



Strategic Plan

FY 2021 - 2025



Office of the Comptroller and Auditor General of Bangladesh



Strategic Plan

FY 2021-2025

**Office of the Comptroller and Auditor General of
Bangladesh**

FOREWORD



The Office of the Comptroller and Auditor General (OCAG) of Bangladesh envisions this Strategic Plan for FY 2021-FY 2025 where the quintessential focus is to make sure that the stakeholders' requirements are achieved within structured timeframes by completing all planned activities. Based on the vision, mission and core values of the OCAG, this Strategic Plan outlines the strategic direction and intent for the next five years and demonstrates how the OCAG projects contributing to a robust governance in the public sector of Bangladesh through its core works such as producing high quality audit reports on pertinent topics and influences pertinent public debates. This is outlined through identification of the strategic outputs, resulting outcomes and possible impacts, supported by increased capacities and implementation plans. Key performance indicators have been developed to monitor the implementation of the Strategic Plan. These indicators are designed to benchmark the results at the strategic and operational level by comparing results with intended milestones and targets as well as to provide clear directives for further improvement.

Although there will be risks which cannot be always predicted, the OCAG has also identified the probable risks to the successful implementation of its Strategic Plan and the underlying assumptions which will be regularly monitored.

To respond to the changing global scenario in the era of the fourth industrial revolution, especially global bio-hazards like the COVID-19 pandemic, unfolding environmental issues and the evolving face of economic migration, this Strategic Plan prioritizes new and diversified aspects in auditing such as use of Information Technology (IT) in auditing, real time audit, big data scenarios, Audit Quality Management System (AQMS), Audit of Environmental issues and audit on the Sustainable Development Goals (SDGs). Auditing and reporting practices will follow the updated Government Auditing Standards which are based on the International Standards of Supreme Audit Institutions (ISSAIs) to ensure timely and high-quality audit reports on relevant themes and topics.

The CAG is entrusted with the responsibility of ensuring appropriate use of public resources in enhancing accountability over taxpayers' money. For this, conducting quality audits in terms of compliance, financial and performance audits carry vital importance. A well-designed plan with an appropriate execution strategy will work as a pathway to achieve the strategic impact of any organization. This plan meticulously spells out the outcomes and outputs of the OCAG along with clear guidelines on the prerequisite activities and capacities to attain those.

I would like to acknowledge the dedication and sincerity of my officers and staff who have contributed to the drafting, finalizing and publication of the Strategic Plan FY 2021-FY 2025. I would also like to recognize my appreciation for the Technical and Professional support provided by IDI-ASOSAI Initiative on Strategy, Performance Measurement and Reporting (SPMR). I believe that our concerted efforts will enhance our legal and moral obligation to meet the expectation of our stakeholders in ensuring good governance in public financial management. Amidst various contemporary challenging issues, we hope that this Plan will help to increase coordination, enhance cooperation, support team building and bolster overall performance of the OCAG.



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ACRONYMS

AMMS	Audit Monitoring and Management System
ASOSAI	Asian Organization of Supreme Audit Institutions
CAAT	Computer Assisted Audit Techniques
CAG	Comptroller and Auditor General
EFT	Electronic Fund Transfer
FY	Financial Year
iBAS	Integrated Budget and Accounting System
IDI	INTOSAI Development Initiative
INTOSAI	International Organization of Supreme Audit Institutions
IPSAS	International Public Sector Accounting Standards
ISSAI	International Standards of Supreme Audit Institutions
OCAG	Office of the Comptroller and Auditor General
OP	Operational Plan
PAC	Public Accounts Committee
PEFA	Public Expenditure and Financial Accountability
PFM	Public Financial Management
RF	Results Framework
SAI	Supreme Audit Institution
SAI PMF	Supreme Audit Institution Performance Measurement Framework
SDGs	Sustainable Development Goals
SP	Strategic Plan
SPMR	Strategy, Performance Measurement and Reporting

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EXECUTIVE SUMMARY

The OCAG formulated its first Strategic Plan (SP) FY 2003-FY 2006 in May 2003, highlighting its strategies and guidelines in order to achieve its desired goals of ensuring quality audit and timely audit reporting by using its scarce resources. The year 2007 saw the launching of the SAI's first complete Strategic Plan for FY 2007-FY 2012, followed by the subsequent Strategic Plan FY 2013-FY 2018 finalized in January 2013 with the technical support from IDI and ASOSAI. In continuation of the previous SPs, and building upon the past experiences, the current Strategic Plan for FY 2021-FY 2025 is developed by the OCAG's own resources under the direct technical guidance of the IDI-SPMR expert group.

Needless to say, increased professionalism and enhanced capacities are the pre-conditions for delivering quality outputs, where capacity building efforts are sustainable only when based on actual needs. A designated team formed by the OCAG has evaluated the lessons learned from implementing the previous SPs and has assessed the current performance of the OCAG. This information has formed the basis for developing the SP and for identifying the needs for further capacity development of the OCAG. Several analytical methods and tools such as stakeholder's analysis, SAI PMF assessment, SWOT analysis and document review were utilized. A number of focus group discussions and workshops were organized to incorporate comments and viewpoints of the OCAG officials from mid to senior level. Various intervention tools are applied, within the new SP, such as Capacity Gap Analysis, Risks and Assumptions, Resourcing and Prioritization. These have helped to identify the existing capacity gaps and mitigate risks to increase the likelihood of a successful implementation of the Strategic Plan. And as a result, it ensures that the OCAG is able to contribute to improved governance of the public sector in Bangladesh and is considered a valuable part of the transparency and accountability chain in Bangladesh. Moreover, to track the progress of the targeted changes as well as the implementation of the strategy during the strategic management period FY 2021-FY 2025, a monitoring framework has been developed with set performance indicators at the output and outcome levels, along with setting milestones and targets based on the status of the baseline financial year 2020.

