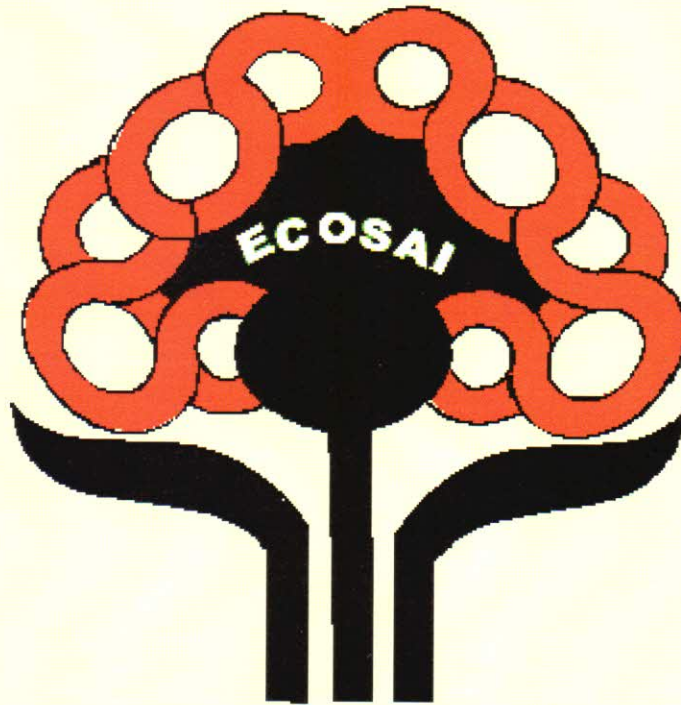


ECOSAI

CIRCULAR 2008



Economic Cooperation Organization Supreme Audit Institutions

ECOSAI INFORMATION

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Mr. OXIKBAYEV Omarkhan Nurtayevich

Chairman of the Accounts Committee for control over execution of the republican budget of the Republic of Kazakhstan

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Mr. Tanwir Ali Agha

The Auditor General of Pakistan

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The President ECOSAI



OXIKBAYEV Omarkhan Nurtayevich

He was born on December 22, 1954 in Koktal village of Almaty oblast. He is married and has two children. In 1975 he graduated from the Almaty Institute of National Economy, specialty - economist. In 1991 studied in France (Paris) with specialization in "The audit service in market economy". He is a candidate of Economic science.

After graduation from the institute till March of 1979 he worked as a senior economist in Almaty Oblast Financial Administration.

From April 1979 to July 1984 worked in the system of Main rice state farm named after "25 years of Balkhash Region Virgin Soil" as Chief economist and then as a Head of Planning-Economic Department in Almaty Administration of Irrigated Land Development.

From August 1984 to October 1992 worked in Main Controlling Review Administration of the Ministry of Finance of the Republic on the following positions: senior comptroller, Chief comptroller, Head of the Organizational Controlling Department, Deputy Head of the Administration.

- October 1992 to February 1996 he worked as a Head of Administration of the State Committee on Financial Control of the RK.
- February to April 1996 - he worked as the Head of the Administration on Intergovernmental Relations in the Ministry of Finance of the RK.
- 1996-1998 - Member of the Accounts Committee on the Control over the Execution of the Republican Budget.
- 1998-2000 - Member of the State Commission of the Republic of Kazakhstan on Struggle with Corruption.
- 2000-2002 - Deputy Head of the RK Security Council Secretary.
- February 2002 - Head of the Main Controlling Inspectorate of the President's Administration.
- July 2002 to June 2003 Secretary of the RK Security Council.
- June 14, 2003 - Chairman of the Accounts Committee.
- Was awarded with 4 Commemorative Medals and the Order "Kurmet".

The Secretary General ECOSAI



Tanwir Ali Agha

Mr. Tanwir Ali Agha became the 16th Auditor-General of Pakistan on 20th July, 2007. As the head of the Supreme Audit Institution of Pakistan, Mr. Agha is entrusted with the responsibility of overseeing the financial operations of the Federal and Provincial Governments on behalf of the legislature. He is constitutionally mandated to report to the legislature on the fiscal transparency and results of operations in the public sector.

