OFFICE OF THE AUDITOR GENERAL, NEPAL

Stakeholders Engagement Strategy

(2018 to 2023)

Acronyms

AG	**Auditor General**
ASOSAI	Asian Organization of Supreme Audit Institutions
CAM	Compliance Audit Manual
CPA	Citizen Participatory Audit
CSOs	Civil Society Organizations
DAG	Deputy Auditor General
FAM	Financial Audit Manual
IDI	INTOSAI Development Initiative
IFMIS	Integrated Financial Management Information System
ISSAs	International Standards of Supreme Audit Institutions
IT	Information Technology
ICAN	Institute of Chartered Accountants of Nepal
MPSAs	Ministries, Provinces and Spending Agencies
OAG/N	Office of the Auditor General Nepal
PA	Performance audits
PAC	Public Accounts Committee
PAM	Performance Audit Manual
PMRC	Policy Monitoring Research Centre
PRO	Public Relations Officer
RAM	Regularity Audit Manual
SAIs	Supreme Audit Institution
NAS	Nepal Accounting Standards
SWOT	Strengths, Weaknesses, Opportunities and Threats
NIS	National Information Service
NPSAS	Nepal Public Sector Accounting Standards

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Executive Summary

The Office of the Auditor General (OAG/N) is a constitutional body established under the Constitution of Nepal for conducting the audit services to all the government ministries and other entities. According to the section 240 of the Constitution of Nepal, In performing the duties we relies just as much on its internal stakeholders as well as external stakeholders. So we must get the different stakeholders involved own their parts during the performing of its duties. Engaging with Stakeholders is one of the essential elements that help Supreme Audit Institutions (SAIs) to remain relevant to their quest to promote good governance of the country through transparency and accountability.

Realizing the importance of engaging with stakeholders in an organization, we have prepared the Stakeholder Engagement Strategy that helps to meet the needs of the SAI and its stakeholders taking into consideration the aspirations of Government Periodic Plan and the strategic plan for 2017 - 2021.

This Strategy focuses on both internal and external stakeholders of the office. It outlines the approach that will allow the office to sufficient flexibility on how and when to engage with each stakeholder and which strategy to use. In coming up with this strategy, due diligence was done to ensure that this document is responsive to the stakeholders' needs.

(Tankamani Sharma, Dangal)

AUDITOR GENERAL

1 About the SAI

The Office of the Auditor General is a public institution responsible for providing external audit services to Ministries, Provinces and other Spending Agencies in order to enhance transparency and accountability in the collection and utilization of public resources. The efficient use of public fund will lead to improve the lives of the people of Nepal. That, indeed, is the ultimate purpose of all public sector institutions in Nepal. That commonality of purpose underscores the importance of all public institutions in Nepal working together rather than at cross-purposes. This binds us irrevocably to all other public institutions in the country to achieve the ultimate aim at improving the lives of the people.

It serves as a constant reminder that only by cooperating and coordinating, can the public sector institutions truly succeed in uplifting the nation´s welfare. At the same time, we see ourselves as making a unique contribution to this shared purpose, and that is by being faithful to our Constitutional obligation to providing independent, quality audit services. That, in turn, will improve public sector performance, enhance transparency, ensure accountability, maintain credibility, promote public trust, and foster efficient use of public resources for the benefit of the people of Nepal. Its legal framework is based on the following pieces of legislation:

Legislation/Acts/Rules that Guides the office

i.   Audit Act 2048 (1991)
ii.   Civil Service Act, 2049 (1993)
iii.   Financial Procedures Act 2055 B.S/(1998)
iv.   Financial Procedure Rules (2007)
v.   Good Governance Act (2008)4
vi.   Constitution of Nepal Articles 240-241
vii.   Service Charter
viii. Supply of information (under the Right to Information Act);
ix.   Addressing stakeholder grievances by the nodal officer (as provided in theGood Governance Act 2008);
x.   Annual Reports

The functions of the office as highlighted in the Constitution include the following:

i.   Audit the accounts of State organs, State institutions, Provincial Administration and Local Authorities as well as institutions financed from public funds.
ii.   Conduct financial and Performance audits, including Information Technology Audit, Environment Audit,   audits and any other type of audit, in respect of any project that involves the use of public funds;
iii.   Ascertain that money appropriated by Parliament or raised by the Government and disbursed has been applied for the purpose for which it was appropriated or raised; was expended in conformity with the authority that governs it; and was expended economically, efficiently and effectively;
iv.   Prescribes accounting formats to be followed by all government offices.
v.   Issues directives from time to time, updating the requirements to all auditees.
vi.   Submit an annual report on its work to the President, which is later presented to Parliament.

- Vision:

We strive to be a Credible Institution in Promoting Accountability, Transparency and Integrity for the benefit of the people.

The vision is our long-term aspiration. It drives us to improve continuously so as to become a credible institution in promoting public accountability, transparency and integrity. That, in turn, will promote better governance and ultimately advance the welfare of the people of Nepal. However, our vision is not just to be a watchdog over other public sector institutions; rather, it is our deep-rooted commitment to also lead by example by becoming a model organization that holds itself to account and ensures the highest degree of transparency and integrity in its own operations.

- Mission:

Provide Independent and Quality Audit Service to assure our stakeholders that the public funds are efficiently used.

Our mission represents why we exist as an institution, for whose benefit, and how we propose to uniquely contribute to that larger purpose. Our independent and quality audit service should assure our stakeholders that public funds are used efficiently which ultimately justifies office´s existence.

- Core Values:

Our Core Values always guided us in how we behave with each other as well as with our external stakeholders. They are the foundation of our organizational culture and impact individual, as well as, organizational performance. We believe that how we conduct ourselves daily, affects our individual self-respect, and the goodwill and reputation for the office. Our Core Values are:

Integrity

Our dealing with stakeholders and clients should demonstrate honesty, fairness, objectivity, truthfulness. We remain transparent, accountable and not unduly influenced by the interests of others in performing audit.