The paradigm shift from the previously implemented SPs is the incorporation of the Results Framework (RF) which forms the centerpiece of the OCAG's strategy. The RF explicitly articulates the chain of results expected from the strategy. The ultimate goal is to provide *impact* on and contribute towards improved lives of citizens. To influence impact, the OCAG will facilitate *outcomes* which are the immediate positive changes the OCAG can contribute to in the improvement of public sector environment. The OCAG can substantially contribute to outcomes by producing *outputs* which are the direct products of the OCAG's work. Utilizing its various *capacities*, the OCAG will generate high-quality outputs.

This SP identifies four outputs that the OCAG aims to bring about over the strategic planning period namely,



These outputs are aimed at contributing to the desired outcomes, which are essentially the beneficial changes brought about in the external environment due to the OCAG's performance, such as better management of scarce public resources by policymakers, and an improved PFM in the public sector. The underlying risks and assumptions associated with the RF have been identified together with a probable course of action to mitigate the risks.

To increase the coverage and quality of compliance, performance and financial audits, as well as heightened attention on some specific audit topics are seen as important, especially in the backdrop of an emerging pandemic situation like the COVID-19. Several specific areas such as audit of SDGs, audit of Procurement, IT audit and target-oriented activities have therefore been outlined in the SP. To achieve this, several capacity gaps need to be closed over the strategic planning period. For instance, a large number of auditors need to be trained, along with encouraging professional courses such as CIPFA, ACCA, and CIA among the audit managers. Appropriate Learning Management Systems (LMS) also need to be developed for on-going knowledge acquisition for relevant staff.

The SP will be tracked by a detailed Operational Plan (OP) where the yearly implementation of the strategy will be laid down in alignment with the available resources of the SAI and prioritization of specific activities with due care. The resources include both human and financial, allocated to the OCAG, for fulfilling its constitutional obligations.

The OCAG intends to continue its future developments based on the successes as well as challenges in implementing its earlier SPs. Careful consideration has been given to what has or has not worked, what could be improved and what changes are needed with respect to the increasing demands and aspirations of the stakeholders.

INTRODUCTION



HISTORICAL BACKGROUND

The Comptroller and Auditor General (CAG) of Bangladesh is the Supreme Audit Institution (SAI) of the country. Like the SAIs in many other countries across the world the institution is also established by the Constitution of Bangladesh. In a democracy, parliamentary accountability is the cornerstone to ensure that the citizens get the optimum benefit from their tax paid to the exchequer. The creation of this institution through constitutional provision is the mechanism to pave the way in which this accountability will be ensured. The CAG is responsible for auditing all receipts and expenditures of the public sector entities. On 11 May 1973, the first Comptroller and Auditor General was appointed by the President of Bangladesh.

LEGAL FRAMEWORK

The Constitution of the People's Republic of Bangladesh (Part-VIII) provides the CAG with operational independence to conduct audit of budgetary central government in the public sector. Articles 127 to 132 stipulate the appointment, functions, tenure and reporting mechanism of the CAG. The CAG is also vested with the responsibility of conducting audit of the rest of the public sector that includes Extra-budgetary organizations (Statutory

Public Authority), Public Enterprises including government companies and Statutory Corporations, Local Authorities by the CAG (Additional Functions) Act, 1974. The CAG is not subject to the direction or control of any other person or authority in determining the scope and extent of his audits and has unrestricted access to all documents required for carrying out audits. Besides, the CAG is responsible for prescribing the forms and manners with the approval of the President in which public accounts should be kept.

MANDATE

The CAG of Bangladesh is responsible for auditing government receipts and public spending to ascertain whether expenditures have yielded value for money in government offices, public bodies and statutory organizations. Appointed by the President of the Republic, the CAG has the constitutional mandate to audit and report to Parliament. Directors General, the heads of the Audit Directorates, are responsible for conducting audit on behalf of the CAG in their respective jurisdictions. The CAG's responsibility is to report to Parliament about the receipt and expenditure of public money.

The CAG has the constitutional mandate to review the government's revenue collection and spending as he is the auditor of public accounts of the republic which includes both consolidated fund and public account of the republic. The CAG also issues reports on the execution of the budget and the strength of the Public Financial Management system. The CAG certifies annual accounts of the Government and prepares reports on those accounts. With his report, the CAG supports reinforcing an accountability mechanism that in turn improves decision making in the use of public resources and encourages innovative changes in the PFM of the country.

The CAG conducts compliance and performance audits along with financial audit following Government Auditing Standards of Bangladesh which are based on the International Standards of Supreme Audit Institutions (ISSAIs). To fulfill his mandate and responsibilities with more effectiveness and relevance, the CAG has taken several measures. These measures have helped to make the knowledge, understanding and experience of the audit officials robust, comprehensive and homogeneous.

