



Citizen Participatory Audit Directives



**Office of the Auditor General
Anamnagar, Kathmandu, Nepal
2023**

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Foreword

It is my immense pleasure to release the Citizen Participatory Audit Directives of the Office of the Auditor General of Nepal. This directives will be applicable in undertaking respective financial, compliance, performance audits of the entities as per the Audit Act, 2075.

This directives provides a clear picture of methods and approaches to audit that the audit staff is required to comply with in imparting their duties. It has been built around the prevailing Audit Act, Nepal Government Auditing Standards (NGASs), and office policies that require conducting a high-quality audit. Since NGASs are based on INTOSAI framework for Professional Pronouncement (IFPP), this directives seeks to incorporate the Nepal audit practices at par with the international best practices.

This directives provides guidance and direction in all phases of the audit from pre-panning to follow-up including introduction of CPA, authorizing environment, existing institutional arrangements, organizational restructuring and re-tooling, empanelment of CSOs, CPA audit cycle, essential steps, reporting, quality control and quality assurance process, follow-up audit, logistics, financial and technical support, limitations with necessary annexures which encourages professional judgment where it requires. The directives does not override the legal requirements and conditions of NGASs. Likely, it shall not limit the professionalism of the officials entrusted with the responsibility of conducting audits.

Our knowledge, skill, and experience with auditing practices continue to evolve, and so will this directives. This directives is expected to be updated for the continuous improvement of audit practices to meet legal provisions, audit standards, and practices to address emerging risks.

My special thanks to all staffs who prepared the directives and provided their valuable feedback and comments to make this directives implementable which, I do hope, will be of use to conduct audits efficiently and effectively.

May 15, 2023

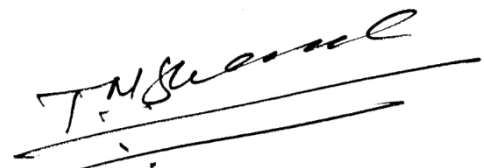

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Section 1: Introduction to the Citizen

Participatory Audit

The role of the Supreme Audit Institutions (SAIs) has been recognized the world over in ensuring public accountability, transparency and good governance while discharging their constitutional and statutory mandate of conducting independent and objective audits. The engagement of the Civil Society Organizations (CSOs) in the audit activities of the Supreme Audit Institutions (SAIs) has been evolved as an innovative approach/an audit tool/a strategic mutually beneficial win-win partnership of conducting performance audit of suitable subject matter that impacts the lives of the citizens. The objective of Citizen Participatory Audit (CPA) is to add value, enhance the audit output, outreach and outcome. Only distinction of CPA with other PAs is engaging CSO representatives in the OAGN's audit team to conduct audit of suitable subject matter which impacts citizens of Nepal. Therefore, CPAs shall be conducted in accordance with the performance audit guidelines. Hence the CPA guidelines shall be used in conjunction with the Performance Audit Guidelines.

Note:

- 1. In case in future, OAGN decides to extend the scope of CPA to other types of audit viz. CA and FA, for Quality Control (QC) and Quality Assurance (QA), the corresponding PA, CA, FA guidelines/manuals must be used in conjunction with CPA guidelines.*
- 2. While involving CSO representatives in the CPA process and cycle, there can be specific aspects of QA and QC which are distinct from PA, CA, FA guidelines/manuals which are covered in these guidelines in Section 10.*

The Office of the Auditor General of Nepal (OAGN) has been innovating its audit strategy, methodology and techniques by following the best practices from the International Supreme Audit Institutions (INTOSAI). The World Bank has been supporting OAGN in augmenting citizens' participation in the audit process since 2011.

OAGN's significant initiatives for adopting and integrating Citizens Participatory Audit (CPA) in its audit since May 2013 till date are summarized at **Annexure 1**. The CPA Guidelines provide the framework of engaging Civil Society Organizations (CSOs) for conducting CPAs by OAGN.

Section 2: Definition, principles, purpose, scope and benefits of CPA

2.1. Definition of CPA

The Citizen Participatory Audit (CPA) is an innovative audit methodology, approach and technique to undertake performance audits by OAGN, the Supreme Audit Institution (SAI) of Nepal, in pursuant to its constitutional and legal mandate to audit suitable public entities/programs/projects/activities with the participation of eligible Civil Society Organizations (CSOs) as members of its audit team. CPA is not a joint audit with CSOs, nor is it a parallel audit undertaken by CSOs and the OAGN, but CPA can be considered as a distinct type of audit mechanism for undertaking performance audits by co-opting CSO representatives to join as members of OAGN's audit team to do performance audits. CPA can be viewed as a strategic partnership of OAGN and CSOs by sharing audit objectives, audit plans to conduct formal performance audits as per the OAGN's approved annual audit plan. CPA enables OAGN's performance audit more open, inclusive and responsive to inputs from citizens, who are beneficiaries of many government programs. As an audit tool, CPA can also be used in disaster related audits, environmental audits and other performance audits where CSOs will be able to add valuable contribution to enhance OAGN's audit work and audit outcome.

In future, OAGN may decide engagement of CSO representatives for conducting certain subject matters of CA and FA as well, where OAGN decides that there will be substantial value addition from CSOs. OAGN auditors know the applicable, acts, rules, procedures and systems of government audit, but CSOs who will be engaged in audit must be adequately trained in the relevant audit domains and applicable regulations so that they can effectively function under the guidance of OAGN audit team. For example, subject matters pertaining to sustainable development goals (SDGs) or disaster management such as COVID pandemic or earthquake, OAGN may decide to take up FA, or CA in future by co-opting CSO representatives in its audit team. In such cases, CSO representatives must be trained properly in the audit discipline to enable them to check and verify the field level implementation with reference to relevant regulations.

CPA is based on the people's primordial right to have a clean government by enforcing accountability and transparency of the public entities in prudent utilization of public resources. A vigilant and involved citizenry will help promoting good governance. Inducting CSO representatives in the audit team as members for conducting CPA enables to make the government more effective, transparent, responsive and accountable.

CPA is used so far by OAGN as an audit mechanism for conducting certain performance audits, to assess whether the Value for Money (VfM) is derived from the social sector schemes and programs of the Government, by engaging CSOs working in the relevant field. CSOs working in the relevant sectors are familiar and competent to add value to CPAs by collecting and analyzing information, reporting, and in advocacy for better implementation of audit recommendations. The engagement of CSOs helps in building more trust and confidence among the citizens about OAGN's audit activities and make CPA a more valuable, reliable, credible and effective audit tool.

2.2. Principles of CPA

Principles of CPA is based on the principles of openness, complementarity in functions, shared goals, common agenda and objectives of CSOs and OAGN in ensuring social accountability by effective public oversight of government entities, programs, projects and activities. CPA is a constructive, focused, strategic partnership of OAGN with the Civil Society Organizations. CPA will add valuable inputs as audit evidence to OAGN's audit as citizens are beneficiaries of many of the government programs. Citizens involvement

helps in enforcement of the rule of law, economic, efficient, effective, ethical and equitable and sustainable use of public resources, service delivery and governance. The basic principles on which the CPA should be conducted are as under:

- ▶ Safeguarding the independence of OAGN
- ▶ Carrying out audits to ensure that governments are accountable over use of public resources & communicating their findings & recommendation for corrective action
- ▶ Responsiveness to changing Environment & emerging risk
- ▶ Effective communication
- ▶ Ensuring appropriate transparency, accountability & good governance
- ▶ Complying with OAGN Code of Ethics
- ▶ Striving for service excellence & quality

2.3. Purpose of CPA

The purpose of CPA is for enforcing social accountability through effective public oversight. CSOs can provide information, data and well-supported audit evidence about the quality of services provided by state agencies; because many CSOs, while working in their respective fields/sectors happen to know the level of provision of services to the users/beneficiaries and monitor the program implementation. Basically, the purpose is again value for money or development results including effectiveness.

CSO are familiar with field problems, local conditions, public authorities responsible for program and project execution, possible misuse of resources and the concerns of the targeted beneficiaries. CPA complements and supplements OAGN's objective to promote greater transparency, accountability, enforcement of rule of law and prudential management of public resources.

The purpose of CPA includes:

- ▶ To determine the efficiency, economy, and effectiveness of the CPA topic/matter/entity/ project selected.
- ▶ To involving CSO representatives in the audit process and the annual audit plan of OAGN which includes CPAs and their audit plans.
- ▶ To identify areas/topics of CPA and decide the subject matter.
- ▶ To support OAGN's audit process, activities and participate in the CPA audit cycle. CSOs are familiar in using appropriate social accountability/audit tools for further strengthening the audit process.
- ▶ To facilitate in audit advocacy by helping in dissemination of OAGN's audit reports once OAGN has submitted the reports to the parliament for dissemination at the national and local levels. Involvement of CSOs in CPA makes people aware of OAGN audit and the anomalies/deficiencies in the utilization of public resources/funds and expenditures on programs and projects from federal to local levels.
- ▶ To assist OAGN making public entities complying with applicable regulations by providing feedback to the parliamentary committees and make aware the citizens on public accountability issues. CSOs involvement in CPA will build pressure for better compliance and implementation of audit recommendations/pending audit observations/audit paras pointed out in the OAGN's audit reports. It ensues improvements in project outcome, governance and service delivery.
- ▶ To assist OAGN as required in compliance with applicable regulation with initiatives to overcome arrears in audit paras, bridging public audit gaps and focusing on citizen's demands.
- ▶ To help OAGN in promoting enhanced public accountability, transparency, oversight and enforcing financial discipline by applying social accountability tools in audit processes.

- ▶ By participating in CPAs, CSOs can partner constructively with OAGN to help enhancing transparency, accountability, financial discipline, public oversight, governance and service delivery in government programs/schemes/activities.

2.4. Scope of CPA

The scope of participatory audit includes additional inputs for suggestion for audit topics selection, collection and analysis for information for audit planning, strengthening audit evidence gathering by participation by applying suitable social accountability tools such as focus group discussion, interview, field observation in audit execution, help in OAGN's team in audit findings and reporting to the extent needed and follow up audit once OAGN has submitted its audit reports and the reports are available in the public domain for advocacy and dissemination to the public.

2.5. Benefits of CPA

CSOs can be engaged in the entire audit process from the selection of topics for audit through entire audit cycle viz. audit planning, execution, audit documentation, evidence gathering, audit reporting, follow up.

The benefits of CPA include the following:

- ▶ CSOs working in the area have the relevant field expertise. They are familiar with practical problems and concerns of the people.
- ▶ CSOs will add field knowledge in the OAGN's audit process. They can assist OAGN's audit team by giving evidence/project related information for holding the local government authorities/service providers accountable for their decisions and actions.
- ▶ CSOs will use social accountability tools such as community score card, public hearing, interviews, and people's survey to cross verify and gather audit evidence. They know local conditions, market prices of materials used in projects, responsible government authorities implementing programmes and can add additional insights on implementation of programmes.
- ▶ CSOs expertise adds value to OAGN's audit process on program implementation deficiencies, root causes for deficit governance and possible measures that can be taken for improvement.
- ▶ CSOs can supplement OAGN in audit of social sector schemes. CSOs can help OAGN audit team in budget and expenditure tracking and find out feedback from the beneficiaries which will help in evaluation of programme outcome by comparing with what was planned and what was realized.
- ▶ Association with OAGN will enable CSOs to access authenticated information, applicable policy and regulations and enable them to use right to information law effectively for gathering evidence on government schemes with reference to budget outlay, time schedule, milestones, targets, planned targets and project outcome.
- ▶ CSOs participation in CPA helps in awareness building and dissemination of audit reports, audit findings and audit recommendations. CSOs can help in making people aware of misuse of resources, misappropriations, corruption and thereby strengthen oversight functions.
- ▶ CSOs involvement in CPA can build pressure groups in the parliament and outside for making the authorities taking expeditious action on audit follow up.
- ▶ CSOs can provide feedback to the parliamentary committees on issues of implementation of programs and exert pressure for taking prompt corrective and preventive action.
- ▶ CSOs help in dissemination of audit reports, audit findings and recommendations and help in greater transparency and accountability in decision making, prompt action and utilization of public resources.

- ▶ Citizen engagement broadens public dialogue and facilitate to include the citizen perspectives to strengthen OAGN's audits. Local communities can help in fighting against corruption and misuse of public resources.

Value Addition by CSO's engagement

CSOs engagement can help in OAGN's annual audit planning as follows:

- ▶ To include societal concerns on government programs/activities and high-risk areas;
- ▶ To innovate and improve the annual planning and conducting of actual audit work;
- ▶ To obtain additional information from citizens regarding alleged mismanagement/fraud, misuse of resources and to enable engagement of CSOs in the audit process;
- ▶ Help in conducting annual audit planning with involvement of CSOs.

Section 3: Authorizing environment

3.1. Constitution of Nepal and OAGN mandate

OAGN has a constitutional and statutory mandate to audit the accounts of all Federal and State Government Offices including the Office of the President, Office of the Vice- President, Supreme Court, Federal Parliament, State Assembly, State Government, Local level, Constitutional Bodies and Offices thereof, Courts, Office of the Attorney General, Nepal Army, Nepal Police and Armed Police Force, in accordance with law applying the concepts of regularity, economy, efficiency, effectiveness and propriety. It audits the wholly owned corporate bodies and is also consulted while carrying out the audit of a corporate body of which the Government of Nepal or State Government owns more than fifty percent of the shares or assets.

The Constitution of Nepal, 2015 and the Audit Act, 2018 mandate the Office of the Auditor General of Nepal (OAGN) to conduct regularity, economy, efficiency, effectiveness and propriety audits of all government offices and branches at all levels. The Audit Act was amended in 2016 to include Citizen Participatory Audit. Audit Act 2018 provide OAGN to undertake different audits including CPA. The annual report of Auditor General submitted to the President of Nepal includes Citizen Participatory Audit reports also to be tabled in the parliament.

Article 51(b)(4) of the Constitution of Nepal states “to guarantee good governance by ensuring the equal and easy access of the people to the services and facilities delivered by the State, while making public administration fair, competent, impartial, transparent, free from corruption, accountable and participatory...”

OAGN has been putting continuous efforts to innovate its audit approach, process and methodology by adopting the best practices from International Supreme Audit Institutions (INTOSAI). Engaging CSOs for Citizen Participation Audits (CPAs) in selected Performance Audits is one of them. Involvement of CSOs facilitates transparency, accountability, service delivery, good governance and welfare of the people of Nepal.

3.2. International framework

As per the INTOSAI core principle INTOSAI-P-12- “The Value and Benefits of Supreme Audit Institutions – making a difference to the lives of citizens” issued by IFPP of International Organization of Supreme Audit Institutions (INTOSAI), one of the **fundamental expectations** of SAIs is able to make a difference to the lives of citizens. CPA is one of the strategies to achieve this by engaging with stakeholders including citizens for strengthening the accountability, transparency and integrity of government and public sector entities, demonstrating ongoing relevance to citizens, parliament and other stakeholders and being a model organization through leading by example.