Independence

We draw conclusions, raise observations and form audit opinions without being affected by influences that compromise professional judgment, avoiding the situation of conflict of interest, keeping free from self-interest and intimidation and maintaining impartiality.

Professionalism

We believe that only a professional and competent workforce can provide better audit services. Therefore, we aim for continuous professional development at all levels. Our professional expertise and ethical behavior guide us to contribute to the nation in the prudent use of public resources for the well-being of the people.

Transparency

For any institution in the democratic system of government, it must have the public's confidence. To value this confidence, we intend to be open in our entire work and communicate our audit results in a transparent manner.

Accountability

We aspire to relationship of our all staffs based on clear responsibility for performance, both for the results achieved and means used. We are also committed to be accountable to the people of Nepal, Parliament and other stakeholders.

2 Introduction

The office has a strategy plan ensure to improve quality and impact of audit, strengthen independence and mandate, develop organizational capacity and enhance professional and furthermore relations with external stakeholders. This is now implemented by the office. Stakeholder's engagement strategy plan for 2018-23 has made.

There is an increasing demand for governments, public institutions and public officials to be transparent and accountable in executing their work. To meet this demand, it is inevitable for public offices to effectively engage with stakeholders about what it does in an impartial and truthful manner. The Office of the Auditor General which is the Supreme Audit Institution (SAI) in Nepal plays an oversight role in the management of public resources through the audits undertaken and reported on. By independently reporting on how Government is managing public resources, transparency is enhanced and many stakeholders, including the general citizen are kept informed of how public resources are being utilized.

The purpose of this strategy is come up with documented approach to engaging different stakeholders with the view of keeping them abreast with work of the office as it executes its mandate. This document outlines interventions that the office will pursue in order to understand and take on board its stakeholders' expectations as it carries out its work.

Over sight agencies and SAIs are able to make a difference in the lives of citizen and it depends on their ability to strengthen the accountability, integrity and transparency of government and public entities. It demonstrates model organizations that lead by example by ensuring appropriate transparency and accountability and good governance. SAI Nepal has been started involving citizens and other stakeholder's few years before. ISSAIs number 1, 10, 12 and 20 are acknowledged by the INTOSAI to make a difference in the lives of citizens through their roles and responsibilities. Analysis of some of the key principles of ISSAIs is as follows:

2.1 ISSAI 1 – Lima Declaration

This standard highlights the purpose of the public sector auditing which ensures extensive distribution and discussion, and enhances opportunities for enforcing the findings of an SAI. The declaration also states that the reporting should be objective, clear and easily understood.

2.2 ISSAI 10 – Mexico Declaration on Independence

It brings out the right and obligation to the SAIs to report on their work and declares the freedom to decide the content and timing of audit reports and disseminate them another important aspect and it should be an effective follow-up mechanism for SAI recommendations.

2.3 ISSAI 12 – Value and Benefits of SAIs

The ISSAI highlights the importance of SAIs engaging with stakeholders and discharge their responsibilities in responding to audit findings and recommendations. Communicating with audited entities and other related stakeholders as appropriate and keep they well informed during the audit process of the matters arising from

the office work. Office should develop professional relationships between relevant legislative oversight committees and audited entities' management and governing boards to help them better understand the audit reports and conclusions and take appropriate action.

2.4   ISSAI 20

Office should communicate timely and widely on their activities and audit results through the media, website and by other means. Office engagement with stakeholders is impacted by both the office and the readiness capacity of different stakeholders to engage meaningfully with the SAI Nepal. Enhance stakeholder engagement would definitely lead to greater audit impact and enable the office in delivering envisaged value and benefits.

3 Where the office is now

The audit office has a wide variety of stakeholders. The office operates in a changing environment which includes changing federalism structure of the country during the development of the SAI Strategic Plan 2018 to 2023, the needs of stakeholders were thoroughly reviewed and a number of keys issues relating to stakeholder engagement emerged. The office has studied the various documents in developing this strategy report. Based on the analysis, it came to light that there are many stakeholders that could contribute to the audit impact. However, we have taken a few of them to develop this communication plan.

The analysis also revealed several contributing factors that have led to the SAI not to fully take advantage of the opportunities existing on the environment to effectively engage with the key stakeholders. It also includes the detailed SAIs each Stakeholders engagement SWOT analysis.

External stakeholders are driven by the expected potential benefits of enhancing the effectiveness of office as well as their desire to demonstrate ongoing relevance to citizens and other stakeholders, promote greater transparency in the public sector, and facilitate public participation and better government accountability.In coming up with the Stakeholder Engagement Strategy, the office undertook analysis of its stakeholders and classified them in three categories as follows:

Internal Stakeholders –It is also called SAI inner environment which represents the environment within the organization itself. This environment contains the internal stakeholders of the office which includes: audit staff, administrative staff and SAI management. The identification of the component of the internal environment depends on how differently these stakeholders are contributing to office outputs and how differently the office needs to deal and engage with each of them. These are as follows:

- DAG, AAG, Director, Audit Officer, Audit Superintendent
- The civil servants who work at office.
- Support Staffs

External Institutionalized Stakeholders-These are stakeholders who have a formalized engagement with the SAI. The stakeholders such as Parliament, Public Accounts Committee and professionals bodies. These are as follows:

- Government of Nepal – Federal, Provincial and Local Level
- Civil servants o Parliamentarians
- Public Accounts Committee (PAC)
- Primary Government Ministries, Departments and Agencies