STRATEGIC PLANNING CONTEXT

Strategic Plan of an organization is very vital which portrays the objectives and achievement of that organization. As the SP of FY 2013-FY 2018 had already been completed, it was necessary to develop another SP to continue the activities of the previous one as well as to address the need of the present situation. Keeping this context in mind the OCAG has taken initiative to formulate the present SP.

Besides, it is very important that Parliament is well supported in scrutinizing the performance of government through the audit reports, especially in challenging times, and rarely have there been more challenging times than the present one. The exact impact of this pandemic on society, the economy and the work of the government cannot be fathomed at this stage. New risks will emerge and there will be opportunities to learn lessons from the way the government has responded to the crisis. Alongside the impact of the pandemic, the nation will face many other challenges in PFM in the coming years. There are ambitious plans for improving national infrastructure. Technological innovation will continue to reshape public service delivery. These developments set a uniquely demanding agenda for the OCAG in supporting Parliament in scrutinizing government's performance. This SP ensures that the OCAG will continue to provide effective support to Parliament by fulfilling the CAG's constitutional obligations. Emerging and new opportunities, threats and risks have been analyzed and taken into account. This SP has addressed the cross-cutting nature of many of the government's priorities and actions, as well as the performance of individual government department. The OCAG will use its remit across all public entities to provide high-quality and objective evidence and analysis for Parliament.

EMERGING RISKS: IN LIGHT OF COVID-19



The rapid outbreak of the corona virus disease of 2019 (COVID-19) presents an alarming health, economic and social crisis that the world is grappling with. The COVID-19 pandemic has already had considerable economic and financial implications worldwide. To respond to the health and socio-economic crisis caused by the COVID-19 pandemic, the government is mobilizing funds from various internal and external sources such as budget re-appropriations, domestic sources, donors, international financing institutions. As government allocates and spends vast amount of funds in a short time period under extreme emergencies, the risks of misallocation, irregularity, misappropriation, wastage, and corruption are heightened.

Apart from that, the COVID-19 has sharpened disparities. In this current scenario it is essential to ensure transparency, accountability, and inclusiveness in the use of emergency funding so that the money is spent for its intended purpose. The CAG, as the main independent external oversight body on government actions, has a natural mandate and role to play in ensuring transparency, accountability, and inclusiveness in the use of emergency funding.

The COVID-19 pandemic also creates a new avenue for auditing activities which is the use of computer aided auditing tools and techniques as maintaining physical distance is the requisite of the present situation. During the pandemic lockdown, physical movement of audit team is hampered. Computer Assisted Audit Techniques (CAAT) will be extensively used as the pandemic restricts the physical movement. The government is more likely to provide access to Government databases in the backdrop of the COVID-19 where physical distancing is encouraged.

A dedicated team has been assigned the task of developing this Strategic Plan. Technical support has been provided by IDI experts through IDI-ASOSAI Initiative on Strategy, Performance Measurement and Reporting (SPMR).

The main steps that have been undertaken to develop the strategy are as follows:

Assessment of current performance

A SAI PMF assessment was conducted to identify the current strengths and weaknesses of the OCAG. The SAI PMF is a framework specifically developed for SAIs for this particular purpose. And a stakeholder assessment was conducted to collect updated views from key stakeholders. A stakeholder is an individual or groups of individuals/entities that will be positively or negatively affected by the work of the OCAG. Stakeholders can therefore be both external and internal.

SWOT analysis

The results from the SAI PMF assessment and stakeholder assessment were analyzed by conducting a SWOT analysis. The SWOT enables the OCAG to identify the main strengths, weaknesses, opportunities and threats.

Development of the results framework

The results framework demonstrates how the OCAG can contribute to positive changes in the immediate external environment through its core work and developing internal capacities including identification of the assumptions that underpins the results framework. Risks to the implementation of the Strategic Plan were identified.

Resourcing and prioritization

The human and financial resources necessary to implement the strategic plan were estimated at an aggregate level which formed the basis for prioritization.

Stakeholder consultation

Several workshops and internal consultation with the top management of the OCAG were conducted on the elements of the Strategic Plan.

STRATEGIC PLAN

FY 2021 - FY 2025

Our strategic plan for next five years FY 2021-FY 2025 is devised in a way which will fulfill the people's expectations from our organization as well as attain the constitutional mandate and responsibility bestowed upon the CAG. The OCAG has the following vision and mission for the next strategic period time.



VISION

Enhancing accountability and transparency for utilization of public resources that promotes value and benefit to citizens.



MISSION

Providing independent assurance to citizens, parliament and other stakeholders on optimum management of public resources for ensuring good governance and improved public service delivery through quality audit.



CORE VALUES

We have engraved the following core values in our business process:

C A G C O R E
V A L U E S

Accountability

Credibility

Transparency

Professionalism

Ethics

STRATEGIC PRIORITIES

While preparing the Strategic Plan we have considered several strategic issues which guided us in developing the plan. The key issues that we considered were:

We want to establish the overall framework for constitutional audit that complies effectively with international standards of public sector auditing and accounting as well as fits the country context.

We want to see ourselves as a model oversight organization with respect to increasing demands and aspirations of the stakeholders and remain relevant that could contribute to improving lives of the citizens.

We want to produce timely and quality audit reports which will cover diverse areas of PFM, including emergencies like the COVID-19, in order to help the policymakers to take decisions for better resource allocation and public service delivery.