Mr. Tanwir Ali Agha joined the Pakistan Audit and Accounts Service in 1972. He managed and supervised key slots in the Ministry of Finance for more than two decades. The positions held by Mr. Agha include the Economic Minister to the Embassy of Pakistan, Washington D.C. USA, Executive Director on the Board of the World Bank Washington D.C., Special Secretary Ministry of Finance and Secretary Ministry of Finance.

Mr. Agha's ambition is to bring greater transparency and accountability in the management and over all working of public institutions in Pakistan. As the Auditor-General of Pakistan, his aim is to

enhance Pakistan's interaction at the professional forums of the international and regional organizations of the Supreme Audit Institutions.

SMOOTH TRANSITION

The month of July, 2007 was significant not only because we said goodbye to Mr. Muhammad Yunis Khan the then Auditor General of Pakistan but also welcomed on board Mr. Tanwir Ali Agha as the Auditor General of Pakistan. It was not just a celebration of the culmination of an illustrious career but also the beginning of a new one. Mr. Agha with his rich experience gained throughout his long and successful tenure in the public service, replaced Mr. Muhammad Yunis Khan on 20 July, 2007.



**Mr. Muhammad Yunis Khan (L) and
Mr. Tanwir Ali Agha (R)**

Combating Corruption in the Republic of Azerbaijan: A Strategic Course



Faig Najafov

Head of the Department on Law and civil service of
the Chamber of Accounts of the Republic of Azerbaijan

Establishment of democratic, legal government in the Republic of Azerbaijan had passed through stages as enrichment of state traditions, strengthening independence, conducting economic reforms, provision of economic development on the base of market economic principles, integration of Azerbaijan into world economy, setting the combating corruption within the unique strategy framework, strengthening the measures taken in this area, improvement of state organizations activity, creation of effective control mechanisms, provision of transparency and legality in the activity of public officials.

Foundations of strategic course on combating corruption in the Republic of Azerbaijan has been laid down by Heydar Alirza oglu Aliyev, founder of legal government in the Republic of Azerbaijan. Heydar Aliyev, the President of the Republic of Azerbaijan, has announced decree on "Measures to cement combating crime, strengthening legality and law rules" 1994 year and the decree on "Strengthening combat against corruption in the Republic of Azerbaijan" 2000 year, one of the important directions of government policy on combating corruption and with these decrees the state organizations have been charged with tasks

on fulfilling relevant measures, preparation of state programmes and draft law on combating corruption.

The decrees of the President of the Republic of Azerbaijan dated 1996 year on "Regulation of state control over production, service, financial-credit activity and forbidding the ungrounded controls" and the decree dated 1999 year on "Development of state control system and overcoming artificial obstacles in entrepreneurship development sphere", as well as the decree dated 2003 year on "Measures on accelerating social economic development in the Republic of Azerbaijan" has given a push to the new stage of economic reforms in the country and paved the way for economic legal ground in combating corruption.

The reforms has been conducted in economic, social, financial-bank, justice judgement, law-protection and other areas, legislative base has been developed. The new laws on privatisation, banks, state service, local self-governing, state procurements were accepted, Customs, Tax, Crime, Crime-Prosessual, Civil, Civil -Prosessual, Administrative error, Labour Codes, "II State Programme on privatization of state property in the Republic of Azerbaijan", "State Programme on poverty reduction and

economic development", "State Programme on social economic development of regions in the Republic of Azerbaijan" and other normative legal acts have been accepted.

During this time the Republic of Azerbaijan signed some international documents on combating corruption, as well as joined the Council of Europe's "Convention on criminal responsibility in connection with corruption", "Convention on civil-legal responsibility in connection with corruption" and "UN Convention against transnational organized crime", also signed "UN Convention against Corruption".