- Ministry of Finance – lead ministry for economic, revenue and expenditures o Financial Comptroller-General Office (FCGO),
- National Planning Commission
- Commission for the Investigation of Abuse of Authority (CIAA)
- National Vigilance Centre (NVC),
- The Judiciary
- Secondary Government Ministries, Departments and Agencies
- Chief Accounting Officers and Chief Executive officers of State Owned Enterprises (SOEs)
- Chief Accounting Officers (Secretaries) of the Ministries in the GoN
- Finance head of corporate entities.
- Civil society organizations;
- non-governmental organizations
- The Institute of Chartered Accountants of Nepal (ICAN),
- International: ASOSAI, INTOSAI
- Academic institutions
- Development Partners

External Non-Institutionalized Environment: These are stakeholders who engage with the SAI but have no formal existing working relationship. The Media and Citizen come under the External Non-Institutionalized Environment. Although these stakeholders have influence on the SAI's operation or susceptible to be influenced by the outcome of the SAI they operate in an environment that is not defined under the existing legal framework for engagement. These are as follows:

- Media
- Freelancers
- Society
- Cultures
- Citizens
- Clubs
- movements
- Champaign
- Donors

Who are the stakeholders that office engages with?

Classification of Stakeholders

Share sholders and classifed based on the dimensions of environment in which the office operates, the stakeholders are classified into five categories such as Strategic Partners, Interest group, Pressure group, Passive group or Opposition group in order to understand their relationship with the SAI and to strategize towards transforming them into the strategic partners. The group wise categories and their relations are as elaborated below:

Strategic Partner: are those stakeholders who support the SAI work, almost in any situation or moment. The stakeholders such as the Parliament, Public Accounts Committee, Ministry of Finance, Audit Agencies and Internal Stakeholder come under the Strategic Partners.

Interest Group: are those stakeholders who share similar interests with the SAI in certain issues. The stakeholders under this category includes Opposition Party of the Parliament, MOF, Donors, Media, Civil society and Commission for Investigation abuse of authority.

Pressure Group: are those stakeholders who exert pressure, political, public or media pressure over office because the issues of concern are in their favor. The pressure put by Opposition Party on the audit report is another key groups under this catagory.

Opposition Group: are those stakeholders who are against SAI positions regardless of reasons. Ruling government of the Parliament and the audited agencies come under this category; and

Passive Groups: are those stakeholders who are not active but share common issues with the office that can encourage public/political or media activism. Non- Performing Employees of Internal Stakeholders, Citizens and Civil Society Organizations come under this category.

Role of Stakeholders

Role of stakeholder's is played an important role to achieve the objectives of office. Stakeholders can play a different role in the work of reports an informer, decision maker and opinion maker. An informer distributes information to the office. A decision maker distributes information from the reports and provides interpretation for other groups. An Openion maker distributes information from the office providing interpretation of contents of report. An analysis was made on the basis of roles that play by the stakeholders. Three main categories Informer, Opinion maker and Decision maker were identified which are shown as follows:

Classification of Stakeholders
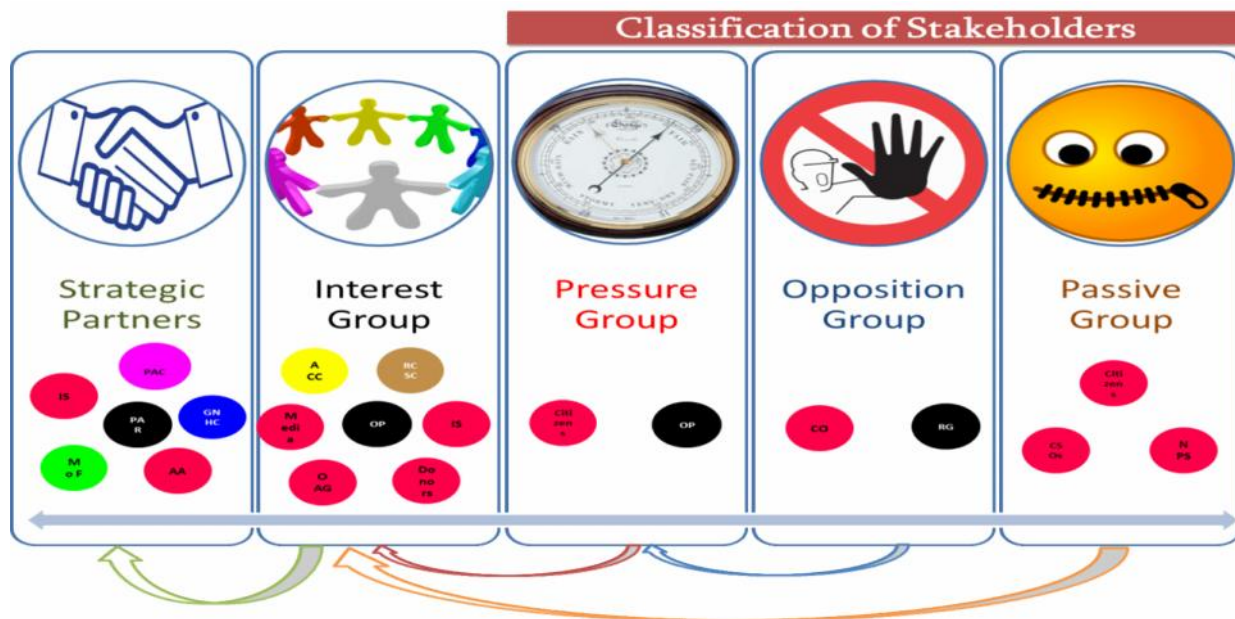
It is clear that the benefits that office could derive in engaging with stakeholders to achieve greater audit impact and independence. Stakeholders can play different roles in the work of the office ranging from informing the office in terms of provision of information to making decisions based on the products those impacts greatly on the accountability and transparency system of the country. The determination of the roles and responsibilities is the key for the office to priorities which stakeholder to engage with depending on its capacity and resources to engage. However, while undertaking the prioritization of the stakeholders and before selecting the appropriate strategy, the office need to undertake a diagnostic of its internal communication process.