We need to improve staff capacity through continuous professional development including the capacity to work from home using IT.

We need to influence national human resource policies in their personnel recruitment so that relevant, diverse and qualified young people are encouraged to join the audit profession for national benefit.

R E S U L T S F R A M E W O R K

The core of our Strategic Plan is the results framework which is a logical sequencing of *impact, outcome, output* and the *required capacities* to produce those outputs. Ultimately the results framework demonstrates the theory of change and illustrates how the OCAG by having an outward perspective aims to contribute to positive changes in the public governance of Bangladesh and in the life of its citizens. *Impact* mentioned in the results framework has been derived from the result of the expectations and views of the stakeholders and our strategic issues. We will produce the *outputs* shown in the results framework as per our mandate. The *required capacities* are pre-conditions for producing the *outputs*. The *outcomes* in the results framework are expected to be achieved as an immediate result of our *outputs* which will ultimately create *impact* in the life of the citizens.

The *impact* that we want to create among the citizens is

‘Parliament and other stakeholders will be assured of optimal utilization of public resources for enhancing good governance to promote value and benefit to citizens.’

This impact will be created as a result of the outcomes achieved. Achievements of outcomes are not directly within the control of the OCAG but something the OCAG can greatly contribute to by producing its identified outputs. Outputs are mostly within the control of the OCAG. Each outcome is the result of a particular output or a set of outputs as shown in the results framework; however, an individual output may influence both the outcomes. Our intended outputs with capacities required to produce those, along with the desired immediate outcomes and long-term impact for the Strategic Planning period of FY 2021-FY 2025 are logically reflected in the following Results Framework.

R E S U L T S F R A M E W O R K

Required Capacity	Output	Outcome	Impact
<p>1. Updated Auditing Framework aligned with international best practice, such as ISSAI.</p> <p>2. Skilled audit staff.</p> <p>3. Efficient digitalized audit tools and techniques including AMMS.</p> <p>4. Effective Audit Quality Assurance Cell.</p> <p>5. Constitutional mandate.</p>	<p>1. Quality Compliance, Financial and Performance audit reports including audit reports on special areas.</p> <p>2. Increased Follow-up and reporting on implementation of audit recommendations.</p> <p>3. Improved Government Accounting Standards and Procedures.</p>	<p>Increased credibility to the SAI's activities to the parliament and other stakeholders will help the policymakers to take appropriate measures for prudent management of scarce public resources.</p>	<p>Parliament and other stakeholders will be assured of optimal utilization of public resources for enhancing good governance to promote value and benefit to citizens.</p>
<p>6. Dedicated training academy.</p> <p>7. Updated Communication Strategy.</p> <p>8. Self-Disclosure Policy.</p> <p>9. Robust Research and Development Wing.</p>	<p>4. Training and Awareness building in consultation with key stakeholders on various PFM issues.</p>	<p>Improved public financial management resulting in beneficial change to the public sector.</p>	

Table 1: Results Framework

Output 1 also includes audit related to examining the government's response to the COVID-19. We will continue to report on the most significant risks to value for money drawing on our established expertise in financial management and reporting, service delivery, procurement, major projects, service transformation and the impact of regulation. We will address the risks and opportunities presented by the scale of technological change in public services; government's growing use of data; and progress towards a net zero carbon economy. Our performance audits will examine the impacts of government activities on the economy. We will invest in audit quality and update our auditing framework. Audit software incorporating data analytics tools will be extensively used to improve the efficiency and effectiveness of our audit work. We will do more to share the insights generated by our work in ways which make them easy to apply in practice. To deliver these determined plans we will continue to develop the OCAG into an exemplary organization and hold ourselves to the high standards that we expect from constitutional bodies. We will aim to achieve high standards in terms of management, cost effectiveness, human resource development, application of technology and sustainability.

We will apply 4 outputs to contribute to the desired outcomes. Quality Audit Report will be our first output. We will produce best quality compliance, performance and financial audit reports as per our legal mandate described in article 128 (1) of the constitution and Section 5 (1) of the CAG (Additional Functions) Act, 1974. These reports will be produced in a timely manner following the auditing framework which will ensure the quality of those reports.

Our second output will focus on the follow-up and implementation of audit recommendations. We will conduct follow up audits after a certain period of time to monitor the status of implementation of recommendations made in the earlier audit reports. The Public Accounts Committee (PAC) of the parliament makes recommendations based on the audit reports to the executives who are the auditees. To evaluate the actions taken by the executives on those recommendations, we will conduct follow-up audits.

Our third output is shaped to fulfill the constitutional obligation of the CAG in prescribing the form and manner of the public accounts of the republic. The CAG will promulgate the accounting standards and procedures for the budgetary central government. The government will prepare its financial statement following the accounting standards and procedures prescribed by the CAG. These accounting standards and procedures will incorporate the IPSAS- Financial reporting under cash basis accounting system.

Our final output will be the awareness building activities and trainings on various PFM issues to sensitize the auditees and other stakeholders about the beneficial changes in public sector through an improved PFM. We will conduct these trainings and awareness building pursuits both within the OCAG and across the public sector and the relevant media through classroom training in dedicated environment as well as through seminars, workshops and positive media campaign.