The extent to which a Supreme Audit Institution (SAI) is able to make a difference to the lives of citizens depends on the SAI¹:

A. Strengthening the accountability, transparency and integrity of government and public sector entities

¹ Source: <https://www.issai.org/pronouncements/INTOSAI-P-12-the-value-and-benefits-of-supreme-audit-institutions-making-a-difference-to-the-lives-of-citizens/>

- ▶ **Principle 1:** Safeguarding the independence of SAIs
- ▶ **Principle 2:** Carrying out audits to ensure that government and public sector entities are held accountable for their stewardship over, and use of, public resources
- ▶ **Principle 3:** Enabling those charged with public sector governance to discharge their responsibilities in responding to audit findings and recommendations and taking appropriate corrective action
- ▶ **Principle 4:** Reporting on audit results and thereby enabling the public to hold government and public sector entities accountable

B. Demonstrating ongoing relevance to citizens, Parliament and other stakeholders

- ▶ **Principle 5:** Being responsive to changing environments and emerging risks
- ▶ **Principle 6:** Communicating effectively with stakeholders
- ▶ **Principle 7:** Being a credible source of independent and objective insight and guidance to support beneficial change in the public sector

C. Being a model organization through leading by example

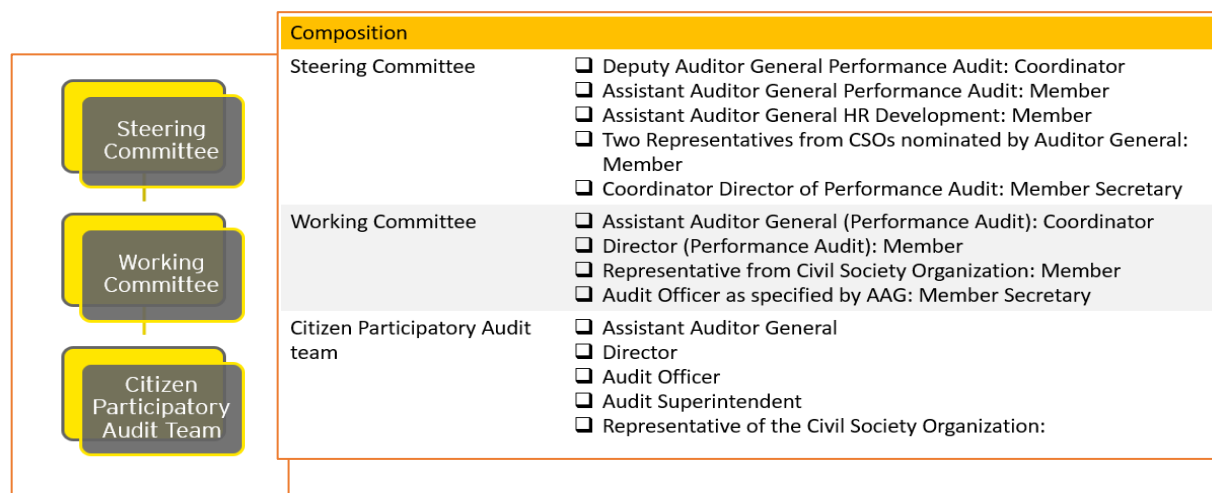
- ▶ **Principle 8:** Ensuring appropriate transparency and accountability of SAIs
- ▶ **Principle 9:** Ensuring good governance of SAIs
- ▶ **Principle 10:** Complying with the SAI's Code of Ethics
- ▶ **Principle 11:** Striving for service excellence and quality
- ▶ **Principle 12:** Capacity building through promoting learning and knowledge sharing

Section 4: Existing institutional arrangements for CPA

The Performance Audit Department is responsible for implementation of CPAs. The existing institutional arrangements for implementation of CPAs include 2 committees; one, Steering Committee, second, Working Committee; and Participatory Audit Team.

The members of these Committees and CPA team are constituted as given in the table below:

Figure 1: Constitution of the Steering Committee, Working Committee and CPA team



Roles and responsibilities of Steering Committee, Working Committee and CPA Team

- ▶ A Steering Committee and a Working Committee oversee the entire process of CPA and engagement of CSOs. The Committees may include CSO experts subject to approval of OAGN.
- ▶ The apex committee – Steering Committee functions under the Department responsible for “PA” chaired by Deputy Auditor General. DAG oversees, supervises, monitors, guides, advises and directs the entire CPAs process under the over-all guidance of Auditor General and reports to AG.
- ▶ Working Committee shall execute the participatory audit operation.
- ▶ Separate Participatory Audit Teams are constituted for each CPA with CSO representatives with management, coordination, quality control and supervision responsibility entrusted with Assistant Auditor General of Performance Audit Directorate General. To execute CPA of each topics selected, Participatory Audit Teams constituted for the purpose will be responsible for execution of the respective CPA topics.

Roles and responsibilities of various Steering Committee, Working Committee and Citizen Participatory Audit Team are presented in the table 2 below:

S/N	Group	Roles and responsibilities
1.	Steering Committee	<ul style="list-style-type: none"> ▶ Recommend the topics for participatory audit to Auditor General for approval ▶ Recommend the plan and schedule of participatory audit to Auditor General for approval ▶ Recommend the selection of CSOs based on the evaluation criteria to the AG for approval ▶ Provide adequate budgetary and financial resources for conducting CPAs and decide on budget, financial, resources and related issues ▶ Suggest ways for improvement in the participatory audit by monitoring and evaluation ▶ Other roles and responsibilities as specified by Auditor General.
2.	Working Committee	<ul style="list-style-type: none"> ▶ Invitation of letter of intent from CSOs on selected topics ▶ Oversee the registration process and evaluation of Letters of Intent and submit to the Steering Committee ▶ Signing agreement with CSOs and submit to the Steering Committee for selection and approval of AG ▶ Approval of Audit Plan ▶ Monitoring of Code of Conduct ▶ Coordination with the selected CSOs ▶ Recommend the resolution of disputes to the Steering Committee if any dispute arises during execution of agreement
3.	Citizen Participatory Audit Team	<ul style="list-style-type: none"> ▶ Assistant Auditor General: Management, coordination, quality control and supervision responsibility will remain with the Assistant Auditor General of Performance Audit Directorate General. ▶ Director: The audit team for selected CPAs will be headed and coordinated by the Director of the performance audit. ▶ Audit Officer: Audit Officer will be the team leader for the CPA. Collection and analysis of information as per the approved plan and drafting of audit reports are the responsibility of the Audit officer by coordination with the team members including CSO representatives in the team. ▶ Audit Superintendent: Responsible for audit file management, arrangement of required documents and safe custody of audit files. ▶ Representative of the CSOs: Representatives of CSOs specified by the selected CSO for CPA subject matter through signing of memorandum of understanding shall be the member of the audit team. She/he will perform in the audit team under the supervision of Audit director to collect information, field observation and discussion and other audit related activities as specified in the audit plan of selected CPA subject matter. ▶ Each CPA team shall be responsible to conduct CPA on the selected subject matter. CPA team shall be constituted with clearly defined roles and responsibilities among its members while preparing the audit plan.

S/N	Group	Roles and responsibilities
		<ul style="list-style-type: none"> ▶ Each CPA audit team shall execute a statement relating to non-conflict of interest for the selected subject matter allocated to the team

4.1 Working procedure of Steering Committee

- ▶ The meetings of the Steering Committee will be called by the Coordinator.
- ▶ The Steering Committee prepares the norms and standard to mobilize the CSOs.
- ▶ As per the practice, the time span from one meeting to another should not be more than three months.
 - ▶ The Steering Committee recommends the topics for CPA to Auditor General. Before deciding the topics for CPAs and submitting to AG, the Steering Committee also gets inputs/views from the CSOs who are associated with the subject matter selected. Budget and financial resources must be available at the Local Government. The national level CSO Representatives in the Steering Committee shall coordinate and get consent from the CSOs working at the District level.
 - ▶ In order to perform that task, DAG who chairs the committee chairs the meeting of the Steering Committee to identify the subjects matter for CPAs. The committee brainstorms based on the inputs received from various sources including OAGN's offices, internal, external stakeholders and professional bodies, CSOs, NGOs working in the field etc.
 - ▶ Adequate resources based on a realistic assessment must be allocated to incentivize and motivate CSOs. A separate budget for funding the CPA activities must be ensured to meet the expenditure relating to CPA including advertisement, registration and empanelment process, communication, creation of promotion material, organizing trainings/workshops, preparation/printing of appropriate capacity building modules, certification, incentivizing and reimbursing the cost of citizen auditors in CPA, etc.
- ▶ OAGN's stakeholder engagement strategy for 2019-23 requires taking inputs and feedback from executives and staff and selected external stakeholders. OAGN prepares its strategic plan for five years, operation plan for 2 to 3 years and Annual audit plans compliant with the needs of the stakeholder engagement strategy. The Steering Committee lists out the topics for CPAs with its recommendations and submits to Auditor General. List of all topics considered with risk matrix is also included in the note while submitting recommendations to Auditor General for inclusion of the selected CPA topics in the OAGN's Annual Audit Plan.
- ▶ Steering Committee decides CSOs in different CPAs based on the recommendations of Working Committee along with registration, evaluation of letter of intent and documents submitted by them.
- ▶ The Steering Committee reviews and monitors the entire audit process once the topics are selected including preparation of audit plan, execution, issues encountered by the participatory audit team by calling monthly progress reports, calling for meetings of the working committee and the participatory audit teams.
- ▶ The Steering Committee monitors and reviews the effectiveness of the training programmes based on the inputs and feedback received from CSOs and ensures that the training programmes are catering to the specific requirements of the respective CPAs.
- ▶ The Steering Committee also calls for special meetings if there are any serious issues faced by any teams in field audits referred to it by the working committee and provides needed direction and guidance to the participatory audit teams for resolving the issues and improving the participatory audit. It also monitors and evaluates the significant audit issues and suggests measures for better outcome.

It regularly ascertains progress of various audit activities through monthly reports from Working Committee, monitors, reviews and provides timely guidance to the teams by calling for special meetings of the Working Committee and CPA teams.

4.2 Working procedure of Working Committee

As working committee ensures effective execution of CPAs, the following steps may be taken:

- ▶ CSOs, need to be informed about the CPA topics included in the annual audit plan. OAGN's website can share the information along with invitation to CSOs for online registration for participating in CPAs.
- ▶ By using the contact information, emails CSOs in the database can be contacted for online registration, submission of letters of intent, signaling of MoUs, declaration of not having conflict of interests, tax compliance form, Code of Ethics and compliance with confidentiality and other applicable regulatory requirements.
- ▶ For additional CSOs if needed working in different sectors in different districts, registration authorities in the districts can be contacted providing with eligibility conditions for participation in CPAs.
- ▶ All CSOs shall submit the letter of intent and all the required forms and information viz. name, date of registration and registration certificate, bio-data with qualification and experience of associated persons of the organization, tax clearance certificate. They must sign Code of Ethics and Memorandum of Understanding between OAGN and CSOs, Declaration of not having Conflict of Interest and compliance the secrecy, confidentiality and other applicable regulatory requirements.
- ▶ All eligible CSOs can be ranked based on predetermined transparent criteria which can be shared on OAGN's website. Criteria for selection of CSOs must be available on OAGN's website.
- ▶ The selection process shall be monitored and evaluated by Working Committee and submit the list of CSOs identified for CPAs with their ranking to be submitted to Steering Committee and AG for approval.
- ▶ Once the selection of subject matter is approved by AG, the CPA subject matter shall be included in the annual audit plan.
- ▶ Eligible CSOs working in the respective sectors operating in the districts where CPAs are to be conducted shall be considered for selection.
- ▶ There should be one or two or CSO representatives per district based on the nature, volume and specific responsibility of CSO representatives in the audit team in audit cycle.
- ▶ Selected CSO representatives will be imparted the requisite training. Based on the feedback, the topics for the training and methodology, technique and way of imparting shall be modified with hands on training, case studies and practical examples.
- ▶ CSO representatives selected for the particular CPAs shall then join OAGN's CPA audit team and participate in the preparation of audit plan and audit program. Working Committee will examine the audit plans submitted by CPA teams and approve them with necessary modifications.
- ▶ Working committee will monitor the progress of the entire activity of CPA cycle from audit planning, execution, documentation, quality review and quality assurance and reporting.
- ▶ Working Committee will deliberate on problems if encountered by CPA teams and suggest solutions to the Steering Committee with recommendations for effective execution of CPAs.

4.3 Grievance management mechanism

Grievance management mechanism shall be enabled by OAGN's website using mobile applications. CSOs can access the public domain of the website and upload their inputs in texts, photos, audios, videos by using mobile Apps. CSO must be encouraged to express their concerns, perspectives, knowledge about misappropriation of funds, fraud, any governance deficit and such inputs. by using social media, electronic, print media and mobile phones and Apps.

OAGN website can also facilitate whistleblowing activities by ensuring confidentiality and safeguarding the identity of the whistleblower as required under the laws. The stakeholders including CSOs, NGOs, and

citizens must be able to access OAGN's website and use them for grievance redressal. They should be able to find out the status of action taken on their complaints. The grievance redressal mechanism shall ensure redressal of grievances within a reasonable time frame. The status of examination/resolution of the problems as the case shall be accessible on OAGN's website.

The entire process can be monitored and reviewed by OAGN. OAGN website shall enable CSOs and citizens to share information/data/facts/documents/evidence/inputs in text, audio, video, mobile apps, social media, emails, photo, text, Excel and other digital formats.

4.4 OAGN's Stakeholder Strategy

OAGN has well laid down stakeholder strategy and communication strategy in Stakeholders Engagement Strategy 2019-23 to increase its audit impact to the people of Nepal.

OAGN's stakeholders include:

- ▶ The government of Nepal: Federal, Provincial and Local Level
- ▶ Parliamentarians
- ▶ Public Accounts Committee (PAC)
- ▶ Ministries, Departments and Agencies
- ▶ Ministry of Finance: Lead ministry for economic, revenue and expenditures
- ▶ Financial Comptroller General Office (FCGO)
- ▶ National Planning Commission
- ▶ Commission for the Investigation of Abuse of Authority (CIAA)
- ▶ National Vigilance Centre (NVC)
- ▶ Judiciary Civil servants
- ▶ Civil servants
- ▶ Chief Accounting Officers (Secretaries) of the Ministries
- ▶ Chief Accounting Officers and Chief Executive officers of State-Owned Enterprises (SOEs)
- ▶ Head of Finance in audited entities
- ▶ Civil society organizations
- ▶ Non-governmental organizations
- ▶ Institute of Chartered Accountants of Nepal (ICAN)
- ▶ Peer-Supreme Audit Institutions
- ▶ International bodies: ASOSAI, INTOSAI
- ▶ Academic institutions
- ▶ Development Partners

OAGN has the choice to engage with non-traditional actors/stakeholders such as professional associations, embassies institutions of Foreign Service, non-governmental organizations and civil - society organizations. The external noninstitutionalized stakeholders include:

- ▶ Media
- ▶ Freelancers
- ▶ Society
- ▶ Citizens

The stakeholder engagement strategy must be able to help OAGN to factor the inputs of the stakeholders in its audit process. It should help OAGN in risk assessment, compliance with the professional standards and adherence to Code of Ethics.

Annual multi-stakeholder audit planning meetings

This is a participatory mechanism for consultation of CSOs by OAGN by holding annual meetings to receive proposals on entities and programs to be audited for inclusion in the annual plan. This mechanism is an innovative way to incorporate citizen knowledge, responsiveness, and foster trust in the OAGN's audit. Incorporation of CSOs suggestions for potential audits can be consistent with OAGN's planning process.

Goals of the mechanism are:

1. Improve the annual planning of OAGN with public demand and technical knowledge and inputs from CSOs and experts.
2. Increase public awareness on the role of OAGN in public accountability.
3. To improve annual planning in specific areas of public interest
4. To improve the planning of actual audit work
5. To get feedback from specialized CSOs and experts during fieldwork and data collection
6. To disseminate the findings and recommendations of audit reports among a specialized public
7. To generate ownership of audit results by beneficiary CSOs that likely will monitor and demand for compliance of recommendations
8. Raise awareness and interest about the audit reports and audit findings, and
9. generate public pressure for compliance with audit recommendations.
10. Nature and scope of audit and how CSO can be involved. Interested CSOs having
11. necessary skills, knowledge and experience can be engaged.

4.5 Harmonious work environment

To make CPA more result oriented and value driven, OAGN and CSOs are required to team up and work together with uniform objectives, shared agenda and audit plan with defined and allocated duties and responsibilities for members of the team. CPA team members must coordinate, cooperate and understand the shared common objectives and work as a cohesive team. Team members must help each other and resolve problems during audit activities being encountered. OAGN auditors and CSO representatives in the CPA team must appreciate the complementarity in functions and mutual benefits in CPA as well as using social accountability/audit tools in OAGN's audit methodology.

A harmonious productive work environment and culture shall be ensured for effective communication, cooperation and coordination among the team members of CPA. Each member of the team must understand the purpose, objectives, scope, roles and responsibilities assigned and work towards achieving the envisaged audit outcome. Organizational arrangements, logistic and technical support and facilities must be ensured. Members should have problem resolution attitude. Functional autonomy must be provided for better working relationship for CSO representatives with OAGN's team. CSO representatives must be motivated and trained to participate effectively and contribute in the CPA team in the audit cycle till the follow up, dissemination of audit reports and advocacy. When CSOs representatives in CPA team should be given needed advice, technical support, encouragement and appreciation from the OAGN team members so that they come forward more openly with suggestions and seek advice. The CPA team must be able to feel quite at home to contribute independently and collectively in the audit process and decision-making.