4 Where the SAI Wants to Be?

The strategy report sets out the objectives for the SAI prioritized key stakeholder that will be delivered over the next 5 years. The objectives have been formulated for each key stakeholder and these are mentioned in communication plan. This strategy has five years specifically mandate to maximize stakeholder relationship that will enhance the advocacy on the oversight role of the SAI. The office also undertook an analysis of the relationships with its stakeholders. Detailed analysis of the position of stakeholder whether they are internal or external, segregate of Strategic Partners such as Interest Group, Pressure Group, Opposition Group or Passive Group and identifying the role of Opinion Makers or Decision Makers. This strategy that will be pursued to engage with them are achieving the optimal relations with different partners.

5 How will the attain the Objectives

From the stakeholder mapping and analysis, it was found that there were diverse communication needs. This Strategy outlines the Communication Plan that will be implemented during the period 2018-2023. Different approaches will be employed dealing with each stakeholder. It gives specific strategies to be employed, actions to be undertaken highlighting with Performance Indicators to look out for. It also specific the resources needed, the planned timelines and the person responsible for ensuring the implementation of each identified action.

Strategies: The key strategies included in the communication plan which if well implemented will result in the greater impact of the transparency and accountability oversight the office. The SAI will employ three main strategies as follows:

 i.   **Approaching**

This strategy will involve the SAI taking deliberate efforts to reach out to stakeholders in areas where there has no collaboration. This will enable those being approached to generate interest in the SAI.

The approaching strategy will be used mainly with the Media, CSOs and the Citizen as there are potentially a high number of them that have never engaged with the SAI.

ii.   **Engaging**

Where a stakeholder has established interest, in the SAI moves on to identify and decide on a way for the cooperation for that specific purpose.

This strategy will be used almost all the stakeholders including internal staff, the Executive, Audited Entities, Parliament and the Media. This strategy will also be used on CSOs once strong relationships have been established.

iii.   **Positioning**

The SAI will use established relations to create synergies with its stakeholders in order to fulfill is oversight role over public financial management in the Country.

This strategy will be used to engage with the stakeholders including the Parliament (PAC), Media and the Executive with whom the SAI shares similar interest.

6 Overseeing the implementation of strategic Communication Plan

6.1 Internal Stakeholders

a.)   **General Analysis**

Stakeholders	Internal Stakeholder
Classification	Strategic Partners
Roles	Decision Maker
Priority	High
Strategy	Positioning

b.) SWOT Analysis: The office had carried out SWOT analysis based on the issues discerned from various internal documents and external review reports. The SWOT analysis portrays the SAI's internal strength and weaknesses and its external opportunities and threats which mirrors its standing relation in respect to engagement with each stakeholder. The SWOT analysis of the SAI is given below:

Strengths	Weakness
Separate audit service **High degree of accountability, integrity, transparency and credibility** **Produces generally financial, compliance and special audit reports** **Familiar, collaborative and supportive organizational culture** **Conducted performance environment and information system audit** **Change oriented workforce** **Strong, morally upright and supportive leadership** **Clearly defined goals and strategies**	- Out dated communication policy on distribution of audit reports. - Difficulties of fields audit for conducting detail audit. - Lack of expertise and experience in some audit areas (e.g. technical review) - Inconsistent interpretation of laws, rules and regulations - Lenient on the implementation of sanctions for delayed submission of audit documents. - Limited areas are covered in audit reports - Staffs are not adequate. - Poor practices of information sharing
Opportunities	**Threats**
Excellent growth opportunities, training and exposure **Producing federal and local level reports.** **Increasing audit mandates**	- Broad audit scope and limited personnel - Pressure from audited - Aging and retiring auditors/workforce

c.) Communication process with the internal stakeholder:

Who	Say What	How	To whom	What for
Senior Management-AG/DAG	Status of accomplishments, plans for the succeeding years	Strategic planning conference/Command Conference	Senior Management (including DAG, AAG)	Guidance and direction
AAG	Instruction on audit matter consisting audit focus applicable to the audit groups/teams	Memoranda; Sector/Province Cluster/Audit Planning	Directors and Audit Officer	General/Specific guidance in Audit
Supervising Auditors/Directors	Specific Audit Instruction and additional instructions/guidelines	Entity Audit Planning and Risk Assessment	Audit Team Leaders and Members	General guidance on the execution of audit
Audit Officer	Issues and problems encountered in all phases of the just completed audit engagement	debriefing	Audit Teams	Results of debriefing is used as input to the next audit planning or enhancement of policies and procedures
Management	Rules, regulations, policies and directives	Directives issues by office	All staffs	To provide guidance and direction
Human Resource Management	Annual Audit Planning, rules and regulation, policies and directives	Handbooks, Orientation Seminar	All Staffs	Annual Audit Policy

d.) Communication Plan:

Stakeholder	Internal Staff (Auditors, Senior Management, Support staff)		
Objective	- Enhance professionalsim in the staffs providing vigorous training - Strengths communication through improved understanding and awareness of work, role and impact in the government. - Incorporating the multi disciplinary staffs - Producing Audit Reports on real time basis		
Indicators	By the end of 2019, Design, develop, update and deliver the training materials and courses. By the end of 2019, trainings relative to laws, rules and regulations are already up-to-date. By the end of 2021, develop and update auditing standards, directives, guidelines manual By the end of 2023, developguidelnies for distribution of audit reports		
Strategies	Techniques/Tools/Channels	Resources	Scheduling
Positioning	Update memorandum on distribution of audit reports issued	Personnel and office supplies	4th quarter 2019
	Close Supervision on the monitoring of submission audit documents	Personnel and office supplies	
	Conduct the trainings relative to the laws, rules and regulations referring to audits	Funds and Resource Persons	Ongoing
	Consolidation of Individual Development Plans and identification	Audit Staffs and office supplies	Developing Individual Development Plans

	of training needs		It will cost for expenses NRS.20 million.
	Engagement of audit teams in a field level office	Planning to set up the field level or provincial level office premises	Organization and management survey completed waiting for final approved.