During the presidency of Ilham Aliyev, the President of the Republic of Azerbaijan being the continuer of strategic course on combating corruption the law of the Republic of Azerbaijan on "Combating corruption" was accepted at the beginning of 2004 year with the aim to disclose, prevent corruption related law violations and eliminate their consequences, to protect social justice, human rights and civil liberties, to create favourable conditions for economic development, to ensure transparency, efficiency and lawfulness of the activities of the public and local self-government organs and

(Continued at next Page)

public officials, also to strengthen the confidence of the populace toward state structures, to encourage professionals to enter public and local self-government service, to create conditions, excluding involvement of the staff of such organs in corrupt practices. Corruption related law violations, law violations creating conditions for corruption, subject of these law violations and responsibility for them, task for public officials on submitting information on their income were defined by that law.

“State Programme on combating corruption (2004-2006 years)” was approved with the Order of the President of the Republic of Azerbaijan dated 2004 year. The State Programme has pursued to set the combating corruption within the framework of unique strategy and effectively to continue the measures taken in this area. Approval of necessary laws, improvement of the activity of state organizations, creation of effective control mechanisms, setting the activity of legal-protection and court organs in compliance with modern requirements have been defined as main measures. Increase of transparency, elimination of cases creating conditions for corruption and carrying out preventive measures have been defined as main principles on combating corruption. Measures in economic and social sphere, improving standard of life, strengthening social welfare, as well as provision of justified rivalry, improvement of investment environment, strengthening financial control have been shown as an important conditions of long-term combating. Enlightening, cooperation measures with non government and international organizations have been taken into consideration for increasing effectiveness on combating corruption.

Number of new normative legal acts have been approved as an execution of

State Programme, in cooperation with international organizations, the events have been held in Baku and the other regions of the Republic.

Establishment of Civil Service Commission under the President of the Republic of Azerbaijan has been an important step serving for eliminating corruption and other negative cases. Formation of the Commission on Combating Corruption under the State Council on Management of Civil Service as carrying out the functions of specialised agency in the area of combating corruption should be indicated as one of the strict reforms.

Thus the Commission has been organized in the composition comprised of 15 members and functions at present. 5 members of the Commission have been appointed by the President of the Republic of Azerbaijan, 5 members by Milli Mejlis (Parliament) of the Republic of Azerbaijan, the rest 5 members by the Constitution Court of the Republic of Azerbaijan.

The Commission sets its activity in mutual relation with the President of the Republic of Azerbaijan, the Parliament of the Republic of Azerbaijan and the Constitution Court of the Republic of Azerbaijan and constantly informs them about the condition of combating corruption.

According to the Statute on “Commission of the Republic of Azerbaijan on combating corruption” approved by the Law of the Republic of Azerbaijan, the Commission’s duty embraces to take part in the formation of state policy in the area of combating corruption, to coordinate the activity of state organs and other institutions, to analyse the state and effectiveness of combating corruption, to supervise over execution of State Programme, to accept

the informations of financial type envisaged in article 5.1 of the law of the Republic of Azerbaijan and to carry out the control over submission of these informations, to gather the information on corruption law violations, to analyse, to summarise and to give proposals to relevant state organs, to fulfill the cooperation with state organs and other institutions in the area of combating corruption.

Apart from defining combating corruption as one of the important ways of state policy, the Statute of the Department on combating corruption under the General Prosecutor’s Office of the Republic of Azerbaijan has been approved with the decree of the President of the Republic of Azerbaijan dated 2004 year, authorities and functions of this entity has been defined, during short term the considerable results in combating corruption have been achieved. The Department on combating corruption sets up its activity in coordination with the public and permanently informs the public on the measures taken in combating corruption.

“National Strategy on Increasing of Transparency and Combating Corruption” approved by the Order of the President of the Republic of Azerbaijan dated 2007 year can be considered as the 2nd stage of combating corruption in the Republic. “National Strategy on Increasing of Transparency and Combating Corruption” defines multi-field, systematic and step by step, long and short term measures to be carried out in combating corruption within the framework of democratic state building and social-economic reforms in the Republic of Azerbaijan as the continuation of State Programme (2004-2006 years) on combating corruption. National Strategy defines measures on legislation improvement in combating corruption, .