4.6 OAGN's website

Continuous ongoing year-round access to OAGN website, use of mobile apps to share information and know the status of complaints will enable effective two-way interaction. OAGN's website will then receive complaints, citizens' concerns, perspectives via different modes of communication such as social media, texts, audio, video, photos, through mobiles/Apps, phone calls, letters and whistle blowing.

OAGN's website will provide a platform to share CPA topics included in annual audit plan, policy, budget, planned objectives, expected results relating to various government entities, programs, policies, schemes, projects, activities that impact the citizens. CSOs will find OAGN's website highly informative and useful for their working in the relevant sectors. They will be able to know about audit reports, government activities. CSOs will be motivated to upload information to the website and use it for sharing information. CSOs will also come to know about capacity building workshops for CPAs so that they can apply for them. CSOs will be more interested to associate with OAGN's trainings and CPAs in their respective sectors.

Section 5: Organizational restructuring and re-tooling

5.1 Outsourcing some of the identified activities of CPA processes to a few CSOs

- ▶ A few, say two or three CSOs, well established, non-political and having excellent track record, expertise, knowledge, skills and competence shall be considered to help OAGN in some of the CPA audit process. The selected CSOs can work under the direct control and supervision of Working Committee and Steering Committee with defined terms and conditions and responsibilities assigned to them by OAGN.
- ▶ The functions which can be outsourced to these CSOs can be identified. Working Committee can effectively oversee and ensure that these CSOs perform the assigned tasks on behalf of OAGN as per the terms and conditions.
- ▶ These CSOs can contact other CSOs working in different districts in the relevant sectors having excellent credentials and interact with them for online registration, submission of the requisite forms, documents, etc.
- ▶ These CSOs work and report to the existing committees on the activities, roles and responsibilities assigned to them.

5.2 Expected impact of outsourcing

- ▶ This arrangement may facilitate better awareness of OAGN's audit activities, processes, procedures, audits, CPA topics, audit reports, findings and recommendations to more CSOs in Nepal and thereby encourage them to involve actively in trainings and CPAs. CSOs can be fully educated on the corporate social responsibilities and effectively participate in OAGN's audits to improve public oversight, accountability, transparency and better audit awareness, outputs, outcome and outreach.
- ▶ They will sign Code of Conduct, MoU and submit the requisite documents and comply with other applicable regulations and avoid any conflict of interests.
- ▶ The CSOs engaged for this purpose can disseminate information to other CSOs working in the field in different sectors in different districts about OAGN's annual audit plan, CPA topics, training programs, audit activities and reports. Once CSOs know OAGN's audit activities, more CSOs will be volunteering to CPA teams.
- ▶ The CSOs engaged can help OAGN for organizing training programmes for CPA topics with the help of expert trainers. More CSOs will be registering online once they know the benefits, know more clearly how they are going to be involved and how they can effectively contribute in the OAGN's CPA process and activities.
- ▶ In order to have effective communication with CSOs and continuous engagement with communities, field visits are important. The field visits are required to elicit information from the CSOs working in the sector instead of undertaking a field visit when all data is collected. The grievance collection system will be more effective when CSOs find OAGN's website easy to upload the information from different modes of digital and other communication.
- ▶ CSO partners must be encouraged to visit more frequently OAGN's website for needed information as well as contributing in the form of additional inputs they know when they work in the respective sectors in the districts or localities.
- ▶ They will be more willing to disseminate audit reports, findings and recommendations to the citizens impacted by the government entity/program/project or activity. CSOs will be active in advocacy of OAGN's contribution and spreading the audit reports and findings to the intended users. Once CSOs know about OAGN activities updated on the website and easy to access and use, more CSOs will be

interested to join in regular capacity building workshops/trainings and CPAs. CSOs will come forward to help OAGN in enforcing greater public accountability, transparency and fiscal discipline. Timely dissemination and communication of the entire audit process, CPA topics, annual audit plan, audit reports, findings and recommendations will go a long way in achieving the objectives.

- ▶ To ensure effective communication to its various stakeholders from time to time, the strategy documents must be reviewed from time to time taking into account the dynamics of the internal and external environment in alignment with the desired outcome.
- ▶ CSOs will look at OAGN's website for needed information.
- ▶ Newspaper publications, interviews, sending letters to the editors on important audit related issues must be required. The frequency, content, format, methodology must be decided for better interaction.
- ▶ OAGN's expectations from CSOs must be known to CSOs while associating with CPA.
- ▶ Both the stakeholders' strategy and communication strategy must be planned and documented to achieve the envisaged outcome.
- ▶ CSOs will be encouraged year-round interaction with OAGN about government schemes, programs and projects. As CSOs work in the field they can access public domain of OAGN to get information relating to various schemes including budget, policy objectives, planned targets, beneficiaries identified, benefits, outputs, impacts and outcome expected etc. so that CSOs can be interested in the audit activity and contribute substantially in enhancing the audit outreach to the citizens.
- ▶ By involving CSOs in CPAs; OAGN can make general public and citizens aware increasingly of OAGN's audit findings and results. Building citizen literacy about the role of OAGN in public financial management, compliance of applicable regulations and helping legislative oversight of executive functioning are mutually beneficial engagement strategy for both OAGN and CSOs.
- ▶ The CSOs and OAGN partnership can enhance transparency and public accountability and public oversight of government program. CPAs enable OAGN to factor public concerns, needs, perspectives, and values in the audit process and selection of audit topics. Building continuous year- round two-way communication builds trust and confidence among the citizens about OAGN's audit activities.
- ▶ The mechanism must encourage citizens who want to participate by providing valuable inputs to audit themes, insights and perspectives on government programs and opportunities to participate in the OAGN's audit functioning to make substantial impact to the citizens' lives by participating in the audit process, findings and formulating recommendations and monitoring follow up. The ultimate decision rests with OAGN, but CPA as a mechanism provides a window to find out the citizens' views and concerns in the audit decision making process.
- ▶ Social accountability tools and techniques will be used in the OAGN audit process. Capacity building in social accountability tools will ensure CSOs to contribute better in CPAs. CSOs will be able to identify priorities to allocate scarce resources and create an atmosphere of trust, confidence, cooperation, understanding of problems and ownership of solutions.
- ▶ CPA will get more integrated within the OAGN's annual performance audit framework and annual audit plan.
- ▶ Activities under the Corporate Social Responsibilities will be increasingly disseminated to CSOs working in the respective fields and motivate them to participate more actively in CPAs of their relevant domain. CSOs will be fully aware of the details of the CPA subject matter, budget allocated, objectives, targets, milestones, beneficiaries, expenditure incurred on program/project/entity, expected outcome, etc.
- ▶ Awareness among CSOs of CPAs will be increased. The roles, functions and charter of responsibilities of CSO representatives, vis a vis OAGN audit team members will be clearly understood and appreciated and shall be included in the audit plan.
- ▶ Proper competency building workshops before CPA should be conducted as per the practical needs. Capacity building trainings will orient CSO representatives to participate in CPA effectively with do's and don'ts, shared goals and agenda and technical and professional skills in auditing. CSOs will be

able to meet the challenges in the field if there is any resistance from the local bodies' elected representatives/authorities in providing information/documents to CSOs.

- ▶ Effective communication with OAGN and CSO partners will be established for increased audit outcome. The capacity building training programs must be structured based on the field requirements with practical examples/case studies and hands-on training in social accountability/social audit tools and techniques. Essential aspects of CPA, OAGN's mandate, audit methodology and techniques, and how to use the social accountability tools and the Right to Information Act for gathering audit evidence shall be imparted to CSO representatives in the capacity building workshops.
- ▶ CSOs will be more inspired, motivated and encouraged to register their complaints on OAGN's website, when they know from their fellow CSO members the benefits by calling on phone, using social media platforms, mobile applications, audio, video, texting, photos, e-mailing, writing letters.
- ▶ If CSOs resort to anonymous complaints, CSOs must be told that such complaints must contain verifiable facts.
- ▶ If they resort to whistleblowing, they must be told that the confidentiality shall be maintained. The identity of the complainant will be protected.
- ▶ The procedures for registering complaints will be known to CSOs. They will be informed how to register complaints with supporting documentation. CSOs will be more encouraged to inform about possible fraud, waste and mismanagement, misappropriation, suspected misuse of authority, powers, and public resources, irregularities of public agencies/government programs.
- ▶ Citizens' inputs will be likely to become regular feature when there is two-way interaction is made possible by using two or three CSOs to bridge the gap on behalf of OAGN.
- ▶ CPA topics will be audited with prior data, information, inputs identifying probable risks and potential corruption. CSOs will know the action taken on their complainants to get motivated to provide additional information for conducting CPA. CSOs will become more proactive members to support OAGN in CPAs and involving in monitoring the auditee's compliance with audit recommendations after the issue of the audit report.

Need to strengthen the existing organization structure:

OAGN is required to assess the additional man hours/human resources required for undertaking the additional functions to be performed by PA Directorate to mainstream CPAs in the entire audit process. In order to maintain OAGN website as a robust round the clock interactive digital platform encouraging and enabling year-round multi-stakeholder interaction beginning from inputs/registering complaints from CSOs and other stakeholders on the OAGN website, CSOs registration, data creation/updating, monitoring, complaints disposals, selection of CPA subject matter, selection of suitable CSOs for CPAs, capacity building, overseeing audit planning and audit design, execution, reporting, follow up, advocacy, documentation, Quality Review and Quality Assurance process, there should be adequate manpower at the PA Directorate. The existing organizational strength must be revamped accordingly to discharge the additional responsibilities to integrate CPAs in OAGN's audit process.

Adequate manpower should be put in the PA Directorate to perform these roles and responsibilities and oversee the CPA related activities. Restructuring of existing institutional arrangements becomes essential.

Section 6: Empanelment of CSOs for CPA

- ▶ In order to empanel CSOs for CPA, OAGN must empanel adequate number of CSOs for selection of suitable CSOs for conducting audit with OAGN audit team in the selected topics of CPA.
- ▶ Number of CSOs to be selected for a topic is dependent on the geographical coverage of topic defined in the scope, how many districts are to be included in different CPA topics and what is the volume of work to be done by CSO representatives based on the nature and complexity of the topic. It is an activity to be done during the audit planning based on work assessment on each of the CPA subject matter and contribution expected from CSOs and required manhours and CSO representatives. During audit planning for each CPA subject matter, requirement of CSOs representatives must be evaluated based on previous audit experience, ground realities, practical aspects and professional judgement.
- ▶ How many CSO representatives are required per topic per district and how many days in different audit process and audit cycle can be assessed based on professional expertise of OAGN.
- ▶ Adequacy of CSO partners and CSO representatives can be determined based on the specific CPA topic, its geographical coverage decided in the scope of CPA plan and specific number of CSO representatives required in each district based on the capacity of CSOs and the possibility of value addition to the audit theme by CSOs in different CPAs.
- ▶ How many CSOs representatives may be required to conduct a specific CPA with the OAGN's team can be estimated in the audit planning phase. If one CSO representative is adequate to assist OAGN team per district, based on the number of districts to be covered in the specific CPA, CSO representatives can be included in that particular CPA topic. Total number of CSO representatives will be sum total of all CPA topics to be conducted in a year with the geographical coverage with number of districts and per district representatives estimated during the audit plan stage.
For example, If 3 CPA topics are to be done in a year as per the Annual Audit Plan of a year, and total districts to be covered are 5 and per district 2 CSO representatives are needed, then CSO representatives need to be $3 \times 5 \times 2 = 30$.

The present CSOs database has the following limitations:

- ▶ The present database consists of 135 CSOs with essential details like names of CSOs, registration number, year of registration, registered address, working sectors, number of associated members of CSOs, name of contact person, designation, Telephone/mobile number of contact person, email Id, office location (District), province, if involved in OAGN earlier in conducting CPA has been compiled and documented.
- ▶ Of the 135 CSOs in the present database of CSOs, most of the CSOs are working only in one of the provinces, while some of the CSOs have presence in multiple Provinces of Nepal. Many of the CSO are working in different sectors.
- ▶ OAGN may require database of CSOs working in different sectors having presence in all 77 districts in 7 provinces of Nepal to conduct CPAs with partnership with CSO representatives in every district. For that more CSOs working in all districts and in key sectors are to be contacted and encouraged to participate in participatory audits.
- ▶ Currently the working Sectors of 135 CSOs include one or more mentioned below:

- Health services
- Community and rural development
- Educational development
- Moral development
- Youth services
- Child welfare
- Women services
- Handicapped and disable services
- AIDS and abuse control
- Environmental protection
- Human rights
- Agriculture
- Irrigation
- Water
- Sanitation
- Infrastructure
- Gender mainstreaming
- Others

- ▶ For further addition of CSOs', CSOs with more geographical coverage working in other key sectors can be identified and added to the list as and when the need arises.
- ▶ As way forward, an online form for CSO data collection shall be developed and hosted on OAGN's website. The existing data of 135 CSOs will be migrated to the online database. Additionally, interested CSOs, in future, can fill their information and get themselves registered in the CSO database. OAGN may use this database for identification and selection of CSOs for conducting CPA audits in Nepal.

The total number of NGOs currently operating in Nepal is not known. A 2002 evaluation report estimated that 30,000 NGOs were registered under various acts, including more than 13,000 registered through the SWC. The total number of NGOs, registered and unregistered, is estimated at 60,000 out of which 2,200 local NGOs are members of the NGO Federation of Nepal (NFN). Domestic NGOs are of 3 groups: national NGOs; district- and village-based NGOs; and local self-help groups/CBOs.

The Societies Registration Act (SRA), 1977 defines a CSO or an NGO as an institution with the following characteristics²: a legal established entity;

- ▶ organized sector;
- ▶ corporate in structure;
- ▶ nonprofit in nature;
- ▶ social-service oriented;
- ▶ voluntary based;
- ▶ autonomous and independent;
- ▶ democratic structure (with open embership); and
- ▶ community-based organization (CBO).

Generally, CSOs/NGOs are engaged in poverty reduction, agriculture, irrigation, water, sanitation, population and family planning, heritage preservation, protection, and promotion, gender mainstreaming, human rights, peace initiatives, conflict management, and infrastructure and development. The major objectives of CSOs/NGOs in Nepal are social reform and citizens' awareness building.

This database maintained by Social Welfare Council (SWC) is updated by the government authorities in each district who registers them. This database is the most authentic, reliable, sector wise work-related database of CSOs/INGOs complying with all the applicable government regulations like tax payment, etc. OAGN can write to the district authorities to send a panel of CSOs needed for conducting audit of a particular CPA topic in a district based on the track record, expertise, skills, experience etc. OAGN's database of CSO partners can be updated every year by addition and deletion based on the performance and status of CSOs involved in CPAs and capacity building. Creation, retrieval, review, adding, deleting,

² (<https://www.adb.org/sites/default/files/publication/28970/csb-nep.pdf>)

inventory/storage and black listing, etc. can be easily done in specific platform where such data is maintained. The database can be updated on OAGN's website as well.

The steps involved in maintenance of database are as follows:

1. There will be an online form for registration
2. Interested CSOs can fill that form (data fields are covered in CSO database report)
3. OAGN shall use that database, for selection and empanelment of CSOs for CPA

Registration and updating can be done in every year based on eligibility conditions and applications received from CSOs subject to circumstances or conditions or criteria barring them to participate such as not paying the taxes, not having good track record, not having good skills or not signing the code of conduct or not following the OAGN's guidelines on CPA regarding confidentiality, etc.

Sufficient number of suitable CSOs must be available in OAGN database. CSO representatives included in CPA must be trained and engaged in CPAs. The following steps shall ensure creation of a viable database of CSOs who can be engaged in CPA by OAGN.

