PUBLIC-PRIVATE PARTNERSHIP IN AUDIT

SAI PAKISTAN

Why Public-Private Partnership

- **In order to ensure improved accountability by pooling the resources- human and intellectual- by the Supreme Audit Institution and stakeholders.**
- **Good governance, including accountability and citizen engagement, recognized as a means to the achievement of the Millennium Development Goals (MDGs).**

Experience of SAI Pakistan

- **If the Public Accounts Committee refers cases of serious financial irregularities to the FIA or NAB, the SAI provides all the relevant record to these agencies.**
- **NGOs and civil society organizations keep close liaison with the SAI and in some cases report some issues for audit.**
- **Reports of the Auditor General and proceedings of the Public Accounts Committee find wide coverage in the national media.**
- **It has been decided that in future field audit offices will consult Civil Society Organizations working in social sector while preparing audit plans.**

Experience of SAI Pakistan

- **Preparations being finalized to place audit reports at the website of the SAI.**
- **An MOU has been signed with the Institute of Chartered Pakistan, the representative body of private sector auditors in Pakistan for close collaboration in training and audit.**
- **In the case of public sector enterprises, Chartered Accountants conduct audit and our auditors present comments on the audit reports to the Public Accounts Committee.**

Strategic Goals 2015-19

- Improving financial and organizational independence
- Development of Professional and Institutional Capacity
- Developing communication and cooperation with stakeholders
- Use of modern audit techniques and technologies
- Improving Internal Governance

Areas Requiring Attention

- Partnership objectives
- Partnership Design
- Maintaining Partners Confidence
- Monitoring of Partnership Engagements
- How to succeed

Partnership objectives

- Objectives should be well defined
- Guidelines for Partnership be developed
- Clear-cut demarcation of boundaries
- Enabling Legislation
- Decisions about oversight

Partnership Design

- Win-win situation for both partners
- Clear Guidelines
- No turf war
- Clear programmes and budgets
- Identify potential conflicts of interest;
- Third party reviews / thorough appraisal of partners
- Clarity about the desired outcome

Maintaining Partners Confidence

- Interest of partners may be watched carefully
- Public sector may fear loss of investment value
- Reporting patterns of Partners may be synchronized
- Ownership, governance and management
- Issues in monitoring, meeting obligations and risk identification

Monitoring of Partnership Engagements

- Joint committees to monitor
- Monitoring should be discreet not affecting work
- Performance targets may be settled in advance
- Procedure for dispute resolution

How to succeed

- Operating plans and procedures
- Risk management plans in place
- Report, celebrate and market achievements
- Review, adapt and improve
- Strong senior management commitment and sponsorship of the initiative

THANK YOU!