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involvement of citizen society to much closer cooperation, increase of anticorruption culture, setting up the activity of state organizations as well as legal protection bodies and courts in compliance with the modern requirements, elimination of factors preventing development in economic and social area.

Usage of information freedom by people is one of the conditions providing transparency in the activity of state and local self government organs. By that Order the Activity Plan for 2007-2011 years in connection with executing National Strategy has been approved.

The Activity Plan for 2007-2011 years in connection with executing National Strategy envisages increase of effectiveness in the application of legislation to get information providing the freedom, possibility for citizens to get information on the activity of state and self government organs, preparation of proposals on the activity of representative institution

Measures on combating corruption, the works to be done within the framework of those measures and expected results, responsible organs for the execution of works to be done and their partner entities, execution time should be determined with the help of the Activity Plan.

Continuing systematically the legal government and citizen society policy the President, Ilham Aliyev causes protection of transparency principle in state management system, strengthening financial discipline, targeted execution of funds allocated from the state budget, expansion of measures on combating corruption in all stages.

Amendments and additions have been made to the Law of the Republic of Azerbaijan on "Chamber of Accounts" since the date April 1, 2008 which pursues

to strengthen the activity of the Chamber of Accounts of the Republic of Azerbaijan that supervise the state budget approval and execution, the management of the state property, the issuance of orders in respect to such property, the inflow of funds generated from the privatisation of state property to the state budget, targeted execution of funds allocated from the state budget to legal persons and municipalities with the aim to strengthen the financial control.

According to the new law the Chamber of Accounts has been given power to eliminate the revealed gaps on findings of financial control activities, pay for damages incurred to the government and to submit conclusions to the relevant state bodies, to the heads of organizations where the financial control activities are carried out, to the heads of other office and entities in connection with the control object for to involve to the responsibility the people for violation of law of the Republic of Azerbaijan, to stop the transactions excluding the protected expenditure articles considered in the legislation on treasury and bank accounts of state bodies, offices, organizations and entities that fails to execute the submitted conclusions.

The Order has been signed by the President of the Republic of Azerbaijan on "Formation of entrepreneur activities provision measures via "single window" principle" that pursues carrying out necessary measures to accelerate the development of entrepreneurship in the country increase of favorability of business environment and simplification of business beginning procedures, eliminating the supposed cases creating corruption. The execution of order has been started to be implemented since January 1, 2008.

"Single window" system established in accordance with the Order

envisages summoning up the informations in single centre, whole synchronisation of all administrative registrations including the tax registration. Businessmen can have automatic, on-line and continuing contact via central system. In this case the number of registration procedures decrease and lost of time is irresistible. Conducting registration on "single window" has improved the investment environment, decreased the dependence of entrepreneurs from state entities, cancelled and simplified the long term registration procedures via strengthening the interest to entrepreneurship sector and given a push to the development of business. As a final result it creates condition for legal persons that will be engaged to the entrepreneurship activity to be taken to the state registration in some days and start to the activity.

On the basis of above indicated it is possible to consider that an existence of strong will on combating corruption at all levels of the governance, an acceptance of effective law and state programs, establishment of such anti-corruption bodies as Anti-Corruption Commission of the Republic of Azerbaijan (includes the representatives from legislative, executive and juridical powers) and Office on Combating Corruption under the Prosecutor General of the Republic of Azerbaijan, determination by law of penalties and sanctions against corrupted, establishment of public support and conductance of enlightening activities has been achieved as a result of implementation of sustainable anti-corruption strategy.

Why Bureaucracy Resists Change?

by Saadia Imad* (Director) SAI Pakistan

1. Introduction

According to Crozier change is adjustment and its prerequisite is flexibility. An organisation can only be flexible to internal and external pressures when the groups and individuals working for it offer inventiveness and ingenuity and are therefore able to contribute to the organisation's innovative capacity. Change is a difficult thing to achieve. As it has an effect on the individuals rights and habits, as it is a threat to the whole organisation, change cannot be ordered. And this might be especially important for stable, predictable and rule-oriented organisations like bureaucracies.

