



GOVERNMENT AUDIT

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GOVERNMENT AUDIT

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With Compliments of

Manabendra Nath Mandal,
Director General,
Audit & Accounts Training Academy

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OBITUARY

We share with the nation the profound grief at the sad and cruel assassination of our beloved President Ziaur Rahman (Inna lillahe wa-inna elaihe rajeun).

We pray to the Almighty Allah for the salvation of the departed soul.

We extend our heart-felt condolence to the members of the bereaved family and pray that Allah may give them courage to bear the loss with fortitude.



MR. OSMAN GHANI KHAN
Comptroller and Auditor-General

MESSAGE

I am happy to learn that the second issue of the bi-annual journal "Government Audit" is being published by the Director-General, Audit and Accounts Training Academy.

I hope that more articles dealing with different functional areas, problems and experiences of the auditors will find place in its future issues.

I thank all officials associated with publication of the journal.

OSMAN GHANI KHAN,
Comptroller and Auditor-General.

EDITORIAL

The story of Bangladesh Audit and Accounts Department since liberation of the country is one of a growing new dimension ushered in by the election and re-election of Bangladesh in 1977 and 1980 respectively to the United Nations Board of Auditors, association of the Department with ASOSAI and INTOSAI—a regional and an international association of Supreme Audit Institutions and the Comptroller and Auditor-General (Additional Functions) Act, 1974. Such events of profound importance have added new perspective and opened up fresh vista of enriched knowledge and experience for the Government Auditors.

We have tried to unfold through the pages of this issue the spectrum of this new dimension by incorporating three articles relating to INTOSAI, ASOSAI and the United Nations Audit and the remaining articles delineating the different aspects of the expanded role of Statutory Audit.

In order to recognise the contribution of the talented members of the staff of the Department in the field of games, sports and other cultural activities, a new page has been added for encompassing therein the profiles of such talents otherwise going unnoticed because the Department does not have adequate facilities to display their varied activities.

My apologia for the contribution of the second article is that the role of the “Nursery” of the Government auditors otherwise known as Audit and Accounts Training Academy is much understated because the role of the Academy is the least known of all the offices of the Department and hence is my endeavour.

MANABENDRA NATH MANDAL

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MANABENDRA NATH MANDAL

AUDITING DECENTRALISED CORPORATIONS OF PUBLIC ADMINISTRATION

—OSMAN GHANI KHAN

Comptroller and Auditor General

(This paper was read by the Author at the 9th International Congress of "International Organisation of Supreme Audit Institutions" held at Lima, Peru in 1977).

1.1. Since achievement of independence in December, 1971, Bangladesh has been engaged in the extensive and intensive task of reconstruction suiting the genius of the new nation. In order that the statutory audit does not appear anachronistic its adaptation to the changing needs is a manifest imperative. During the early post-liberation period, the Bangladesh audit and accounts department followed the same approach to audit, mainly financial audit concentrated on regularity and economy which was in existence during the pre-liberation days. However, at the moment a review of the audit, both in approach and report content is being made and necessary steps taken to reorganise the audit and accounts department and work programme to suit the changing circumstances.

1.2. In the field of audit of decentralised corporations/agencies, there has been a definite shift from expenditure audit to management audit. Under the present constitution, the Comptroller and Auditor-General has been vested with larger functions and given responsibilities covering Government departments, statutory and public bodies and nationalised enterprises. This sufficiently empowers him to undertake efficiency audit and to report on wasteful expenditure, extravagance and inefficiency as detected in the operations of the organisations under his audit jurisdiction. This has now added a new dimension both to the scope and approach to audit.

2. Decentralized Corporations.

2.1. The Corporations in Bangladesh came into being through ordinances and statutes, were initially intended to function with autonomy and lesser government control in their activities and decision making. But with the passage of time these corporations have gradually been brought under more stringent financial and administrative control of the Government.

2.2 The main reason of these corporations losing their autonomy is that a public enterprise is answerable not only for the conduct of the business on proper and sound line, but also for conforming to certain broad discipline which is imposed by the Government. New activities and projects fitted into the overall national development plans are required to be cleared with the Government in advance, for availability of funds through Government budget. Mainly because of shortage of entrepreneurial talent in the private sector the running of the public enterprises is entrusted to civil servants who have gained training and experience through serving in Government departments. In order that technical and commercial aspects are properly looked after the Government has to make special arrangements for such matters being properly attended to.

2.3. There were some autonomous and semi-autonomous bodies, the number of which—big and small—now runs into several dozen, engaged

mainly in the fields of water development and flood control, power development, urban area development, agriculture, family planning and population control, industrial development, communication (road, water, air), airport development, water supply and sewerage development, forest development, house building, shipping, scientific research, small industries and film development existed from the pre-liberation days. Objective of these corporations were not always profit making but opening up of new avenues of enterprise where private capital was shy, in the form of pioneering technical project, providing opportunities for acquisition of technical know-how or the establishment of strategic or prestige enterprises, creation of employment and tackling of problems of national importance.

2.4. Government involvement in the commercial activities started mainly during the post-liberation days. With the nationalisation of the big private sector enterprises, viz, jute (mills, purchase, export and price stabilisation), textile, tanneries, heavy engineering, steel, oil and gas, paper and board, mineral exploration, chemical, warehousing, banking and insurance, the corporations and institutions of like, were regrouped and reorganised for better management of the affairs of these sectors.

2.5. During the pre-independence days, it was not legally required by the Comptroller and Auditor-General to conduct audit of all the corporations, but some of these used to be audited by him on consent basis. But after liberation of the country, with the enactment of new statutes, this function has come under his statutory jurisdiction. Auditing the affairs of these diverse and specialised nature of corporations, has made working of the audit and accounts department very complex and more demanding. The enormous responsibility of the Comptroller and Auditor-General can be very well gauged from the fact that

he has to audit and report annually on the activities of approximately 3000 units of the corporations mentioned in para 2.3 and 2.4.

3. Budgeting and auditing.

3.1. Generally, budgets of the corporations are prepared by themselves and submitted to Government for approval. Since these budgets are mainly prepared in financial terms and the objects to be achieved are given lesser importance, it becomes difficult for audit to correlate the progress of expenditure with that of actual physical targets achieved. Since flow of relevant data is a pre-condition to efficiency audit, which could not be fully organised and there is considerable delay in obtaining necessary information, little progress in this field could be achieved.

3.2. Though the need for changing over to the programme budgeting at least in the areas where end results can clearly be quantified has been widely accepted, for lack of trained personnel, significant results could not be achieved in this field. Since the corporations budget do not always indicate clearly the action programme as per function, programme, project and performance, effective management reviews and evaluation of performance becomes difficult.

4. Scope of audit.

4.1. The scope of audit of the corporations are mainly as follows:

- (a) Examination of annual budget both for investment in new projects and for carrying on the operation of the existing projects covering both taka and foreign exchange expenditure.
- (b) Scrutiny of individual projects and activities from the financial and commercial point of view.
- (c) Financial advice of all aspects of operations including contracts, purchase, sales, terms

of service of employees and other matters having financial implications.

- (d) Scrutiny of procedures for promoting general efficiency.
- (e) Suggesting most profitable way of investing surplus.
- (f) Scrutiny of all payments authorisations.
- (g) Scrutiny of expenditure control in relation to approved budgets.
- (h) Study and scrutiny of annual accounts with comments for notice of the Legislature as well as to help the managements at the top to evaluate the financial results and implications.
- (i) Implementation of Government directives rules and regulations, and
- (i) Evaluations of the actual performance.

4.2. Foreign aid is necessary for implementation of some of the projects of these corporations. But the various international and Government aid giving agencies, sometimes, insist on audit report from the Comptroller and Auditor-General to satisfy themselves regarding proper utilisation of money before further disbursement of fund is made. This has increased the responsibility of the Comptroller and Auditor-General to a great extent.

4.3. Internal audit cells exist in most of the large corporations and nationalised enterprises in Bangladesh. Internal audit staff in those organisations form a part of the management and sometimes they are not fully equipped and well organised to make effective comment on management performance. The decision makers of these corporations, therefore, do not always benefit from

these cells. Since the Government auditors are fully independent of the executive, their activities, while auditing the affairs of a corporation, are projected towards evaluation of overall management performance.

4.4 Besides, professional accountants are also engaged mainly by the financial institutions and commercial enterprises to audit their accounts. Such audit by these professional accountants are required by Company Law of the land. These accountants mainly go for vouching audit and since they do not carry out propriety audit, there is no efficiency audit to evaluate management performance. This gap is filled by the Government auditors who are equipped for this purpose. Thus, while the decision of the management for any expenditure incurred by a corporation is sufficient authority for the satisfaction of the professional accountants, such sanction, if it violates the canons of financial propriety, may be challenged by Government auditors.

5. Staffing requirements

5.1. The need for adequate number of sufficiently qualified personnel to man the audit and accounts department cannot be over emphasised. The Bangladesh Audit and Accounts department is faced with the problems of staffing and training. At the lower level the basic auditorial function is of technical nature and at higher level it is a function having much to say on the general financial administration. To cope with the volume and complexity of activities of the corporations the officers and staff of the audit organisation need two different types of training. At technical level, specific training course of technical nature with areas of audit, accounts and finance are necessary. At higher level, sophisticated courses in the general area of development economics and financial administration and special areas of audit, accounts, public finance, banking, insurance,

costing, stores control, computerisation etc. would be highly desirable. The need for evaluation of management performance of the corporations would be satisfied by training the audit personnel in the fields of activities mentioned earlier. There is at present a training academy in the audit and accounts department which is being reorganised and new courses of training are being drawn up to impart necessary training to the different levels of officers and staff for evaluation of management performance.

6. Method and approach of audit.

6.1 As is known, the cardinal aim of audit is safe-guarding of the interest of tax payers. It is one of the most important devices through which the Legislature enforces its control over public finance. This can be achieved through the management or efficiency audit. Management auditing is concerned with the efficiency and economy with which resources are utilised to achieve the objective set forth, for which the allocation is made. Here, audit goes beyond mere scrutiny of financial transactions and accounting records and tries to pinpoint the inefficiencies in management performance.