Policymakers will be able to take appropriate measures in managing the scarce public resources as the immediate outcome of our outputs 1 and 2. Quality audit reports and follow-up reports will help the policymakers and Members of parliament to judge the performance of a government agency and taking necessary action in distributing the resources. Through output 3, government will be able to produce its financial statements in alignment with international standard in a timely and effective manner which will help parliament to take decision based on real time accounting data, resulting in an improved scenario in PFM. Finally, parliament and other stakeholders will benefit from our awareness building activities and trainings on PFM issues.

CAPACITY GAP ANALYSIS

It is needless to say that certain capacities are required to produce certain outputs. Even some capacities have multiple effects in contributing to more than one output. We have identified nine capacities that need to be in place to create our four outputs. We also had conducted a SAI PMF assessment to assess and comprehend our existing capacities. Based on the analysis, we identified that we already have the constitutional mandate in place. As to the rest of the required capacities, we want to strengthen them and we have outlined the probable ways to minimize the capacity gaps. The detailed actions of how to minimize these gaps will be reflected in the Operation Plan as several activities will be carried out to address the gaps. The key capacity gaps we need to address in the strategic planning period are to update the auditing framework, professional development and training of staff, upgradation of audit software, strengthen the quality assurance cell and update and implement the communication strategy for more efficient communication with stakeholders. Details of the capacity gap analysis is delineated in **Annex-1**.

ASSUMPTIONS

Some underlying assumptions which have been identified buttress the Results Framework. These will be monitored to see if they hold true in the strategic planning period. The underlying assumptions which need to be in favor of us to achieve the desired outputs and outcomes of the Results Framework are:

Political and economic stability and positive willingness: Political outlook will remain positive in the span of next Strategic Plan phase.

Ability and willingness of the government to finance the SAI as required and expected: Resource flow of the Government will remain stable to meet the requirement of the SAI in conducting its auditorial functions.

Proactive role of the top management: Top management of the OCAG including the CAG as the leader will always remain agile in the implementation of the SP.

No major natural disaster: As Bangladesh is prone to natural disaster due to its geographical location, we assume that there will be no such incident.

No serious health and safety issues: There will not be any incidents like the COVID-19 pandemic.

Sufficient administrative, functional and financial independence for smooth operation of management: Although the mandate clearly stipulates the provisions, there are still some obstacles arising from time to time.

RISKS

Strategic decision-making and risk management are closely linked. Risk management is the key component of a strategic decision-making process as well as of achieving the OCAG's vision, mission, outcomes and outputs that we have identified in the Results Framework. We have identified and categorized the risks and have linked the specific risks associated with each level of the Results Framework i.e., outcome, output and capacity. We have also established the process or mechanism to mitigate such risks in line with our priorities.

Risks are broadly of two types:

Strategic Risks

Operational Risks

Strategic Risks : Strategic risks refer to such risks which threaten the prospects of the SAI to realize its mission and achieve the strategic intent (outcomes and outputs) in the SAI's Strategic Plan.

Operational Risks. : Operational risks pertain to inadequacies or deficiencies in the management of the SAI's internal systems, processes, structures, tools and resources, as well as risks arising from external events that could negatively impact on its operations.

We assume some risks are associated with our desired outcomes. By nature, human beings are resistant to any kind of change and it worsens in the bureaucratic environment of the governance of the public sector in Bangladesh. It is sometimes difficult to implement or manage the changes despite all the positive efforts. Inadequate number of PAC meetings leads to backlog of pending audit reports and recommendations which hinder the effectiveness of audit. The attitude of auditees towards audit is not always positive which in some cases results in non-cooperation during audit and less effective audits. The priority of the politicians and the government might change in disastrous situation like the COVID-19 which leads to resource curtailing to the SAI. A situation like the COVID-19 pandemic sometimes leads to increased allocation of funds to health sector and social safety net programs, and might reduce funding to auditing. The prevailing image of the OCAG is not always satisfactory which represents a reputational risk.

The risks associated with the output level in the Results Framework are inadequate capacity development plans, lack of administrative independence which makes it difficult to recruit desired qualified staff. Failure to identify the most relevant areas in the Strategic Plan sometimes denotes achievement irrelevant to the outputs. Physical infrastructure is not up to the mark. There is shortage of adequately skilled IT personnel to conduct both IT audit and audit in an IT environment. Continuous capacity improvement programs are not in place and lack of training policy, inadequate monitoring and supervision of Strategic Plan implementation are some of the major risks to achieve identified outputs.

At the implementation phase of all levels of the Results Framework, managing both strategic and operational risks is critical, and the risks will be periodically monitored and assessed. The detailed risk assessment and corresponding mitigation strategies are outlined in **Annex-2**.

IMPLEMENTATION OF THE STRATEGIC PLAN FY 2021-FY 2025

The success of achieving the strategic intent formulated in this plan will depend on how well the OCAG manage to address its capacity gaps to produce high quality outputs. It will also depend on the OCAG's ability to manage risks, monitor the implementation of the plan and be flexible and agile in terms of revising the course of action if necessary. To ensure successful implementation we will develop the yearly operational plan and link this to the Results Framework. In the operational plan, we will identify activities, the successful completion of which will generate the outputs of the RF. Each activity will have milestones with target dates. We will assign responsibility at different levels to accomplish the activities. Each activity will require necessary resources both in terms of financial and human resources. The yearly Operational Plan will allocate necessary resources against each activity. These activities are also vital to minimize the capacity gaps that will ensure that the OCAG has the required capacities to produce the outputs. As the span of this Strategic Plan is five years, all the activities cannot be implemented from the very first year. The activities will be designed throughout the strategic planning period based on their priority and logical sequencing. As each activity requires resources and it is a scarce thing to manage - sometimes beyond our control - we will set priority for selecting and performing activities each year in the yearly OP. The implementation of this SP shall be monitored using the monitoring framework that includes performance indicators for each outcome and output with milestones to achieve. Milestones are set based on the baseline data of 2020, the preceding year of this Strategic Plan. We will form a monitoring team in the OCAG comprising senior and mid-level officials to monitor the periodic progress of the implementation of this plan. And we will review the SP for FY 2021-FY 2025 on midterm basis. We will re-evaluate the targets set in the RF to see how well the OCAG manage to achieve its output leading to the outcomes and resulting in overall impact.