2. The Characteristics of Bureaucracy and their impact on Change

Hierarchy and centralisation

There tend to be many hierarchical layers in bureaucracies and the vertical division of the organisation is pronounced. The power is centralised and is located on the top of the organisation and the middle managers are deprived of the power of decision-making. Their task is to control not to decide. Employees are not involved in decision-making and have no actual possibility to participate. Necessarily there is a huge gap between those who have the knowledge of everyday business and the needs of customers on the one hand and the decision-makers on the other.

This gap results in a number of consequences first of all the measures taken to encounter a problem might be

inappropriate to solve the problem. Secondly, any delays until the information is available to the decision-makers might have caused damage already. Finally, when information reaches those who need it, it might even be erroneous erroneous incidentally or deliberately distorted by the number of hierarchical levels it had to pass through. Decision-making, therefore, is slowed down and blurred. In general, communication is very slow due to the vertical division. Any information has to pass through the office channels and cannot be shared horizontally. There seems to be no easy way to communicate with other departments formally than through the hierarchical layers facing all the dangers of indirect communication: distortion, misinterpretation, and withholding of information. In consequence, necessary adjustments will not be made, because the probability of failure and frustration is high and consequently propositions for improvements are not made. It is very easy to escape change.

Another corollary of centralisation and hierarchy is the separation of strategy formulation from strategy implementation (Mintzberg). Once a decision is taken - by those who do not have to execute it - the implementation is strictly confined to lower hierarchical levels. These levels were not part of the decision-making process and will have no power to adjust the strategy when in the course of implementation things do not work out. Either the formulated strategy is implemented - no matter if it makes sense or not, or the

strategy has to take the long way back to the decision-makers to reformulate it. Again delays are considerable.

These characteristics make change extremely difficult. Decision-making process is a cycle of diagnosis, identification of solutions, implementing the solution and evaluating the impact. The more important a decision is - like a change decision, the more important this cycle becomes. It involves many layers of an organisation, different kinds of expertise, and necessarily needs many points of view to make an appropriate decision. Bureaucracies have to fail in this process as participation and employee involvement are not on their agenda. The duration of the process, the lack of knowledge whether a problem exists and what might be the suitable measures to overcome this problem prohibit change.

Standardisation

The tasks of the workforce are governed by detailed rules and procedures. The regulations are impersonal and tend to protect employees against outside complaints, thus creating safety and stability for the employees and the whole organisation. These rules and regulations have a downside, of course. The managers - as already observed above - are not organising or managing the work of the employees, but controlling the compliance of the rules. This creates an atmosphere driven by control and supervision, not open to adjustment, flexibility and critical reflection.

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The consequences are retreatism and goal displacement. The commitment to the organisation decreases as a result of impersonality and centralisation. Participation and involvement will remain unrewarded. Therefore, the individuals retreat from contribution and commit as little as possible. Following the rules becomes a means in itself, the wider context of the organisation and its aims are disregarded. Employees cannot contribute to the organisations success – tied up by inflexible procedures, controlling managers, and cumbersome communication. The rigidity and inertia of bureaucracy alienates the employees from the organisation and stifles initiatives. The focus of bureaucracy is not on innovation but on efficiency. The efficiency is provided by rules and regulations, hindering innovation. Thus, problem-solving cannot be the main feature, performance is. Living with the tight rules and procedures demands a stable environment. Changing environments are not a suitable climate for bureaucracies. Even performance is not excellent because the tasks are accomplished without commitment and the rules are strictly applied.

Poor performance, therefore, is one of the outcomes of bureaucratic rules. But a bureaucracy has no alternative than to respond to problems with even more specific rules; these organisations try to solve a problem by doing more of the same and are thus incapable of learning from their own mistakes.