6.2. The present nature of audit conducted by the Comptroller and Auditor-General of Bangladesh has developed on the lines suited to the needs of the Legislature and, therefore, it goes beyond the scope of ordinary commercial audit. The audit conducted by him is statutory audit. The statutory audit has three parts. Firstly, it is the straight forward accounts audit, the purpose of which is to ensure that the accounts are a true record of receipts and payments. Financial audit which comes next, deals with matters of adequacy of the system for collecting receipts and safe-guarding cash and stores. Thirdly, the appropriation audit, the purpose of which is to ascertain that the

spending authority have confined their expenditure to the amounts of the grants, that the expenditure have been incurred for the purpose for which the grants were made and the expenditure incurred do not contravene any rules or act of the legislature. Recently greater emphasis is being laid on efficiency audit.

6.3. During the days of scientific management, it is not enough to confine auditorial function to merely watching that no more has been spent than what was voted for by the Parliament, that the money spent for the purpose for which the grant was made and that the expenditure conforms to the rules and orders which govern it. It is also very important to examine the accounts from the point of view of economy and efficiency with which the operations have been conducted, to compare the end results achieved with the physical targets fixed.

7. In order to have proper audit surveillance and for evaluation of management performance of the corporations the following are, among others, few processes considered necessary:

(a) *Procedural Practices*.—Since the audit surveillance would be directed towards evaluation of management performance, it is necessary to examine whether rules and procedures laid down for the operations of the organisations are adequate for custody and utilising fund, planning and forecasting targets and for personnel management.

(b) *Financial activities*.—Audit personnel here would be required to detect and report on wasteful expenditure, extravagance and any flaw in the forecast of financial operations. Besides, the auditor would also compare the actual results *vis-a-vis* the budget prepared by the management.

(c) *Organisation of personnel.*—While evaluating management performance the auditor would see whether the number of personnel engaged for a particular job is in excess of requirement, their job specification and whether the management could organise things in such a manner so as to get the optimum efficiency out of them.

(d) *Comparative Analysis.*—Auditors while auditing a corporation would perform comparative analysis of its procedures, cost of operations and organisation of personnel for realisation of its objectives with other comparable units of the Government or enterprise, as the case may be. This would enable him to comment on the varying management performance which would also help the management to re-organise things, if necessary. Physical observation of the projects and their operation under

his audit, will also be beneficial to evaluate things in their proper perspective.

(e) *Evaluation of performance.*—Evaluation of management performance and efficiency audit is a very complex exercise as several factors have to be taken into consideration before arriving at a judgement and also to comment on technical and policy making areas of the management. Evaluation of performance forms the most important part of an audit report. Before drawing conclusions, the auditor must clearly identify the objectives of the agency under audit. Then he would attempt to evaluate the factors of performance. For this the auditor would also be required to review the management's evaluation of their own performance. This whole process would lead him to comment on management performance to make audit purposeful.

AN INTRODUCTION TO BANGLADESH AUDIT ORGANISATION

—*MONWAR HOSSAIN*

*B.C.S. (Finance), Audit and Accounts
Controller of Military Accounts, Dacca.*

(This introductory paper was prepared for the benefit of the foreign participants at the Regional Seminar of Asian Auditors held in Manila in 1977. The paper by virtue of its simplicity will certainly help those who are newcomers in the Bangladesh Audit Organisation).

The office of the Comptroller and Auditor General of Bangladesh was created through a Constitutional provision and was entrusted with the dual task of keeping Accounts of the Government and Audit thereof. The Initial Accounts kept in the Treasuries, Local Bodies, and Statutory Public Authorities are, however, not the responsibility of the Auditor General although his auditorial function extends to all without exception.

As Chief Accountant of the Republic, the Auditor General prepares annual Appropriation Accounts and Finance Accounts showing disbursement or, as the case may be, the annual receipts and disbursement for the purpose of the Government distinguished under the respective Accounts Code and submit those accounts to the President for causing them to be placed before the Parliament.

The Auditor General also prepares a General Financial Statement incorporating a summary of the Accounts of the Government, statutory public authorities and local authorities for the preceding year and the particulars of their balance and outstanding liabilities and such other information as may be required for the determination of the financial position of these bodies.

It is also the responsibility of the Auditor General to prepare annually commercial accounts on the basis of

manufacturing, trading and profit and loss accounts, balance sheets and any other Accounts kept by the Ministries, Divisions and officers of the Government, statutory Public Authorities and local authorities.

Although the Auditor General is not required to maintain certain initial Accounts as has been pointed out earlier he has the power to prescribe the manner and forms in which any accounts are to be kept.

In regard to Audit, the duty of the Auditor General is to Audit all expenditures, receipts of the Republic, Cash, Stores or any other property in possession of any one in the Service of the Republic.

The Auditor General also audits all transactions relating to debt, deposits, sinking funds, advances, suspense accounts and remittance business. Likewise, he audits the commercial accounts of all public enterprises. The results of Audit is to be submitted by him to the President for its ultimate placement to the parliament. The forms of the Audit report is determined by the Auditor General.

The Auditor General's audit in Bangladesh is directed to ensure—

- (a) that there is provision of funds for the expenditure duly authorized by competent authority;

- (b) that the expenditure is in accordance with a sanction properly accorded and is incurred by an officer competent to incur it;
- (c) that the payments have been made to the proper person and so recorded that a second claim is impossible;
- (d) that the charge is correctly classified;
- (e) that the payments are at proper rate and scales as fixed by the competent authority;
- (f) that the stock is counted periodically and reconciled with the book balances.

Till now the emphasis of audit is on the regularity and legality of expenditures than on anything else. The consideration of economy and efficiency with which the public fund is spent is altogether a new concept in our Audit System, and has not been applied as audit objective in any significant manner. It is, therefore, no surprise that the procedure of Audit followed in Bangladesh is confined mainly to the conventional scrutiny of vouchers rather than evaluating the results of Government policy in a particular field of activity.

While Bangladesh Audit Organisation under the Auditor General is solely responsible for conducting the Audit of Government transactions, the duty of keeping the accounts of these transactions is divided between that organisation and other administrative departments of Government. The volume and variety of the transactions with which the Audit organisation has to deal necessitate the work of the organisation being distributed over a number of offices. At present there are 12 such offices each dealing with a broad category of Government activity such as Construction, Defence, Railway, Post, Telephone and

Telegraph etc. Some of these offices are combined audit and accounts office; that is, the same office maintains the accounts and audit the same. The combined audit and accounts office adopts both pre-audit and post-audit system whereas the separated audit offices apply only the post audit system. Another basic difference in the working of combined Audit office and separate Audit office is that while the former depends mainly on central Audit, the latter conducts the audit checks locally by sending teams of Auditors to the places where the initial Accounts are maintained.

The Auditor General of Bangladesh fulfills the statutory responsibility for Audit through the Heads of these 12 offices who are invariably the senior most members of a regularly constituted Civil Service called Bangladesh Audit and Accounts Service.

Work in each office is distributed in smaller operational Unit under the charge of officers who are generally junior members of the Audit Service. As the recruitment of officers to the Audit Service is on the basis of merit judged in general terms and not necessarily in consideration of their Accounts background the need of professional training is paramount. These officers are, therefore, imparted pre-service training for a period of one or two years in the Accounts Academy run by the Auditor General. Though useful, this training does not meet the requirement fully. After Independence large number of Industries of various sizes, Banks and Insurance were brought in the Public sector and the audit of these public enterprises became the responsibility of Bangladesh Audit Organisation. It put a great strain on the capacity of the Bangladesh Audit Organisation as it did not have the required number of personnel nor the technical skill necessary for this highly specialized

type of Audit. Audit of Commercial undertaking on this scale was a new thing and we were not prepared for it. The realisation that the experience of traditional Audit is of little or no help in this new area is a constant source of concern to every one in the Bangladesh Audit Organisation.

It may be possible for INTOSAI to arrange several training facilities for 3 to 6 months in collaboration with developed countries with mixed

economy or having big public enterprises. Government Receipts Audit is another area where Government Auditors in Bangladesh face a serious challenge. Before Independence Receipt Audit was not a statutory responsibility of the Audit organisation as it is now. For lack of experience and skill we could not take up the work so far except on a limited scale. International training facilities in this subject should be a desirable thing for Bangladesh.

THE AUDIT OF UNDP FIELD OFFICE—A PROFILE

—*MANABENDRA NATH MANDAL*

*B.C.S. (Finance), Audit and Accounts
Director General,
Audit and Accounts Training Academy.*

The audit of the United Nations Development Programme Field Office provides a fascinating experience for the auditors as such audit facilitates the visit of the auditors to such widely scattered and variegated countries as the snow-bound Himalayan Kingdom of Nepal, the lush green Pacific Island of Fiji or the mountainous countries of the Latin America. Along with visit to picturesque countries of unique natural beauty such audit also brings the auditors in contact with people with whom we share the same colonial past, attitudes, beliefs and institutions and consequently the drudgery of nostalgia gives way to a congenial atmosphere of happier working conditions.

The United Nations Development Programme (UNDP) is the world's largest channel for multilateral technical and pre-investment assistance to the low-income countries. It is active in virtually every economic and social sector including crop and animal production, fishing, forestry, mining, manufacturing, power, transport, communication, housing and building, trade and tourism, health, education, community development, economic planning and public administration.

The UNDP supported pre-investment and technical projects have two general and closely related aims. The first is helping low-income countries create favourable conditions for mobilizing development capital on sound business—like basis from domestic and external resources. The second is preparing fully effective use of such investment capital and of all other available economic and human assets in order to increase productivity and improve standards of living.

More specifically, national and regional activities carried out with UNDP aid involves:

Surveys and feasibility studies to determine the availability and economic value of low-income country natural resources.

Expansion and strengthening of educational systems from primary through university levels, a full spectrum of professional, vocational and technical instruction; work-oriented literacy training and the provision of fellowships for specialised studies abroad.

Establishment of facilities for applying modern technological research methods to priority development problems and for disseminating new discoveries and production techniques.

Activities to improve rural and urban living conditions and to open new employment opportunities, particularly for young people.

