

# Civil Society Organization Engagement for Effective Audit

*Welcome*



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# Presentation outline

- **Evolution of Civil Society Engagement in Nepal**
- **Areas for Engagement**
- **Methodology / How we do?**
- **Success Story**
- **Lesson Learnt and Challenges**
- **Strategy for Current Context**

# CSO Involvement in Audit Process

- **Advancing Public participation in Government Activities is increasing.**
- **Civil Society engagement in audit process is new concept emerging since last few years.**
- **Very few SAIs are using this concept.**
- **However, Every SAI involves public in some modalities.  
( Focus group discussion, interview, survey)**

# Evolution of CSO Engagement in Nepal (7 steps model)

**01**  SAI Nepal has adopted this concept since 2013 by organising round table conference with CSOs **Conceptualization**

**Formulation**

CSO Engagement Guideline formulated

 **02**

**03**



The 5 year strategic plan and AG's Action plan have been prepared which clearly reflect it.

**Mainstreaming**

**Institutionalization**

Steering committee and working committee were constituted involving the member of CSOs

 **04**

**05**



Provided training to 266 participants from CSO

**Operationalization**

**Mobilization**

Each year substantial numbers of CSOs are engaged in auditing process

 **06**

**07**



MDTF support for revising CPA guidelines, mapping and mass level training, mobile apps development.

**Development**

# Areas for Engagement

Planning process- identifying key areas for performance audit and risk areas in financial audit (waste of resources and anomalies)

Getting feedback and evidence on the use of resources.

Receiving feedback in the impact of the program implemented or service delivered.

Disseminating simplified OAG report to large mass of people and creating awareness regarding resource management.

Translating or simplifying AG report's finding for general public.

Pleading to take action against the audit observations and monitor parliaments oversight on AG results.

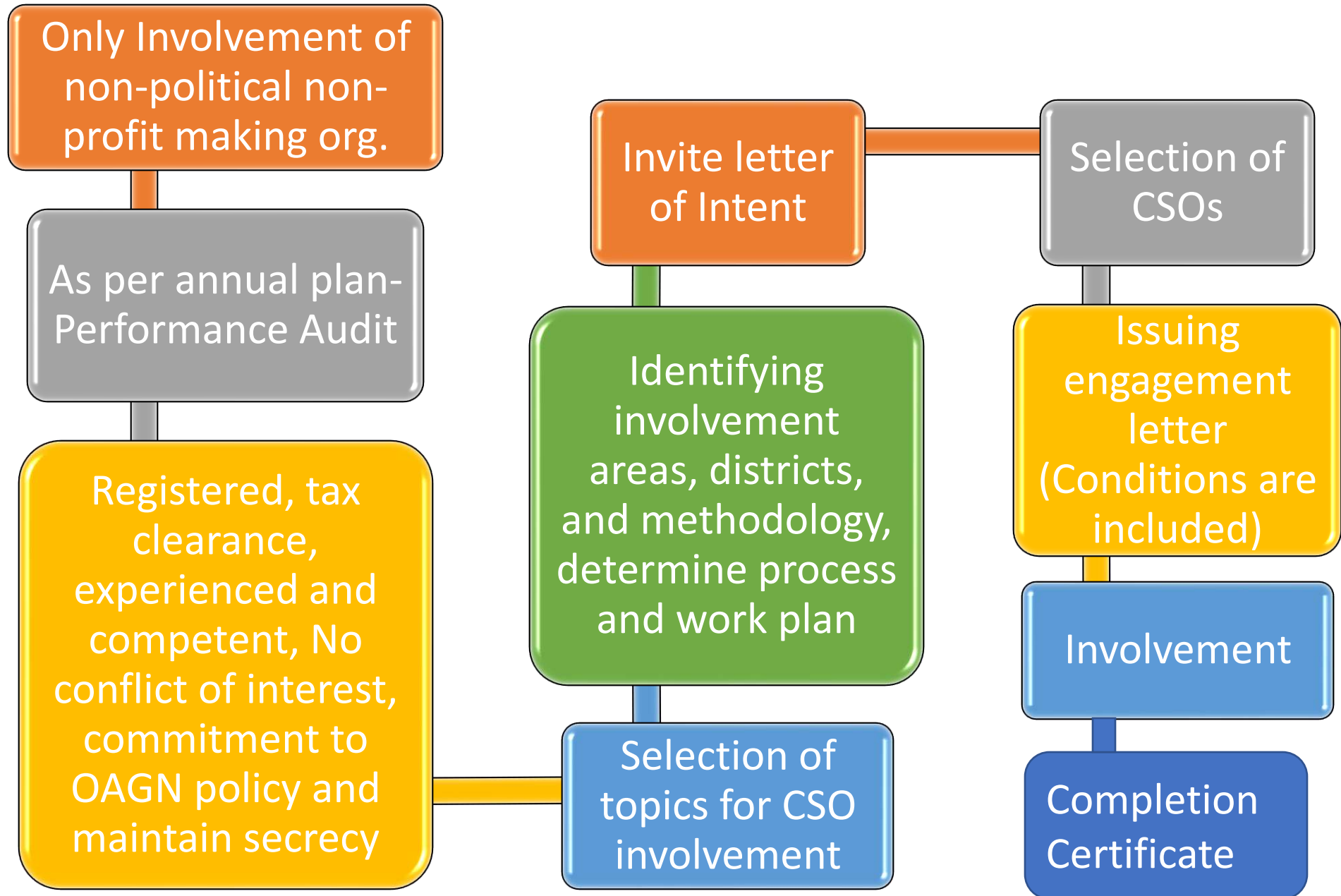


# CSO Engagement in Audit Process

*"Using CSO's and public to get feedback on impact of program implementation or service delivery of local level govt."*



# Methodology /How we do ?



# Success Story -User's Committee

1

User's Committee mobilization on Development Project issues identified were - (Work Splitting, technical nature of work beyond capacity given to UC, heavy equipment used by UC violating legal provision, guideline lacking)

2

CSO were mobilized to disseminate audit finding and monitoring the action taken by the audited entities

3

Workshop was organized inviting journalist and the stakeholder who are involved in policy making and implementation , issues were widely disseminated.