- ▶ OAGN has been training and engaging CSOs for CPA since 2013. Number of CSOs and the CSO representatives trained by OAGN in previous years and engaged in CPA so far can be listed out in Excel sheet by the Office of the Performance Directorate General of OAGN. This criterion has a limiting factor. New CSOs can be coopted in CPA process if they are eligible by providing the requisite training and orientation.
- ▶ The CSOs/NGOs can be contacted by emails/phone or through active CSOs' representatives working in the Kathmandu and other cities and the database can be updated by putting the present status, address, contact information, composition, expertise, fields of work, geographical locations where they work, areas, where located and their willingness and suitability to be trained for engaging in CPA. The updated database will form the base data which can be uploaded in the proposed NAMS.
- ▶ Data of CSOs working in various government programs can be obtained from the World Bank office, Helvetas Swiss Inter-cooperation Nepal, Sky Samaj and other organizations involved in Global Partnership for Social Accountability in Nepal.
- ▶ This CSOs database can be updated and the requisite information can be obtained by contacting them either by phone or through other active CSOs working in Kathmandu.
- ▶ For updating database of CSOs and selecting the suitable ones, a meeting can be organized with sufficient communication using some of the active CSOs working with OAGN in CPA located in Kathmandu and other cities.
- ▶ Data of CSOs/NGOs working with the World Bank/ADB and other reputed international and national organizations can also be obtained to select appropriate CSOs and create database for CPA. These organizations may have current database of CSOs working in Nepal for various government projects.
- ▶ The database of CSOs can be obtained, updated as suggested above and can be compiled location wise, domain/sector expertise wise, training undertaken, competency, skills developed, past CPA experience, education, willingness to work voluntarily, past performance record and other relevant information and criteria needed to know while deploying them in CPA.
- ▶ If more CSOs data is required in case of certain geographical region where CPA is to be conducted, suitable data can be obtained from the Internet sources of NGOs working in different sectors in different areas.
- ▶ Further NGOs data can be collected from the district registration offices. Any group of seven or more citizens can register as an NGO in any of the Chief District Administration (CDO) offices in 77 districts

of Nepal. Registration specifies name, address, location of functioning, objective and source of funding including the names of the management committee members.

- ▶ The registration is renewed annually. Most of the NGOs in Nepal are either registered with CDO office or under Social Welfare Council (SWC), a government body established to coordinate with NGOs and INGOs in Nepal to obtain the tax and other specified facilities accorded by the Government.

6.1 Online registration for CPAs and CSO database

OAGN's website shall enable CSOs for online registration by themselves for participation in CPAs in the relevant sectors where they are functioning. Maintenance of online registration, updation, modification, addition, deletion of CSOs in database and online registration of CSOs need to be closely monitored to enable participation of CSOs in CPA topics in different sector in all 77 districts in 7 provinces.

6.2 Eligibility criteria for selection of CSOs

The objective of CPA is to improve audit outreach, outcome and benefit to the citizens of Nepal by engaging Civil Society Organizations (CSOs) in audit activities. Only suitable CSO representatives can be engaged for CPA. It is important to create a repository of suitable CSOs that can be trained and engaged in CPAs for institutionalization of CPA in to OAGN's Annual Audit Planning as part of Performance Audit process.

6.3 The selection process of CSOs in CPA involves 2 phases:

- ❖ A: The first phase is selection of CSOs for CPA topics based on the following identified 9 criteria given below.
- ❖ B: The second phase of the selection process involves evaluation of Letter of Intent and accompanied documents submitted by CSOs for CPA participation.

Evaluation of Letter of Intent based on 10-point criteria is suggested subsequently and mentioned in the Letter of Intent at Annexure 2.

A: Eligibility criteria

Mandatory criteria - minimum criteria to be eligible:

- I. CSO must be currently registered under the Social Organization Act at the District Administrative Office to be considered by OAGN for CPA.
- II. CSO must not have been blacklisted or placed under funding restrictions by any Government or Government agency.
- III. In case of a CSO branch office, the office must have been in existence in that district for at least the past one year.
- IV. Non-political, Non-Governmental Organizations/community-based sectoral organizations and other stakeholders will be eligible.
- V. CSO must be associated with the Social Welfare Council (SWC) and recorded in the SWC database.
- VI. CSO must have relevant working experience pertaining to the CPA subject matter to be audited. The experience can be with the Governments and/or any development partner.
- VII. The CSOs must be non-profitable and motivated to work voluntarily with OAGN except expenses for meeting boarding/lodging/travel/project related incidental costs as will be specified in the Memorandum of Understanding.

Ineligibility of CSOs for CPA:

The following conditions will disqualify CSOs for CPA:

- a) Directly involved in the operation and management of the topics selected for audit,
- b) Action taken against CSO as per the prevailing law to punish or blacklist it,
- c) The representative and office bearer are affiliated with the political parties,
- d) Selected for CPA but declined to sign MOU,
- e) Cancelled due to violation of Code of Conduct.

Optional criteria:

- I. The CSOs working in the social sector, social accountability, transparency, expenditure tracking and public auditing etc. having experience, skills and competence will be eligible. CSOs having worked with Nepal Government or reputed national and international agencies possessing the right competence, skills and experience will be eligible. CSO involved in social awareness program/development work and working in the sector having domain knowledge and experience of related topic, advocacy related to delivery of basic services, human rights, and governance will be eligible.
- II. CSOs who are led by a woman and or other disadvantaged groups may be preferred, with main priority being given to either Chairperson or Secretary or Chief Executive.
- III. The CSO must be at least 5 years old. However, exceptions can be made for highly relevant CSOs with < 5 years' experience if their work experience/expertise will help in auditing the subject matter CPA. For example, in disaster related or SDG related subject matter like earthquake or COVID Pandemic, experience may be less than 5 years but is significant for implementation of CPA of the relevant subject matter.
- IV. Advantage will be given to those CSOs having experience in the specific area of CPA topic under audit.

Note:

1. All eligibility criteria must be self- certified by the CSOs.
2. OAGN shall reserve the right to check the veracity of the statement if needed before coopting the CSO representatives in the audit team and if credentials are not true, they can be removed.
3. OAGN may decide to modify the criteria based on the practical issues and ground realities and field requirements.

6.4 Selection of CSOs for empanelment

Notice of Publication: steps to be taken:

- I. OAGN will invite CSOs every year by publishing Notice in the national newspapers.
- II. OAGN can also directly contact CSOs in the database for inviting Letter of Intent from them.
- III. After publication of Notice for the submission of Letter of Intent to CPA, CSOs shall submit the Letter of Intent within 15 days in the Performance Audit Directorate General of OAGN.
- IV. Separate record to be maintained for the registration of Letter of Intent.
- V. No action will be taken in the Letter of Intent received after the due date.

The content of the notice for Invitation of Letter of Intent is given at **Annexure 2**.

Format of Letter of Intent is given in the **Annexure 3**.

The pro-forma of notice is given in **Annexure 4**.

Documents to be included with the Letter of Intent:

The following documents are required to be included along with Letter of Intent by CSOs for joining CPA:

- Copy of registration and renewal certificate as per the prevailing law from the district administration office of concerned district for the participatory audit,
- Declaration of the scope, relevant domain experience in the selected topics for CPA,
- Detail description of experience and qualification of office bearer and staff,
- Tax clearance certificate of the organization,
- Declaration of no action has been taken against CSO to blacklist it as per the prevailing law.

Note:

Documents as per the mandatory and optional criteria must be submitted. CSOs are encouraged to submit additional documents to enable them to score better points while evaluation of the Letter of Intent. The 9 points criteria for evaluation are mentioned in the Format of Letter of Intent – at Annexure 2. CSOs may be able to read the essential aspects of empanelment on OAGN's website in order to submit the requisite documents.

B: Evaluation of Letter of Intent –9 points criteria for evaluation of Letter of Intent of CSOs applied for CPAs

- I. The Letter of Intent and other related documents submitted by CSO shall be evaluated by the Working Committee.
- II. The evaluation report shall be submitted to Steering Committee which will be recommended to Auditor General for approval.
- III. The Letter of Intent will be evaluated in two stages as preliminary and detail:
- IV. In the preliminary evaluation the required documents should be assessed and check list will be prepared. The responsive Letter of Intent shall be evaluated in detail.
- V. During the detail evaluation marks will be given based on 100 full marks.
- VI. CSOs must obtain minimum 50 marks to be eligible for selection on evaluation of the Letter of Intent.

A 9 points criteria for ranking the eligible CSOs who fulfil other conditions are as under:

1. Profile of CSOs (Year of registration with number of years and number of members) 10
2. Past experience in the relevant topics/sectors with number of years' experience 15
3. Track record/certificates/commendation received in the relevant topics/sector/field 10
4. Educational and professional qualifications, past experiences in the relevant sector, trainings attended by the CSO representatives willing to be associated with CPAs 10
5. Educational and professional qualifications, certification, past experiences in the relevant sector, trainings attended by the office bearer and staff 10
6. Certification/past experience in conducting CPAs 15
7. Other relevant experience in participating with the government of Nepal 10
8. Details of work, studies, research papers, survey etc. conducted by CSO in the relevant field 10
9. Any other commendable achievement such as proficiency in using different social accountability tools in the field/sector where CSO is operating which can be used in the CPA topic and can add value to the participatory audit 10

Note:

While conducting CPAs and evaluating the Letter of Intent, OAGN may decide the practicality of these criteria and modify them if deemed necessary.

Conflict of Interest:

The format of Declaration of Conflict of Interest is given at **Annexure 7**.

The OAGN should issue letter of Empanelled to CSO who are selected and publish this in the website.

Section 7: CPA Audit Cycle: Issue of authorization/confirming letter to the Citizen Auditors

OAGN will issue confirmation letter to the selected Citizen Auditors.

7.1 Constitution of Audit team

OAGN will constitute the Audit team consisting of OAGN team and Citizen Auditors. Points to be noted for composition of audit teams and supervision are presented below.

- ▶ For every CPA, a special team is constituted headed by the director that has jurisdiction
- ▶ CPA identifies the implementing agency of the project/program to be audited.
- ▶ The director exercises overall supervision of the audit, including the review of the audit report.
- ▶ A team supervisor exercises direct supervision and control of the team. The team supervisor ensures that the team complies with all applicable rules and regulations, professional standards, and CPA audit policies and procedures. The supervisor also sees that the audit objectives are met.
- ▶ The CPA team members are composed of OAGN auditors and CSO representatives from the district where CPAs are conducted.

Note:

1. *If there are complaints, allegations, suspected misutilization of resources, misappropriation and red flags noted by any of the stakeholders of OAGN including CSOs, while forming the CPA team an experienced OAGN auditor having the necessary experience and skills in auditing allegations/red flags/suspected fraudulent activities shall be essential. It will add value and guide the entire team in the entire audit process.*
2. *The audit team in certain CPA topics should have experts in fraud audit; as experienced audit professional familiar in audit of fraud/misappropriation can effectively examine the alleged activities with reliable audit evidence.*

Need for Forensic Audit

1. OAGN may decide whether in certain CPA audit needs forensic audit trained personnel in the audit team based on the nature of the allegations/misappropriation or fraudulent activities.
2. In such cases, OAGN may either:
 - Hire an external expert, if it does not have the requisite experts; or;
 - Refer the case for detailed investigation to the expert investigation agencies in Nepal.

Role of Citizen Auditors in CPA

- I. Generally, CSO representatives are assigned less technical work. They can be assigned conducting surveys, taking inventories, conducting physical inspection, taking simple measurements, and cross verification of facts.
- II. In case the CSO representatives have the proven expertise to do other audit tasks including knowledge of engineering, law, accounting, or relevant technical skills, they can be given technical work, such as document review, technical inspection, analysis of accounts and reconciliations.

7.2 Capacity building of Citizen Auditors

The members nominated by the CSO partners may work as CSO representatives in CPA team. They must attend the capacity building workshops arranged by OAGN along with other audit team members to understand CPA, the selected subject of audit and their role, responsibilities, do's and don'ts and undertakings as Citizen Auditor participants. The orientation shall be organized by Working Committee. The contents and subject matters of the orientation is decided based on the past experience and changing requirements for conducting CPA.

The workshop will help the CPA audit team members:

- ▶ to know one another and build rapport and working relationship as a team
- ▶ to learn social accountability principles, fundamentals of CPA, audit procedures and techniques.

7.3 Orientation program

- ▶ The orientation program will cover OAGN's audit mandate, audit process, procedures, audit planning with specific role and responsibilities of Citizen Auditors in CPA audit cycle from planning, execution, reporting and follow up.
- ▶ It may include methods of collection of audit relevant information/evidence and analysis. For example, a Capacity Building workshop for a CPA in the health care sector, the CSOs working in the sector specialized in health-related topics may be invited. CSOs in the respective fields may be familiar with relevant fields such as health, education, public transport and environment and can contribute to OAGN's CPA.
- ▶ The content of the training may include Right to Information Act, social audit tools, expenditure tracking, accounts verification, investigation, survey, framing audit questions, evidence gathering, audit checklists, cross verification of audit evidence etc. based on practical examples and case studies.
- ▶ The Social accountability tools and practices which can be used in CPA can be included in the training programs.
- ▶ The duration of the training can be 3 days. The training faculty must be experienced trainers from OAGN.
- ▶ The format for Orientation program is given at **Annexure 5**.
- ▶ Certificate to CSOs for participation in CPA is given at **Annexure 8**:
- ▶ A list of the Social Accountability Tools & Approaches are given in **Annexure 10**.
- ▶ **A brief accounts of some of the most useful social accountability tools that can be used in CPAs are given in Annexure 11.**

7.4 Cost of boarding and lodging, transportation, do's and don'ts for citizen auditors

The participation is voluntary, except for meeting boarding and lodging, transportation and other appropriate incidental support expenses decided by OAGN from time to time, which will be discussed with CSOs and Citizen Auditors so that there is no dispute on this issue.

CPA Guideline provides duties and responsibilities of CSOs/Citizen Auditors including dispute resolution and Dos Don'ts for CSOs and citizen auditors engaged in CPA.

7.5 Entitlements /remuneration as per MoUs/Contracts/Agreements

As OAGN may engage CSO partners by signing MoUs/Contract Agreements as per the Government of Nepal Public Procurement Act and Public Procurement Rules, the entitlements/remuneration of CSO representatives for participation in CPAs of OAGN will be determined as per the applicable rules/contracts.

- I. The CSOs will be reimbursed for out of pocket expenses on boarding, lodging, transportation and other related support expenses as per the MoUs/Contract agreements signed with OAGN.
- II. As per the conditions specified in the MoUs/Contract Agreements signed as per Public Procurement Act and Public Procurement Rules of Nepal, entitlements/remuneration of CSO representatives in CPAs will be determined and regulated by OAGN. Preparing the audit plan for CPA

7.6 Action for non-compliance with MoU

Selected CSOs for participation in CPA by OAGN shall be responsible to comply with the terms and conditions mentioned in the MOU for CPA. Non-compliance of MOU by CSOs will be recorded which may cause for discontinuation of participation for future.

Section 8: Essential steps in CPA

S/N	Essential steps/processes of CPA are the following:
	CPA Audit Planning – Major Steps
1.	Identification of the topic for CPA
2.	Identification of CSO partner/s
3.	Building a shared agenda
4.	Signing of the memorandum of agreement (MOA)
5.	Nomination of citizen auditors by CSOs
6.	Issue of Authorization/Confirming letter to the Citizen Auditors
7.	Constitution of Audit team
8.	Capacity Building of Citizen Auditors
9.	Preparing the audit plan for CPA
	Execution, Reporting & Follow-up – Major Steps
10.	Issue of Letter to the auditee about the audit program
11.	Conducting field audit
12.	Entry Conference with the entity to be audited
13.	Collection of data/information/documents for conducting field audit work
14.	Analysis of data/evidence gathered
15.	CPA Reporting
16.	Post audit review/assessments
17.	Follow up/Monitoring recommendations

8.1 CPA: Audit planning

8.1.1. Identification/selection of topics for CPA – Step by Step Process

OAGN may select the government projects/program/scheme having high value and high impact to the citizens. The topic can be audited effectively in a period of four months or shorter.

OAGN will obtain suggestions from all its stakeholders including CSOs in various forms including on its website and through written communication.

Note:

In the selection of topics for CPA, the grassroots CSOs are not generally involved. Only those CSOs who work in the sector will be able to suggest CPA topics.

- ▶ Various Directorates of OAGN suggest topics for CPAs under their jurisdiction with justification and informs to the PA Directorate General for consolidation as part of the annual audit plan process.
- ▶ PA Directorate General examines all the suggestions including those topics it considers important based on risk assessment
- ▶ PA Directorate General examines all the suggestions received from all Directorates with justifications for selection of a specific topic or scheme from all directorates and inputs received from OAGN's stakeholders including CSOs
- ▶ PA Directorate General submits its consolidated report suggesting CPA topics for the year to be included in the Annual Audit Plan with specific justification and its recommendations based on the

inputs/information available and detailed analysis of them with available data, government policies, significance, risk assessment, feasibility of conducting CPA on the issue, possible value addition expected, etc.

- ▶ PA Directorate General submits its note with its recommendations of topics for selection of CPA to be considered by the Steering Committee
- ▶ The Steering Committee conducts brainstorming sessions and detailed discussions about the suitability of various topics to be included for CPA in annual audit plan based on its relevance, sensitivity, impact, feasibility of doing CPAs on them, risk assessment.