Advisory, operational and training services related to over-all development planning and to other essential governmental activities.

The UNDP assistance is rendered only at the request of Governments and is integrated into over-all national or regional development efforts. Such assistance is carried out by the United Nations itself and 16 related agencies like the International Labour Organisation (ILO), Food and Agriculture Organisation (FAO), World Health Organisation (WHO), United Nations Industrial Development Organisation (UNIDO) etc.

The UNDP fund for financing its development activities is financed from two sources, firstly, out of the counter-part resources provided by the recipient countries themselves for payment of salaries of local personnel, construction and maintenance of project buildings and facilities and purchase of locally available supplies and services and, secondly, the voluntary contributions of U. N. member countries and its associated agencies.

The UNDP Field Office is the regional office of the UNDP Headquarter stationed in Newyork for carrying out the operational activities of the UNDP assisted country Programmes. The Field Office is headed by a Resident Representative of the U.N. and few other international and local support staff the number of which depends on the volume of the Country Programmes to be operated by the Field Office. The UNDP Field Office works within the ambit of elaborate rules, regulations and delegation of financial power necessary for its smooth operational activities as embodied in the UNDP Field Manual. The Resident Representative co-ordinates the Country programmes and acts as spokesman with the national governments on behalf of U.N. and all funding agencies. The Country Programmes are operated within the frame-work of Indicative Planning Figure as set by the UNDP Headquarter for a period of five years. The activities of the Field Office is monitored at the Headquarter through the monthly accounts and a number of progress report, status and terminal reports.

A resume of the UNDP objectives *vis-a-vis* its operational relationship with the Field Office though involves a little digression from the context under reference has been purposely added above for a better appreciation of the system as all U.N. audit involves systems-based audit. The

systems-based audit primarily concerns itself with an examination and testing of the reliability of controls to determine either that the system can be relied on to provide complete, accurate and authentic data or if there are identified weaknesses, the extent to which an audit of transactions is necessary. The evaluation of a system requires greater degree of professional judgement and supervision than is usually demanded in an audit of transactions but it is usually far more efficient and effective particularly in large entity.

In conformity with the approach of system-based audit—the audit in respect of UNDP Field Office generally involves examination of Banking Operations, Imprest Level, Bank Reconciliation Statements, Management of Petty Cash Fund, Monthly Accounts, Advances Recoverable Locally Accounts, Unidentified Credits, Outstanding Cheques, Pro-rata Distribution of Office Rent, Bank and Utility Charges, Pay-roll, Indicative Planning Figure, Monitoring of the receipt of Progress and Terminal Reports from Project Co-ordinators, List of Approving and Certifying Officers, Payment Vouchers, Expenditure Control, Inventory Control of both Expendable and non-Expendable items, Procurement system and other miscellaneous items of the nature of extravagant, wasteful and infructuous expenditures.

For the sake of space and making the profile a happier reading for general readers free from technical jargon a detailed analysis of the items is avoided and the central general tendencies of the above items on examination will show: idle fund lying in the local non-interest bearing banking account; yearly average of Imprest level will be either higher or lower in relation to Imprest Level fixed by UNDP Headquarter and the high Imprest Level will result in

blockade of fund in the local non-interest bearing banking account and low level of Imprest will result in overdraft and payment of bank charges thereon; Bank Reconciliation Statements are either received late or lacks regular scrutiny; expenditure not in the nature of petty and emergent kind are booked in the accounts of Petty Cash Fund; Monthly Accounts are not timely submitted to UNDP Headquarter; items of payment lying in the Advances Recoverable Account past 90 days; Unidentified Credits and long outstanding Cheques are not located promptly; pro-rata distribution of Office Rent, Bank and Utility charges are not passed on to other funding agency through regular Inter Office vouchers; utilisation of the amount under Indicative Planning Figure generally lying behind the schedule as fixed by UNDP Governing Council; timely monitoring of the Progress and Terminal Reports is not done; List of Approving and Certifying Officers is not updated; Payment vouchers are not cancelled and stamped "Paid"; procedure relating to Inventory Control system is not operated and in case of Procurement system timely action is not initiated for receipt of goods and insurance claims are not put forward promptly etc.

In addition to the audit of the Field Office, in the audit of the Projects presently operated by the Field Office, the focus of primary attention for the auditors is the Project Document which spells out in clear and unambiguous terms the

total budgeted amount for the Project along with year-wise allocation in respect of both UNDP and Counterpart Funds, total Project period along with dates for the beginning and completion of the same; the Component parts of the Project in terms of both input and output; the targets to be achieved etc.—in fact the whole of the Spectrum of project activity is outlined in the Project Document.

Along with the examination of the items in respect of finance and programmes as detailed above, a Project audit will necessarily involve close scrutiny of the Project Document *vis-a-vis* the targets achieved in physical term on execution of the Project and the general tendencies noticeable are; belated arrival of the Project Co-ordinator and consequent delay in the start up of the Project activity; delay in arrival of equipments, lack of counterpart fund and personnel; big sub-contract posing the problem of a project within a project; Language problem between experts and counterpart personnel etc. resulting in slow, execution of the Project and consequently necessitating a number of revisions of the Project Document and financial allocations.

Observations relating to lapses and omissions as detailed above find place in the audit report of the auditors for corrective action on the part of the local administration. Observations are discussed in depth with the local administration and only mutually agreed points are

taken in the final report. The duty of the auditors ends with the preparation of the Draft Management letter along with the Draft Audit Report addressed to Director, External Audit, Newyork for despatch by the next available pouch service.

In spite of the lapses and omissions which may find place in the report of the auditors it can be stated safely that the management, maintenance of books of accounts and the operation of the UNDP Field Office is generally satisfactory. The local administration is highly responsive to the observation of the auditors for any corrective action if the same view is also shared by the local administration.

The profile will remain incomplete if I do not record the whole-hearted courtesy and co-operation which is extended to the external auditors by the Resident Representative along with other UNDP staff members.

On the evaluation of the audit of the auditors of Bangladesh in respect of the United Nations and its Field Offices it can be stated confidently that the quality of audit report is admirable in this new perspective and the re-election of Bangladesh to the United Nations Board of Auditors for a further term of three years beginning from 1981 will attest eloquently to my assertion and leaving thereby no room for further deliberation on this behalf.

ACCOUNTING AND AUDIT IN PUBLIC ENTERPRISES

—AFZALUR RAHMAN

*B.C.S. (Finance); Audit and Accounts
Member (Finance)
Water Development Board.*

Accounting is an ancient art and is an instrument of control though rudimentary in the beginning. Chanakya in his famous 'Arthashastra' indicated the existence and need of proper accounting and audit. Accounting is the art of recording, classifying and summarising in a significant manner the terms of transaction and events which are to some extent of a financial nature and interpreting the result thereof.

Audit literally means a check exercised through hearing and in simple words means "a systematic examination of the books and records of a business or other organisation in order to ascertain or verify and report upon the facts regarding its financial operation and result thereof" (R.M. Montgomery). It involves the verification of records and reports prepared by the accountants of an enterprise, in order to check errors and frauds and to authenticate the financial statements. It represents a field of accounting activity that reviews independently the general accounting.

Auditing is usually done by an independent accountant who examines records and reports and issues a statement of opinion regarding their accuracy together with a report containing advice to the management. The fundamental concept of accounting and audit is to maintain the records accurately and properly for ultimate success of the enterprise and ensuring effective control. It is necessary to have an adequate arrangement in this regard to safeguard the interest of public enterprises, ensure their smooth functioning, serve as an essential feature and justify the purpose for which

various enterprises have been brought up since these factors have profound influence on the economic activities/development scenario of our country.

The management of public enterprise having been made responsible to serve the public interest, and not just to make profit, is subject to special type of responsibility. Ultimately their accountability aspect is very delicate and, therefore, calls for sound and adequate arrangement for accounts and audit in public enterprise. Public enterprises are a form of business—industrial unit, commercial unit, etc. engaged in activities almost similar in nature like corporations in private sector; the basic difference being in the mode of control, ownership and objective.

The emergence of Bangladesh radically changed the whole pattern of industrial ownership and policy of the Government. In pursuance of one of the directive principles of state policy, the Government took over all the Units abandoned by the Pakistanis and absentee owners; nationalised Jute, Cotton Textiles and Sugar Mills and proceeded to establish Sector Corporations; one each for Jute, Sugar, Textile, Ship Building and Engg., Chemical Industries, etc. to control, co-ordinate and supervise the enterprises by promulgating Presidential Order No. 27 in March, 1972. Since liberation (38 new organisations were set up and about 60 organisations are now working in public sector) the sudden expansion in public sector changed the dimension of economic activity and also suffered for some-time due to inadequacies in organisation management practices.

The accounts in public enterprises are maintained in accordance with the relevant article of the Act/Ordinance constituting the given undertaking and are required to keep proper accounting records, to produce annual accounts in a specified form, to have it audited by approved auditors and on completion, to present its accounts to the Administrative Ministry, Jatiya Sangsad. Undertaking in public enterprises have been made accountable to the Government for submission of accounts statement, annual report, balance sheet, etc., so that Government can effectively control its overall performance including financial one.

Accounting in public enterprises is mainly financial accounting, the main purpose of which are:

- (1) Recording of transactions affecting the business;
- (2) Preparation of accounts leading to profit and loss accounts and balance sheet;
- (3) Apprising the Government of the financial position of the business; and
- (4) Analysis and interpretation of financial reports and returns.

Some commercial and industrial enterprises in public sector follow cost accounting which is mainly concerned with detailed analysis of expenses to provide in relation to:

- (1) Cost determination for fixing selling prices or buying prices;
- (2) Providing control information;
- (3) Assisting in policy determination;
- (4) Preparing short term or long term plans and budget etc.

While financial accounts are mainly intended to serve external purposes, cost accounts are required to meet internal purpose of the management decisions like (a) introduction of new

products, (b) selection of profitable sales, (c) utilisation of spare capacity, (d) exploitation of additional market, (e) make or buy, (f) replacement of existing assets, (g) appraisal of proposed investment to meet expansion programmes, etc.