6.2 Auditees

a.)   **General Analysis**

Stakeholder: Auditees
Classification: Interest groups
Roles: Decision maker
Priority: High
Strategy: Engaging and Positioning

b.) SWOT Analysis: The office had carried out SWOT analysis based on the issues discerned from various internal documents and external review reports. The SWOT analysis portrays the SAI's internal strength and weaknesses and its external opportunities and threats which mirrors its standing relation in respect to engagement with each stakeholder. The SWOT analysis of the SAI is given below:

Strengths	Weakness
• **Separate Audit Service** • **Constitutionally mandated to be the sole external auditor of the government** • **Clearly defined audit engagement with auditees** • **Good relationship with the auditees**	• Lack of awareness towards audit recommendation • Penalties are not strictly implemented on the submission of audit documents • Limited number of resource persons to conduct continuous training of auditees staff • Lack of awareness towards audit recommendation

Opportunities	Threats
• **CIAA has started to take a reference information for further investigation** • **Willingness of auditees to consult sensitive matters with the auditor** • **Audit Reports also tools for evaluating the higher level staffs financial integrity**	• Delayed or non-submission of documents required for audit • Limited or non-provision of logistics • Lack of component and qualified staff • Delayed or non-implement of audit recommendations

c.) Communication process with the Auditees:

Who	Say What	How	To Whom	What For
Auditors	More rely on data and evidence	Reviewing of audit documents	Auditees' staff	Obtain sufficient and appropriate evidence to support the audit findings, opinions and conclusions

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	Audit observations	Continues communication with the auditees during the audit process	Entities official concerned	For comment and justification of partial audit results
	Audit highlights; Summarized, accumulated results of financial, compliance and performance audits. This includes significant findings, issues and observations and misstatements.	Conduct of Exit Conferences before finalization of audit report; written auditor's report containing opinion on the agency's financial statements as well as observations arising from the audit.	Entities official concerned	Verify accuracy of report contents (facts and issues) and gives management an opportunity to provide further information and communicates with those charged with governance the observations arising from the audit that are significant and relevant to their responsibility to oversee the financial reporting process
	Follow up on the audit observations and recommendations	Implementation of audit recommendations	Auditees	to facilitate a structured monitoring process of prior years recommendations on the audit observations noted

d.) Communication plan for Auditees:

Stakeholder	Auditees		
Objective	Fostering professional relations with the other entity Providing guidelines to the Internal Auditor Sharing information about financial statement		
Indicators	• By the end of 2019, more than 90% of the required audit documents are submitted by the auditees within the prescribed period. • By the end of 2019, 90% of auditors will have updated knowledge on the tools being used for monitoring audit recommendations. • By the end of 2018, audit teams will have discuss the report with the Secretary and Senior level staffs in more effective way. • Timely summation of financial statement for final audit.		
Strategies	Techniques/Tools/Channels	Resources	Scheduling
Engaging	• Memorandum reminding the auditors for the uniform implementation of policy on submission of audit documents • Regular monitoring on the submission of audit documents • Coaching and mentoring • Update auditors on the tools for monitoring audit recommendations	Audit staff office supplies funds and resource persons	4th quarter of 2018 every twice a year
Positioning	• Discuss with the auditees the status of management implementation of the audit recommendations • Institutionalize the conduct of entrance and exit conferences through a policy	Jointly implement the public expenditure assessment recommendations NRS 500 Thousand	4th quarter of 2018 every twice a year

6.3 Legislative

a.)   General Analysis

Stakeholders	Legislative
Classification	Strategic & Interest Group
Roles	Decision Maker
Priority	High
Strategy	Engaging and Positioning

b.) SWOT Analysis: The office had carried out SWOT analysis based on the issues discerned from various internal documents and external review reports. The SWOT analysis portrays the SAI's internal strength and weaknesses and its external opportunities and threats which mirrors its standing relation in respect to engagement with each stakeholder. The SWOT analysis of the SAI is given below:

Strengths	Weakness
• **Use of audit reports during budget deliberation and hearings** • **Independent evaluation of Government Budget, programs, expenses** • **Providing technical support to PAC**	• Audit reports does not fully serve the needs of the legislators • No fixed meetings with the legislators • Absence of mechanism to communicate and implement SAIs recommendations

Opportunities	Threats
• **Interest on our audit reports** • **Scope of audit is increasing by new constitution**	• Legislators may have their own political agenda • Legislators politicizing audit reports • Lack of understanding of audit issues

c.) Communication process for Legislative

Who	Say What	How	To Whom	What For
Public Account committee chairman	Upon request presents results of audit	Meetings and hearing	Public Account Committee	To discuss and clarify audit issues
DAG,AAG, Directors and Audit Officers	Upon request, presents result of audit	Meeting and hearing	On other Committees	To discuss and clarify audit issues
Supervising Auditors	Upon request, presents results of audit	Meeting and hearing	Other Committees	To discuss and clarify audit issues

d.) Communication plan for Auditees:

Stakeholder	Legislative (House of Representative and National Assembly)		
Objective	1. Decrease the time lag for discussing AG report in PAC 2. Improve the relations with the PAC providing technical support by office. 3. Contents of Audit reports should be user friendly. 4. For the Legislators to be aware and understand office work, role and impact in the government.		
Indicators	1. By the end of 2019, at least 80% of audit Act, rules and regulations pertaining to disbursement of funds will have been conveyed to the members of the committee on appropriate. 2. By the end of 2019, 80% of the Appropriations Committees will have been briefed on the utilization of funds and the results of audit thereof. 3. By the end of 2018, The office will have discuss with legislators the proposed amendments to the Audit Act 4. Implement and Support to take action over recommendation mentioned in Annual Audit Reports.		
Strategies	Techniques/Tools/Channels	Resources	Scheduling