While deciding topics for CPA, the following steps/questions/inputs can help:

- ▶ Has any topic for CPA been suggested by any stakeholders including CSOs/NGOs?
- ▶ Are there any complaints or public demand/grievances relating to any social sector?
- ▶ If OAGN takes up a program as CPA, can it impact better service delivery, accountability and governance?
- ▶ Can CSOs add value to the topic by their inputs to bring in better hindsight, insight, foresight and recommendations?
- ▶ Does the topic deserve priority in terms of funding, people's concern and impact?
- ▶ What is the total cost of the project/program/scheme/activity and how it impacts the lives of citizens including benefits?
- ▶ Which is the priority area where public interest is high and citizen participation can bring in additional information about the topic and valuable insights?
- ▶ Which are the CSOs working in the sector and in the locality having soundtrack record and relevant experience?

OAGN can evaluate the possible contribution of CSOs to improve OAGN's audit outreach and outcome based on their profile and willingness as the objective of CPA is to improve the service delivery, public accountability, transparency, inclusiveness, quality of governance. OAGN can review complaints received from its stakeholders including CSOs and citizens. Following additional facts may be kept in view while deciding the topic for CPA:

High-value/high-impact projects are determined by the following:

- ▶ The project cost
- ▶ The importance of the project in impacting the number of beneficiaries in their everyday life
- ▶ Susceptibility/vulnerability to corruption
- ▶ The extent of affected geographic and demographic area
- ▶ The risk to life, to property and susceptibility to conflict
- ▶ The expected improvement in the lives of the intended beneficiaries
- ▶ Field data from previous audits of OAGN

These questions/inputs can help in identification of right topic for CPA. CSOs can be encouraged to register complaints by effective communication strategy and advocacy. OAGN can exhibit in the public domain the requisite information/database of entities, beneficiaries and the program and generate people's awareness, involvement and interest.

The details of potential CPA can be made available on its website/advertisement in the media. CSOs can be encouraged to offer suggestions for topics for CPA and enable them to upload on OAGN's website round the year. Identification of topics for CPA is given at **Annexure 9**:

8.1.2. Process of finalization of CPA topics

The CPA is a value-for-money performance audit technique, mechanism, strategy, approach and way of conducting audit by OAGN according to its mandate. For CPA, members of the CSO representatives are selected from empaneled CSOs. CSOs engagement in CPA begins from the selection of topics through the entire audit cycle viz. audit planning, execution, documentation, reporting, and follow up.

While identification of suitable topics for CPA by the OAGN in its annual audit planning, inputs from CSOs on OAGN website can be considered. The purpose is to create active involvement of CSOs by for successful implementation of CPA within the OAGN's time frame.

The Performance Audit Directorate General (PADG) of OAGN can consolidate inputs/suggestions received from all Directorates and other sources including OAGN's website and recommend for approval of the subjects/projects/programs/activities for CPA based on the above criteria before the Working Committee. The subjects must be of public interest with significant impact to the citizens of Nepal and possible value addition and contribution of CSOs likely to be associated with the participatory audits. The Working Committee will hold brain storming and discussions and recommend topics to the Steering Committee including alternative audit topics. The Steering Committee chaired by DAG will discuss and recommend the topics to the Auditor General. After AG's approval, the topics for CPAs, the topics must be included in the Annual Audit Plan of OAGN.

8.1.3. Identification of CSO partner/s

The objective of CPA is to improve audit outreach, outcome, outreach, impact and benefit to the citizens of Nepal. For achieving the objective, only suitable CSOs/Citizen Auditors can be considered for CPA.

From the empaneled list of CSOs, relevant CSO partners shall be identified based on below listed criteria:

- ▶ Audit topic selected for CPA. E.g. audit topics relating to social infrastructural development programs like health, education, sanitation, housing, public distribution system, public service delivery, environment, disaster management and social security programs, welfare schemes, midday meal at schools, rural roads, rural infrastructure, rehabilitation of project affected people etc.
- ▶ Location of CSO in relevant province, district or locality for audit
- ▶ Relevant domain experience of CSO and experience of working in the location of audit.

8.1.4. Building a shared agenda

Building a shared agenda with the identified CSOs and their nominee citizen auditors for successful CSO-OAGN collaboration in CPA with congruence of objectives is critical. The intention of OAGN to involve suitable CSOs in the entire audit cycle besides taking their inputs while selection of topics for CPA. OAGN's intention can be made clear and shared with CSOs by putting the information the public domain of OAGN's website and during the capacity building workshop.

The purpose is to orient the audit team including Citizen Auditors to work as a team abiding by the applicable rules and procedures to achieve the planned audit objectives. Effective interaction with CSOs is a must. A system of registering complaints from citizens/CSOs as and when they come across by writing or uploading on OAGN's website can also be an effective tool.

Engagement of CSOs is a two-way interaction process between them and OAGN to achieve outcome of government projects. CSOs can contribute in audit process in the entire audit cycle by facilitating in

collecting and analyzing information, reporting, advocacy for the implementation of audit report. OAGN decides the audit objectives, audit scope, methodology, procedures and techniques and allocates the respective role and responsibilities of the audit team members. The follow up audit must be a major activity of CSOs/Citizen Auditors.

8.1.5. Signing of Memorandum of Understanding (MoU)

Assistant Auditor General of Performance audit will sign the Memorandum of Understanding with the selected district wise CSOs for specified topics after the orientation for participation. It shall be informed to the steering committee. MoU is incorporated with the terms of reference, code of conduct and Self-Declaration.

- The format of MoU is given in **Annexure 6**.
- Declaration of Conflict of Interest to be submitted is given in **Annexure 7**
- **Annexure 8**: Certificate to CSOs for participation in CPA

8.1.6. Nomination of citizen auditors by CSOs

The selected civil society organization shall deploy the citizen auditors for the specified district for specified CPA. CSOs selected nominate suitable Citizen Auditors to work with OAGN audit team. Before undertaking the audit, they must attend the orientation cum capacity building workshop. OAGN will organize the required training and orientation and the selected CSOs and citizen auditors will be informed.

8.1.7. Forming of audit teams for CPAs

1. On the basis of the acceptable eligibility criteria and evaluation of Letter of Intent. OAGN will finalize CSOs and the CSO representatives for selected subject matter for CPAs and form audit teams. CSO representatives in audit team shall be involved in the entire audit cycle from selection of subject matters and preparation audit reports and follow up. While preparing the audit plan, the duties and responsibilities of the team members will be discussed and specified. CSO representatives will be given specific tasks relating to field audit where they can meet the targeted beneficiaries for feedback and public officers responsible for implementation. CSO representatives will use social accountability tools such as interviews, public hearing, budget and expenditure tracking, focus group discussion based on the subject matter and assigned responsibilities given in the audit plan. The team leader will be provided required support and help to enable them to function effectively and perform the given tasks. Audit plan will differ based on the subject matter and the roles and responsibilities of CPA team members have to be enlisted based on the subject matter of CPA.
2. The audit team for each CPA subject matter is an integrated team with OAGN members and adequate CSO representatives.
3. CSOs representatives must be trained for conducting audit of the specific CPA theme.
4. The selected CSOs and their citizen auditors must agree to participate in CPA as partners of OAGN's audit team as 'citizen auditors' on a voluntary basis. The members selected for CPA will join OAGN's audit team for CPA as Citizen Auditors.
5. They must be ready to sign the confidentiality and non-conflict of interest statements and must be ready to abide by OAGN's audit mandate and principles.
6. On selection, they must sign a Memorandum of Understanding in the prescribe format.

8.1.8. Scheduling of CPA audit plan (May- August) and approval

CPA audit planning is identical with Performance Audit planning in methodology, techniques and procedures except it is performed with the active engagement of Citizen Auditors from Civil Society Organizations as part of OAGN's audit team assigned with specified responsibilities to add value to the performance audit of the selected topics. It is based on the fundamental premise that when CSOs are participating in the audit process, they will be using social accountability tools to further strengthen the audit methodology and techniques of OAGN in the entire audit process. It is mandatory that all audit processes and activities for audit planning for Performance Audit as elaborated in the Performance Audit Manual must be followed in CPA as well.

As in any Performance Audit, Audit Planning is the first step in the audit cycle for CPA. For preparation of Audit Planning for CPA, the required information must be collected on the topic. Based on the topics for CPA, suitable CSOs working in the sector has been selected from CSOs database and allocated to respective CPA. The selected Citizen Auditors join the OAGN audit team. They have relevant domain expertise and working in the district or locality where field audits have to be conducted. They have undergone the Capacity Building workshop.

The CPA must aim to be inclusive of all local CSOs and people's representatives of the area who follow the criteria. The Citizen Auditors must know the mandate and functions of OAGN and purpose of public audit as an instrument of governance and understand the audit procedures and processes. They also know the strategy and purpose of engaging them in CPA and aware of their specific role in CPA and how to use various social accountability tools in CPA. They must be familiar after the training the legal base of OAGN and the purpose of the engagement in CPA and possess the requisite knowledge and skills and competency for participating in the respective topic of CPA. OAGN must share essential inputs for them to understand their specific role and functions in CPA and provide with logistical, technical and financial support to meet the audit challenges.

8.1.9. Preparation of CPA audit plan

CPA audit plan will be prepared and approved after holding discussion with CSO representatives in the CPAs team. Audit program will be prepared incorporating information to be collected, sources of information and methods of collection and techniques for analyzing information. As per the audit program the audit work schedule will be developed and incorporated in the audit plan which will be approved by the Assistant Auditor general of Performance audit.

Every year, during May-July OAGN formulates and prepares Annual Audit Plan. The approved Audit Plan is circulated to all Audit Directorates. Performance Audit Directorate is in charge of preparation of ministry wise audit plan with risk assessments of the audit entities/projects/topics to be audited including the subjects for CPA. Generally 3 CPA topics are identified and included in the Annual Audit Plan of OAGN based on OAGN data including the information available from previous audits and feedback, complaints and redflags received from OAGN's stakeholders including CSOs and citizens who are impacted by the government's various social sector development and infrastructural programs. By August the Audit Plan including that of CPA will be finalized with allocation of team and the team drafts the entity wise audit plans and get approved by AAG.

8.1.10. Essential steps in CPA audit planning – step by step process

- ▶ Understanding Audit Entity/Audit Topic selected for CPA

- ▶ The concerned audit party assigned for CPA including Citizen Auditors must jointly gather updated background data/information/policy documents for understanding Audit Entity/CPA Audit Topic selected for CPA.
- ▶ Define Audit Objectives, Risks, Criteria
- ▶ OAGN CPA audit team defines the audit objectives of the subject chosen for CPA, conducts risk assessment based on the parameters defined in the Performance Audit Manual and determines the audit criteria and prepared detailed audit check lists. For doing so, the team conducts Issue Analysis by framing of Audit Questions/Sub-Questions and Audit Criteria and Audit Design Matrix to identify the required audit evidence/facts/data/documents for conducting the field audit.
- ▶ Preparation of Audit Plan for CPA is similar to PA and hence PA Guide must be used along with CPA guide for preparation of audit plan. Specific nature of CPA is covered in this guideline. General instructions of audit planning as in case of PAs are applicable in CPAs as well. Hence PA Guide must also be used.
- ▶ The detailed Audit Plan for CPA of each topic will have detailed Audit Check list with audit criteria and where to find audit evidence to support the audit findings.
- ▶ The detailed audit plan will include audit topic, audit objectives, scope, audit criteria, issue analysis with audit questions and sub-questions, design matrix, checklists, allocation of specific duties and responsibilities among the audit team comprising OAGN officers and the CSO representatives included in the specified CPA. The specific roles and responsibilities of CSO representatives will be clearly defined and included. Audit team leader may ensure that the CSO representatives understand their role and able to function effectively.
- ▶ The capacity building and training will be provided to the CSO representatives to effectively conduct the CPA assigned to them.
- ▶ Audit plan will specify the duties and responsibilities of CSO representatives in the audit team.
- ▶ What data, evidence, social accountability tools to be used in the CPA by CSOs and how to use them will be explained and included with detailed procedures and checklists.

While preparing the audit plan, the field offices to be visited, government functionaries to be contacted, interviewed, audit data/information/documents to be collected as evidence along with audit check lists must be prepared. Social accountability tools that can be used in each CPA subject matter must be specified. If survey, public hearing, focus group discussion, social audit process, evidence gathering etc. the process and methodology will be specified. Social Accountability tools are used by CSOs for getting audit evidence from field functionaries. Some CSOs know how different social accountability tools including FGDs. Based on the requirement in a particular CPA, the tools are selected and included in the audit plan and the CSO participants of the audit team of the CPA are trained during the capacity building workshops to use the tools effectively for gathering audit evidence.

8.1.11. Benefits of some Social Accountability Tools

CSOs shall be used for gathering audit evidence and interacting with government entities. CSOs are able to engage in discussion with concerned public officers, understand the budgeting, expenditure tracking linking to the physical and qualitative outputs and outcome. Citizen auditors can assess monitoring and evaluation of public service delivery from people' survey, interviews and finding out concerns and complaints of the targeted beneficiaries or project impacted people. CSO representatives can contact the targeted beneficiaries for finding out impact, verify the expenditure incurred for various items with reference to budget allocation, compare with prevailing market prices, meet the responsible officers, conduct interviews, seek information, conduct public hearing if needed, include experts in the field if required in the discussion.

The various social accountability tools complement OAGN's auditing procedures during the field audit work. CSO's experiences with the survey methodology add value to the performance of public service delivery. They use social audit tools assess compliance of a government program, transactions, and deviations in process and evaluate whether the applicable rules are followed or not.

CPA is based on a collaborative framework between CSOs and OAGN. CSOs provide useful, qualified and well-supported information about the quality of services provided by public agencies. CSOs focus on service provision as they know direct users and can monitor specific aspects in the field. The implementation of social security programs can be assessed from the feedback of the direct beneficiaries. CSOs can team up and work with OAGN creating an environment for dialogue and bridge the gap in enforcing accountability. Citizens and CSOs can exercise social control and assist the formal scrutiny of OAGN.

8.1.12. CSO participation during the audit planning

- ▶ The survey questionnaire must be prepared along with identification of population to be covered in the survey.
- ▶ Similarly, officers to be covered in the focus group discussion, offices or programmes to be covered in budget tracking etc. must be specified.
- ▶ If public hearing is required, who will be contacted and how to be conducted must be specified.
- ▶ CSO training must specifically cover use of the applicable social accountability tools.
- ▶ Specific social accountability tools that can be effective in each CPA will be decided and the CSO representatives will be adequately trained how to use them.

A list of social accountability tools that can be deployed by CSOs in CPA is given at Annexure 10.

Some important social accountability tools are explained further in Annexure 11

CPA plans must reflect social concerns and citizens' demand. The relevance, effectiveness and impact of audit work will be increased if the interests of the beneficiaries are factored in the design of CPA. INTOSAI standards emphasize setting up of formal mechanisms where the public can make suggestions and lodge complaints about governance deficit, misuse of resources and irregularities in public bodies. The public inputs can serve as a basis for future audits (ISSAI 20 and 21, principle 9, and others). Complaints from the public can be individual, anonymous. They can be made round the clock using modern Information Communication Tools and social media facilities. Participatory audit planning for CPA can be institutionalized by engagement with CSOs while formalizing OAGN's annual audit plan. OAGN can suggest programs or entities to be audited. The expertise, skills and knowledge CSOs on ground realities and problems can be valuable and complementary in identifying topics for CPA.

8.2 Execution

8.2.1 Issue of letter to the auditee about the audit program

OAGN will send the information of CPA schedule and audit team to the concerned entity. The letter will specify the period covered in the audit and the documents to be made available for completing the audit.

8.2.2 Conducting field audit

Field audit will begin once the audit planning including scheduling the audit is finalized and the same is communicated to the concerned audited entity indicating the type of the audit, objective, scope and time required and the period covered in the audit.

8.2.3 Entry Conference with the entity to be audited

Entry meeting – OAGN audit team with citizen auditors will meet the head of the audit organization, introduces the team and explains the audit objective and program. The minutes of the meeting will be prepared.

Note:

The template for Entry conference is given in the PA Guidelines. As CPA is a PA methodology the same is applicable.