We hear of management accounting which is the presentation of accounting informations in such a way as to assist management in the creation of policy and in day to day operation of an undertaking. Management accounts mainly relate to the accounting activities which (a) assist management functions at all levels, (b) help in day to day running of business, (c) promotes efficiency in business operation, (d) provide management with accounting, costing and statistical data for future planning and programming, (e) help management in profit earning and attaining other objectives of business.

Management accountant uses all accounting techniques like financial accounts, cost accounts, statistical and mathematical models.

While financial accounts follow historical costs, cost accounts follow both historical and future costs for proper planning and budgeting and management accounts mainly look to the future. Management accounting gives attention to finance, profitability and productivity, future plans and budget and study or variations between budget and actuals. Management accounts is concerned with the system as a whole based on the functions of both cost accounts and financial accounts.

Audit of Government enterprises also follow the accounting pattern. Thus there is financial audit of financial accounts mainly of profit and loss accounts and balance sheets. Cost audit mainly detects error and verifies accounts according to costing principles and practices and procedures and sees full and effective utilisation of the money invested. This effective utilisation aspects of cost audit is known

as propriety audit or efficiency audit. Statutory audit (of the Comptroller and Auditor-General in accordance with the constitutional provision with a view to fulfilling his obligation as such) which is mainly an audit of expenditure also emphasises upon propriety of expenditure following canons of financial propriety.

Besides this, we also hear of performance audit and management audit.

Management audit refers to comprehensive and constructive examination of the organisation itself, its plan, policy, financial operation and overall performance which is systematically analysed and appraised. Thus management audit covers audit of (i) organisational structure, (ii) planning and information system, (iii) financial management, (iv) production and marketing system, (v) man management, etc.

While financial audit ensures that the financial reports (profit and loss, accounts and balance sheet) give a true and fair view of performances and results, cost audit ensures that cost records give a true and fair view of the cost of production and marketing activities and results. But management audit ensures overall efficiency in all areas of management and that should be the goal of Government audit mainly of statutory audit by a higher audit authority, *i.e.*, Comptroller and Auditor-General of Bangladesh.

Before liberation, the accounts of certain semi-Government and autonomous bodies were audited by the

Officers of the Comptroller and Auditor-General on consent basis. But with the commencement of the Constitution of the People's Republic of Bangladesh and enactment of the Comptroller and Auditor-General (Additional Functions) Act, 1974 under Article 128 of the Constitution and amendment thereof by the Amendment Act of 1975, the audit of the accounts of all the Statutory Public Authorities, Corporations, Nationalised Industries and Public Enterprises has been brought under the statutory responsibility of the Comptroller and Auditor-General. Section 5 of the said Act provides as follows:

Notwithstanding anything contained in any other law for the time being in force or any memorandum or articles of association or any deed the Auditor-General may audit the accounts of any statutory public authority, or public enterprises or local authority and shall submit his report on such audit to the President for laying it before the Parliament.

The accounts of the Corporations, Nationalised Industries and Public enterprises which maintain commercial accounts are audited hundred per cent by the external auditors holding certificates under section 144 of the Company Law. It is the statutory responsibility of the Comptroller and Auditor-General to see that no improper expenditure is made by those organisations. Commercial Audit Department of the Comptroller and Auditor General's Organisation is, therefore, required to look into such aspects which either the external

auditors fail to point out or refrain from pointing out with an apprehension of incurring displeasure of the management and losing the chance of further appointment as external auditors. The audit of the statutory corporations and public enterprises entrusted to the Comptroller and Auditor-General mean, therefore, audit of propriety and higher audit involving checking of accounts keeping in view the efficiency-cum-performance achieved by them.

With this object in view an overall review of the accounts of the whole year under audit is made and detailed audit of selected two months' accounts is conducted so as to find out wasteful

and improper expenditure, losses due to defective policy followed by the management, favour a particular party, incurring excessive expenditure, heavy overhead or administration expenses, producing goods at comparatively higher cost than similar other private manufacturing concerns etc.

The effectiveness of audit and accounting activity depends on the extent to which the management of a public enterprise gives importance to it and the extent of awareness regarding accountability thereof. Unless the management is also cost conscious and believes in depending on this aspect any given organisation is likely to lose its efficiency and effectiveness.

office which means the responsibility for the implementation of accounting system is primarily in the hands of the Comptroller General. In addition, the wholly owned corporations are required to submit annual budget to the Bureau of Budget and subject to review by the appropriation committees of the Congress. In Britain the position is, however, different: public corporations enjoy a greater freedom to reduce the cost of production and increase output.

Government Accounting System:

Government accounting is a part of the fiscal policy as the system is closely related to the phases of the budget cycle. The system is designed to show compliance with legal provisions. It has to serve the purpose of parliamentary control of expenditure. Accounts must be maintained in such way as to provide information for economic analysis and planning of the Governmental activities. Such information is useful for both executive and legislative purposes.

Basic difference between Government Accounts and Commercial Accounts :

Cash versus Accrual—Government accounting is actually cash basis of accounts *i.e.* it records receipts and payments in cash. It does not recognise accrual system of accounts as in case of public corporations. This sometimes leads to rush of expenditure by the Government department at the close of the financial year. In USA the accrual accounting is a recent trend in the Government accounts with the introduction of performance budgeting.

Single Entry versus Double Entry—It is sometimes said that Government accounting is based on the Single Entry system. The version is not entirely correct in a sense that single entry system is not at all an accounting system. The records under

single entry is incomplete. So far as cash account is concerned government accounting is a complete system of accounts, because all accounting units have to render accounts showing both receipts and payments and final reconciliation is made by the Central accounts of the office of the Accountant General (Civil). Moreover Central accounts office prepares Journal, Ledger, Trial Balance to verify the correctness of receipts and payments.

Accountability:

In both government as well as autonomous bodies accounts must be established to serve the purpose of accountability *i.e.*, the legal responsibility for each and every transaction must be fixed.

In all modern government the executive authority is responsible for execution of the budget in accordance with the authorisation by the Legislature. It also means the executive authority has to ensure the accountability for the receipts and expenditure of public funds. In Britain, the Treasury is required to appoint accounting officer for every vote of accounts in compliance with section 22 of the Exchequer and Audit Department Act, 1866 which established the basis of the present system of government accounts in the UK. It has become the general rule for the permanent head of the department to be appointed as an accounting officer for the safeguard of the public funds and for the regularity and propriety of the expenditure out of this fund. The enforcement of accountability is made possible by means of pre-audit or by post-audit.

The concept of pre-audit is very common in government accounting in Bangladesh. It determines the legality of the particular transaction with reference to the budgetary allocation. In USA and Britain the system of post-audit prevails in governments

accounting. In Bangladesh post-audit of autonomous bodies is conducted by the C & A. G. In addition, books of accounts are audited by the Chartered Accountants as per Company's Act of 1913.

It is often said that the present system of pre-audit under the authority of the Comptroller and Auditor General may cause excessive delay and create bottlenecks in the government development works.

In the developed countries the accounts is separated from the audit because the scarcity of fund is not a problem. About American budgetary control, James Broce put it "America wastes millions annually. But her wealth is so great, her revenue so elastic that she is not sensible to the loss". It must be recognised that present function of pre-audit by the C&A.G. cannot be dispensed with unless effective pre-audit system develops as a part of the internal control and administration of the administrative ministry.

Consolidated Fund and Appropriation Accounts :

The familiar terms in the Government accounts are consolidated fund, finance accounts and appropriation accounts.

Consolidated fund—All revenues received by the Government or all loan received by the Government and all money received by it in the payment of any loan is known as consolidated fund. In Britain there are two separate funds—one is Consolidated Fund and the other is National Loan Fund. Every issue which the Treasury (Ministry of Finance) proposes to direct the Bank of England to make out of the accounts of these funds shall require the approval of the Comptroller and Auditor General. Daily accounts of such accounts in both funds are rendered by bank to the Comptroller and

Auditor General to verify that no improper issue has been made. The Pay Master General who is a Principal Accountant is in fact the banker of most of the spending departments. He keeps an account showing the amount granted by the Parliament for each vote, the issues or receipts of the consolidated fund and the payment made on the authority of the department concerned. In Bangladesh both these functions are integrated in the hands of the Comptroller and Auditor General.

Appropriation account and Finance accounts—It is the statutory function of the Comptroller and Auditor General (C.&A.G.) to prepare Appropriation Accounts in order to satisfy himself that the money expended has been applied for the purpose for which the grants made by the Parliament were intended to provide. The Certificate of the C.&A.G to an Appropriation Account implies that he has satisfied himself of the regularity and propriety of the transactions in the accounts.

In order to supplement the Audit Report on Appropriation Accounts, C. & A. G. presents reports on the Finance Accounts to the Parliament. Finance Accounts is an abstract of receipts and disbursements under Revenues, Capital, Debt and Remittance with explanation of large variations between budget and actuals.

Accounts Manuals

Government accounting procedures and practices are fully described in the published manuals, codes, etc. The account and Audit Manuals now in use in the Government audit and accounts offices are published in pursuance of the government of India Act, 1933 and Audit and Accounts Order, 1936. Since then, practically there has been no material changes in the system of accounts. It does not mean that the present system of government accounts of Bangladesh is outdated. Even in Great Britain

the present system of accounts is about 100 years old. The use of electrical and machine accounting in the recent past has not changed the basic character of accounts. All government transactions and their treatment in the books of accounts are fully described in the published manuals and so uniform system of account is prevailing in the government accounts. Most of the autonomous bodies do not have published manuals and the system of accounts made in order to satisfy the provisions of Company's Act, 1913. Autonomous Bodies of Bangladesh have yet to develop a system that will meet the administrative needs as well as the requirement of the legislature.

Performance Budgeting and Management Accounting

In the recent past management account has played a very important role in decision making process. In a commercial organization management accounting is assisting top management for maximising profits. The role of Management accounting is very limited in the public sector corporations in Bangladesh. Accounting is confined simply to the preparation of Trading Account and Balance Sheet as required by the Company Act.