The delay in responding to pressure makes them unable to fulfil successful changes, always lagging behind. Bureaucracies do not tend to act proactively but reactively, adjusting rules to a changing

environment. It is a difficult task to bring about change with employees who lack commitment to the organisation. When an overall aim is not seen or followed it seems to be difficult to convince the individuals that these goals must be changed. Finally, the incapability to learn from errors and continuing the application of existing or maybe adapted rules is not a solution for due alteration.

Task specialisation

In the context of standardisation, task specialisation is of great importance. It is the way to efficiency and to high performance. overall perspective Employees do not have an overall perspective of their organisation in mind, maybe not even of their department. Task specialisation leads to alienation and is not designed to take into account needs of other tasks, requirements of management, and goals of the overall organisation. Specialisation produces narrow-mindedness, losing sight of the implications of faulty procedures for the organisations, or even worse, not noticing obsolete rules. Once a routine has been established, the accomplishment of the task is not questioned any more. Under these circumstances it is probable that changes are not induced bottom-up but top-down. Furthermore, changes might not come from within the organisation but are rather due to outside pressure.

Routine is past-oriented and consists in doing the same over and over again. Repetition and in consequence narrow-mindedness will not produce improvement of procedures, will not enable the employees to creatively use input from inside or outside the organisation. Alienation results in decreased commitment and

with both routine and alienation, alteration will not be brought about by employees' initiative.

Functional differentiation

Not only the vertical division is remarkable, but the functional differentiation is also an important feature. Horizontal communication is prohibited or at least complicated. The overall goal achievement has to make place for departmental selfishness. Employees, who consider constantly different points of view, for instance in interdepartmental meetings, are confronted with a wider perspective and should be more aware of the overall organisation's needs and requirements.

Conflicts occur due to the functional differentiation and continue to exist unexpressed and unresolved. The pursuit of common goals will be even more complicated and the attainment of sectional goals intensified. If the overall organisation faces a change, the functional differentiation might be a paramount obstacle to achieve the common goal. If the aim is to impede the performance of other departments, to frustrate interdepartmental cooperation, change is endangered for the overall organisation.

Conflicts might enhance the probability of change as long as they are productive and can be resolved in a fruitful way. Unresolved conflicts endanger change, the aims of change are blurred by the conflicts, thus resulting in losing sight of the overall aim.

3. To what kind of change can Bureaucracies adapt?

As described above it is hard for bureaucracies (Continued at next page)

to adapt to changes. Neither do they provide the necessary communication channels nor does this type of organisation offer structures for innovative personnel. More entrepreneurial employees tend to leave the organisation for not being able to make oneself heard and involved. Planned change – although top-down – is a difficult issue, because top management is not in hold of the information necessary to know whether change is due. Change, therefore, does not seem to be proactive, but is more likely to be reactive, caused by outside-pressure like the market, the customers or the public. Crozier states that bureaucracies only change when serious dysfunctions develop and no other alternatives – like passing adapted regulations – remain.

Adaptation in crisis necessarily needs speedy reaction. The time-frame

available is very short and change management is more likely to fail. The organisation remains a bureaucracy, the change it is going through leaves no profound traces and thus it remains fundamentally the same. Therefore, not even a crisis may produce the desired change. Nevertheless, it seems to be the only pressure to which a bureaucracy corresponds at all.

4. Conclusion

We can always learn from history, for instance, the Sunday Times magazine from 16th November 2003 gave a good example of the adaptation of a traditional bureaucracy to change. Family tax credit was to be administered by Inland Revenue and the system broke down, leaving millions of people in UK without the desired credit. The failure was a very ex-

pensive one and resulted due to lack of training and lack of testing the equipment. The chairman of Inland Revenue had to undergo a hearing in Parliament and it seems to be characteristic that he scarcely admitted any fault. In the meantime the applications for tax credits are processed and compensation will be demanded from those who did not receive their tax credit in time. We hope that Crozier's assertion that: "*a bureaucratic organisation is an organisation that cannot correct its behaviour by learning from its error*", is not the guiding principle for the SAIs of our region.