4

Guideline formulation was initiated and circular was issued to discourage the malpractices remaining in user's committee mobilization as identified by audit.



# Sucess Story- Value Added Tax (VAT) Refund

1

A part from the credit claim on input, 40-60% VAT refund provision was made to certain commodity sold, Almost 309 million dollar was refunded to businessman during 5 years.

Auditor General raised the issue that:

- a) it is against the VAT Principle,
- b) benefit has not been pass on to the consumer,
- c) only business holders were getting the benefits

2

3

Government did not hear it for longtime. However, CSO and Media picked up the issues. Business holder protested.

Continuously CSO and media pleaded on the case and Government compelled to constitute the committee to conduct study on the policy.

4

5

Committee also suggested to discontinue the provision. At the end, GOVT removed the VAT refund provision which saved 62 million dollar each year to the Govt.

# Success story: Awareness generation among CSOs or Citizen

"Picture captured by CSOs / Journalist"



**Beneficiary of road marking???**



लमही नगरपालिका वडा नं. २ सुन्डवरीमा सडक डिभिजन कार्यालयको ४० लाखको बजेटमा कालोपत्रे गरिएको सडक र कालोपत्रे सडकको बिचमा विद्युतको पोल । तस्विर: दशरथ घिमिरे/ देश सञ्चार ।

# Lesson Learnt and Challenges

01

**Hesitation on the side of some OAGN officials**



02

**Difficulty in identifying potential CSOs, which are working on good governance and PFM**



03

**Capacity limitation of CSO- Do not understand audit process, audit observations and report properly,**



04

**Each CSO may have own vested interest and focuses in limited area.**



05

**Independence and professional secrecy of Auditor may be compromised.**



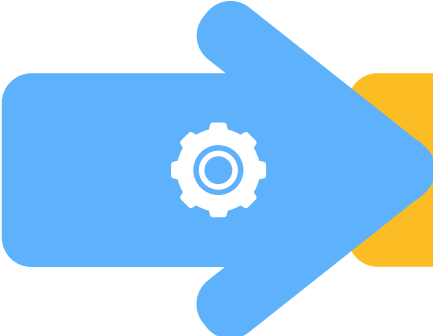
06

**Sustainability of Involvement.**

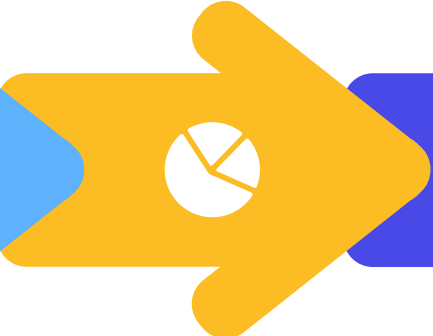


# Strategy for Current Context

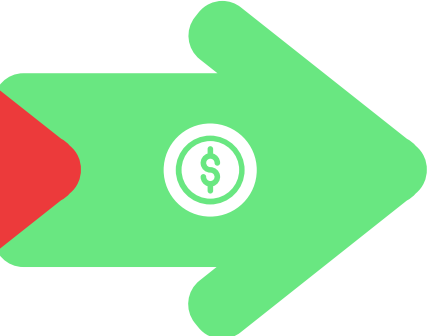
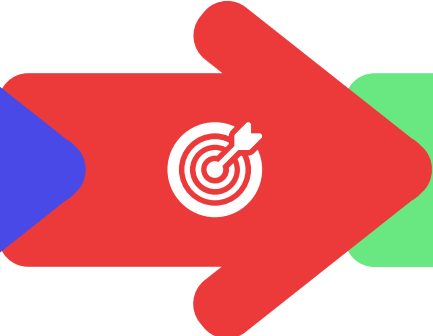
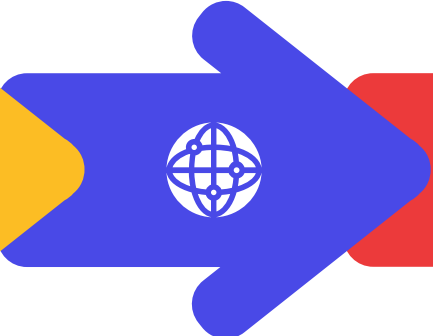
Identify the national level potential CSOs for involvement



Arrange series of capacity building workshop/training program for CSOs



Engagement in PA and identifying Risk in FA as well as dissemination of audit report



**Establish the concept that every Citizen and CSOs are Auditor**

Webinar and using virtual mode of mobilizing CSOs and Citizens

Use of Citizen Auditor Mobile Application

Sustainability with fund and long-term Partnership with specific CSOs

**Thank you**