MONITORING FRAMEWORK

The successful implementation of a Strategic Plan vastly depends on how well the activities associated with the Plan are monitored. A monitoring framework enables a SAI to track the implementation of its Strategic Plan over the whole duration of the strategic management period. As an important tool to measure SAI performance, this framework sets out the SAI's performance indicators, baselines, milestones and

targets that will help assess whether the planned capacities/activities, outputs and outcomes as specified in the results framework are on track and are being achieved. A carefully chosen indicator helps the SAI to measure changes in performance over time. A monitoring framework has been developed which includes indicators to monitor both the outcome and output level of the results framework.

The detailed monitoring framework of the Strategic Plan FY 2021-FY 2025 is illustrated in **Annex-3**.

KEY SUCCESS FACTORS

Formulation of a Strategic Plan on the basis of SAI PMF analysis and stakeholders' expectations and views may be considered as the first step towards achieving the intended objectives of any SAI. However, the most important step is the implementation of Strategic Plan which requires support from beneficiaries, both within and outside the SAI. In our case the following factors may be enumerated as crucial for the success of the Strategic Plan FY 2021-FY 2025.

OCAG TOP MANAGEMENT'S COMMITMENT AND WILLINGNESS TO BRING ABOUT CHANGES:

The success of the Plan depends on the tone at the top. The top management at the OCAG, the Directors General at the audit directorates, Controller General of Accounts (CGA), Controller General Defense Finance (CGDF), Additional Director General (Finance), Bangladesh Railway and the Director General of Financial Management Academy (FIMA), among others are expected to diligently follow the implementation of the SP. As the SP is prepared on a participatory basis considering all the issues, the ownership of this Plan is imperative for the successful implementation of the Plan.

DEVELOPMENT PARTNERS' SUPPORT:

It is evident from previous experience that many activities that would be taken to implement the SP will depend, to a large extent, on the technical support of development projects funded by the development partners. The contemporary initiative funded by the European Union will support implementation of the SP. Accordingly, development partners should be approached to ensure their help for the implementation of the SP.

GOVERNMENT SUPPORT:

The implementation of the SP will require additional resources which are not provided in the form of annual budget. Therefore, resource support from government is essential for the successful implementation of the SP.



Our Strategic Plan has been formulated with the expectation that it will streamline our audit process and help the preparation and submission of quality audit reports. Employees of the OCAG at all levels will ensure the implementation of this Plan to help achieve the objectives. We will ensure an equal amount of attention to the quality of output by our workforce.

Our efforts will be made to devise a mechanism whereby it will be possible to document all related challenges that are encountered so that these are kept in view while formulating the next strategic plan.

Technology and data play a vital role in supporting our work, enabling us to improve the quality of our work, efficiently assess risks involved in our audits and create insights about how public money is being managed that are not otherwise possible. Automation enables us to perform routine work faster, freeing up our people to focus on areas of greater complexity where professional judgment is required, enhancing the quality of our work.

The enabling success of the Strategic Plan will help us emerge as a diverse and inclusive organization, where difference is valued, enabling our people to bring a breadth of thinking, experience and skill to our work.

Annex: 01 – Capacity Gap Analysis

Required Capacity	Existing Capacity	Capacity Gap	How to Minimize	Responsibility
1. Updated Auditing Framework in alignment with international best practice, such as ISSAI.	Audit Code, Government Auditing Standards, Code of Ethics, Manuals are in place.	Neither updated nor aligned with ISSAI.	Preparation of guidelines with updated Audit Code, Code of Ethics, manuals.	Procedure and Inspection Wing of the OCAG and DGs of Audit Directorates.
2. Skilled Audit staff.	<ul style="list-style-type: none"> ■ Small number of professional staff. ■ Adequate non-professional staff. ■ Multi-disciplinary human resources. 	<ul style="list-style-type: none"> ■ Inadequate specialized and professional audit staff. ■ Lack of required training. 	<ul style="list-style-type: none"> ■ HR Plan. ■ Professional certification and accreditation. ■ Need-based training. 	<ul style="list-style-type: none"> ■ DCAG (Senior) ■ FIMA
3. Efficient digitalized audit tools and techniques including AMMS.	AMMS- 01 in place.	Existing AMMS- 01 software is not compatible with changing requirement.	Develop AMMS- 02	DCAG (Senior)
4. Effective Audit Quality Assurance Cell.	Audit Quality Assurance Cell is newly formed.	Audit Quality Assurance Cell is not fully functional.	Strengthen Audit Quality Assurance Cell.	Procedure and Inspection Wing of the OCAG
5. Dedicated training academy.	Training Academy is in place.	<ul style="list-style-type: none"> ■ Syllabus is not updated. ■ Absence of training manual. ■ Inadequate infrastructure and IT support. 	<ul style="list-style-type: none"> ■ Updated syllabus and training manual ■ Infrastructure development and IT Support. 	<ul style="list-style-type: none"> ■ DG, FIMA ■ DCAG (Senior)
6. Updated Communication Strategy.	Communication Strategy in place.	Communication Strategy is not updated and fully implemented.	Communication Strategy needs to be updated and implemented.	DCAG (Senior)
7. Self-Disclosure Policy.	Self-Disclosure Policy is not in place.	Self-Disclosure Policy does not exist.	Formulation of Self-Disclosure policy.	DCAG (Senior)
8. Robust Research and Development Wing.	Research & Development Wing in place.	Inadequate skilled human resources in R & D Wing.	Adequate skilled human resources in R&D Wing.	DCAG (Senior)