8.2.4 Collection of data/information/documents for conducting field audit work

Major steps involved in audit execution include the following:

- I. In the audit implementation, data, information and evidence will be collected by audit team.
- II. CSO representatives will be discharging the assigned field audit duties including using of applicable social accountability tools.
- III. Data relating to the actual field level execution of the program will be collected.
- IV. Based on the audit objectives and audit questions the data and audit evidence will be evaluated.
- V. Audit criteria must be developed to answer the audit questions.
- VI. Audit findings will be formulated based on audit evidence.
- VII. After obtaining the entity's response, audit findings will be finalized and audit conclusions will be formed.
- VIII. CSO representatives activities will be overseen by the team leader and guided.
- IX. The discussion agenda will cover the information to be collected by CSO representative for the specific CPA, field visits involved, focus group discussion, interviews, questionnaire, survey, public hearing and other social accountability tools to be used in the specific CPA subject matter, and the methodology specified in the audit plan.
- X. The role and responsibility of representatives of CSOs will be further clarified if needed during the audit execution based on field reality.
- XI. Audit team leader will communicate effectively with the entity to provide adequate support and cooperation to complete the audit within the specified period.
- XII. Audit team leader will also facilitate and help the CSO representatives to complete the task within the time with the requisite quality, data and content to formulate audit findings.
- XIII. Allocation of roles and responsibility of CPA team members including CSO representatives shall be done in the audit planning with proper interaction and understanding of the collective responsibilities and individual tasks of the team. CSO representatives in CPA must be given roles

and responsibilities suitable to them. CSO representatives must be given field work for gathering audit evidence using social accountability tools by contacting the targeted beneficiaries and the public officers responsible for service delivery and implementation of the subject matter of CPA. CSO representatives shall be supported and guided by the team leader at every state and supervised effectively to enable them to discharge the assigned responsibilities. If they encounter any challenges and problems, team leader shall help the CSO representatives to perform the assigned duties and collection of information by engaging discussion, interviews, field visits during CPA.

- XIV. Team leader must review the work at every stage to ensure that work progresses as per the audit plan.
- XV. The team leader shall be responsible for effective coordination and regular interaction with audit team.

8.2.5 Analysis of data/evidence gathered

During the audit, the required files and records will be seen, evidence will be gathered and analysis and interpretation will be done. The audit team analyses the evidence gathered and based on audit evidence issue preliminary observations. On receipt of responses and discussion, audit findings are finalized and draft audit report is prepared exactly following the identical procedure mentioned in the OGN's Performance Audit Manual. Once the audit observations are drafted, they will be issued to the audited entity. Based on the replies and discussions and evidence, audit finding will be arrived at and draft audit report will be prepared.

8.2.6 Exit meeting and discussion

The draft audit report will be discussed in Exit Meeting. Based on the discussion, the audit observations lacking adequate evidence will be settled; and the remaining audit findings will be included in the final audit report supported by documentary evidence. The report will be issued within the time period specified after approval of the competent authority.

Note:

A template for Exit Meeting is given in PA guideline. As CPA is a PA methodology with engagement of CSOs in the audit process, the same is applicable and can be used.

8.2.7 Audit documentation/working papers & evidence

During the audit, data, information, documentary evidence will be collected to evaluate the audit criteria to arrive at the audit findings. The entire methodology of evidence gathering, control assessment, test procedures, performance assessment by social accountability tools used by citizen auditors will be properly documented for reference.

Linkage with NAMS

Performance audit lifecycle shall be covered in NAMS. After selection of topics for CPA, same will be captured in NAMS, based on audit type, for creation of audit plan/program. Auditor/s from OAGN who will be part of CPA audit team shall be responsible for management of audit lifecycle in NAMS, including creation of audit plan/ program, management of working papers, audit reporting and follow-up. Observations from CPA audits shall be captured in NAMS for reporting and follow-up by OAGN auditors. Please note that CSOs shall not have access to NAMS.

Section 9: CPA reporting

Draft preliminary audit report will be prepared and discussed after the collection and analysis of information in the exit Conference. After settling audit observations where evidence is not adequate or replies of the auditee are convincing, draft audit report will be prepared and issued to the entity after discussion in the exit meeting. As mentioned earlier, the same functionality for preparing of draft preliminary report, shall be available in NAMS and OAGN auditor shall be responsible for managing the audit plan/program in NAMS. CSOs shall not have access to NAMS.

9.1. Providing Information to the audit team

The representatives of CSOs should submit all the information collected as per the Audit Plan to the team leader. Audit team will prepare preliminary audit report (from NAMS) based on the information collected from all sources and methodology. However, the audit team can prepare the report if the information is not received from CSOs representatives within the time frame.

9.2. Drafting preliminary audit report

As per the Audit Plan the audit team shall draft preliminary audit report which will be finalized after discussion with the representatives of the CSOs.

9.3. Exit meeting and Issuing the report

The report prepared based on CPA shall be issued by the audit team leader. Before issuing the preliminary audit report to the entity, the draft report will be discussed in the Exit meeting.

9.4. Returning of documents

All the information and documents which are collected and poses by the CSOs representatives during the audit shall be returned to the team leader.

9.5. Acknowledgement of CSO participation in the report:

In the OAGN's audit reports on CPA, the associated CSOs will be mentioned. Besides, in the annual audit report of OAGN if CPA reports are included, there may be mention of the associated CSOs. CSOs involvement in CPAs is acknowledged in the relevant audit reports.

9.6. Reporting responsibility

The team leader assigned from the Office of the Auditor General will be responsible to complete and report on participatory performance audit. The team leader will seek clarification from the CSO representatives in case of evidence gathered by them.

The audit team will be responsible for managing the audit file arranging all the evidence and documents in proper order.

The representatives of CSOs should submit all the information and prepare field-based report to the audit team leader or the audit supervisor immediately after the completion of the field audit function and provide additional information/support needed for completion of the report as sought by the team leader.

9.7. Best Practices of Report Styling & Dissemination

Table 3: Best Practices of Report Styling & Dissemination

S/N	Best practises of report styling & dissemination
1.	The audit cycle does not end with issue of an audit report. The real success is validated by whether or not the audited agency implements OAGN's recommendations effectively. The purpose of SAI-CSOs partnership in CPA is to increase the use and impact of audit reports and ensuring audit follow up. To facilitate proper follow up process, the communication strategy must be effective. The average citizen does not know about OAGN's constitutional role, mandate, work and contribution towards enforcing the rule of law, public accountability by prudential resource management. Common men find audit reports complex and difficult to understand with technical jargons and terminology. Innovative practices of dissemination of audit findings can enhance citizen awareness and CSO's participation in OAGN's audit activities ³ .
2.	The formal institutional mechanisms are not enough to make government bodies accountable. Dissemination of audit findings and recommendations are critical to enable the citizens to hold the public sector entities accountable. The audit reports provide the stakeholders valuable information to improve the level of compliance with recommendations and strengthening public accountability.
3.	The OAGN's policy of presenting the results of the annual audit cycle to the media through press conferences.
4.	Many SAIs issue press releases along with the release of audit reports and hold press conferences to highlight the most important audit findings.
5.	Audit reports make the government more transparent and accountable. As stated in the Lima Declaration, SAIs need to present the audit assessments in an objective, clear manner, limited to the essentials for easy for the general public to understand. The wording of reports should be precise and clear. Some general guidelines given below may help the auditors draft reports in an easy to understand way:
6.	Use plain, concise language.
7.	Avoid technical jargon and obscure words and unnecessary details omitted.
8.	The key issues raised may be highlighted in the reports.
9.	The audit reports must follow a logical, coherent structure with an executive summary. Use short sentences. Bullet points are useful. Topic sentences should be concise providing an overall idea of the paragraph. Use graphics, Illustrations, charts, diagrams, and visuals to keep the reader interested in the topic. Titles, labels, and references should also be used with background information of past audits from the same entity. Results from previous audits include strong evidence to attract attention from the stakeholders. Sum up the key findings into a brief conclusion.

³ Note: Citizen Participatory Audit Reports for Commission of Audit, Republic of the Philippines, can be accessed from <https://www.coa.gov.ph/index.php/reports/citizen-participatory-audit-reports> as part of best practice case study.

S/N	Best practises of report styling & dissemination
10.	The evidence collected from the audit process must be accurate. The report should explain areas in which the entity can improve its management and how those improvements can be achieved.
11.	Make audit recommendations comprehensible, drawing attention to the findings.
12.	Recommendations should be stated in understandable language in boxes with charts/a bulleted list, detailing why, where, when, and how should it be done highlighting who will undertake those tasks.
13.	Get colleagues on board.
14.	Report writing should be a team effort, someone not directly involved in the auditing can be asked to edit/revise drafts.
15.	Consultation can promote the use of audit reports. Discusses how SAIs can interact with the main recipients of the audit report to make audit reports more relevant and useful to auditees and other key stakeholders.
16.	CPA Tools and Methods
17.	SAI reports must be understandable to citizens
18.	OAGN must provide relevant information on CPA topic
19.	Access to information enables effective SAI–citizen engagement, involving other relevant stakeholders when necessary
20.	OAGN can provide relevant earlier audit reports, entity related information, essential details on the public program to be audited including the policy, objectives, targets, milestones, budget outlay, expected results with time frame and expenditure incurred and public resources used by the public entity.
21.	CPA Report after submission to the President and laying down in the parliament can be disseminated using CSOs for improving public outreach and communication with external stakeholders including the targeted beneficiaries and media.
22.	Dissemination of audit findings with different stakeholders is important as per the International Standards for SAIs (INTOSAI-P 12). The summary of the contents of the audit reports can be made available in easy to understand common man's language to improve the impact of audit findings.
23.	A two-way communication strategy can facilitate openness and feedback from citizens/CSOs. ICTs and web platforms foster engagement of CSOs along the audit cycle.
24.	The OAGN mandate, mission, and functions need to be explained in common man's language. CSOs and general public can be made aware of the contents of audit reports:
25.	The key audit findings and recommendations can be summarized in easy to understand language and placed on the public domain of the OAGN's website, and
26.	Hard copy of the same can be distributed among people through CSOs
27.	PDF version of the same can be accessed and down loaded by the public.
28.	The use of graphics, videos, with hyperlinks can be used so that the basic questions of the stakeholders can be easily illustrated.
29.	The audience of SAI work goes beyond the audited entity. Better corrective action on audit findings and recommendations can be possible by dissemination of OAGN CPA reports to the affected people/potential beneficiaries.

Section 10: QA and QC process

QA and QC process must be ensured on the same lines mentioned in the OAGN's PA Guidelines when CPAs are conducted as a methodology of PA. In case OAGN decides to extend CPA methodology for CA and FA, the QA and QC process elucidated in CA and FA guidelines of OAGN must be used. The documentation of entire QA and QC processes are identical and elaborated in PA, CA and FA Guidelines of OAGN and must be followed. These OAGN guidelines are prepared based on INTOSAI best practices and applicable ISSAIs.

Audit team leader and the competent officer of OAGN authorized for QA and QC process will ensure that CSO representatives follow the applicable professional standards, professional procedures, practices, legal and regulatory requirements and adhere to professional ethics.

QA and QC process will ensure that the CSOs engages in CPAs shall carry out work as per the OAGN's accepted QA and QC process and ethical requirements. CSOs are trained for conducting CPAs as well as OAGN's applicable audit rules, regulations and standards. CSOs are contractually committed to adhered to professional ethics and their involvement in the audit is fully monitored and overseen by the team leader and the officer assigned by OAGN to complete the QA and QC process.

The scope of the QA and QC process should cover the following in respect of CSO members involved in the audit team as well:

- ▶ Whether the auditing services performed by CSO representatives are in accordance with the OAGN's auditing standards, departmental manuals, and policy instructions;
- ▶ Whether the standards, manuals, instructions and systems enable the OAGN to fully execute its connotational and legal audit mandate and duties; and
- ▶ Whether the auditing methodologies and practices followed in CPAs conform to the best international practices.

Section 11: Follow-up audit

Follow-up functionality shall be available in NAMS. CPA audit plan/program shall be created in NAMS, and preliminary audit report based on audit field execution shall also be generated from NAMS. Follow-up on observations, shall also be done in NAMS by OAGN auditor/s.

11.1. Role of CSO in audit follow up

The concern entity will be responsible to implement, to take action on the issues raised by audit report. As per the provision of Audit Act the Auditor General has authority to follow up of the action taken in the observation raised in the audit report. CSO can play the following role to implement the recommendations of CPA after publishing the report and submitting to the President.

11.2. Advocacy to enhance awareness

CSOs can organize public hearing, advocacy, different social media tools for ensuring social accountability and create awareness on the matter raised in the CPA report of OAGN. The CSO should inform OAGN about the advocacy performing on the CPA report and request to participate (if possible) as social corporate responsibility of the CSOs. Apart from performance audit, CSOs shall be used to disseminate OAGN's Compliance and Financial audit observations and findings.

The CSOs may act as source of information to find audit risk/ residual risk for the financial audit conducting by OAGN following audit year/s as agent for public accountability, transparency and good governance & fulfilling CSOs social corporate responsibility.

The advocacy by CSOs can be helpful to implement the recommendations contained in the CPA report and create social/citizen pressure upon the public officials to take prompt corrective and preventive actions. The participating CSOs will also help in follow up audit by dissemination of audit recommendations and exerting pressure to settle them by taking the desired course of action. Best practices for dissemination of audit reports using innovative methodologies and ICT tools.

11.3. Promoting social accountability

CSOs shall report and inform the office of the Performance Audit Directorate General of OAGN regarding the activities conducted to promote social accountability and follow up of the action taken and implementation of audit report. Criteria should be set for follow up of implementation of audit findings where CSOs will be able to support and facilitate implementation of audit recommendations by the public entities. After presentation of the report to the legislature, CSOs should be used for continuous follow up of the findings of CPA and provide status on implementation of findings to PA directorate.

11.4. Inclusion of CPA in the annual report

OAGN will include the progress and status of the activities regarding the implementation of CPA in the annual report of coming year. Although the findings of the CPA will be the part of the Performance Audit, it will also be used in the annual audit report of OAG.

11.5. Designing effective communication strategy

- I. Communication with CSOs shall be as per OAGN's Stakeholder Engagement Strategy and Communication Strategy. Effective communication with CSO and other stakeholders can enable exerting pressure to the authorities for taking necessary action. OAGN can embark on engagement strategies with the media.
- II. The media can increase the outreach of audit reports, draw attention to key findings and highlight the need to monitor compliance with audit recommendations. The media can strengthen SAI independence. Media investigations can provide further evidence.
- III. Audience is to be targeted and public entities in charge of the required activities must be identified. The socio-political environment should be assessed with the objectives and resources available. The coverage of the subject in the media can be evaluated for taking better strategy. A database of potential beneficiaries can be created.
- IV. If the topic is likely to raise the interest of a specific audience, media strategy must focus the targeted group. It is critical to outreach the stakeholders with the findings and actionable recommendations to receive feedback, generate dialogue and discussions and exert pressure for implementation of recommendations.

Section 12: Logistics, financial and technical support for CPA

12.1. Providing Identity Card:

OAGN will provide identity card to the nominated representatives of the selected CSOs/Citizen Auditors for the period of participation. After completion of assignment or period the identity card should be returned to OAGN.

12.2. Expenditure relating to capacity development:

Orientation, training, workshops and observation tour etc. will be organized for the capacity development of CSOs by OAGN for CPA by using its resources. Required technical and financial assistance can be obtained from development partners, government, civil society for the capacity development.

12.3. Use of findings in audit report:

The audit team, if find useful, may use the findings of the study conducted by the CSOs using different social accountability tools on the thematic topic.

12.4. Dispute resolution:

During the execution of participatory audit program if any dispute arises it will be discussed in the steering committee and as directed by Auditor General the decision will be made and notified to the team leader which will be informed in written form to the civil society organization.

12.5. Issue of certificates for participation in CPA:

OAGN shall provide certificates of participation to CSOs after completion of CPA. The format of Certificate is given at **Annexure 7**.

Section 13: Limitations of CPA

CSOs' involvement will be there in the entire cycle of CPA from selection of topics and throughout the entire audit cycle from audit planning, audit execution, audit documentation, examination, evidence gathering, audit reporting, discussion, finalization, issue of audit report and follow up. As there are many limitations to overcome to make OAGN-CSO collaboration to achieve the envisaged success in conducting CPA, there should be continuous monitoring for resolution of disputes and problems.

