating Special Audit.</p> <p><b><u>Special Study</u></b> Special Study is an academic / systemic research based study for a specific activity performed by FAO. The scope of Special Study allows tracking of the specialized approach or distinct practices regarding workflows.</p> <p><b><u>Thematic Audit</u></b> Thematic Audit is an in-depth examination of a selected area, which may involve more than one public sector entity. Thematic audit embraces issues related to a specific sector and sub-sectors, and may involve government ministries, organs of state, capturing roadmap for governance improvements within the paradigm of issue based auditing. TORs of the special audit, special study and thematic audits are derived from the objectives and scope of audit / study, with regard to functions, goals and performance indicators of the entities.</p>
11.	DG Audit Railways, Lahore	<ul style="list-style-type: none"> <li>• Special Audit is audit that looks only at overall system assessment of an organization's activities. This type of audit is initiated normally on the request of entity or special directives of the PAC/National Assembly event.</li> <li>• Special Study is analysis of data or information collected for the purpose of providing findings to entity's management for improvement of specific business</li> </ul>

		operations or resolution of problems. The main objective of the special study is to have a deep insight on the basis of reliable information about area to be audited.
12.	DG Audit Sindh, Karachi	Special Studies are far deeper in scope as it involves various financial as well as non-financial aspects of the topic. Special Studies are more like a research paper, an essay or a treatise on the topic. It is an embodiment of analytical and holistic view of the topic duly supported with facts, figures and references. whereas, Special Audit are primarily scrutiny and inspection of legal, administrative, and financial compliance regarding the decisions taken by the all tiers of the management of formation. It primarily evaluates administrative and financial governance of the entity with regard to the topic.
13.	DG Commercial Audit & Evaluation (South) Karachi	Special audit focuses on specific grey area of an organization's activities. Thematic audit is an in-depth examination of a selected area, which may involve more than one public sector entity, and Special Study is of exploratory/diagnostic nature focused on out the box solution of the entities' weaknesses.
14.	DG Audit Defence Services, Rawalpindi	Policy issue pertaining to OAGP.
15.	DG Audit District Governments, Punjab, Lahore	Special Audit is a type of compliance audit which is conducted in detail in comparison with the routine compliance audit. Whereas, special study is a structured analysis of data or information collected for the purpose of providing findings to improve conditions or resolve problems. Generally, the duration and scope of a special study is limited. Special studies provide the information about

		specific areas which enables the management in decision making.
16.	DG Audit Defence Services (South), Karachi	Special Audits are those assignments that the Auditor General of Pakistan has been asked by the Government to take up in addition to his mandate given in the Ordinance, 2001. Special Studies focuses on the areas where the Auditor General of Pakistan considers pointing out matters that could add value to financial management. These should be taken up in concurrence with the auditee entity.
17.	DG Audit Works (Provincial), Karachi Sindh,	The clarification regarding their nature and scope has already been provided in minutes of the Meeting on Presentation of Audit Plan 2017-18, circulated vide AGP office letter No. 151/11/P&C/1-C/2017(Part-File) dated June 09, 2017.
18.	DG Audit Balochistan	Nil
19.	DG Audit Local Councils, Balochistan	The issue will be discussed in the conference.
20.	DG Commercial Audit & Evaluation, Islamabad	Special Audit is conducted for a specific period and involve the scrutiny of 100% revenues and expenditure incurred for the special activity and specific period. Whereas Special study means data gathering and analysis effort designed to aid the organization in meeting its objectives. Special studies are focused on defined questions regarding specific efforts or developments of monitoring techniques.
21.	Performance Audit Wing	Nil
22.	Deputy Auditor General (South), Karachi	<ul style="list-style-type: none"> <li>• <b>Special Audits:</b> It is conducted on the directives of PAC or on the request of Executive etc. Special Sector Audit Wing processes the request of Special Audit and TORs are being approved from AGP, 100% of audit coverage is carried out according to the approved TORs.</li> <li>• <b>Special Study:</b> It is conducted when thorough knowledge of the processes and controls of the</li> </ul>

