

Country Paper by the SAI Pakistan on

“The importance of enhancing the quality of SAI Reports, and their impact on Parliament with reference to ensuring accountability and transparency” by the SAI Pakistan

Abstract

In Parliamentary Democracies the broad scheme of financial management and control is generally spelt out in the respective Constitution and Acts of Parliament. The nature of public financial management requires full public accountability which can be guaranteed only through an independent and external audit. Hence a strong demand for good public sector external auditing is necessary for the supreme audit institution to have any impact.

In Pakistan the Supreme Audit Institution (SAI) is known as the Office of the Auditor General of Pakistan. The SAI is required to audit the accounts and report back to the legislature through the Public Accounts Committee (PAC) of the Parliament. This committee examines the SAI Report and makes recommendations to the legislature for the future.

To address the shortcomings of the financial reporting system and to enhance the quality of the audit output ,the SAI Pakistan has taken many initiatives in the recent past. Primary measures in this regard include the following:

- Project to improve financial reporting and auditing
- Financial Audit Manual and guidelines
- Quality Management Framework
- Code of ethics

The measures to improve the quality of audit taken by the SAI Pakistan have created a significant impact on the parliamentary oversight of the government departments. The impact of the improved auditing practices has been witnessed both in the monetary terms, as well as in the improvement of systems.

The SAI Pakistan is putting in all out efforts to generate quality audit reports in order to play its vital role in Public Financial Management. Yet to create its rightful impact, more needs to be done. This includes immediate consolidation of improvements that have been put in place and constant and stable liaison with the Parliament.