Effective monitoring is a must paying attention to the following limitations:

1. CSOs are heterogeneous with multidimensional interests. Efforts must be put to create unity of purpose and uniformity of approach.
2. The citizen auditors from CSOs must be trained and oriented to work with OAGN's audit team to conduct CPA. The citizen oversight of public entities functions by CPA must be ensured to facilitate efficient monitoring of public financial management and effective implementation of programs. CSOs in the locality must be able to participate in CPAs at a local government' levels.
3. Adequate incentivizing, motivation and competency and capacity building are indispensable for making CSO-OAGN collaboration in CPA to achieve the desired objectives.
4. The work environment and culture of OAGN and CSOs must be effectively managed to achieve the expected audit outcome within the laid down timeline.
5. Reconciliation and management conflict of interests of CSOs/NGOs while utilizing their talent in CPAs must be kept in mind while selecting CPAs and signing the formal documentation.
6. The requisite autonomy in functioning must be provided for CSOs within the mandate of OAGN to conduct CPA.
7. As many CSOs follow multifarious socio-economic and political ideologies, special efforts must be put in to harness their energy for objective, independent, quality, timely, preparation of audit reports by ensuring effective engagement with maximum possible useable value addition in audit reports within OAGN's constitutional and statutory mandate.
8. Logistics, financial and technical support for CPA shall be provided by OAGN to reimburse cost incurred while participating in CPA process.

Engagement of CSOs will be effective when they have incentives to participate. CSOs focused on issues such as governance, transparency, and accountability will be familiar with the work of OAGN, its role and mission of and the ways public auditing. Engagement with external stakeholders from selection of subject matter for CPAs will improve the quality of audit reports, with the input of experts and CSOs having knowledge and experience in the field. The approach will sustain relationship with external stakeholders during all the phases of the audit cycle (planning, fieldwork, dissemination of reports, and follow-up of recommendations).

13.1. Stakeholder satisfaction survey

OAGN audit team needs to understand the audit impact of CPA and should conduct a survey of its stakeholders including CSOs/citizens. The results of the survey can be tabulated to measure the outcome of OAGN's CPA audits and compare with the planned objectives. Questions can be devised suitably to seek specific feedback from the CSOs/stakeholders across various aspects and areas of audit conducted, audit impact and audit outcome and to gauge the stakeholders' satisfaction level.

Annexures

Annexure 1: Note on OAGN's initiatives for adopting CPA in its audit process

In May 2013 OAGN introduced Citizens Participatory Audit (CPA) in its performance audit to enhance public participating in the audit process. In 2013, the bank facilitated exchange of OAGN staff on Citizen Participatory Audit (CPA) with the Philippines Commission of Audit (CoA). During the exchange it was felt that CPA must be a priority audit retooling, based on the fundamental premise that public accountability can be enhanced with the involvement of vigilant citizenry. The CSOs working in the locality, having relevant work experience, domain expertise, knowledge of practical field problems of implementation of government programs, schemes, and projects can enhance audit impact.

In 2013, a joint OAGN-CSO capacity building workshop was conducted. OAGN had constituted a national level working group representing OAGN and CSOs for mainstreaming CPA.

In 2014, a multi-stakeholder working group was established and OAGN selected 5 districts for conducting performance audit on health and social security entitlements and later added one more district Kapilavastu. OAGN's experience in CPA in Kapilavastu was shared with multi-stakeholders working group. OAGN consulted experts for developing a framework for engagement of CSOs in CPA.

In 2015, a multi-stakeholder working group was established. The working group developed a 'Guidance Note' for engagement of CSOs in CPA and dissemination of audit recommendations, which was approved by the Auditor General. A two day-peer assisted workshop was also organized where 22 representatives from CSOs, World Bank and OAGN participated and an operational manual was prepared. OAGN involved CSOs in conducting CPA in education and health sectors in Dhankuta and Palpa.

As part of a south-south exchange, OAGN staff visited CoA, Philippines and gained hands-on knowledge which was disseminated among other colleagues.

The World Bank funded a three-month project, Promoting Citizen Participation in Performance Audits in Nepal, through the Nordic Trust Fund (NTF), established by Denmark, Finland, Germany, Iceland, Norway, and Sweden. The World Bank projects and programs supported OAGN in preparation of CPA Guideline and the operations manual. The CPA Guideline was published in 2016.

In 2016 OAGN included CPAs in its five-year strategic plan. The Auditor General approved OAG-CSO operational manual. OAGN shared its experience with a six-member delegate from Supreme Audit Office (SAO) Afghanistan. OAGN also trained 87 CSOs from 42 districts comprising PRAN partners using social accountability tools such as Grievance Redress Mechanism (GRM) and Community Score Card (CSC). In another workshop 35 participants including OAGN, experts, CSOs, think tanks, and media attended.

In 2017 OAGN initiated CPA in 5 earthquake affected districts involving 8 CSOs. CSOs were involved in focus group discussions, information collection and verify information including analysis of data. OAGN also organized a joint consultative meeting with CSOs CPA in March 2017. Based on the lessons learnt from various workshops and work experience by carrying out CPAs with citizen auditors of CSOs, OAGN revised its CPA guideline in 2017.

During the workshop citizen auditors visited health centers of different levels to audit the health services. It facilitated capacity development of CSOs and elected local government officials involved in the workshop in five locations in four Provinces: Province no. 1 (Biratnagar), 3 (Hetauda), 5 (Butwal and Nepalgunj) and 7 (Dhangadi). The various workshops facilitated exchange of ideas for systematization of OAGN-CSO engagement in CPA. A training manual, "Citizen Participatory Audit Manual 2016" was prepared for capacity

building of CSOs by incorporating feedback from the workshops for further systematizing participation of CSOs in different stages of performance audit.

In 2018, the World Bank committed funds for a project to support OAGN to further its efforts to engage CSOs in CPAs. A consortium comprised by Helvetas Swiss Inter-cooperation and SKY Samaj Nepal was constituted to undertake a project from February 2019 to May 2019. The project's specific objectives were to:

- a) Mobilize CSOs in selected municipalities to facilitate collaborative social accountability processes with local authorities, service providers and citizens through the use of CPAs in order to monitor health services expenditures (specifically medical supplies management) in selected health facilities;
- b) undertake capacity building of CSOs on the mandates and technical aspects of the audit functions and on collaborative social accountability approaches that enhance consensus, inclusion and non-discrimination and use of human rights principles;
- c) convene stakeholders for learning exchange and systematize learning by integrating it in OAGN's Performance Audit Report and in a training manual on OAG-CSO engagement on participatory audits.

In the 3-month project, the World Bank Group, Global Partnership for Social Accountability, Helvetas Swiss Inter-cooperation, Nepal and Sky Samaj collaborated. In May 2019 'The Final Report' for 'promoting citizen participation in performance audit in Nepal facilitated through the Office of the Auditor General' was prepared incorporating the lessons learnt and outputs from the project.

In 2018 CPA was recognized as a crucial part of OAGN's audit activity. In 2019 OAGN could involve a few citizen auditors from CSOs in its CPAs. In 2020, OAGN is engaging 24 to 26 citizen auditors from 19 CSOs in CPA conducted in 24 local bodies.

Annexure 2 : Notice for Letter of Intent LOI

Office of the Auditor General

Babarmahal, Kathmandu.

Invitation of Letter of Intent

Date of Publication:.....

Office of the Auditor General of Nepal is planning to implement participatory performance audit as per the annual plan in the following topics in the following districts, letter of intent are invited from the interested civil society organizations which are working in the districts and have experience in the social accountability promotion to participate in the information collection and analysis, research and study and association with the audit team in the field for performance audit within date along with following documents.

S.N Topics for participation Work Area (District)

- 1
- 2
- 3
- 4
- 5

Final due date for submission of Letter of Intent:

The Documents to be included

- a) Name, date of registration and registration certificate
- b) Qualification and experience of associated person of the organization (Biodata)
- c) Details of past study and research in the local level
- d) Tax clearance certificate
- e) Additional documents that can be submitted for evaluation of the Letter of Intent as mentioned in the Note below:

Note:

Evaluation of Letter of Intent:

As the Letter of Intent will be evaluated based on the 9 points criteria mentioned below, CSOs are encouraged to submit the Letter of Intent accompanied by additional documents for proper assessment.

1. Profile of CSOs (Year of registration with number of years and number of members)
10
2. Past experience in the relevant topics/sectors with number of years experience 15
3. Track record/certificates/commendation received in the relevant topics/sector/field
10
4. Educational and professional qualifications, past experiences in the relevant sector, trainings attended by the CSO representatives willing to be associated with CPAs
10
5. Educational and professional qualifications, certification, past experiences in the relevant sector, trainings attended by the office bearer and staff
6. Certification/past experience in conducting CPAs 15
7. Other relevant experience in participating with the government of Nepal 10
8. Details of work, studies, research papers, survey etc conducted by CSO in the relevant field. 10

9. Any other commendable achievement such as proficiency in using different social accountability tools in the field/sector where CSO is operating which can be used in the CPA topic and can add value to the participatory audit. 10

Note:3

While evaluating the Letter of Intent, OAGN may decide to modify these criteria if deemed necessary.

Note:

1: The interested organizations may obtain the detail about audit topics, scope of work, methodology and process as well as roles and responsibilities of the CSOs from the official website of the Office of the Auditor General www.oag.gov.np or contact in telephone

2: OAGN website may be visited to know the latest update/status of registration, CPA subject matters included in the annual audit plan of OAGN and status of complaints and the disposal of them as well as OAGN's current activities, audit reports and audit recommendations etc.

Number.....

Annexure 3: Submission of Letter of Intent

Letter Head of Civil Society Organization

Date:

Submission of Letter of Intent

Office of the Auditor General
Performance Audit Directorate
Babarmahal Kathmandu.

As per the notice published on Date..... from your office this organization is interested to participate in participatory performance audit oftopics in the districts for next year as a civil society organization in association with the audit team deputed by you office and including the following documents we would like to submit the letter of intent.

Documents included:

- a) Name, date of registration and registration certificate
- b) Qualification and experience of associated person of the organization (Biodata)
- c) Details of past study and research in the local level
- d) Tax clearance certificate
- e) Additional documents that can be submitted for evaluation of the Letter of Intent as mentioned in the Note below:

Note:

Evaluation of Letter of Intent:

As the Letter of Intent will be evaluated based on the 10 points criteria mentioned below, CSOs are encouraged to submit the Letter of Intent accompanied by additional documents for proper assessment.

1. Profile of CSOs (Year of registration with number of years and number of members) 10
2. Past experience in the relevant topics/sectors with number of years experience 15
3. Track record/certificates/commendation received in the relevant topics/sector/field 10
4. Educational and professional qualifications, past experiences in the relevant sector, trainings attended by the CSO representatives willing to be associated with CPAs 10
5. Educational and professional qualifications, certification, past experiences in the relevant sector, trainings attended by the office bearer and staff 10
6. Certification/past experience in conducting CPAs 15
7. Other relevant experience in participating with the government of Nepal 10
8. Details of work, studies, research papers, survey etc conducted by CSO in the relevant field. 10

9. Any other commendable achievement such as proficiency in using different social accountability tools in the field/sector where CSO is operating which can be used in the CPA topic and can add value to the participatory audit. 10

Note:3

While evaluating the Letter of Intent, OAGN may decide to modify these criteria if deemed necessary.

Chief of the organization

Annexure 4: Notice to the selected civil society organization

Office of the Auditor General
Performance Audit Directorate

Notice to the selected civil society organization

As per the invitation notice of letter of intent of date..... of this office following civil society organization for the following topics and districts have been selected for participatory performance audit on the basis of evaluation of letter of intent received from the interested civil society organizations, Office of the Auditor General would like to request all the selected civil society organization to contact within 15 days of this notice publication.

S.N	Topics for participation	Work area (District)	Selected CSOs
1			
2			
3			
4			
5			

Annexure 5: Orientation Program

Office of the Auditor General Performance Audit Directorate			
Orientation Program			
Day 1	Auditing	Performance Audit	CPA
Day 2	Audit Plan	Execution of Audit Plan	Information collection and analysis
Day 3	Reporting	Follow up	Role of CSOs

Note:

- I. Additionally, training program can also include sessions specifying on the charter of responsibilities of CSOs - dos and don'ts; OAGN's audit cycle, time frame, quality assurance concerns, conflict of interest, confidentiality issues; role of CSOs in the entire audit cycle from selection of topics for CPA till follow up action with specific reference to how to add value to audit process and activities by CSOs by using social accountability tools; application of Right to Information Act and its uses; Case studies on various Social Accountability tools and how to apply them.
- II. For each CPA subject matter, different training modules may be required for proper orientation and effective field audits.
- III. CSO representatives of each CPA subject matter may be specifically trained in the assigned domains to conduct effective field audits.
- IV. The social accountability tools required for effective use in field audit may differ depending on the audit subject matter. CSO representatives must be trained properly in those tools.

Annexure 6: Memorandum of Understanding

Memorandum of Understanding between Office of the Auditor General and Civil society organization for association in the performance audit

Office of the Auditor General established as per the provision of Constitution of Nepal located in Kathmandu Metropolitan 10 Babar Mahal Kathmandu (hereafter called first party) and the civil society organization registered in district as per the provision of which has head office in.....and has registration number.....the authorized representative Mr./Ms(hereafter called second party) completed the memorandum of understanding for the association in the participatory performance audit.

We have agreed and signed to participate in the participatory performance audit as per the annual plan, entity level plan and decision ofdate of first party in the subject/project/program following the approved plan, auditing standards, methodology and prevailing law in the participation of second party from.....todate. The specified representative of the second party shall participate and complete the audit assignment with the audit team of first party in the coordination and contact of team leader complying following points:

- I. Deputation of experienced and trained representative for the concerned topics,
- II. Providing information and implementation schedule of audit plan to the audit team for the participatory audit topics,
- III. Compliance of audit act and other directives from civil society organization while supporting to the audit team,
- IV. Returning the documents, information, data evidence to the audit team after completion of assignment,
- V. The civil society organization or its representatives should not use any information collected during the assignment for other purpose,
- VI. Confidentiality should be maintained, the agreement will be terminated and action will be taken as per prevailing law if the confidentiality breached,
- VII. The representatives or the civil society organization may not claim any remuneration and allowance in the participatory audit other than those mentioned in the MoU/Contract with OAGN while engaging them, While signing the MoUs/Agreements
- VIII. OAGN may find out the specific requirements of CSO representatives in undertaking the CPA subject matter allocated to them and accordingly engage them with MoUs/Contracts as per Public Procurement Act and Public Procurement Rules of the Government of Nepal.
- IX. The participating civil society organization shall submit the budget estimate to cover the minimum cost for the assignment in the performance audit directorate of Office of the Auditor General,
- X. Declaration shall be submitted by the civil society organization to ensure that there is no any conflict interest of office bearer or representative of civil society organization with the project/program/entity.
- XI. The civil society organization or its representative should not be affiliated with any political parties.

.....
Assistant Auditor General Designation
Performance Audit Directorate General
Date:

Designation:
Name of Organization:
Date:

Annexure 7: Declaration of Conflict of Interest

DECLARATION OF CONFLICT OF INTREST

I would like to declare and certify as a president / executive chair of organization that none of my family member and relatives as well as myself have any association and conflict of interest with the program and project selected as a topics of performance audit.

I further certify that as a president/executive chair of organization that none of my family member and relatives as well as myself have any association or affiliation with any political parties etc.

Name

Position

Date

Name of the Civil society organization

This Annexure can incorporate self-declaration on non-affiliation with political parties etc.

Annexure 8: Certificate to CSOs for participation in CPA

<p style="text-align: center;">Office of the Auditor General Performance Audit Directorate General</p>		
<p>CERTIFICATE</p>		
<p>This certificate is awarded to Mr/Ms for the participation and contribution made in the participatory performance audit conducted in the topics..... as a representative of the civil society organization..... in the year.....</p>		
<p>Assistant Auditor General</p>	<p>Deputy Auditor General</p>	<p>Auditor General</p>

Annexure 9: Identification of topics for CPA

Many of the social sector programs of the government are related to UN SDG 2030. Most of them may be suitable for CPA apart from economic and social development projects impacting the citizens and disaster management related topics like earthquake, avalanche, climate change related topics or current Covid pandemic and procurement done by various government entities. Indicators given against each SDG serve as audit measurement criteria⁴.