Similarly in the government accounts the preparation of appropriation accounts by the C. & A.G. simply show how much Government has spent and a comparison is made with budgetary figure of a particular head of accounts. For a modern government it is meaningless to know how much government has spent for education, defence, agriculture, irrigation or power development. The most important is what has been achieved by the government after spending so much of money. Now-a-days many

governments have introduced performance budget i.e. emphasis laid on end products. Accounting system must indicate in quantitative and qualitative terms of activities of the Government such as road built, students enrolled, infantry trained. In fact what a government does and at what cost. In the public sector corporations the end products are identified and measured. It should be remembered that the maximisation of profit does not mean exploiting the consumer rather concept of maximisation of profit helps the management in reducing the cost of production and in increasing efficiency. For example, in WASA accounting system must provide information regarding gallons of water provided and cost per gallon. By analysing accomplishment in both government sector and public enterprises we can judge whether the public service has improved in relation to cost. In USA the performance budgeting has also been applied to the defence expenditure. The Comptroller in the Department of Defence is responsible for budget, accounting and reporting activities such as military personnel cost procurement and production cost, etc.

In Bangladesh accounts classification in both government and autonomous bodies have to be revised and simplified to increase their usefulness for management purposes.

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MANAGEMENT AUDIT: CONCEPT AND TECHNIQUE

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Management Audit has been defined by one eminent writer W. P. Leonard of U. S. A. in his book 'Management Audit' as "a comprehensive and constructive examination of the organisational structure of a company, institution or branch of Government, or of any component thereof, such as a division or department and its plans and objectives, its means of operations, and its use of human and physical facilities". Similarly another definition has been given by Taylor and Perry of U.K. in their book 'Principles of Auditing' as follows: "Management Auditing is a method to evaluate the efficiency of management at all levels throughout the organisation, or more specifically, it compares the investigation of a business by an independent body from the highest executive level downwards in order to ascertain whether sound management prevails throughout, and to report as to its efficiency or otherwise, with recommendations to ensure its effectiveness where such is not the case". Thus we find that management Audit does not confine itself to the financial aspects only as is the case with the statutory audit but also undertakes a critical and constructive reviewing and appraisal of almost all the aspects of the management of an organisation in order to advise and help the management as to how to minimise the cost of production of goods or services and to maximise the production of quality goods and services.

IMPORTANT FEATURES

We know that management process consists of five essential functions such as planning, organising, directing (supervising), motivating and controlling in order to achieve certain

stated goals with the help of human and material resources at the disposal of the management. Management Audit consists in appraising and reviewing these elements in the context of efficiency or otherwise. While the details of the application of Management Audit should be carefully worked out, some of its important features may be summarised below:

Independent Appraisal—Management Audit is an independent appraisal and reviewing of the managerial functions and evaluation of the policies, procedures, methods and performance in all areas of the enterprise. It seeks to ensure compliance of the managerial functions with the organisational objectives, policies, methods and procedures.

Advisory Role—Management Audit helps the management through suggesting ways and means to achieve the organisational goal if the organisation itself lacks in the knowledge of efficient management. In order to do this effectively, the Management Audit should be conducted by a team of experts consisting of qualified accountants, industrial engineers, surveyors, agriculturists, economists, etc. The actual constitution of such a team will depend on the type of organisation to be audited. The Management Auditors will pay attention to all the factors of production and to all the elements of cost in order to assess utilisation of the available manpower and physical facilities.

Improving Future Performance—Management Audit endeavours to reveal the defects and irregularities in

any of the areas of management and also to indicate how possible improvements may be brought about in future. In addition to the examination of the historical record of the past performance, the Management Auditor appraises and reviews the past performance and also looks to the future with necessary remedial suggestions and appropriate action needed to achieve the hitherto un-attained objective.

Ensuring Personal Accountability—Management Audit, unlike Statutory Financial Audit, can question the management as to whether it was active or not and how far the executive and operational personnel at all levels have discharged their responsibilities in order to ensure personal accountability which is an indispensable feature of any democratic system.

Critical Review of Management Functions—Management Auditors critically examine and review (a) the plans and schedules, (b) organisational structure and staffing, (c) effectiveness of supervision, channel of communication and motivational steps and (d) adequacy or otherwise of the control systems. In order to conduct these review and appraisals, the Management Auditors assess the existing plans and policies as to whether these are suitable for attaining the desired goals and how far these were practically followed. They also analyse and study the important data, their inter-relationship and causes of variations between actual results and the target, nature of trend and other facts. They are employed to advise the organisation as to how to minimise waste, avoid bottlenecks and to maximise productivity.

Audit Report—Management Auditor's report shows the performance of the management during the year under audit and comparisons of the relevant performance criteria with those of the previous years and those

of similar other organisations. The report also suggests ways and means for achieving the un-attained objectives in future. In a nut-shell, presentation of the Management Audit report should invariably contain four C's., *i.e.* the report should be correct, concise, courteous and constructive.

TECHNIQUE OF AUDIT

As mentioned earlier Management Audit is a team affair, *i.e.* it should be conducted by a group of experts possessing a variety of skill and entrusted with the power and privilege to undertake such audit. It is expected that the cost of services of such teams of experts would be more than offset by the benefit which would accrue as a result of cost minimisation and production maximisation. As a test case a few such teams of Management Auditors may be formed and audit programmes centrally planned in order to conduct Management Audit of those public offices and government owned and managed commercial and semi-commercial enterprises about which we frequently hear of persistent inefficiency, recurring heavy losses, increasing corruption, frequent raising of prices of goods and services and the like. Management Auditors may be called upon to find out the causes of those anomalies and inefficiencies in these organisations and to suggest ways and means to improve the existing situation.

Having obtained the mandate to undertake Management Audit, the audit team will have to follow certain techniques in order to achieve their audit objectives. These techniques may differ to some extent in order to suit the specific needs of a particular type of organisation. We may outline some of these techniques in the form of guidelines as follows :—

Examining the Plans and Policies—The Management Auditors should at

first study the details of the organisation, its plans and policies. Then they should examine whether the organisational set-up, the plans and policies are suitable and practicable in order to achieve the set-goals of the organisation and whether the desired goals were too ambitious to be practically achieved. They should collect, classify and analyse the necessary facts and draw meaningful conclusions. In this respect suitable questionnaire may be designed by the team of experts.

Analysing the Variances—The Management Auditors should study the variation between the actual performance and the specific targets as planned by the top management and also compare the results with those of the previous years and of similar other organisations. They should ascertain whether available manpower and equipment were properly utilised, whether the methods of operation were satisfactory and whether better and modern equipment may be more effectively used.

Looking for Weaknesses and Bottlenecks—Any irregularity committed by any one in the organisation should be thoroughly examined and if its magnitude or frequency is high, then not only that particular irregularity should be investigated but also the whole system or sub-system should be tested as to its efficiency and safe applicability in future. Thus the Management Auditors, at times, have to conduct system-based audit. Management Audit may even probe deeper than the system audit into certain facts such as internal friction, vested interests, group rivalry and related other matters. The auditors should specially look into certain facts regarding good management principles such as (a) whether responsibilities have been clearly assigned, along with authority, (b) absence of dual sub-ordination and by-passing of proper authority and (c) whether internal dispute and any pending

disciplinary case have been settled promptly and carefully.

Checking the Control System—The Management Auditors should assess whether the internal control system such as accounting method and technique, internal check and internal audit, periodical reporting, review and inspection are functioning efficiently and adequately. If not, they should make proper suggestions to make these systems more effective.

Checking Rules and Regulations—The Management Auditors should check the adequacy or otherwise of all the official documents, the rules and regulations and point out any loop-hole in them in order to suggest necessary modifications or reforms. Similarly system of delegation of powers, channels of communication, workers' participation and collective bargaining power should be reviewed in order to suggest necessary recommendations for improvements in the management system.

Evaluation of Performance Criteria—Management Auditors are responsible for reviewing and appraisal of the systems of personnel management, accounting and financial management and marketing management and evaluation of research and technology as far as applicable to any particular organisation. In view of the prevailing socio-economic conditions in the developing countries in general and Bangladesh in particular we may cite here some performance criteria relating to the important public offices and enterprises which may be evaluated by the Management Auditors.

PERFORMANCE CRITERIA

Some important criteria may be expediently determined for evaluating the performance of the public enterprises in Bangladesh (many of which can be equally applied to any other public offices or private organisations).

Generally speaking, these performance criteria relate to the evaluation of the following aspects (a) economic efficiency and growth, (b) Total output and productivity, (c) Creation and utilisation of capacity, (d) Generation of surplus or reserve and extent of value added, (e) Fiscal benefits, (f) Profitability, (g) Employment and regional development, (h) Pricing policy and external constraints and (i) Soundness of administration, management and labour relation. In view of the multiplicity of possible criteria for evaluating efficiency and performance of any such organisation, the Government agency should, as far as possible, spell out what are the objectives to be achieved and what are the priorities. One eminent writer H. H. Schloss of the University of Southern California observes that "In the absence of such criteria it is clearly impossible to evaluate the performance of an enterprise. What may be success from one point of view may be failure from another. For instance, an output target may have been met but at too high a per-unit cost when management had the option to produce less, at a lower cost, say, by not working overtime, or by meeting the target at the higher cost". Secondly, it is more difficult to evaluate the criteria for the public enterprises than those of the private organisations in which case two important criteria such as profitability index and growth rate can be relatively easily measured. But the concept of profitability does not always apply to the very purpose of creation of public enterprises or other public bodies. In view of these difficulties, the Management Auditor may have to look for different types of performance criteria for carrying out proper analysis and appraisal. As some important pieces of guidelines we may mention here some of these criteria for evaluation of performance of any public office or enterprise.

(1) If the public organisation is mainly concerned with such activity

which produces national wealth or provides infrastructure for the economy or creates new employment then such contribution may be measured in terms of increase in the number of units produced or facilities provided.

(2) If the Public organisation is entrusted with the object of making the economy self-reliant then it may be evaluated in terms of (a) increase in indigenous to non-indigenous content in investment over the previous years, (b) reduction in payment of royalty over the years to the collaborating foreign agency, (c) percentage content of foreign equipment at different stages of a project, (d) increase in export earning over time, (e) decrease in Government subsidies over time, (f) reduction in imports as a measure of foreign exchange saving and ancillary industries in the under-products into the foreign markets.