Engaging	• Periodically organize and conduct capacitybuilding workshops for the legislators	Constitute a team responsible to periodically update the legislators (composed of representative from office and PAC NRS. 500 thousand. Budget for orientation Sexxion (Venue, Food and other resources	Periodic (every 6 months)
	• Yearly presentation of budget and utilization of funds, and significant and common audit findings	Budget for presentations (venue, food and other resources)NRs 70 thousand	Once a year (September-October)
	• Conduct meetings and discussions of audit findings and audit recommendations with Committees (including monitoring of implementation of audit recommendations)	Budget for presentations (Venue food and other resources)NRS 200 thousand	Regularly (Starting 2018)
Positioning	Before the deliberation of Budgets by MOF, discuss with the members of Federal, Provincial on the implementation of audit recommendation	Budget for meetings/discussions (Venue, food and other resources) NRs 150 thousand	Once a year i.e in April
	Discuss with member of parliament the possibility of updating outdated laws governing audit of funds	Budget for meetings/discussions (venue, food and other resources)	Once a year

6.4 Oversight Agencies

a.)   General Analysis

Stakeholders	Oversight Agencies
Classification	Strategic & Interest Group
Roles	Decision Maker
Priority	High
Strategy	Engaging and Positioning

b.) SWOT Analysis: The office had carried out SWOT analysis based on the issues discerned from various internal documents and external review reports. The SWOT analysis portrays the SAI's internal strength and weaknesses and its external opportunities and threats which mirrors its standing relation in respect to engagement with each stakeholder. The SWOT analysis of the SAI is given below:

Strengths	Weakness
• **Oversight agencies acknowledgement of office's role in the government.**	• Inability to review the oversight agency's implementation of its mandate and monitor programs implemented by other agencies under their supervision.

Opportunities	Threats
• Friendly relations with the agencies • Scope of audit is increasing bye new constitution	• MOF reduces budget allocated for the SAI during the budget preparation phase that poses threat to the operation of SAI

Communication process on oversight agencies

Who	Say What	How	To whom	What for
Senior Management-AG/DAG	Recommendation on public finance matters	Conferences	MOF, NPC	Policy formulation
Auditors-AO/AS	Audit Findings	Letters, Memoranda	MOF top management and directors	Discussion on audit findings on cash shortages
Office Budget	Budget Accountability	Reports	MOF, NPC	Budget oversight
Senior Management	Public Finance matters	Letters	MOF	Guide in audit

Communication plan for oversight agencies:

Stakeholder	Oversight Agencies			
Objective	1. Timely submitting the documents 2. Reducing disagreement related with SAI works 3. For the oversight agencies to be updated with the current developments on the activities implemented and monitored by the oversight agencies.			
Indicators	1. IT based data will rely on each other's documentation. 2. By the end of 2019, regular discussion/meeting with oversight agencies will have been arranged.			
Strategies	Communication Tools	Schedule	Resources	Responsible
Engaging	Conference and presentation of new programs and projects for the year	Q1 annually	Funds for Logistics NRS. 150 thousand	Cluster Directorate concerned
Positioning	Conference and request for discussion of policies to be issued by the different agencies and inclusion of provisions for the office to be furnished with the required reports/documents	Q1 annually	Funds for logistics NRS 500 thousand	Cluster Directorate concerned

6.5 Media

a.) General Analysis

Stakeholders	Media
Classification	Strategic & Interest Group
Roles	Decision Maker
Priority	High
Strategy	Engaging and Positioning

b.) SWOT Analysis: The office had carried out SWOT analysis based on the issues discerned from various internal documents and external review reports. The SWOT analysis portrays the SAI's internal strength and weaknesses and its external opportunities and threats which mirrors its standing relation in respect to engagement with each stakeholder. The SWOT analysis of the SAI is given below:

Strengths	Weakness
• Good relationship and image with media • Accessible audit reports through the office website • Existence of Public Information section (PIS) • Spoke person closely contact with the media	• Lack of media room and wifi facilities • Standards Operating Procedures (SOP) not translated into policy • Obsolete and limited resources • Audit reports are too technical in nature • Lack of designated information officers in the regions • PIS and other communication staff need training in critical areas of media relations • Inaccurate or selective reporting of audit findings/results/ decisions

Opportunities	Threats
• Willingness of media to engage with SAI • Increasing the different modality of dissemination information. ex. electronic media, Playing drama, Issuing notice, Publishing in daily newspaper etc	• Insufficient knowledge about audit • Media has their own agenda and interests

c.) Communication process with Media:

Who	Say What	How	To whom	What for
Auditor	Audit findings	Audit reports	Media	Information and reporting to the public
Commission Proper	Audit Act, rules and regulations	websites; newspaper publications		
Spoke Person	Audit rules and regulations, clarification on audit related issues;	Interviews; letters to the editors;		
Information Officer	Milestones	Press-releases		

d.) Communication plan for oversight agencies:

Stakeholder	Oversight Agencies		
Objective	• Provide Clear, intangible and concise information to the people • Timely disseminate the information related with financial transactions. • Encourage awareness and improve understanding of media entitles on office's role, work and impact in the government.		
Indicators	• By end of 1st quarter 2019, 50% of identified media representative covering the audit reports. • By end of 2019, 70% of news published in newspapers/online based on audit products (reports/decision) will have been made accurate. • Conducting TV/FM/Radio discussion programs.		
Strategies	Technique/Tools/Channels	Resources	Scheduling
Engaging	• Provide simplified information on audit mandate, rules and regulations and SOPs • Update SOPs especially protocols on release of information and requests for media interviews	Human resources: Committee to update SOPs	3rd quarter 2019
	Designate information officers/spokesperson in the offices and conduct necessary capacity-building in critical area of media relations	Fund for capacity-building	Office order for regional Information officer 2nd quarter 2019; capacity-building 4th quarter 2018
	Create a media page in the website. The media page includes information packets that contain data such as one pager document on office mandate, "Frequently Asked Questions", SOPs on release of information and request for interviews and contact information of designated information officer	Human resources to: develop information packets update/maintain the media webpage	Development of information packets-2nd quarter 2018 Development of media web page- 3rd quarter 2018
	Conduct half-day orientation/seminar for media members of the office, researchers and editors. Various subject matter depending on knowledge gap of participants but may include office processes, how to read audit reports	Module or lesson plan Resource persons Funds for snacks and other logistics Updated media listing	Quarterly starting 4th quarter of 2018

	for the layman and explaining audit terminologies. The orientation can be a venue to set ground rules or policies for media covering media statements.		
	E-mail or text are reporters and editors on new rules and regulations, providing ling to the whole issuance.	Funds for cell card allowance	Starting 3rd quarter 2018
	Develop a one-page summary highlighting major audit findings attached to each audit report. The one-page summary must be in simple language and if possible use infographics	Human resource:Committee to develop guidelines for the one-page summary. Funds for capacity-building of auditors in creation of infographics	Development of guidelines-4th quarter 2018 Capacity-building beginning 2nd quarter 2019
Positioning	Conduct of year-end press briefing to disseminate information on the audit highlights and over-all audit performance of the office. This can be a venue for office policies that should be pursued based on audit findings. The office may attend to provide media an opportunity to interview him and thus reduce incidences of ambush interviews	Human resource funding for meals and other logistics Materials to be distributed during event.	Beginning 4th quarter 2019
	Develop and maintain media champions among trusted media representatives who will lead in reporting significant audit results	Human Resource	Beginning 1st quarter 2020

6.6   Civil Society Organizations (CSOs)

a.)   **General Analysis**

Stakeholders	Civil Society Organization (CSOs)
Classification	Strategic & Interest Group
Roles	Decision Maker
Priority	High
Strategy	Positioning

b.) SWOT Analysis: The had carried out SWOT analysis based on the issues discerned from various internal documents and external review reports. The SWOT analysis portrays the SAI's internal strength and weaknesses and its external opportunities and threats which mirrors its standing relation in respect to engagement with each stakeholder. The SWOT analysis of the SAI is given below:

Strengths	Weakness
• **Vigilant CSOs and citizen partners** • **Policy officially adopting the CPA** • **Fund support is already part of SAI budget** • **Organization unit to perform CPA related functions has been constituted** • **One of the initiatives of the SAIs strategic plan** • **National Interest on CPA** • **Wide area of acceptance of CPA audit.**	• All staffs and officials need to fully understand the CPA as audit technique, mechanism for partnership and other functions • Absence of technology driven CSO/citizen partner database

Opportunities	Threats
• **Willingness of CSOs to engage with SAI** • **Opportunity to share the CPA experience in local & International venues** • **Opportunity to expand citizen engagement** • **Availability of the CPA webpage as a potential medium to enhance information dissemination and capacity building** • **Areas of CPA engagement are increasing in many ways**	• Conflict of Interest • Possible ulterior motive on the part of the citizen • Non-cooperation of audited entities

c.) Communication process with Media:

Who	Say What	How	To whom	What for
DAG/AAG	Introduction to CPA and Audit Functions	Letters and exploratory meetings	Head of CSOs	Invitation to collaborate with office
Performance Audit Section head AAG	Expectations of CSOs to office and vice versa; suggested topics for audit; possible	Conduct of CPA dialogues	CSO members and networks	Gather information on topics to audit

	contributions to office			
AAG	Roles and responsibilities in the audit activity	Capacity building; MOV singing;	CSO members and networks	For the capacity building of prospective CSO members
Director	Deployment on the actual audit	audit planning; audit execution; report writing; geotagging	CSO members and networks	Conduct of CPA
PAD (Performance Audit Division)	Report presentation;	Trainings	CSO members and networks	Capacity building for report preparation

d.) Communication plan on CSO

Stakeholder	Oversight Agencies		
Objective	A coalition with CSO's before, during and after audit Encourage CSO's to share SAIs findings widely Mainstream Citizen Participatory Audit (CPA)		
Indicators	• By April 2018, citizens' suggestions on possible audit topics through CPA activities have been considered as inputs in the audit planning process. • By 2018, The CPA Guidelines have been adopted • By 2019, at least 4 audit reports have been simplified in activities involving citizen partners. • By 2019, Conduct of the CPA recognition activity.		
Strategies	Technique/Tools/Channels	Resources	Scheduling
Positioning	Advocacy and organize seminar with CSOs Conduct of CPA Dialogues	• venue • meals • supplies & materials • travel expense • facilitators • Budget NRS 150 thousand	1st quarter of 2018
	Approval of policy in the implementation of CPA	Writing Team/Pool Supplies & materials Printing budget	2nd& 3rd Quarter of 2018
	Plan of CPA; Conduct of the CPA Planning Activity	Activity Management Team Logistics	Schedule will depend heavily on the date when the CP approves the list of Audit Topics from the Strategic Audit Planning
	Simplification of Audit Reports	• Venue • Meals • Supplies & materials • Equipment • NRS 50 thousand	3rd& 4th Quarter of 2019
	Recognize stakeholders' participation/contributions to the CPA	Venue, Refreshments, Transportation & per diem plaque of recognition	4th quarter of 2019

6.7 Development Partners

a.) **General Analysis**

Stakeholders	Development partners
Classification	Strategic & Interest Group
Roles	Decision Maker
Priority	Medium
Strategy	Approaching

b.) SWOT Analysis: The office had carried out SWOT analysis based on the issues discerned from various internal documents and external review reports. The SWOT analysis portrays the SAI's internal strength and weaknesses and its external opportunities and threats which mirrors its standing relation in respect to engagement with each stakeholder. The SWOT analysis of the SAI is given below:

Strengths	Weakness
• Established relationship with Development Partners • DFID, MDTF, ADB, USAID, UNICEF and other partners are interested to join with the office.	• Perceived weakness in the planning of projects in line with the targets of the Development partners • No mechanism for engaging with prospective beneficiaries for technical assistance to obtain inputs for their planning to develop their technical assistance package (dialogues, needs, assessment of prospective agencies)

Opportunities	Threats
• **Willingness to extend assistance to SAI**	• Undelivered commitments, if any • Circuitous process in the transfer of funds

c.) Diagnosis of communication process on Development partners

Who	Say What	How	To whom	What for
Audit Staffs	strategic plans and thrusts	Meetings and public presentations	Development partners	Collaboration of projects with audit plans
Commission Proper	Possible projects for collaboration	concept note; full blown proposals	Development partners	Funding of projects

d.) Communication plan with Development partners

Stakeholder	Development Partners		
Objective	Collaboration with development partners in financial support areas for Good Governance. Maintain open communication and strengthen relationship with Development partners.		
Indicators	By the end of 2019, office has to set annual meeting with the development partners. More development partners collaborate for auditing Channelizeall the possible development partners		
Strategies	Technique/Tools/Channels	Resources	Scheduling
Approaching	Presentation of the SAI's strategic plan and programs for a given year Providing audit report timely to the donor	Initiative Team Venue & meals Transportation Supplies& materials NRS 200 thousand	Annually
	Improve collaboration with development partners Getting to know activities/Meetings Identifying DPs' priority areas and concerns FGDs, survey Preparation of Concept Notes & letters	Initiative Team Presentation Brochure Supplies and Materials Venue & Meals NRS 70 thousand	2nd& 3rd Quarter of 2018
	Plan of CPA; Conduct of the CPA Planning Activity	Activity Management Team Logistics	Schedule will depend heavily on the date when the CP approves the list of Audit Topics from the Strategic Audit Planning
	Simplification of Audit Reports	Venue Meals Supplies & materials Equipment NRS 50 thousand	3rd& 4th Quarter of 2019
	Recognize stakeholders' participation/contributions to the CPA	Venue, Refreshments, Transportation & per diem plaque of recognition	4th quarter of 2019

Monitoring and Evaluation:

As this Strategy will support the overall SAI stakeholder engagement interventions, the office will endeavor to implement it fully so as to achieve greater impact from audits undertaken. Each action highlighted in the communication plan in this strategy includes focus areas measurement of performance against the targets sets. Achievement of the objectives in this Strategy will be reviewed on a half yearly basis.

Progress made will be reported to Management highlighting achievement against desired outcomes. Monitoring and Evaluation of this Strategy will be done in line with the SAI's own reporting framework and will enable the office to take corrective action where necessary.

Upon the formulation of the stakeholders' engagement strategy report, the OAG has worked on defining monitoring and evaluation mechanisms to evaluate the success of the strategy. Based on the defined key objectives for engagement of each stakeholder, the SMART performance indicators like Specific, Measurable, Achievable, Relevant and Time bound are identified and employed with indicated source of information to respective teams/group/ divisions. The respective person and the division/team should maintain the information to implement the activities. The strategy report will be reviewed yealy and monitored on a quarterly, mid-term and annual basis to make it lively document.

Annex -I
Classification of strategies Partners

S.No.	STRATEGIC PARTNERS	INTEREST GROUPS	PRESSURE GROUPS	OPPOSITION GROUPS	PASSIVE GROUPS
1	Internal Stakeholders	Yes	-	-	-
2	Auditees	Yes	Yes	-	-
3	Legislative	Yes	Yes	Yes	
4	Oversight Agencies	Yes	Yes	-	-
5	Media	Yes	Yes	-	-
6	Civil Society Organizations	Yes	-	-	Yes
7	Development Partners	Yes	-	-	Yes

Annex II
Role of Stakeholders

S.N	INFORMER	OPINION MAKER	DECISION MAKER
1	Internal Stakeholder: – they provide information on what is the result of the audit, their recommendations, etc through the audit reports	Yes	Yes

2	Auditees– they provide information to SAI regarding on the their programs, projects and other activities needed for the audit	Yes	Yes
3	Legislative- they provides feedbacks of audit report and sactions audit act	Yes	Yes
4	Oversight Agencies- they provides therelated services timely	Yes	-
5	Media - The information that they provide, although are based from the audit reports that they got from the SAI are somehow mixed with their opinion and influenced with their own interests.	Yes	-
6	CSOs – they provide the SAI information on what area, project, program that they want to be audited and it is being lobbied during citizen dialogues	Yes	-
7	Development Partners- they are expected to be provided the information they need use this information to decide whether the SAI or CSOs need additional funding to work for transparency and social accountability.	Yes	No

Annex III

Priorities of Stakeholders

S.N	STAKEHOLDER	CONTRIBUTION	LEGITIMACY	WILLINGNESS	INFLUENCE	NECESSITY OF INVOLVEMENT
1	Internal Stakeholders	HIGH	HIGH	MEDIUM	MEDIUM	HIGH
2	Auditees	MEDIUM	HIGH	MEDIUM	HIGH	HIGH
3	Legislative	HIGH	HIGH	MEDIUM	HIGH	HIGH
4	Oversight Agencies	HIGH	MEDIUM	MEDIUM	MEDIUM	HIGH
5	Media	MEDIUM	LOW	MEDIUM	HIGH	HIGH
6	Civil Society Organizations	MEDIUM	MEDIUM	MEDIUM	LOW	LOW
7	Development Partners	HIGH	MEDIUM	LOW	MEDIUM	LOW