* The writer is presently working for the Project to Improve Financial Reporting and Auditing (PIFRA) as Director (HRM/CM) in the Department of Auditor General of Pakistan and can be contacted at saadiamad@yahoo.com

The International Training Activities: ECOSAI & SAI Pakistan

Ahmed Taimoor Nasir (Dy. Director) SAI Pakistan

ECOSAI training course on 'Essential skills in Financial Auditing' in Tehran, Iran, October 2008.

In consonance with ECOSAI charter, the member SAIs continuously exert to adopt new methodologies and add new concepts to the training and professional development of its officials. A training course on 'Essential skills in Financial Auditing' was planned to be held from 28th October, 2007 to 1st November, 2007 in Tehran, Iran with the IDB's assistance under the ECOSAI training initiative. But due to low response from the member SAIs regarding nomination of participants, the training course was rescheduled to December and eventually had to be cancelled due too few nominations. The training has now again been rescheduled for October, 2008 for which the member SAIs have been urged for adequate nominations

for participation. To encourage nominations, the Secretariat has also undertaken to provide partial travel assistance for some of the participants with IDB's assistance.

ASOSAI Workshop on "Financial Audit in an IT Environment"

03 – 15 Dec. 2007 at Lahore - Pakistan

A Workshop on "Financial Audit in an IT Environment" was conducted from ASOSAI platform by Mr. Yujiro Ichikawa, International Cooperation Officer from Board of Audit, Japan on behalf of the SAI Japan, in Lahore, Pakistan. Lahore was selected as venue for the Workshop, keeping in view the historical significance, and culture heritage of the city. It was a novel idea to the expose participants from the member countries to the modern techniques and mechanisms that

operate in the process of Financial Audit in IT environment and the critical areas of interest from an auditor's perspective.

The workshop session commenced on the 3rd December, for two weeks till 14th December 2007. During the workshop, the participants were introduced to various Computer Aided Audit Techniques (CAATs) in the state of the art Audit & Accounts Training Institute's (AATI) Computer lab. The workshop was informative, well planned and exciting. The content delivery by the Instructors was marvelous and up to the mark. Their presentation skills were well choreographed and professional in manner. The activities of the workshop were structured on the concept of "Experiential Learning Cycle", which combines the training

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methodologies of lectures, presentations and role-play by the participants.

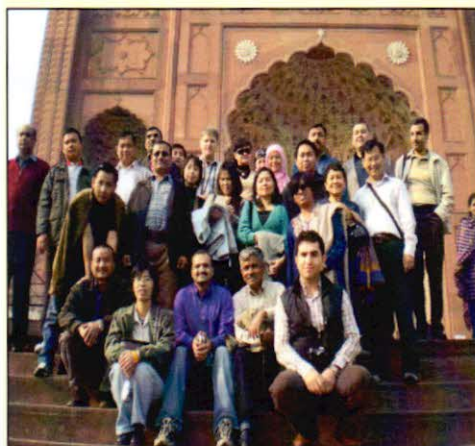
During their stay the participants visited various historical sites in Lahore like Badshahi Mosque, Iqbal Masoleum, Shahi Qila and Wagah Border. They also went on shopping spree at the famous Malls of Liberty Market, Anarkali, Mall Road 4. The participants also called on Mr. Tanwir Ali Agha, the Auditor-General of Pakistan during their one day visit to Islamabad in the office of the Auditor-General of Pakistan. The participants felt privileged to meet the Auditor-General of Pakistan. The Auditor-General of Pakistan informed the participants about the vision and mandate of his office.

He further delineated his strategy to enhance capacity building of Pakistan Audit & Accounts Service officials by engaging in continuous professional development training programs. The Auditor-General also hosted a lunch at Islamabad Club for the participants.