(3) One of the objectives of the operation of public enterprises specially of the commercial type is to ensure equitable distribution of national wealth. This may be evaluated in terms of (a) percentage of shares subscribed by the people, (b) extent of facilities and employment given to the people of the backward areas or sections and (c) number of industries and ancillary industries in the under-developed areas inside the country.

(4) Output targets such as fixed target over a period or rate of production, range of products and resource utilisation may be measured in terms of (a) increase in number of products, (b) percentage growth over the year and rate of return on investment on installed capacity and at operating capacity and increase in the percentage of operating capacity in terms of installed capacity, (c) percentage increase per unit of output with increasing growth of production (due to lower cost of production and higher sales volume) and (d) increase in total value of reserve or surplus.

(5) Quality and demand of products may be evaluated in terms of (a) increase or decrease in sales over the previous years and annual turnover rate and (b) percentage decrease in cost per unit of output. On the other hand soundness of production process may be evaluated in terms of even rate of production over the years.

(6) In order to ascertain the financial position, strength or weaknesses of the enterprise and profitability (the later for commercial type of organisations such as Government commercial undertakings, nationalised banks and other financial institutions, etc.) the Management Auditors should study certain strategic relationship such as liquidity ratios, solvency ratios and profitability ratios. Liquidity ratios are used to assess the enterprise's ability to meet short-term obligations and generally include the measurement of (a) Current ratio

(Current Assets/Current Liabilities), (b) Acid-Test ratio (Current Assets minus Inventory/Current Liabilities), (c) Inventory Turnover (Cost of goods sold/Average Inventory), and (d) sales/working capital ratio. Similarly solvency ratios are used to measure the financial stability and solvency of the enterprise and include measurement of (a) Longterm debt/Capital and (b) Total Debt/Tangible Asset ratio. The profitability ratios measure the management's performance and efficiency and include (a) Asset Turnover (Total Revenue/Total Assets), (b) margin on sales (Income before Taxes/Total Revenues), (c) Earning power of Assets (Asset Turnover/Margin on sales) and (d) Rate of Return to the owners (Net Income/Capital). These comparisons and measurements should be based on the financial data relating to the current year and also for two or more preceding year relating to the organisation itself and also similar other organisations.

AUDIT AND ACCOUNTS TRAINING ACADEMY—A RESUME

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Bangladesh Audit and Accounts Department has entered upon a chequered career of expansion since the dawn of the liberation of the country a decade ago. In the area of pre-audit, the physical volume of work increased manifold because of the establishment of many new offices and the increased number of staff to man those offices. But a new dimension has been created in the area of post-audit by the Comptroller and Auditor-General (Additional Functions) Act, 1974 which brought the vast nationalised sector of public undertakings numbering nearly three thousand units under the statutory audit jurisdiction of the Comptroller and Auditor General.

But such rapid expansion created an enormous problem in the area of training needs of the different categories of personnel of Audit Department because the only institution then available in the country for the training of auditors was the erstwhile Audit and Accounts Training Centre. The Centre was established in 1962 headed by a Deputy Accountant General for imparting departmental training and training for appearing at the examinations of Subordinate Accounts Service Part I and Part II only to the Upper Division clerks of the Audit Department. The training facilities available in the Training Centre was thus of limited scope and there was no arrangement for the training of the Junior Auditors, Treasury Staff, in-service training for officers of mid-level seniority and for the departmental training of the probationary officers of the erstwhile Pakistan Audit & Accounts Service and Pakistan Military Accounts Service.

Thus the development of the erstwhile Audit and Accounts Centre became a manifest imperative in order to cope with the increased training requirements of the Audit Department. Consequently, the erstwhile Audit and Accounts Training Centre was upgraded and re-named as Audit and Accounts Training Academy in 1975 headed by a Director-General under the Comptroller and Auditor General with other ancillary facilities for imparting training to all categories of personnel of Audit Department.

In its enlarged form, the Academy is now imparting both theoretical and practical training on rules and regulations relating to Government Audit and Accounts, Government rules, regulations and orders relating to pay, pension, leave, Advanced Accountancy Costing, Noting and Drafting, etc., to the different categories of trainees according to their respective requirements on job.

In order to impart training on subjects as outlined above, 3 Senior Instructors and 14 Instructors are presently engaged. The Instructors have years of experience in the subjects in which they are required to impart training. Moreover, guest speakers are invited from Dacca University for delivering lectures on Advanced Accountancy, Costing, Public Administration, Economics, etc.

The Academy is presently imparting training round the year to six different categories of trainee namely-1) Probationary Assistant Accountant General/Assistant Controller of Military Accounts, (2) trainees of Subordinate Accounts Service Examination Part-I and Apprentices,

(3) trainees of Subordinate Accounts Service Examination Part II and Apprentices, (4) Auditors, (5) Junior Auditors, and (6) Treasury Staff.

The probationary Assistant Accountant General/Assistant Controller of Military Accounts after their foundation course at the Civil Officers Training Academy are sent to this Academy for departmental training on respective Codes, Manuals, Government Orders, Rules and Regulations relating to pay, pension, leave, etc. The duration of training is one year and simultaneously with theoretical training as outlined above the probationary officers are sent to different Audit and Accounts Offices to acquaint themselves with practical working of different sections in those offices. The training also includes visits to District Accounts Offices and Public Works Divisions for practical training on the working of those offices for a duration of one month in each office.

The senior and experienced Auditors of the Department along with Subordinate Accounts Service Apprentices are also trained in this Academy for appearing at the Subordinate Accounts Service Examinations, Part I and Part-II conducted by the Comptroller and Auditor General once or twice a year according to the requirements of the department. The training is basically theoretical and has been designed according to the syllabi of the S.A.S., Part I and Part II examinations as fixed by the Comptroller and Auditor-General. The duration of training is four months and the fixed strength of each batch of trainees is 88.

On their induction to the Service, the Auditors are sent to this academy

for three months' departmental training as foundation course for his career. The training includes thorough theoretical training on departmental subjects of Codes and Manuals. The total strength of trainees for each batch is 63.

The training of the Junior Auditors and Treasury staff is a new feature of this Academy introduced from February, 1980 and July, 1973 respectively. The duration of training for the Junior Auditor is two months and that of Treasury staff is 3 months. The strength of trainees for each batch of Junior Auditors is 35 and that of Treasury staff is 20. The syllabi for training include elementary knowledge of departmental Codes, Manuals, Noting and Drafting.

The trainees are sent to this Academy from all the Audit and Accounts offices exclusive of Railway Accounts side. Very recently trainees are also being sent from Railway Accounts side for S.A.S., Part I and Part II training only.

Regular examinations are also conducted by the Academy for the different categories of trainees and adverse performance of the trainees are reported to the respective heads of office for suitable disciplinary action against such trainees. Performance of the trainees have been found generally satisfactory on evaluation.

The Academy has trained a total number of 5,173 trainees of all categories till now. The category-wise bifurcation of trainees is given below:

Group.

Number of trainees.

(1) Assistant Accountant General/
Assistant Controller of Military
Accounts (Probationer).

29 (four batches).

(2) Subordinate Accounts Service, Part I and Apprentices.	..	1,500 (from 1962 to date).
(3) Subordinate Accounts Service, Part II and Apprentices.	..	600 (from 1962 to date).
(4) Auditors	2,700 (from 1962 to date).
(5) Junior Auditors	26 (from February, 1980).
(6) Treasury Staff	318 (from July, 1973 to date).

From the Statistics as outlined above, it will be evident that the number of trainees receiving training at the Academy is quite impressive keeping in view the constraint of facilities at the Academy. The number of trainees would have gone much higher had all the Audit and Accounts Offices been able to send their required number of trainees at the beginning of each session of training. The highest number of the trainees belong to the group of Auditors as this group constitutes more than eighty per cent of the sanctioned strength of any Audit and Accounts Office.

Training programmes of the different categories of trainee have been designed keeping in view the needs, objectives and resources available at the command of the Audit Department and the training programmes are on constant review in order to ensure its suitability in the present context. Recently, the syllabi of S.A.S., Part I and Part II examinations have been re-designed by the Comptroller and Auditor-General and the training programme at the Academy in this respect has been modified accordingly. Attempts are underway for inclusion in the training programme of Auditors a course on the techniques of developing Draft Paras.

In addition to the departmental training as outlined above, attempts are underway for introduction of