The 17 SDGs are listed below for ready reference:

- 1) End poverty in all its forms everywhere
- 2) End hunger, achieve food security and improved nutrition and promote sustainable agriculture
- 3) Ensure healthy lives and promote well-being for all at all ages
- 4) Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all
- 5) Achieve gender equality and empower all women and girls
- 6) Ensure availability and sustainable management of water and sanitation for all
- 7) Ensure access to affordable, reliable, sustainable and modern energy for all
- 8) Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all
- 9) Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
- 10) Reduce inequality within and among countries
- 11) Make cities and human settlements inclusive, safe, resilient and sustainable
- 12) Ensure sustainable consumption and production patterns
- 13) Take urgent action to combat climate change and its impacts*
- 14) Conserve and sustainably use the oceans, seas and marine resources for sustainable development
- 15) Protect, restore and promote sustainable use of terrestrial ecosystems, sustainably manage forests, combat desertification, and halt and reverse land degradation and halt biodiversity loss
- 16) Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels
- 17) Strengthen the means of implementation and revitalize the global partnership for sustainable development.

⁴ Reference: <https://unstats.un.org/sdgs/indicators/Global%20Indicator%20Framework%20after%202020%20reviewEng.pdf>

Annexure 10: Social Accountability Tools & Approaches⁵

How to Note: How, When and Why to Use Demand-side Governance Approached in Projects, Social Development Department, World Bank, 2011.

1. Advisory Body/Committee is a consultative group that includes a limited number of relevant stakeholders (e.g., citizens, members from academia, private sector, civil society) that provides public input on the project/program during the design and implementation stages of the project.
2. Budget Literacy Campaigns are efforts—usually by civil society, academics, or research institutes—to build citizen and civil society capacity to understand budgets in order to hold governments accountable for budget commitments and to influence budget priorities.
3. Citizen Charter is a document that informs citizens about the service entitlements they have as users of a public service, the standards they can expect for a service (timeframe and quality), remedies available for non-adherence to standards, and the procedures, costs and charges of a service. The charters entitle users to an explanation (and in some cases compensation) if the standards are not met.
4. Citizen Report Card is an assessment of public services by the users (citizens) through client feedback surveys. It goes beyond data collection, to being an instrument for exacting public accountability through extensive media coverage and civil society advocacy that accompanies the process.
5. Citizen's Budget is a simplified, nontechnical summary/presentation of a local or national budget that is designed to reach and be understood by citizens. There are usually two types of CBs:
 - a. a simplified version of the Executive's Budget Proposal and
 - b. a simplified version of the Enacted Budget after the legislature has considered the budget and voted on it.
6. Citizen Satisfaction Surveys provide a quantitative assessment of government performance and service delivery based on citizens' experience. Depending on the objective, the surveys can collect data on a variety of topics ranging from perceptions of jurisdictional services and elected officials, to desires for new capital projects and services.
7. Citizen Service Centers provide citizens with access to a variety of national, state, and municipal and/or private sector services in a single location. The CC informs citizens about the service entitlements they have as users of a public service, the standards they can expect for a service (timeframe and quality), remedies available for nonadherence to standards, and the procedures, costs and charges of a service.
8. Citizen/User membership in decision-making bodies is a way to ensure accountability by allowing people who can reflect users' interests to sit on committees that make decisions about project activities under implementation (project-level arrangement) or utility boards (sector-level arrangement).
9. Citizen Jury refers to a group of selected members of a community that make recommendations or action proposals to decision-makers after a period of investigation on the matter. Citizens' juries are a deliberative participatory instrument to supplement conventional democratic processes.
10. Community Contracting refers to a process where community groups are contracted for the provision of services, or when community groups contract service providers or the construction of infrastructure.
11. Community Management is a process in which services are fully managed or owned by service users or communities. Consumers own the service directly (each customer owns a share) when they form cooperatives.
12. Community Scorecard is a community-based monitoring tool that assesses services, projects, and government performance by analyzing qualitative data obtained through focus group discussions with

⁵ Source:

https://www.worldbank.org/content/dam/Worldbank/Event/MNA/yemen_cso/english/Yemen_CSO_conf_glossary_SA_ENG.pdf

the community. It usually includes interface meetings between service providers and users to formulate an action plan to address any identified problems and shortcomings.

13. Focus Group Discussions are composed of a small number of stakeholders to discuss and consult in an informal setting project impact and concerns. They are designed to gauge the response to the project's proposed actions and to gain a detailed understanding of stakeholders' perspectives, values and concerns.
14. Grievance Redress Mechanism (or a formal complaints-handling mechanism) is a system by which queries or clarifications about the project are responded to, problems with implementation are resolved, and complaints and grievances are addressed efficiently and effectively.
15. Independent Budget Analysis is a process where civil society stakeholders research, explain, monitor and disseminate information about public expenditures and investments to influence the allocation of public funds through the budget.
16. Information Campaigns are processes to provide citizens with information about government plans, projects, laws, activities, services, etc. A variety of approaches can be used such as public meetings, mass media, printed materials, public performances, and information kiosks.
17. Integrity Pact is an accountability tool that allows participants and public officials to agree on rules to be applied to a specific procurement. It includes an "honesty pledge" by which involved parties promise not to offer or demand bribes. Bidders agree not to collude in order to obtain the contract; and if they do obtain the contract, they must avoid abusive practices while executing it.
18. Participatory Budgeting is a process through which citizens participate directly in budget formulation, decision making, and monitoring of budget execution. It creates a channel for citizens to give voice to their budget priorities particularly at the local government level.
19. Participatory Planning is a process that convenes a broad base of key stakeholders, on an iterative basis, in order to generate a diagnosis of the existing situation and develop appropriate strategies to solve jointly identified problems. Project components, objectives, and strategies are designed in collaboration with stakeholders.
20. Procurement Monitoring, in the context of Social Accountability, refers to independent, third-party monitoring of procurement activities by citizens, communities, or civil society organizations to ensure there are no leakages or violation of procurement rules.
21. Public Expenditure Tracking Surveys involve citizen groups tracing the flow of public resources for the provision of public goods or services from origin to destination. It can help to detect bottlenecks, inefficiencies, or corruption.
22. Public Hearings are formal community-level meetings where local officials and citizens have the opportunity to exchange information and opinions on community affairs. Public hearings are often one element during consultations or in a social audit initiative.
23. Public Reporting of Revenues and Expenditures refers to the public disclosure and dissemination of information about government revenues and expenditures to enable citizens to track the budget and hold governments accountable.
24. Social Audit (also called Social Accounting) is a monitoring process through which organizational or project information is collected, analyzed and shared publicly in a participatory fashion. Community members conduct investigative work at the end of which findings are shared and discussed publicly.

Annexure 11: Briefs on important Social accountability tools

Social accountability tools are used for enhancing the effectiveness of CPAs. These are the best practices used by different SAs in social audits and CPAs. The social accountability tools such as surveys, public hearing, interviews, focus group discussion can be used by CSO representatives in the audit team to gather audit evidence. Budget tracking can be done by finding out the expenditure incurred in the field and cross verifying from the authorities and the targeted beneficiaries. In the CPA training, the different social accountability tools and how to use them effectively and what are their uses and impact must be included.

A: Planning tools

Planning tools can be used to create stakeholder awareness on the right to information which may improve the planning and implementation of the government programmes and projects. Tools include:

1. **A rights-based framework/tool** for categorizing and analyzing state obligations, services, and programs.
2. **The Advocacy tool** is a comprehensive analysis and planning tool for advocacy campaigns, that enables to develop campaigns in a collaborative and effective manner.
3. **Multi-Actor Partnerships** describe the advocacy process in which partners from civil society organizations and the state authorities progress work towards achieving the goal.
4. **Right to Information** seeks to information on state programs as an important framework legislation to improve the implementation of existing state services and programs.

Campaign tools

These tools are used to address policymakers in policymaking and implementation of policies.

1. **Online advocacy** is powerful in mobilizing people and influencing policymakers.
2. **Lobbying** processes help to influence the decision-makers in implementation of citizen centric programs.

Evidence-based advocacy tools include survey on how services or state programs perform, with the objective of influencing the implementation of state policies.

1. **Shadow reports** assess the performance of states or governments vis-à-vis their promises or plans.
2. **Citizen Report Cards** are user surveys of user perception of services such as water supply, health, or mother and child development programs or access to education or employment or sanitation or housing.
3. **Budget Tracking** helps to analyze how state budgets are planned, allocated, transferred and utilized in-state programs on various levels, and how the funds are allocated and utilized to the target groups.
4. **Facility Audits** are surveys that use an audit methodology to look at the state facilities such as health centers or nutrition rehabilitation centers comparing to what “should be” based on rules and regulations and government standards.

Community-based tools are bottom-up tools used in monitoring the performance of state programs and services at community-level implementation of programs. Tools include:

1. **Social Audits** are community monitoring processes involving the community members working as auditors examining records and progress of work based on budget and records and cross verifying them. Social audits look at the utilization of resources in public works programs, employment schemes of state support towards vulnerable groups.
2. **Community Score Card** is a tool used in community monitoring and planning process that looks at the perception and performance of state services such as health, mother and child development, or water supply at community level.
3. **Participatory budgeting** is a bottom-up approach for financial planning and management that can be used by citizens in cooperation with local governments.

4. **Community-led planning and implementation** is a process in which certain authorities in planning and implementing projects engage community/citizens to improve ownership and effectiveness of the government policy interventions.

Public Expenditure Tracking Surveys (PETS)

Social accountability tools like Public Expenditure Tracking Surveys (PETS) use quantitative surveys of the supply side of public services. The unit of observation typically is a service facility or local government. The survey collects information on facility characteristics, financial flows, outputs or services delivered and accountability arrangements. PETS help in checking leakage of funds, estimating funds not reaching the intended beneficiaries and detecting the root causes of diversion of public resources. PETS are powerful diagnostic tools in the absence of reliable administrative or financial data. By tracking the flow of resources from origin to destination, PETS can determine the spots of leakage and extent of anomalies. The publication of PETS results through media contributes to misuse of funds by promoting social awareness and public pressure. In Uganda, a PETS assessed how much money spent by the exchequer actually reached schools between 1991 and 1995. Data on income, expenditure and enrollment in schools were collected, and forms used were standardized for collection of qualitative information. The government acted immediately by: (a) publishing amounts transferred to the districts in newspapers and on radio broadcasts; (b) asking schools to post on the public notice boards monthly transfer of funds; (c) including information dissemination mandatory in the 1997 Local Governance Act; and (d) ordering districts to deposit all grants to schools in their own accounts, and delegating authority for procurement from the center to the schools. The Ugandan cost-effective survey enhanced transparency in budget allocation and improve outcomes in public service delivery.

Community Score Cards (CSCs)

Community Score Cards (CSCs) are participatory, community-based monitoring and evaluation tools that enable citizens to assess the quality of public services such as health care, education, public transport, water, or waste disposal systems, housing, construction of toilets, distribution of public goods, performance of projects and government administrative units. CSCs are used to inform community members about available services and consumers' rights and obtain feedback about the accessibility and quality of the services. The process includes a meeting between service providers, the community, and local government. CSCs uses focus group interactions to ensure maximum possible participation by the local community. By providing an opportunity for direct dialogue between service providers and the community, CSC empowers citizens to demand improved service delivery and brings all the stakeholders to arrive at acceptable solutions. Joint monitoring to track the effectiveness helps. In the Philippines, a CSC tool was used by COA and ANSA-EAP with Marikina parent leaders and barangay health center providers along with an inventory check. The beneficiaries and service providers could rate their performance based on the quality standards set by the Department of Health. The results of CSC were compared with the results of the inventory activity conducted by COA for inclusion in the audit report. While using social accountability tools care must be taken to ensure reliability of data and avoid influence of bias and lack of objectivity. Citizen engagement tools can be used for effective collaboration of CSOs in the entire audit Cycle. There are range of social accountability tools and strategies available for citizens/CSOs to assist OAGN during audit planning, audit execution in the field, reporting and follow up be monitoring of compliance with recommendations. These social accountability tools of CSOs complement and supplement traditional OAGN' audit methodology and its limitations. CPA help building public confidence in OAGN's audit work. CPAs are more relevant at local level than at a national level.

Focus Group Discussion (FGD)

A focus group discussion (FGD) is a social accountability tool used to gather people from similar backgrounds to discuss a specific topic. FGDs are planned, organized and decided and the group members are selected. FGD is used to discuss with a selected group of individuals to gain information about a topic. In FGD, questions are asked about perceptions attitudes, beliefs, opinion or ideas from the group. The participants are free to talk with other group members. FGD is conducted by a group of 8 to 12 people led by a moderator who has the requisite skills, proficiency, experience in conducting FGDs by asking right questions, moderate the discussions and encourage group members to express honest opinions and respond to other members' questions, concerns and provide information and views on a topic in a relatively short time. FGD obtains several perspectives, insights, and shared understanding in a group situation. The moderator must be good at interpersonal skills to moderate a group to conduct free and open discussion to generate new ideas useful for decision-making. The moderator can bring changes to facilitate the discussion. The moderator controls discussion and encourage the group members to share sensitive ideas and concerns publicly. Due to small sample size and heterogeneity of individuals, the findings may not be adequate to make projections and the findings may be far from the actual. FGD requires skills, competencies and expertise to be free of biasness and prejudices and proficiency in the language in which discussions are conducted. It is important to know how to manage the interview so that one or two people do not dominate it, and the participants are able to share their views. Training in conducting group discussion is important to know dos and don'ts to conduct and participate in FGD. FGD starts with open questions. The first question should be general to say about participants' views about the topic. FGD will be conducted confidentially. There will be a report explaining who it will go to and how it will be used.



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नीति योजना तथा जनशक्ति विकास महानिर्देशनालय

पत्र संख्या २०७७/७८ च नं ०३



विषय नेपाल सरकारी लेखापरीक्षण मानकको कार्यान्वयन सम्बन्धमा

नेपाल
२०१६



मिति २०७७/१४/१६

श्री सबै विभागहरु

श्री सबै महानिर्देशनालयहरु

श्री सबै निर्देशनालयहरु

महालेखापरीक्षकको कार्यालय ।

उपरोक्त सम्बन्धमा लेखापरीक्षण ऐन, २०७५ को दफा २९ ले दिएको अधिकार प्रयोग गरी महालेखापरीक्षकले गर्ने लेखापरीक्षणलाई वस्तुपरक, विश्वसनीय र भरपर्दो बनाई लेखापरीक्षणको गुणस्तर अभिवृद्धि गर्न साविकमा स्वीकृत भएका सरकारी लेखापरीक्षण मानदण्ड एवं सरकारी लेखापरीक्षण नीति मानदण्ड खारेज गरी सर्वोच्च लेखापरीक्षण संस्थाहरुको अन्तर्राष्ट्रिय संगठनले जारी गरेका अन्तर्राष्ट्रिय लेखापरीक्षण मान (INTOSAI Framework for Professional Pronouncements, IFPP) मा आधारित "नेपाल सरकारी लेखापरीक्षण मान" (Nepal Government Auditing Standards, NGAS) २०७७/१४/१६ मा स्वीकृत गरिएको छ । अतः कार्यालयबाट यस वर्षदेखि लेखापरीक्षण गर्दा तपसीलका नेपाल सरकारी लेखापरीक्षण मानको कार्यान्वयन गर्नु हुन अनुरोध छ ।

तपसील

NGAS नम्बर	नेपाल सरकारी लेखापरीक्षणमानको नाम
INTOSAI-P 1	The Lima Declaration
INTOSAI-P 10	Mexico Declaration on SAI Independence
INTOSAI-P 12	The Value and Benefits of Supreme Audit Institutions- making a difference in a life of citizens
INTOSAI-P 20	Principles of Transparency and Accountability
ISSAI 100	Fundamental Principles of Public-Sector Auditing
ISSAI 130	Code of Ethics
ISSAI 140	Quality Control for SAIs
ISSAI 200-299	Financial Audit Principles
ISSAI 300-399	Performance Audit Principles
ISSAI 400-499	Compliance Audit Principles
ISSAI 2000-2899	Financial Audit Standards
ISSAI 3000-3899	Performance Audit Standards
ISSAI 4000-4899	Compliance Audit Standards

जानकारीको लागि

माननीय महालेखापरीक्षकज्यू ।

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"जनहितका लागि जवाफदेहिता, पारदर्शिता र निष्ठा प्रवर्धनमा विश्वसनीय लेखापरीक्षण संस्था"