The closing ceremony of the workshop was held on 15th December, 2007, in which workshop certificates were distributed to the participants and instructors followed by official dinner from the SAI Pakistan. Mr. Muhammad Izhar-ul-Haq, Additional Auditor-General was the Chief Guest of closing ceremony.

Intensive Training Programme (ITP) in Performance Auditing

Performance Audit Wing,



Department of the Auditor General of Pakistan was established in 1981 and since then this Wing has successfully conducted 71 five-week Intensive Training Programme (ITP) in Performance Auditing at national and international level. Out of these programs, this Wing successfully organized 23 International ITP Programs in which 239 middle level audit managers of 29 SAI's of the world participated.

Recently, this Wing of Auditor General of Pakistan (SAI) successfully conducted its 23rd International ITP from February 12 to March 15, 2008 in Lahore-Pakistan. Seven Supreme Audit Institution namely Botswana, Ghana, Iraq, Kuwait, Nepal, Turkey and Pakistan nominated their 15 middle audit managers to attend this training program.

The program is meant to impart training, in concepts and methodology of



Performance Audit in Public Sector development projects and programs, to enable the officers to evaluate the performance of these projects, independently.

The program was divided into five main segments of Performance Auditing:

- Phase-I focused on: Introduction
- Phase-II focused on: Planning
- Phase-III focused on: Execution
- Phase-IV focused on: Study Tour to various development projects and programs

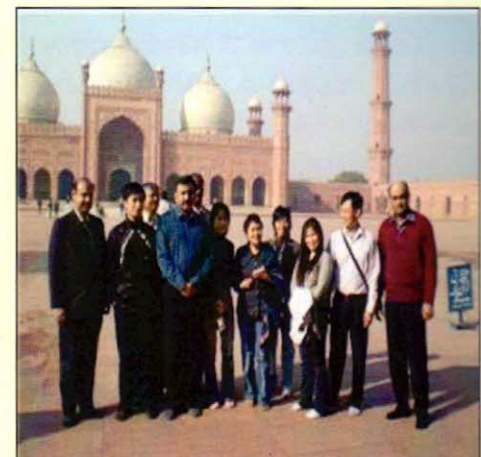
- Phase-V focused on: Report the Results of Performance Auditing

Experts from within and outside the department who are professionally competent were invited to share knowledge and experience with the participants.



Intensive lectures/group discussions, case studies, exercises and presentations were arranged during the program. The participants were also brought on study tour to Islamabad to visit various Development Projects/Programs to enhance their understanding with respect to planning, execution and operation of the project/programs.

Mr. Muhammad Izhar-ul-Haq, Additional Auditor General of Pakistan (Administration) inaugurated the program and Mrs. Rukhsana Jabbar Memon, Additional Auditor-General of Pakistan (Audit) was invited as Chief Guest on the valedictory ceremony.

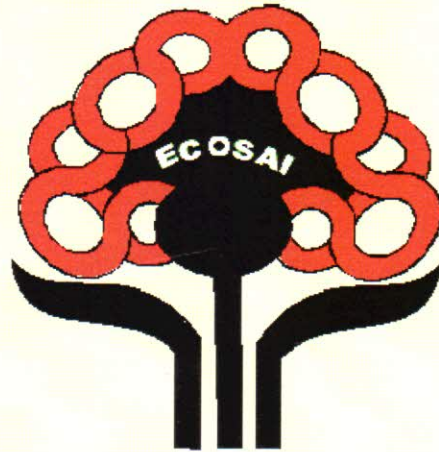


The ECOSAI is a regional forum of the Supreme Audit Institutions of the South and Central Asian Regions. The organization was founded in 1994 and aims at promoting the state auditing profession in member countries, through exchange of ideas, experiences and by holding seminars, conferences, workshops and training courses.

In line with the decision of the 9th ECOSAI Governing Board Meeting, held at Islamabad, Pakistan on January 26, 2004, the ECOSAI Circular is published every year by the SAI Pakistan before the BoG meeting.

The editors invite submission of articles, special reports, and news items which may be sent to the International Relations and Coordination Wing of the SAI Pakistan at the following address:

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