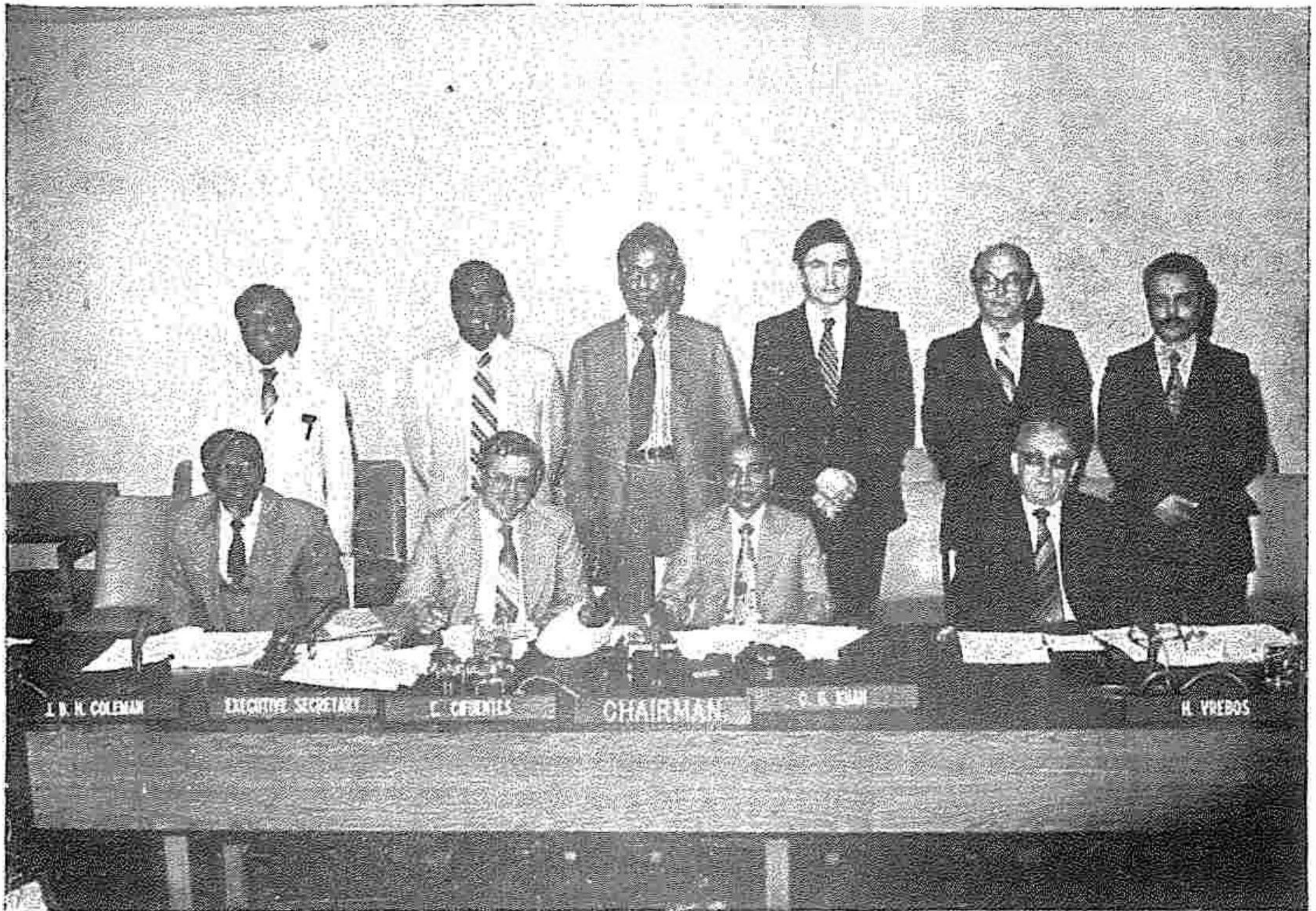
six days "Orientation Course" for the officers of mid-level seniority at least four times a year.

But the Academy has its own problems as with all training institutions. The Academy is now housed in 5,000 square feet only as against its requirements of 20,000 square feet in the 3rd floor of the Office of the Accountant General, Civil and National Board of Revenue Building complex. The space is not enough for accommodating all the facilities necessary for the Academy. Moreover, the location of the Academy in the centre of the two busy offices of the country is not congenial for pursuing the relevant activities of the Academy in a peaceful manner. The Academy does not have any residential accommodation facilities for trainees coming from different far-off areas of the country. Training for trainers in the respective discipline is a logical imperative in any training institution. But such facilities have not so far been extended to the trainers. At the top of all these problems is the problem of want of teaching materials as very few of the Codes, Manuals and Rules and Regulations relating to pay, pension, leave, etc., were reprinted since the independence of the country. The Academy does not have a well-equipped library with books on different disciplines.

But problems have been partially overcome in our own ingenious way in order to ensure the smooth functioning of the Academy. Codes and Manuals which are not available in the market have been cyclostyled and distributed to the trainees as substitute for printed books. A photocopying machine has recently been arranged for rapid copying of teaching materials. Books on different disciplines are being gradually purchased in order to equip the library. Attempts are underway for hiring a suitable accommodation for housing the Academy and providing therein the residential accommodation of the trainees. Training for the trainers are also looked into and recently many of the instructors were sent abroad for United Nations

Audit and their new experience of working with different United Nations Offices are having a good impact on the training in the Academy.

In fine, I feel the story of an Academy or an educational institution is a story of continuous process of adjustment to the changing needs and demands of the socio-economic dynamism of the society and in that perspective the Academy has been playing quite an admirable role in suiting to the training needs of the expanded role of Statutory Audit. But a period of seven years is not too long to permit a really meaningful evaluation of any organisation, more so of an organisation of educational character. But nonetheless, a continuous evaluation must go on.



The U.N. Board of Auditors and the Audit Operations Committee

Sitting (Left to right)—Mr. J.B.H. Coleman, Acting Auditor-General of Ghana and member of the UN Board of Auditors; Mr. E. Cifuentes, Executive Secretary, UN Board of Auditors; Mr. O.G. Khan, Comptroller and Auditor-General of Bangladesh and Chairman of the UN Board of Auditors; Mr. H. Vrebos, Senior President of the court of Accounts of Belgium and member of the UN Board of Auditors.

Standing (Left to right)—Mr. E. Gyedu Saffo, Director of External Audit, Ghana and Chairman of the Audit Operations Committee; Mr. R.L. Cudjoe, Director of Audit, Ghana; Mr. Ataur Rahman Choudhury, Director of External Audit, Bangladesh; Mr. Charles M.F. Pears, Assistant Secretary, UN Board of Auditors; Mr. Robert Farazijn, Director of External Audit, Belgium and Mr. A.H.M. Fakhruzzaman Choudhury, former Director of External Audit, Bangladesh.

NEWS IN BRIEF

OFFICE OF THE COMPTROLLER AND AUDITOR GENERAL

The Comptroller and Auditor General Attends Annual**Session of U.N. Board of Auditors**

Mr. Osman Ghani Khan, the Comptroller and Auditor General of Bangladesh attended the Annual Session of the U.N. Board of Auditors held at New York from 8th to 22nd June, 1981. It may be mentioned that Mr. Khan is the Chairman of the U.N. Board of Auditors.

During the session the Board observed one minute silence to pay respect to the memory of late President Ziaur Rahman of the People's Republic of Bangladesh.

Chairman of the Board of Audit and - Inspection, Korea, condoles the death of President Ziaur Rahman

In a message to the Comptroller and Auditor General of Bangladesh, Mr. Han Key Lee, the Chairman of the Board of Audit and Inspection, Korea, condoled the passing away of President Ziaur Rahman on behalf of the Supreme Audit Institution of Korea.

Mr. Osman Ghani Khan, the Comptroller and Auditor General of Bangladesh has sent him a message of thanks.

Bangladesh Re-elected as member of of U.N. Board of Auditors

Bangladesh has been re-elected a member of the United Nations Board of Auditors for a further term of three years commencing from 1st July, 1981. It may be recalled that Bangladesh was first elected in 1977 to the U.N. Board of Auditors for a term of three years. The Comptroller and Auditor General of Bangladesh, currently the Chairman of the Board, will represent Bangladesh in the U. N. Board of Auditors.

Bangladesh elected Vice-Chairman of U.N. Panel of External Auditors

Bangladesh has been elected as Vice-Chairman to the Panel of External Auditors of the United Nations Specialised Agencies and the International Atomic Energy Agency for a term of one year. The election was held on the 23rd of October, 1980 at the International Atomic Energy Agency, Vienna, Austria. Bangladesh will be represented at the panel by the Comptroller and Auditor General of Bangladesh.

The Dy. Comptroller & Auditor General Retires

Mr. Fazlul Huq Khan, the Dy. Comptroller and Auditor General (Senior) went on leave preparatory to retirement on 31st of January, 1981.

Born in Mymensingh on 1st of February, 1924, Mr. Khan joined the erstwhile Pakistan Audit and Accounts Service on 28th November, 1949.

During his long outstanding career Mr. Khan held responsible positions with the erstwhile Government of Pakistan and subsequently with the Government of Bangladesh including the posts of Accountant General (Civil), Financial Adviser, Jute Board; Financial Adviser, Atomic Energy Commission and Member (Finance), WAPDA, etc.

On his retirements Mr. F. H. Khan was given a touching farewell by the members of the B.C.S. (Finance) Audit & Accounts Association at a local hotel.

Officers of Bangladesh Audit Department attend International Seminars and Training Courses

Mr. A. B. M. Siddique, Accountant General (Works and WAPDA) and Mr. Zakir Ahmed Khan, Additional Director General, Commercial Audit attended a Seminar on Audit of

Public Enterprises held in Colombo, Srilanka from 30th June, 1980 to 11th July, 1980.

Mr. Ghulam Rahman, Additional Accountant General, Foreign Affairs, attended a Seminar on Audit of Computerised Programme at Tokyo, Japan, from 16th July, 1980 to 3rd August, 1980.

Mr. Ranadhir Das, Dy. Director General, Commercial Audit attended a Training Course on Audit of Public Utilities at Simla, India, from 11th November, 1980 to 20th December, 1980.

OFFICE OF THE ACCOUNTANT GENERAL (CIVIL)

Prize Distribution Ceremony

In July, 1980 the Prizes of Bridge and other Indoor Games Competition for 1979-80 were distributed by Mr. Suhel Ahmed, Additional Accountant General (Civil) in a colourful function which was rounded off with a musical soiree organised by the employees of A.G. Civil.

Annual Drama staged

"Aghaton", a social play, written by "Bonophul" was staged in September, 1980 at the WAPDA Auditorium by the Employees of the Accountant General (Civil) on the occasion of the Annual Drama performance.

Mr. Osman Ghani Khan, the Comptroller and Auditor General, Bangladesh, graced the occasion as the chief guest.

Employees of Accountant General (Civil) celebrate Saraswati Puja

The Saraswati Puja Committee of the office of the Accountant General (Civil) celebrated Saraswati Puja on the 9th of February, 1981 under the Chairmanship of Mr. Manabendra Nath Mandal, Director General, Audit and Accounts Training Academy with usual devotion and ardour.

A colourful souvenir was published suiting the occasion. The ceremony was rounded off with a musical soiree on the 9th of February followed by theatrical performances on the amorous love between Radha and Krishna on the two following evenings.

Mr. Jnan Ranjan Chakravorty acted as Purohit on the occasion while M/S. Sunil Kumar Bose, Anil Krishna Majumder and Samar Chowdhury acted as editor of the Souvenir, Organising and Cultural Secretaries respectively—all of them employees of A.G., Civil.