Table 2: Capacity Gap Analysis

Annex: 02-Risk Analysis

The detailed identified strategic risks and the mitigation process are outlined in this annex.

Strategic risks can be sub-categorized as follows:

Reputational: risks that could impact negatively on the integrity, credibility and reputation of the SAI;

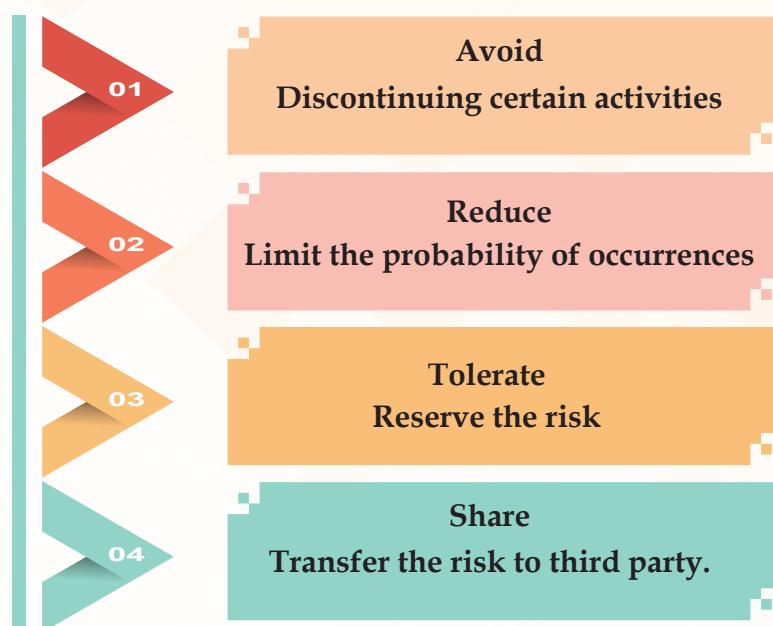
Ethical: risks related to integrity, independence, objectivity, competence, professional behavior, confidentiality and transparency, which ultimately create credibility that enhances the image of the SAI;

Legal: risks that would affect the independence or ability of the SAI to comply with regulations and contractual obligations to fulfill audit;

Political: risks arising from unclear or informal authorities and accountabilities, and/or ineffective or disproportionate oversight of decision-making and/or performance;

Other external risks: risks that may affect the entire functioning of the SAI, for example occurrence of conflict or a natural disaster. Operational risks can be sub-categorized by financial risks (risks that result in failure to maintain effective financial, efficient and transparent management and accountability arrangements for financial resources) and technological risks (related to the ability of the SAI's technological tools to support the achievement of strategic objectives).

In each level of the Results Framework, all types of risks can be associated and some specific risks exist in all levels. The OCAG has prepared a risk matrix where the risk mapping is done according to priority. Based on the priority of the OCAG's risks, response to the possible occurrence has been presumed and necessary actions to be taken have been identified. A risk response usually falls into the following four categories:



We have found that we need to reduce most of the risks which are associated and identified at all levels of the results framework by taking proactive actions. Specific activities will be set out in the Operational Plan.

Additionally, there are some risks which we choose to tolerate for example, a changing scenario in the economy due to unforeseen issues such as the COVID-19. Furthermore, we also focus on ways to transfer part of risks to a third party, such as the PAC or the executives.

The risks identified and mapped with response are illustrated in the following table.

Risk	Risk Level	Risk Categories	Risk Response	Risk Priority
Resistance to Change Management	Outcome, Output & Capacity	Political Risks	Avoid	High
Less support from the PAC	Outcome	Political Risks	Share	Medium
Less co-operation from the executives	Output & Capacity	Political Risks	Share	Medium
Capacity constraints of the audit staff	Outcome	Ethical Risk	Reduce	Medium
Changing Scenario in the economy (unforeseen issues)	Outcome, Output & Capacity	Other external Risks	Tolerate	High
Change in the Priority	Output & Capacity	Legal Risk	Tolerate	High
Inadequate funding for achievement of strategic goals	Output & Capacity	Financial Risk	Share	Medium
Un-addressing the most relevant areas in the strategic plan	Output & Capacity	Ethical Risk	Reduce	Medium
Inadequate physical infrastructure	Output & Capacity	Technological Risk	Avoid	Medium
Not aligned with extended IT environment	Output & Capacity	Technological Risk	Avoid	Medium
Lack of effective capacity building policy	Output & Capacity	Ethical Risk	Reduce	High
Credibility and reputation of the SAI	Outcome	Reputational Risk	Reduce	High
Inadequate monitoring and supervision of strategic plan implementation.	Output & Capacity	Political Risks	Avoid	High