		organization is to be studied. The purpose of special study is to provide useful information to the parliament. (Reference: Minutes of meeting on Audit Plan 2017-18 issued vide letter No. 151/11/P&C/1-C/2017 (Part File dated 9 <sup>th</sup> June 2017).
23.	Deputy Auditor General, SSA/RRA Wing	Nil
24.	DGA (District Govt.) South, Multan.	<ul style="list-style-type: none"> <li>• <b><u>Special Audit:</u></b>It is conducted on the directives of PAC or on the request of Executive etc. Special Sector Audit Wing processes the request of Special Audit and TORs are being approved from AGP. 100% of audit coverage is carried out according to the approved TORs.</li> <li>• <b><u>Special Study:</u></b> It is conducted when thorough knowledge of the processes and controls of the organization is to be studied. The purpose of special study is to provide useful information to the parliament.</li> </ul>
25.	DGA (CCE), Islamabad	Nil
26.	DGA (District Govt.) KPK	The ToRs for special Audit, Special Study and Thematic Audit have been developed and duly approved in Audit Plan 2022-23. As per the approved ToRs the respective audit are being conducted.
27.	DGA SSN, Islamabad.	A special audit is an audit that only looks at a specific area of an organization's activities. The scope of Special Audit is limited to the area against which executives / Government requires the audit. Special Study may be data-gathering and analysis on data. The Scope of study is vast compare to special audit. In Special study overall analysis of the project / program is to be carried out.

**Directions of AGP:**

The approved template for special audit and special study is to be followed by the FAOs.

## **Agenda Item No.23**

### **Citizen Participatory Audit**

Citizen Participatory Audit is a relatively new way for citizens' participation in public sector audits. It seeks to actively involve citizens and civil society groups and organizations in the audit process. In some countries, citizens and civil society organizations (CSOs) have partnered in execution of audit, inclusive of gathering of audit evidence. In case of Pakistan, the DAGP will implement Citizen Participatory Audit in a phased manner. In the initial phase, CSOs/citizens are being encouraged to provide suggestions for areas which they want the audit to focus on. The suggestions may relate to conducting various types of audit like performance, special, thematic or compliance audit. For example, a CSO may suggest that there are issues requiring compliance or performance audit in an education or health sector related program, or the way matters are being run at a government hospital facility etc. The DAGP may include the highlighted areas for risk profiling of the entity concerned or may incorporate such suggestions in ongoing audits of that sector or entity, or ensure their inclusion while planning new audits.

### **Directions of the AGP:**

As per approved policy, in future whenever a report is completely based on Citizen Participatory Audit, the printed report will have the logo printed alongwith the logo of the Department of Auditor General of Pakistan (DAGP) on the title page of the report. If a report is partially based on Citizen Participatory Audit, the logo of Citizen Participatory Audit will be printed before start of the relevant chapter. In case certain para(s) of a printed audit report are Citizen Participatory Audit based, the approved logo will be printed with heading of the para(s). The approved policy must be adhered to in future in case of all Citizen Participatory Audits.

## **Agenda Item No.24**

### **Completion and Revalidation of HRMIS forms**

HRMIS provides data management and accurate and timely information for decision making; it also streamlines operational, managerial, and executive support processes. Department of Auditor General of Pakistan (DAGP) is in the process of improved digitization of the personal and service information of all the serving PA&AS officers through an updated version of Human Resource Management Information System (HRMIS).

An application has been developed on the directions of Auditor General of Pakistan for incorporating information of PA&AS Officers on new HRMIS format. 1<sup>st</sup> phase required punching the data from personal files of officers which has been completed. The information has been shared with PA&AS Officers for updation/validation/correction. On receipt of the updated and corrected forms from the PA&AS Officers the existing HRMIS will be accordingly updated and revalidated.

### **Directions of the AGP:**

All PA&AS Officers are directed to complete/revalidate HRMIS forms by end of December, 2022, enabling the respective Wing to implement revised HRMIS by Jan 2023.

## **Agenda Item No.25**

### **Audit's contribution from citizen's point of view**

According to the dictates of INTOSAI-P the concept and establishment of audit in public financial administration represents a trust. It acts as an indirect tool for public participation in the administration providing public with accurate and reliable information. Audit is not an end in itself but an indispensable part of a regulatory system whose aim is to reveal deviations and violations from accepted standards, take corrective action, make those accountable accept responsibility, and take steps to prevent such breaches. It plays an instrumental role in the sustainable development and improvement of public administration leading to an increase in the overall public good.

### **Directions of the AGP:**

All Deputy Auditors General shall compile a report on the impact of Audit on service delivery on the following template and submit to Policy Wing by 15th March 2023:-

<b>Sr.No.</b>	<b>Audit Para No.</b>	<b>Para Title</b>	<b>Tangible Impact on Public/Citizens</b>
<b>1</b>			
<b>2</b>			
<b>3</b>			

The Deputy Auditors General shall make a presentation to the Auditor General of Pakistan on the impact of Audit of their respective sectors on service delivery from public/citizen's point of view. Schedule of the presentations will be shared in March, 2023.