Mr. Osman Ghani Khan, Comptroller and Auditor General of Bangladesh, Mr. Fazlul Haque, Accountant General (Civil), Mr. Tayab Monowar Hossain, Accountant General (Post and Telegraph) and Mr. Abul Hashem, Deputy Comptroller and Auditor General (Procedure) visited the venue along with other high Government officials and local dignitaries.

OFFICE OF THE ACCOUNTANT GENERAL (WORKS & WAPDA)

Annual Drama staged

The Annual Drama of the office of the Accountant General (Works & WAPDA) was held on the 23rd of November, 1980, under the sponsorship of the works Audit Institute. The play was a dramatised version of the Novel "Mayur Mahal" by Dr. Nihar Ranjan Gupta.

Mr. Osman Ghani Khan, Comptroller and Auditor General of Bangladesh graced the occasion.

Annual Milad Mahfil

The Annual Milad Mahfil of the office of the Accountant General (Works & WAPDA) was held on the 15th of January, 1981 in the office premises.

Maulana Md. Aminul Islam and Maulana Md. Fariduddin Atter spoke on the occasion.

Mr. Atiur Rahman, the Accountant General (Works & WAPDA) as well as the officers and staff attended the Milad and participated in the "Munajat".

OFFICE OF THE ACCOUNTANT GENERAL (POST, TELEGRAPH AND TELEPHONE)

Wall Magazine: "Shanket"

The Accountant General (P.T. & T) Club publishes a colourful monthly Wall Magazine: "Shanket" containing write-ups of the employees of the office of A.G. (P.T. & T). The special issue of the Magazine on the "Victory Day" received particular appreciation from all quarters.

Eid Re-union held

An Eid Re-union of the employees was held on 1st October, 1980 at the A.G. (P.T. & T) Club. The Accountant General (P.T. & T) was the chief guest on the occasion.

Victory Day observed

A colourful function was organised by the Employees of the A.G. (P.T. & T) at the A.G. (P.T. & T) Club premises on the occasion of the Victory Day, 1980. The Dy. Accountant General, A.G. (P.T. & T) was present on the occasion as the chief guest.

Annual Drama

The Annual Drama of the A.G. (P.T. & T) Club was staged at the WAPDA Auditorium on 9th and 10th of January, 1981. "Famsh"—a social drama—written by Shoilesh Guha Neogi and directed by Mr. Tozammel Hossain Akhter, an employee of A.G. (P.T. & T) was performed successfully on the occasion.

Mr. Osman Ghani Khan, the Comptroller and Auditor General,

Bangladesh, was present on the occasion as the chief guest.

Indoor Games Competition held

The Annual Indoor Games Competition of the A.G. (P.T. & T) club started in November, 1980 and continued for about two months at its club premises.

Quite an encouraging number of employees participated in the competition with enthusiasm and fervour. Items in the competition included Bridge (Contract & Auction), Chess, Table Tennis, Carrom (Singles and Doubles) for men and Carrom (Singles), Chess and Ludo for women.

The members of the A.G.(P.T. & T) club have lately participated in different Bridge Competitions organised by the National Press Club, Dacca Club, and the A.G.B. Colony Club. It may be recalled that this club came out champion in the Bridge competition for 1979-80 organised by the National Press Club.

OFFICE OF THE DIRECTOR GENERAL, COMMERCIAL AUDIT

Two Zonal Offices opened

In conformity with the Government's policy of decentralisation, two zonal offices have started functioning at Rajshahi and Khulna under the Commercial Audit Department. Opening of the Chitagong zonal office is under way.

Each zonal office is headed by a Deputy Director-General alongwith a number of Audit & Accounts officers and other staff.

AUDIT AND ACCOUNTS TRAINING ACADEMY

Academy trains 265 Officers and Staff

During the period from July to December, 1980 the Academy trained a total number of 265 officers and staff inclusive of one batch of

Probationary Assistant Accountants General and Assistant Controllers of Military Accounts; two batches of Subordinate Accounts Service/ Subordinate Railway Accounts Service Part-I and Part-II trainees and six batches of Auditors/Junior Auditors and Treasury Staff.

Five Probationary Officers Join the Academy

A fresh batch of five Probationary Assistant Accountants General reported for training at the Academy on 30th January, 1981 for departmental training. At present they have been placed for on-the-job training in the offices of Accountant General (Civil), Accountant General (Works & WAPDA) and Accountant General (Post, Telegraph and Telephone).

OFFICE OF THE ADDITIONAL ACCOUNTANT GENERAL (FOREIGN AFFAIRS)

Eid Re-union held

An Eid Re-union was held in the Office of the Additional A.G. (Foreign Affairs) on 17th November, 1980. Mr. Ghysuddin Bhuyan, Dy. Accountant General (F.A.) presided over the occasion.

Eid-e-Miladunnabi Observed

"Eid-e-Miladunnabi" was observed with due solemnity on the 22nd of January, 1981. On this occasion, Messrs. Moulana Abdul Ghaffar, Moulana Fariduzzaman, Md. Shamsul Huq and Abul Mobarak took part in a discussion on different aspects of the life of prophet Mohammad (S.M.). The occasion was rounded off with a Milad Mahfil and "Munajat" in which officers and staff of different Accounts offices participated.

Essay Competition held

An essay competition on "Islam is a complete code of life" was organised by the office of the Additional A.G. (F.A.) on the occasion of Eid-e-Miladunnabi. The competition was enthusiastically participated in by the officers and staff of the office. Mr. Zafrul Alam, Auditor, Mr. Md. Abdus Sattar, Assistant Superintendent and Mr. A.T.M. Rafiqul Alam, Auditor were adjudged First, Second and Third respectively in the competition. Mr. Ghulam Rahman, the Additional A.G. (F.A.) distributed prizes among the winners.

HEADS OF OFFICE

The following senior officers held the charge of Head of Offices of the Audit Department of Bangladesh as in January, 1981:

Mr. Osman Ghani Khan, Comptroller and Auditor-General.

Mr. Ataur Rahman Chowdhury, Military Accountant General.

Mr. S.A. Bhuyan, Director-General, Commercial Audit.

Mr. A. H. M. Fakhruzzaman Chowdhury, Director, External Audit.

Mr. Fazlul Haque, Accountant General, Civil.

Mr. Tayeb Monwar Hossain, Accountant General, Post, Telegraph and Telephone.

Mr. Sufi Awsaful Islam, Director General, Local & Revenue Audit.

Mr. Mir Belayet Hossain, Controller, Military Accounts, Bogra.

Mr. Atiur Rahman, Accountant General, Works & WAPDA.

Mr. A.B.M. Shamsul Huda, Controller of Air Force Accounts.

Mr. Bipashi Chakma, Director General, Railway Audit.

Mr. Abdur Rouf Chowdhury, Director, Mission & United Nations Audit.

Mr. Manabendra Nath Mandal, Director General, Audit & Accounts Training Academy.

Mr. Mosharraf Hossain, Controller, Naval Accounts.

Mr. Ghulam Rahman, Additional Accountant General, Foreign Affairs.

Mr. Nurullah Mia, Controller of Ordnance Factories Accounts.

The following officers held the office of Deputy Comptroller and Auditor General as in January, 1981:

Mr. F.H. Khan, Deputy Comptroller and Auditor General (Senior).

Mr. Abul Hashem, Deputy Comptroller and Auditor General (Procedure).

Mr. A. B. M. Siddique, Deputy Comptroller and Auditor General (Accounts & Reports).

**PERSONALIA IN THE FIELD OF GAMES, SPORTS AND OTHER
CULTURAL ACTIVITIES**



MOHAMMAD AMIR HAMZA

Born at Tangail in 1925 in the then district of Mymensingh, Mr. Amir Hamza joined the office of the then Accountant General, Bengal, Calcutta in February, 1945. Sports and games were his passion since boyhood. While in Calcutta he participated in Calcutta Inter-office Football League for his office.

In 1950 he joined the then East Pakistan Referees and Umpires' Association and started conducting football games. In 1952 he became the Honorary Treasurer of this Association and continued in that post till 1964 when he was elected Honorary General Secretary of the same Association.

In 1959 he became a National Football Referee of Pakistan and supervised many important football matches till 1965.

In 1955 Mr. Hamza acted as the Assistant Athletic Secretary of East Pakistan Athletic Association and represented East Pakistan as an official at the Pakistan Olympic Games held at Lahore in 1956 and at Peshawar in 1958.

He also acted as Honorary Treasurer of all Pakistan Rowing Federation from 1964 to 1971 and represented East Pakistan as an official at the All Pakistan Rowing championship held at Lahore in 1969.

He was a member of the Executive Committee of the Football Committee of the East Pakistan Sports Federation for many years. He also served as Secretary, Finance; Secretary, Inter-office league; and Secretary, Junior league Committee in East Pakistan Sports Federation.

After the emergence of Bangladesh he became the Executive member of Bangladesh Football Federation. He is the founder Secretary of Bangladesh Amateur Kabaddi Federation. He was a Bangladesh nominee as an official at the All India National Kabaddi Championship staged at Asansol, India in 1974. He also served as organising Secretary of the 1st India-Bangladesh Kabaddi Test matches played in Bangladesh in 1974. He toured the following places of India—Bombay, Baroda, Sholapur,

Hydrabad, Bangalore, Naghpur, Bhilai, Delhi, Lucknow, Agra and Calcutta as a leader of the Bangladesh National Kabaddi team in 1979. He was also Manager, Bangladesh National Kabaddi team which participated in the 1st Asian Kabaddi Championship played at Calcutta, India in 1980.

At present he is the Honorary General Secretary of Bangladesh Kabaddi Federation and Bangladesh Referees Association; Governing body member, Bangladesh Football Federation, Dacca Metropolis Football Association, Bangladesh National

Recreation Association and Wari Club, Dacca. He is also the Chairman of Kabaddi Committee of Dacca Metropolis Sports Association.

Mr. M.A. Hamza also acted as member of Tournament Committees of Asiau Youth Football Touruameut, Agakhan, Gold Cup Tournament and President's Gold Cup Football Tournament.

He is serving as an officer in Bangladesh Audit Department and presently posted in the office of the Comptroller and Auditor-General, Bangladesh.