Table 3: Risk Mapping

Annex: 03-Monitoring Framework of the OCAG Bangladesh

Result Level: SAI Outcome								
Outcome 1: <i>Increased credibility in the SAI's activities to parliament and other stakeholders will help the policymakers to take appropriate measures for prudent management of scarce public resources.</i>								
Indicator	Frequency of measurement	Data source	Baseline FY 2020	Milestone FY 2021	Milestone FY 2022	Milestone FY 2023	Milestone FY 2024	Target FY 2025
Percentage of SAI reports discussed in PAC meeting.	Annually	Accounts and Report (A&R) Wing of OCAG	60%	65%	75%	80%	85%	90%
Percentage of audit recommendations accepted by PAC.	Annually	A & R Wing of OCAG	70%	75%	80%	85%	88%	90%
Percentage of positive media report on SAI's activity.	Biennial	Communication Cell	50%	-	70%	-	80%	90%

Outcome 2: <i>Improved public financial management resulting in beneficial change to the public sector</i>								
Outcome 2: <i>Improved public financial management resulting in beneficial change to the public sector</i>								
Indicator	Frequency of measurement	Data source	Baseline FY 2020	Milestone FY 2021	Milestone FY 2022	Milestone FY 2023	Milestone FY 2024	Target FY 2025
Preparation and Certification of Govt. financial statements.	Annually	A&R Wing of OCAG	36 months from the year end	24 months from the year end	18 months from the year end	12 months from the year end	9 months from the year end	6 months from the year end
Percentage of financial audits on public sector entities resulting in an unmodified opinion.	Annually	A&R Wing of OCAG	0 ¹	15%	25%	35%	45%	60%

¹ Currently SAI Bangladesh does not conduct FA aligned to ISSAI, so baseline is 0.

Result Level: SAI Output								
Output 1: <i>Quality CA, FA, PA reports including Audit reports on special areas.</i>								
Indicator	Frequency of measurement	Data source	Baseline FY 2020	Milestone FY 2021	Milestone FY 2022	Milestone FY 2023	Milestone FY 2024	Target FY 2025
<i>Percentage of audit conducted following auditing framework that qualify the quality assurance.</i>	Annually	QA Cell of OCAG	20%	30%	40%	50%	75%	90%
<i>Number of audit reports on special areas like environment, SDGs, the COVID-19.</i>	Annually	A&R Wing of OCAG.	0 ²	02	02	03	04	05

² Currently SAI Bangladesh does not conduct audit on special areas, so baseline is 0.

Output 2: <i>Increased follow-up and Reporting on implementation of audit recommendations.</i>								
Indicator	Frequency of measurement	Data source	Baseline FY 2020	Milestone FY 2021	Milestone FY 2022	Milestone FY 2023	Milestone FY 2024	Target FY 2025
<i>Number of audit reports on implementation of recommendations made in previous audit.</i>	Biennial	A&R Wing ; Audit Directorates	0 ³	-	02	-	03	05
<i>Number of follow up audit reports to assess the action taken on PAC recommendations.</i>	Biennial	A&R Wing of OCAG.	0 ⁴	-	02	-	02	03

³ Currently SAI Bangladesh does not submit reports on implementation of recommendations, so baseline is 0.

⁴ Currently SAI Bangladesh does not have follow up reports on PAC recommendations, so baseline is 0.

<p style="text-align: center;"><i>Output 3:</i> <i>Improved Government Accounting Standards and Procedures</i></p>								
<i>Indicator</i>	<i>Frequency of measurement</i>	<i>Data source</i>	<i>Baseline FY 2020</i>	<i>Milestone FY 2021</i>	<i>Milestone FY 2022</i>	<i>Milestone FY 2023</i>	<i>Milestone FY 2024</i>	<i>Target FY 2025</i>
<i>Updated accounting standards and Procedures.</i>		A&R Wing of OCAG	Accounting Standards are not updated	-	Updated Accounting Standards and Procedures issued.	-	-	-

<p style="text-align: center;"><i>Output 4:</i> <i>Training and Awareness building in consultation with key stakeholders on various PFM issues</i></p>								
<i>Indicator</i>	<i>Frequency of measurement</i>	<i>Data source</i>	<i>Baseline FY 2020</i>	<i>Milestone FY 2021</i>	<i>Milestone FY 2022</i>	<i>Milestone FY 2023</i>	<i>Milestone FY 2024</i>	<i>Target FY 2025</i>
<i>Training of staff in alignment with needs-based training plan.</i>	Annually	HR cell of OCAG, FIMA	20%	25%	30%	35%	40%	50%
<i>Number of workshops with key stakeholders on key PFM issues.</i>	Annually	MIS Wing of OCAG	0 ⁵	03	03	03	04	05

Table 4: Monitoring Framework

5 No workshop is conducted in SAI Bangladesh so baseline is 0.

Strategic Plan of the OCAG for FY 2021-FY 2025

Strategic Plan of the OCAG for FY 2021-FY 2025 has been formulated by Strategy, Performance Measurement and Reporting (SPMR) Team, Bangladesh.

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